

SAMSUNG SDS



How to Enhance Modern Dealership Operations: Inventory, Staffing, and Showroom Management

Introduction

While car sales continue to increase, showroom visits have been declining. Nearly the entire car purchasing process can be completed online, save for the test drive itself. Car dealerships are looking for creative ways to get customers to not only come into showrooms, but remain engaged and pull the trigger on purchases through modern inventory, staffing, and showroom management initiatives.

Modern Car Dealership Inventory Management

A car dealership fleet often includes hundreds of vehicles. However, a showroom can only display a fraction of them. This makes it impossible to show every variation of every model to meet customers' exact specifications.

Without the right tools, inventory management can be a challenge for operations managers tasked with tracking and managing vehicles. For a long time, inventory management was done manually or through tedious spreadsheets that required constant vetting and frequent updating. For its time, this was sufficient as customers would be coming into the dealership to make purchases. Today, there are many channels for consumers to make purchases including in-store, online, third-party car retailers like Edmunds, AutoTrader, Cars.com, and more. This adds to the complexity of meeting your customers' unique preferences because they have so many options online that allow thorough customization.

New developments such as IoT-enabled real-time data dashboards aim to simplify and centralize inventory management. Data dashboards give managers the insights to make inventory decisions and meet customer expectations. These dashboards are connected to the digital displays and are available on a store manager's tablet. The dashboard includes purchase statistics and an inventory database so accurate information is being presented to prospective buyers.

Data insights remove a lot of the guesswork for operations managers in determining which vehicles and specifications appeal to consumers to make sure they are in stock and available for instant purchase. Operations managers can then gauge whether or not they need more or less of a particular vehicle in stock, and if they need to reach out to the marketing team to run specified promotions. Car dealerships are faced with the challenge of removing old inventory during the summer months to make way for the upcoming year's models which will be arriving in the fall.

Data-enabling technologies are only the beginning in regard to the kinds of tools available to operations managers at dealerships and OEMs. For example, the industry is beginning to see adoption of virtual reality technology to guide showroom visitors through the look and feel of driving their dream car even when that exact model might not be on-site.

Staffing Solutions for Dealership Management

Car dealerships often experience too few sales representatives on the floor during high traffic times, or conversely, too many sales representatives on the floor when very few people are in the showroom. Heatmaps, foot traffic reports, dwell time, and zone counters are all useful in determining how to staff your dealership for a first-class customer experience. Over the last 10 years, nearly 22 million more United States adults went to a specific car dealership based on customer service¹. Modern technology gives operations managers critical staffing insights, and both your customers and your bottom-line will reap the benefits.

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For customers with questions as they move throughout the showroom, personalized support from a sales representative is available with a click of a button on any one of the digital displays throughout the showroom. When sales representatives are unavailable, customers can stay engaged through the interactive, personalized displays that save their preferences for future visits or even more extensive browsing at home.

Customers want to feel appreciated and be given a reason to come into the showroom. The current car purchase model is one where the transaction is mostly completed online. Assigning a sales representative to work with a prospective car buyer on a 1:1 basis will rebuild the personal connection that has been lacking in the car purchase process and revive the showroom experience.

Optimizing the Showroom Experience

The showroom experience has completely changed as a result of the modern car purchase process. No longer do customers frequent the car dealership multiple times prior to driving home with their new vehicle. As a result of new consumer behaviors, dealerships are looking for new ways to not only attract prospective car buyers, but to keep them moving throughout the showroom and making sure they have a first-class experience.

Digital-enabled showrooms give car dealership managers the potential to gain valuable insights about consumers, showroom traffic patterns, and vehicle inventory. Managers can enhance and optimize the showroom layout to make sure there is a consistent flow of customers throughout the entire floor.

With this data, dealership operations managers can build analytical insights based on each car buyer's in-person behaviors and digital profiles, and can help the sales team nurture a targeted buying experience throughout the showroom experience. This includes having appropriate inventory, and ensuring customer satisfaction.

¹ "Car Drivers in the U.S." Nielsen Scarborough, Sept. 2017. <https://www.statista.com/study/15320/car-drivers-in-the-us-scarborough-statista-dossier/>

Using a data-driven approach, operations manager can optimize the showroom in the following ways:



Upon entering the dealership, customers will create a profile or link to an existing one

- Their profile will store their cars of interest, colors and trim preferences, and anything other data that the buyer has offered through past or present interactions.
- Dealership display boards will show vehicles and options based on the buyer's preferences and demographic information.



Organize digital displays throughout the showroom

- By leveraging advanced analytics to understand where customers are aggregating and trafficking the showroom, operations managers can strategically place digital displays to maximize impressions.
- Customers can use NFC-enabled mobile devices to save interesting cars or features for continued investigation at home.
- Operations managers can then use these insights to shape inventory decisions.



Virtual reality experience zone

- Showrooms that do not have the space to show a variety of vehicles can use virtual reality tours to give visitors a customized interactive experience to fully customize a vehicle based on their preferences.

Partnering with the Marketing Team

Operations managers are not the only ones who benefit from more showroom traffic. The marketing team uses digital displays to create an immersive, targeted showroom experience that draws prospective customers into the showroom. The two teams can collaborate to create a plan that optimizes the showroom to not only bring in the most traffic, but generate the most sales.

According to a Statista survey², 32% of participants stated that marketing content personalization was the driving force behind their purchase. This aligns with the new approach of car dealerships in building a more immersive customer-focused showroom experience. Content personalization increases rapport with sales representatives at dealerships and creates opportunities for more long-lasting relationships and repeat business opportunities.

² <https://www.statista.com/study/51898/marketing-personalization/>

Future-Proof Your Dealership with Samsung SDS

Samsung SDS's Automotive solution is a comprehensive technology suite that delivers data-driven insights to operations and marketing teams to make better decisions on inventory management, staffing solutions, and the overall showroom experiences.

A personalized data-driven experience leads to happier customers, more effective employees, and ultimately more sales.

Learn More 

Learn more about how to incorporate these cutting-edge tools into your showroom.

LET'S TALK

Whether you are looking for a specific business solution or just need some questions answered, we are here to help!

Email: bd.sdsa@samsung.com Web: www.samsungsds.com/us/en Blog: www.samsungsds.com/us.insights/blog



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