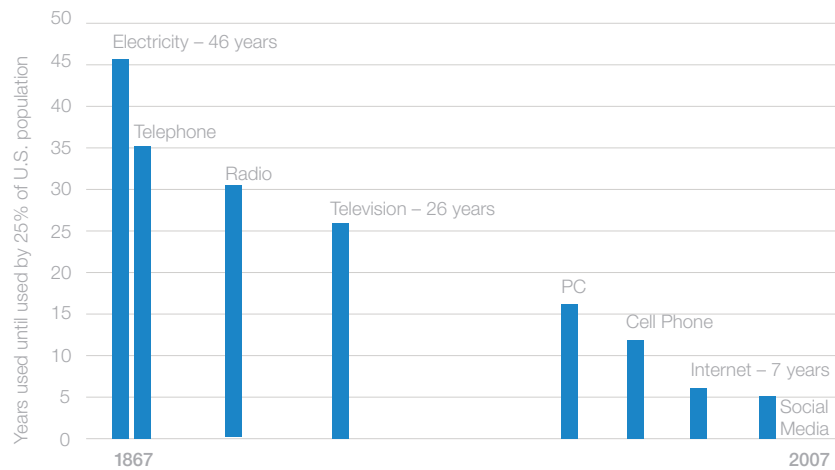


RUN AN **OPERATIONALLY EFFICIENT** DEALERSHIP

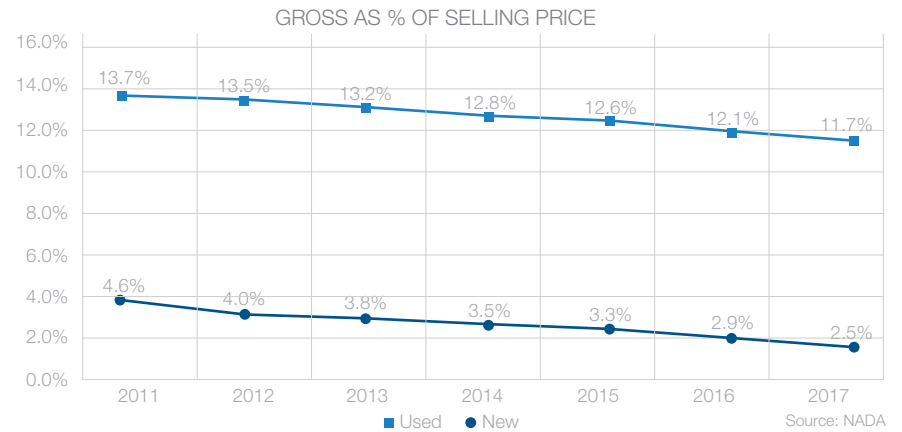


SPEED OF TECHNOLOGY ADOPTION



PACE OF CHANGE

Dealers are making less profit per vehicle sold than ever before.



TECHNOLOGY IS IMPORTANT FOR YOUR WORKFORCE

93% / *Of Millennial workers say that a business having up to date technology is an important factor when choosing a workplace with non-sales roles.*

42% / *Say they would leave a company due to "substandard technology."*

LEARNING OBJECTIVE: TODAY'S GOAL

Identify FIVE KEY emerging technologies and processes that will drive dealership efficiencies and increase profitability

FIXED OPERATIONS

49% /

Of dealership gross profits are accounted for in Fixed Operations.

7.2M /

Average dealership Fixed Ops sales

82% /

Of registered vehicles were serviced in the past 12 months buy a third party.

SOURCE: 2017 NADA Dealership Finance Profiles; Cox Automotive Service Industry Study

- Dealers capture only 33% of service visits.
- Fixed Ops is critical for retaining/driving future sales...
 - Consumers are significantly more likely (74%) to return to the dealership for next vehicle if they get vehicle services as opposed to those who don't (35%).

MASTER KEY, FOUNDATIONAL, FIXED OPERATION TOOLS

ONLINE SCHEDULING | TRANSPARENT PRICING | TEXT COMMUNICATION WITH PICTURES | DIGITAL PAYMENTS

40⁺ / Average additional repairs per month
for Digital Fixed Ops Strategies

95% / Increase in retention

| FIXED OPERATIONS |

ADVANCED SCHEDULING

- Fill shop during slow periods by offering incentives to service during these time slots.
- Loaner utilization
- Capturing consumer data

Top Performers

- Over **85%** of all service visits are via appointment.
- **30%+** scheduled online

| OPTIMIZING SERVICE LANE TOOLS |

CONSISTENT PROCESSES - Service Recommendations

TOP PERFORMERS
90-100%
Vehicles inspected

GREATER THAN
60%
Opportunities identified

GREATER THAN
50%
% Purchased by customer

15%
Decrease one-line repair orders

CUSTOMER COMMUNICATION WHILE VEHICLE IS IN SHOP FOR SERVICE

| VARIABLE OPERATIONS |

NEW CAR SALES: As Good As It Gets

Cox Automotive Full-year Forecast



USED VEHICLE MARKET



MILLIONS

OPTIMIZE NEW AND USED INVENTORY ACQUISITION AND SPEED TO MARKET

Used Inventory Turn Rate

GOOD
12 / **GREAT**
16

Used To New Ratio

GOOD
1:1 / **1.25:1**

Aged Inventory

OVER
55%
Under 30 Days Old

EMBRACE DIGITAL RETAILING

Starting the deal-making and financing process online and picking up where they left off in the store to finish all aspects of the deal. Consumers are in control over this journey.

83% / *Prefer to do at least one of the purchase steps online.*

85% / *Are more likely to buy from a dealership that offers at least some of the process online.*

SOURCE: 2018 Cox Automotive Future of Digital Retail Study

Of Deals
Per Week

Time Saved
Per Deal

50 x **10**
MINUTES

=

Of Deals
Per Week

500
MINUTES

OR

Time Saved
Per Deal

8
HOURS

DOING THE RIGHT THINGS VS DOING THINGS RIGHT

Leveraging these processes and technologies will positively impact profit and the customer experience but also will be key in driving employee satisfaction, retention and acquiring great talent.

RECAP

Master Fixed Operations technologies to increase dealership efficiency and profitability

Advanced Scheduling

Service Lane Technology and Process

Leverage data and processes to optimize new and used inventory acquisition and speed to market

Embrace Digital Retailing



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COX AUTOMOTIVE



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