

Navigating Disruption: How Your Dealership Will Survive COVID-19 by Jeff Robbins

by Jeff Robbins

It goes without saying that the COVID-19 virus is unlike anything we have seen. Many are comparing this to the Great Depression of the 1930's or the Great Recession of 2008-09, but this represents truly a different dynamic. This is a self-imposed economic downturn, with many people still able to work, still needing supplies for work, and still providing normal services. However, due to the COVID-19 virus everyone is being asked to shelter in place, in order to decrease the risk of spread and exposure. As a dealer, it's important to keep things as normal as possible, engage your customers, leverage your digital and social channels, leverage your partners to get creative, and make sure your inventory is up to date and reflects what customers want. In surveys of where consumers look at inventory, 40% utilize online marketplace sites, 14% leverage dealer websites, and 10% rely on social media.

Keep Things As Normal As Possible

What does this mean for a commercial truck, equipment or recreational vehicle dealership, in terms of navigating a business disruption, when demand is relatively unchanged? It simply means that as a dealership, this is the time to do what it takes to keep things as close to normalcy as possible. The intent of this article is to provide a few tips and techniques to help your dealership survive and flourish during this time.

The first area that tends to get looked at, rightfully so, are expenses and overhead. There are certain discretionary expenses that can be reviewed and possibly eliminated. With less employee and customer traffic in your dealership, look for ways to furlough or postpone services such as coffee, magazine and newspaper subscriptions, and other luxury items that can be cut or eliminated temporarily. If there are refreshment services (donuts, bagels, staff lunch, etc.) that are normally provided, look to postpone these outlays, as well. Also, look to implement strategic operational hours and work to set appointments that match your revised hours of operation. It not only cuts down on expenses, but it also can help eliminate the risk of exposure to the COVID-19 virus. These services can be easily added back, once things return to normal.

Engage Your Customers

During this navigation phase, being prepared when things return to normal is also very important. Engagement with key, loyal customers is paramount. Reach out to your customers to let them know that you are still there to serve their needs. Your customers may have shifted their focus toward other business opportunities or toward getting off the grid, so let them know that you are still there to help them with new inventory, service, or warranty repair work that may arise during this time. It's important to keep lines of communication flowing with existing customers through engagement and regular check-ins. Let your customers know that you are a partner and you care about their business and their well-being.

Increase The Use of Digital and Social Channels

Given that the physical traffic to your dealership may be down, it doesn't mean that digital demand and traffic is down. Web traffic to your dealership may, in fact, go up due to buyers taking time to search the web for deals on new products or for service needs. In consumer surveys, 42% of website visitors are just browsing or researching, but nearly 52% of web visitors are looking to buy.

Lead follow-up is more important than ever, so ensure all of your sales people, who may be working remotely, are using all of the tools at their disposal and are following-up on leads. If members of your team are unsure or maybe deficient in how to manage, process, or disposition leads, take this opportunity to train them on what you expect and how your dealership performs lead follow-up. In a recent survey performed on marketplace websites related to dealer engagement, 62% of consumers surveyed, indicated that they would like to be contacted within a day of submitting an inquiry.

Engagement through social media channels like blogs and newsletters, is also a good way to keep the lines of communication open during this period of social-distancing. Ideas can be spurred, and demand created, by the simple engagement of a timely article placed on your dealer blog site. Timing is everything, so why not take the time to audit your customer list, and add new or existing customers to your monthly or quarterly newsletter. A well-placed article on service, combined with an offer is a good way to engender engagement and create customer demand traffic for your dealership.

Get Creative With Service and Test Drives

As a dealer, your instincts may be signaling that this might be a time to pull back on new or creative services. The dealerships that are able to navigate disruption, are the ones that will come out stronger, when the COVID-19 virus is contained and business gets back to a more normal flow. However, with social-distancing being the norm, your customers will appreciate and respond to your dealership going above and beyond. Service is always an area to differentiate what you do from your competitors. Why not offer service specials that include convenience items like pick-up and delivery. This potentially puts your labor to work, while offering a unique service to your customers.

Test drives are also something that may take hit, as we continue to battle the COVID-19 virus. Why not offer a service that allows your customers to come in to test drive a new vehicle by appointment? Having a vehicle ready to go, with the keys already in the vehicle, while keeping a safe social-distance, could go a long way in swaying a customer to make a purchase. Test drive drop-offs are another way to potentially increase engagement on the selling front, while utilizing your labor force. The customer could simply schedule an appointment, indicate where the vehicle should be delivered, and the test drive would commence at the customer's convenience.

The use of unique videos is also a creative way for your dealership to separate what you do from the pack. Video content can quickly be created, edited, and uploaded to your website, providing your customers additional selling points that could influence them to select your dealership over a competitor.

Active and Accurate Inventory

During this time, make sure that you are fully leveraging your inventory tools that you have in place. Ensure that you have active, accurate, and up to date photos, descriptions, vehicle identification/stocking numbers, and pricing for everything that you have in inventory. Leverage any special financing programs that might help market or sell your inventory during this time. Many people believe that purchasing equipment, commercial and recreational vehicles when the market is down, is ideal. Ensure that you have a well-stocked cofer of marketing materials, brochures, and digital assets, in order to influence the buying decision.

You Are Not Alone - Help Is Available

Finally, it's important that your voice be heard. Reach out to those that provide service to you. They may have fresh, new ideas that can help you weather this brief storm called COVID-19. Leverage the power of these service providers to brainstorm, partner, or build new solutions that will help you to navigate the COVID-19 crisis we are all experiencing. The bottom line is, you are not alone and despite the need for social distancing, there is always help available.

Connect With Us Today

For additional information or insights on how to navigate this pandemic at your dealership, please contact us at Marketing@traderinteractive.com or call (800) 684-6104 to contact our teams.

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