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THE MOTOR DEALER REPORT FROM AUSWILD & CO

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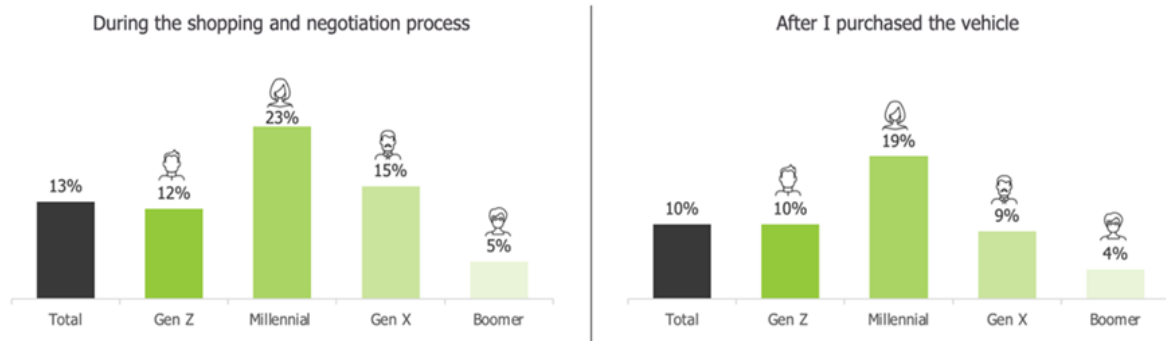
## The Balance Between Pushy & Neglectful

Everyone in automotive sales know that the follow-up process with potential buyers is critical. But more than a quarter of respondents (26%) in the recently released 2023 Urban Science Dealership Transformation Index (DTI) Survey say they prefer a dealership that does not excessively contact them during the purchasing process.

So how do you as a dealer balance the need for your sale team to be consultative and available rather than being deemed “pushy”?

The answer according to the survey is generational.

### Auto buyers by generation who feel the dealer contacted them too much in the following scenarios:



The good news for dealers is that most respondents among all age groups do not believe dealers have contacted them too often during or after the sale. Just 13% overall believe the dealership contacted them too much during the shopping and negotiation process – and only 10% were turned off by too much post-sale contact.

While only 5% of boomers (ages 59-77) report dealerships made excessive contact during the shopping and negotiation process and just 4% bristle at too much post-sale contact, those numbers rise to 15% and 9%, respectively, for Generation X (ages 43-58). Generation Z (ages 11-26) respondents also report much higher dissatisfaction than boomers, with 12% and 10% citing too much contact during and after the sale, respectively.

Millennial (ages 27-42) buyers are the generation needing the most TLC during and after the sale.

Millennials will remain the most significant buyer group for automakers and dealers. The Urban Science Survey also found that they are also the age group most open to using non-traditional auto buying channels, such as purchasing directly from vehicle manufacturers or through alternative sources such as used vehicle superstores like CarMax and online used vehicle retailer Carvana in the US.

Dealers would be smart to get ahead of consumers looking for other places to buy.

Although three in four automobile buyers consider manufacturer (or franchise) dealerships, one-third (33%) of survey respondents would shop independent used dealers, 25% would consider national used dealerships and 16% would be open to purchasing directly from the factory.

So while price, as determined by the same Urban Science Survey, may be the most important consideration, there are additional factors that drive buyers toward their purchasing paths. The survey reveals several tactics dealers can use to keep customers returning to their showrooms:

- ***Boost inventory.*** This is not always possible, but dealers that acquire an array of trim packages and models likely will see more floor traffic. That's where careful acquisition of used vehicles is key.
- ***Remind staff to treat consumers as guests.*** Employ generation-appropriate sales tactics and communication methods during the sales process and once the purchase is completed.
- ***Use incentives to lure customers to service departments and showrooms.*** Incentives don't need to be major to work. Surprisingly, the survey found that as little as \$35 can bring a potential buyer through the door. But it is critical dealers deploy *targeted* incentives to set their campaigns up for success. Simply put, get the right incentive to the right customers at the right time through segmentation and automation.

For additional information, please contact your  
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