



Cox
AUTOMOTIVE™

OPTIMIZING REBATES & INCENTIVES FOR CONSUMER DIGITAL RETAILING EXPERIENCE

Providing Accurate Price Data
to Prospective Customers.

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The Source of Disconnect Between Dealers and Consumers.

The automotive retail industry has historically provided consumer incentives for use directly to dealers. Once the information was passed along, dealers chose how to share (or not to share) these offers with consumers. Incentives have been used within desking tools and advertising campaigns with little to no method for consumers to select the incentives that fit their transaction type, vehicle, and location, along with conditional offers such as credit and household demographics. Dealers' practices varied dramatically, ranging from no disclosure to full transparency, and have been a cause of friction between dealers and consumers during the pricing and payment negotiation process.

Win the Payment Battle with “Penny Perfect” Incentive Data.

Automotive dealer service providers (DSPs) have moved the process of applying incentives from a dealer practice to a customer-driven experience through digital retailing tools. The dealer then wins or loses based on the accuracy of their data within the DSP application. Customers can confidently research and price a specific vehicle with the incentives applied to the VIN or YMMT configuration and use the conditional offers they may qualify for to arrive at a price and payment—all without entering a dealership.

Accurate Pricing Lies in Credible Data Evaluation.

The Cox Automotive Rates & Incentives (CAR&I) team has developed a methodology for measuring the accuracy of the data used to calculate the price and payment that is presented through DSP tools. This study involved looking at seven new vehicles in two markets (East and West Coast) for consistency and differences in the APRs, cash and conditional incentives through these various tools.

The CAR&I data was compared with two competitive incentive providers and variations were identified of \$0,

\$250, \$500, \$2500, \$3000, \$3250, \$4500, \$5000, \$6300 and \$6750.

In the customer's payment quotes, this equates to a payment range difference of \$0/month to \$122/month depending on the vehicle type and market.* (See appendix.)

These are significant differences and lead to a loss of credibility in dealer pricing, as well as a loss on deals and dealer profit. The CAR&I team completed multiple steps to account for all incentives, along with the correct compatibility for accuracy to the consumer on behalf of the dealer.

The Benefits of Accurate Quoting.

Both dealers and consumers benefit from precise quotes and more accurate pricing. When consumers have access to accurate price and payments, they have a more informed approach and feel confident in their buying decisions. This practice also helps consumers who are looking to apply for credit and to receive a firm trade-in value for their current vehicle with the intention of including it in the transaction. For dealers, this level of transparency builds the consumer's trust in their dealership, increasing the chances of referrals and repeat business.

Key Takeaways:

- Comparing the number of programs does not represent a complete picture of incentive data. Many incentives can be categorized differently.
- When comparing deal scenarios (purchase, finance and lease) applying both guaranteed and conditional incentives is required to audit the compatibility or “good with” logic.
- Use multiple OEMs with option/package code specifications in order to apply regional and VIN specific incentives.
- CAR&I data was audited against each applicable OEM VIN configuration tool and found to be accurate for all of the featured vehicles.
- Correct payments are dependent on accurate incentive application to the type of transaction.



Empowering Shoppers to Make an Informed Purchase.

Accuracy, speed and compliance are key measures for consumer adoption of digital retailing tools. Seeing the same consistent incentives across multiple software tools and media properties promotes credibility and trust in the purchase process.

A consumer-friendly display featuring multiple transaction types drives deeper shopper engagement by providing more options for consumers to take further steps in the sales process for a more personalized experience.

A recent Kelley Blue Book (KBB) study shows consumer awareness of all incentives available to them as new vehicle shoppers is only 24%. Providing full coverage of all OEM incentives, with the compatibility for consumers to see what they qualify for, provides exposure through DSPs and dealers to shoppers who need this information as part of their vehicle purchase process. Additionally, this can earn the consumer's trust that the price and payment they have "penciled" is correct for the type of transaction they have chosen.

Finding the Right Partner.

It is important that you work with an incentive data partner who:

- 1) has a specific focus with OEM incentives
- 2) has direct relationships with OEMs
- 3) provides consistency within the incentive landscape across all verticals, including search, advertising, marketing, websites, portals, digital retailing, desking and equity mining solutions
- 4) emphasizes accuracy, speed and compliance.

Data You Can Trust.

CAR&I powers more than 70,000 dealer applications per month (partners and native software/sites), and is viewed by more than 40 million shoppers. These partnerships come with trust and responsibility to the dealer and consumer to get the pricing and payment correct, using "penny perfect" incentive data.

The results of this research show that by using CAR&I, our partners and their dealers provide more accurate payments on 3 out of 4 of the vehicles researched and help dealers "win" the payment battle to grow their sales.

CAR&I specializes in rates, rebates and incentives, and has proven to do it better than anyone else in the industry.

Take the Proof Positive Challenge.

How can you provide accurate data to customers researching your vehicle prices? Take the Proof Positive Challenge today and see how your dealership can drive higher engagement while improving the conversion of website traffic to leads and buyers.

Contact our team at CAI-RebateIncentiveSales@coxautoinc.com to get started.

APPENDIX

Wave I

Vehicle 1	Incentive Provider	Captive Finance	Cash/Outside Financing	Captive Lease Special
2018 Chevrolet Silverado 1500 Crew LT (1LT) w/PDU <small>*verified through Global Connect VIN lookup</small>	Cox	\$11,750*	\$10,250	\$4,500
Zip - 10924	Vendor A	\$9,250	\$7,750	\$4,000
Not shown on site	Vendor B	\$9,250	\$7,750	N/A
Difference – Vendor A		\$2,500	\$2,500	\$500
Payment Difference (4.49% APR)		\$46 /mo (60 mo purchase)	\$46 /mo (60 mo purchase)	\$14/mo (36 mo lease)
Difference – Vendor B		\$2,500	\$2,500	\$4,500
Payment Difference (4.49% APR)		\$46 /mo (60 mo purchase)	\$46 /mo (60 mo purchase)	N/A**

Vehicle 2	Incentive Provider	Captive Finance	Cash/Outside Financing	Captive Lease Special
2018 Ford F-150 XL Super Cab 4x4 w/ STX Appearance Package & 2.7L EcoBoost Engine <small>*verified through Smart Vincent</small>	Cox	\$8,550*	\$8,050	\$6,300
Zip - 10924	Vendor A	\$8,550	\$4,800	\$6,050
Not shown on site	Vendor B	\$1,800	\$1,300	N/A
Difference – Vendor A		\$0	\$3,250	\$250
Payment Difference (4.49% APR)		\$0 /mo	\$64 /mo (60 mo purchase)	\$7/mo (36 mo lease)
Difference – Vendor B		\$6,750	\$6,750	\$6,300
Payment Difference (4.49% APR)		\$122 /mo (60 mo purchase)	\$122 /mo (60 mo purchase)	N/A**

Vehicle 3	Incentive Provider	Captive Finance	Cash/Outside Financing	Captive Lease Special
2018 Hyundai Santa Fe SE Ultimate AWD <small>*verified through Hyundai VIN configurator</small>	Cox	\$6,400*	\$6,400	\$8,800
Zip - 10924	Vendor A	\$5,500	\$5,500	\$8,300
Not shown on site	Vendor B	\$4,000	\$4,000	N/A
Difference – Vendor A		\$900	\$900	\$500
Payment Difference (4.49% APR)		\$46 /mo (60 mo purchase)	\$46 /mo (60 mo purchase)	\$14/mo (36 mo lease)
Difference – Vendor B		\$2,400	\$2,400	\$4,500
Payment Difference (4.49% APR)		\$56 /mo (60 mo purchase)	\$46 /mo (60 mo purchase)	N/A**

Vehicle 4	Incentive Provider	Captive Finance	Cash/Outside Financing	Captive Lease Special
2018 Jeep Grand Cherokee Limited 4X4 Gas <small>*verified through FCA configurator/Zip - 10924</small>	Cox	\$3,500*	\$3,000	\$5,500
Not shown on site	Vendor A	\$3,000	\$3,000	N/A
Not shown on site	Vendor B	\$4,500*	\$4,500***	N/A**
Difference – Vendor A		\$500	\$0	\$500
Payment Difference (4.49% APR)		\$10 /mo (60 mo purchase)	\$0/mo	N/A**
Difference – Vendor B		N/A	N/A	\$5,000
Payment Difference (4.49% APR)		N/A**	N/A**	N/A**

Wave II

Vehicle 1	Incentive Provider	Captive Finance	Cash/Outside Financing	Captive Lease Special
2018 Chevrolet Silverado 1500 Crew LT (1LT) w/PDU <small>*verified through Global Connect VIN lookup</small>	Cox	\$10,250*	\$8,750	\$3,000
Zip - 98125	Vendor A	\$10,250	\$8,750	\$3,000
Not shown on site	Vendor B	\$6,750	\$7,750	N/A
Difference – Vendor A		\$0	\$0	\$0
Payment Difference (4.49% APR)		\$0	\$0	\$0
Difference – Vendor B		\$3,500	\$1,000	N/A**
Payment Difference (4.49% APR)		\$65 /mo (60 mo purchase)	\$17 /mo (60 mo purchase)	N/A**

Vehicle 2	Incentive Provider	Captive Finance	Cash/Outside Financing	Captive Lease Special
2018 Ford Fusion SE 200A w/1.5L EcoBoost Engine <small>*verified through Smart Vincent/Zip - 98125</small>	Cox	\$3,750*	\$3,750	\$4,250
***Missing \$750 RCL Renewal & overstated by \$750 due to misapplied EcoBoost incentive	Vendor A	\$4,500	\$4,500	\$4,250
Not shown on site	Vendor B	\$4,500	\$3,750*	N/A**
Difference – Vendor A		\$750 OVERSTATED	\$750 OVERSTATED	\$0
Payment Difference (4.49% APR)		\$14 /mo (60 mo purchase)	\$14 /mo (60 mo purchase)	\$0
Difference – Vendor B		\$750 OVERSTATED	\$750 too high/\$750 too low***	N/A**
Payment Difference (4.49% APR)		\$14 /mo (60 mo purchase)	***See note	N/A**

Vehicle 3	Incentive Provider	Captive Finance	Cash/Outside Financing	Captive Lease Special
2018 Hyundai Santa Fe SE <small>*verified through Hyundai VIN configurator/Zip - 98125</small>	Cox	\$4,900*	\$4,500	\$3,000
Showing retail cash for the wrong trim level & off by \$500	Vendor A	\$5,400	\$4,900***	\$3,000
Not shown on site	Vendor B	\$5,400*	\$4,400***	N/A**
Difference – Vendor A		\$500 OVERSTATED	\$500 OVERSTATED	\$0
Payment Difference (4.49% APR)		\$9 /mo (60 mo purchase)	\$9 /mo (60 mo purchase)	\$0
Difference – Vendor B		\$500 OVERSTATED	\$100	N/A**
Payment Difference (4.49% APR)		\$9 /mo (60 mo purchase)	\$2 /mo (60 mo purchase)	N/A**



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