



KEY CRM CONSIDERATIONS

RESEARCH THE RIGHT CRM FOR YOUR DEALERSHIP

The automotive retail world is changing. Today's consumers expect a personalized shopping experience, and more of them are completing more of the car-buying process online. Dealerships are often left playing catch-up on customer information submitted online, making relationship management extremely difficult. In recent years, customer relationship management (CRM) platforms have enabled dealerships to adapt and narrow this customer information gap. And by now, most dealers recognize the value of investing in a CRM.

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Make every connection count.



Every CRM dollar spent returns **\$8.71** to a business.

A CRM can bring about a number of tangible benefits to dealerships, including decreased wait times, happier customers and better CSI scores. These benefits alone probably make a CRM worth the investment—having happy customers is never a bad business strategy. But beyond customer satisfaction scores, a CRM brings real, tangible results to a dealership's bottom line. In fact, regardless of industry, return on CRM investment is impressive. According to Nucleus Research, every CRM dollar spent returns \$8.71 to a business. And while this ROI speaks for itself, there is another investment that can yield even greater returns when it comes to your CRM—investing the time to thoroughly research the right CRM for your dealership.



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Happier
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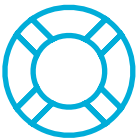
Selecting the Right CRM

When it comes to customer relationship management platforms, dealerships have a tendency to assume that what they have is good enough. Many also think that what they lack in technology, they can make up for in good old-fashioned people skills. Yes, proper people skills are essential to success. But it should not come as a surprise that not all CRMs are created equal. And if your dealership's CRM is "just OK," there is a good chance you are managing "just OK" relationships with your customers.

The old adage, "the customer is always right," applies to the marketplace's perception of your dealership. Good, bad or indifferent, your customers form an opinion of your business based on their experience at your dealership. And in the minds of the people they influence, the customers are never wrong. That is why it is so important to make the right decision with your CRM. Your customers are one of your dealership's most valuable assets, and they have the power to determine your success. And the difference between a quality and "just OK" CRM can make all the difference in your relationships and your customers' perception of your dealership.

Know Yourself

Before you begin researching platforms, it is important to understand your own business. Every dealership is different. Needs vary depending on market size, business size, OEM affiliations and other factors. But perhaps most importantly, a dealership's unique business strategy will impact the way it utilizes a CRM. That is why it is so important to know your dealership and ask yourself the tough questions to get the most out of your CRM.



What internal business processes will your CRM support?

Every dealership has its own internal sales processes. If you have a rigid CRM, you have to adjust the way you do things in order to fit the limitations of your technology. This is a backwards way of doing business. Your CRM should be flexible enough to adjust to your processes so you can keep doing things the way that works best for your dealership.



What are the basic technology requirements at your dealership?

Your sales team is constantly moving, which means your technology should cater to them wherever they happen to be doing business. Whether at their desks, on the showroom floor or out on the lot, your sales team needs a CRM that facilitates easy web and mobile access.



What other systems will the CRM need to integrate with?

The importance of CRM integrations cannot be overstated. Today's dealerships use a number of different systems and your CRM will need to integrate with almost all of them. With so many disparate data sources, dealerships often run into the dreaded problem of duplicate data entry. This leads to incorrect customer information and duplicate customer communications. Meanwhile, your dealership loses money and time that could be spent exploring customer leads or doing anything more productive than inputting customer information over and over again. Having a CRM that integrates with each platform will allow you to eliminate duplicate data entry, saving your dealership time and money.



Will the CRM be easy to use?

A CRM must be user-friendly and easy to use, both for the salespeople completing tasks and for the managers holding salespeople accountable. In fact, according to an Inside CRM report, 65% of CRM users list ease of use as their most demanded feature. Find a CRM that will make life easier on dealership staff, even if it means sacrificing some lesser-used features. Comprehensive customer communication tracking and advanced, intuitive reporting features will encourage high CRM utilization rates and enable managers to hold their team accountable. This will make for much easier implementation and better long-term usability and results.

Know Your Customer

Now that you have examined your own needs and how the right CRM should fit your unique business processes, it is time to examine the channels your customers are using. Understanding your customers and how they prefer to interact with you can help you cater to their preferred communication methods.



Communication Flexibility

Today's customers expect a flexible, personalized car-shopping experience, with many shoppers completing more of the car-buying process online. According to the Cox Automotive 2019 Car Buyer Journey Study, 61 percent of the total time someone spends shopping for a car is spent online. For the average customer, that comes out to more than 8 hours spent online during the car-buying process. Yet many dealers are not equipped to acknowledge all the work a customer has done online once they reach out to their dealership.

Providing a seamless, connected shopping experience is vital for relationship management. As you research the right CRM for your dealership, look for one that tracks emails and fully integrates with your dealership's website so that you can get a complete picture of your customers' buying behavior.



Text Messaging

According to communications service company Twilio, nine out of 10 consumers want to be able to do business by texting. Most salespeople recognize this and regularly text with customers, but many are doing so outside of the CRM. If salespeople are texting customers using their own personal devices, all records of those customer conversations are lost.

A CRM that facilitates in-system text messaging, including the ability to text photos and videos from anywhere on the lot, allows dealerships to keep track of all customer communication and keeps those communications in compliance with federal regulations. A good CRM should not only facilitate better text communications, it should also track those communications and use them to inform customer insights.



Personalization Importance

Ninety percent of consumers prefer a unique, personalized car-buying journey, according to the Cox Automotive Future of Digital Retail Study. Yet most dealerships do not customize the car-buying experience. The right CRM can draw insights from demographic information and customer history to help you give your customers a buying experience that is perfectly tailored to their personal shopping preferences.



Artificial Intelligence

The best CRMs offer artificial intelligence features that can interpret customer information, inform sentiment analysis, reveal buying signals and measure engagement strength so that you can know your customer's next move before they make it. These insights are invaluable not only from a sales standpoint, but also to give your customer the best buying experience possible.

Know Your Provider

Selecting a CRM provider is a significant step and it is crucial to leave yourself time to get to know the suppliers you are considering on a deep level. Too often, dealerships rush through the due diligence process and make poor decisions using only surface-level information.

Yes, it is best to understand your own internal requirements and your customers' communication channels before evaluating CRM providers. But it is more important that you allow enough time to dive deep into the providers. In practice, the process of researching CRMs is done in lockstep with these other evaluations at your dealership. If you wait until you have all your internal ducks in a row before you start researching CRM providers, you run the risk of having a "just OK" CRM overstay its welcome and usefulness at your dealership.



Service and Support

Good CRMs are complex and constantly changing, so you should not be on your own to implement and operate your CRM. The best CRMs are the ones that come with a team of experts to coach you in how to use the tool. In fact, the way a CRM provider treats its own customers can tell you a lot about how well their system will take care of your own customers. As you research providers, look for the telltale signs of quality, including:

- **Contract Term:** If your CRM provider insists on signing a long-term contract, there is a good chance they are trying to deal and dash. Find a provider that will stand by its product with a short-term or no contract.
- **Support:** Personal, responsive support, impactful training and proactive utilization consultation are the hallmarks of a good CRM. Dealerships should demand that their CRM provider earns their business every month through ongoing efforts toward true partnership.
- **Performance Management:** The very best CRM companies partner users with automotive retail experts who fully understand common dealership issues. These experts serve as side-by-side consultants to help you leverage your CRM to improve performance and ensure success at your business.

CRM Checklist

Does the CRM you are considering provide the following features and benefits?

Basic Technology Requirements and Integration

1. Does the CRM integrate with your other key dealership technology systems?
2. Is the full functionality of the CRM easy to access and use, regardless of device or physical location?
3. Does the CRM provide a native mobile app for multiple operating systems?

Compatibility with Dealership Processes

1. Do the CRM's capabilities align with your dealership's current processes?
2. Is the CRM flexible enough to fit your internal processes?
3. What level of customization is possible?

Customer Communication Channels

1. Does the CRM track all customer touchpoints to enable a connected shopping experience?
2. Does the CRM give you the ability to send photos, videos and text messages to your customers?
3. Does the CRM offer call tracking capabilities?

Customer Insights

1. Is the CRM capable of translating customer information into actionable insights?
2. Does the CRM offer any automated data analysis or artificial intelligence capabilities?

Service and Support

1. What is the process for working with the technical support team?
2. What types of training resources are included?
3. How does the provider help you optimize your CRM and improve your business?



Conclusion

The data clearly shows that you can achieve a positive return on investment for your CRM. But to get the most out of your CRM, your dealership needs to invest more than just dollars. Take the time to thoroughly research and compare systems. During this due diligence process, carefully weigh every consideration of a quality CRM, including fit with your existing processes, the ability to tap into customer insights and long-term usability and results for your dealership.

Sources

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