

# Preparing your car dealerships for disruption in new vehicle sales

*How you can turn disruption into opportunities to have best-in-class dealerships*

**TLGG CONSULTING**  
Mobility and Automotive Practice



The landscape for new vehicle sales is rapidly changing due to a rise in pre-order sales, electric vehicles, and online transactions.

Most, if not all, car dealerships will need to change their strategies and business model to adapt. However, this is also an opportunity to be ahead of the curve and become a best-in-class car dealership.

**Is your car dealership prepared for the change?**



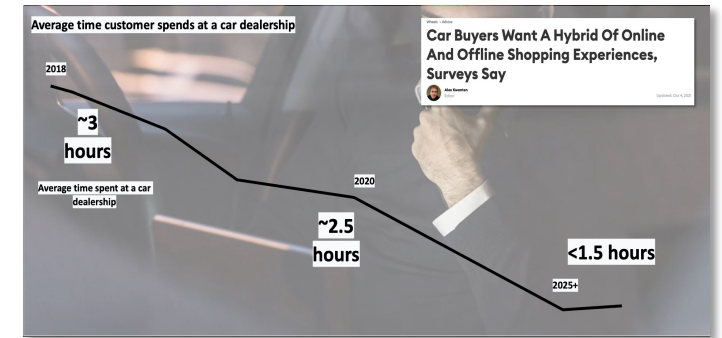
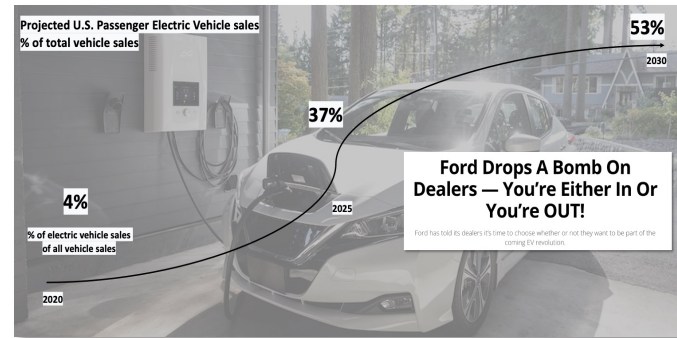
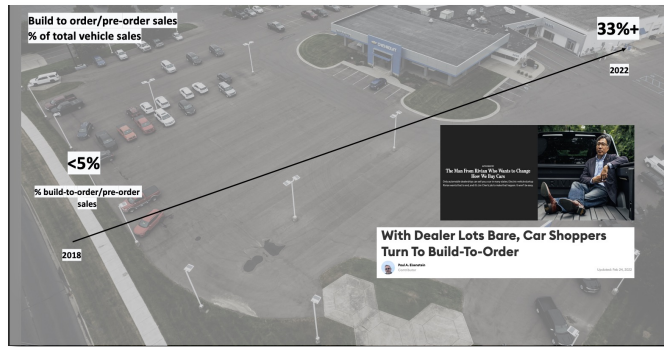
# Three major shifts are causing disruption in the landscape of new vehicle sales, which are impacting your car dealerships

**1** THERE IS A RAPID RISE IN THE % OF NEW VEHICLE SALES (33%) THAT ARE BUILD-TO-ORDER

**2** ELECTRIC VEHICLES WILL MAKE A SIGNIFICANT PORTION (~50%) OF NEW VEHICLE SALES BY 2030

**3** MORE NEW VEHICLE SALES WILL BE CONDUCTED ONLINE (UP TO ~17% BY 2030)

TREND






IMPLICATIONS

- More consumers are turning to build-to-order due to lower available vehicle inventory stock at car dealerships
- In this current supply chain constrained environment— vehicles can take on average 6-8 months from order to delivery

- 47% of car dealerships expect EV's to have a negative impact on profit per sale due to the lower maintenance and servicing EV's require
- OEMs are requiring dealerships to invest in new infrastructure and capabilities (e.g., charging stations) to be eligible to sell EVs

- 80% of buyers research their vehicle online before visiting a dealership; they now ALSO visit few dealerships on average (1.4 now vs. 4 in the past)
- 92% percent of dealers reported ramping up their digital capabilities in response to a desire for more digital experiences and offerings

# It is necessary for your car dealerships to adapt their strategy and offerings in response to the 3 key disruptive trends

	1	2	3
TREND	THERE IS A RAPID RISE IN THE % OF NEW VEHICLE SALES (33%) THAT ARE BUILD-TO-ORDER	ELECTRIC VEHICLES WILL MAKE A SIGNIFICANT PORTION (~50%) OF NEW VEHICLE SALES BY 2030	MORE NEW VEHICLE SALES WILL BE CONDUCTED ONLINE (UP TO ~17% BY 2030)
IMPLICATION	 Customers must wait months before an OEM can fulfill their build-to-order vehicle	 Expected decline in after sales revenue (e.g., servicing)	 Digital channels play a more critical role in attracting and engaging consumers
STRATEGY & OFFERINGS NEEDED	EXPERIENCES AND HOLISTIC CUSTOMER RELATIONSHIP STRATEGY	NEW REVENUE STREAMS AND CUSTOMER ENGAGEMENT OPPORTUNITIES	IMPROVED DIGITAL CAPABILITIES

# There are 3 ways your car dealerships can be ahead of the curve in the new vehicle sales landscape

## REQUIRED STRATEGY & OFFERINGS

## DETAIL

## BENEFITS

1

EXPERIENCES AND HOLISTIC  
CUSTOMER RELATIONSHIP  
STRATEGY

Design an experience and comms. strategy **from order placement to delivery to provide transparent updates to customers and engage them while waiting**

- **Improved** customer satisfaction
- **Improved** customer loyalty (**i.e. lesser likelihood of customer defecting**)

2

NEW REVENUE STREAMS AND  
CUSTOMER ENGAGEMENT  
OPPORTUNITIES

Determine new revenue generation and engagement opportunities based on electrification needs (e.g., EV charging stations, EV accessories.)

- Diversified revenue portfolio mix
- New business model **opportunities**










3

IMPROVED DIGITAL CAPABILITIES

Offer or enhance digital capabilities **to reach customers beyond the physical dealership (e.g., easy to book test drive experience, deliver vehicle at home, etc.)**

- **Increased** customer engagement
- Automation opportunities

# We can help your car dealerships navigate change in new vehicle sales, electrification, and in delivering digital solutions to market

	<i>U.S. Automotive Manufacturer</i>	<i>Car Dealership</i>	<i>U.S. Automotive Manufacturer</i>
CASE STUDY	ENHANCED VEHICLE ORDER-TO-DELIVERY EXPERIENCE	CREATED A DIGITALIZED SOLUTION PLATFORM	DEVELOPING EXPERIENCES AND COMMS. TO ENABLE EV SALES
WHAT	Re-designed the order-to-delivery experience, including a new communications strategy for customers and dealerships	Designed a prototype of a digital platform to help car dealerships with vehicle tracking, including restructuring of their digital channels	Creating a CRM Strategy to help an OEM jumpstart its EV sales by attracting more prospects and creating a seamless buying and delivery experience
HOW	<ul style="list-style-type: none"><li> Internal &amp; External Analysis</li><li> Experience Design Strategy</li><li> CRM Strategy</li></ul>	<ul style="list-style-type: none"><li> Customer Journey Design</li><li> Platform Building</li><li> Prototype Development</li></ul>	<ul style="list-style-type: none"><li> Audience Segmentation</li><li> Electrification Strategy</li><li> Go-to-Market &amp; Launch Strategy</li></ul>

# LET'S TALK!

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