

COX AUTOMOTIVE

# Power of Data Study

July 2024



# Study Objectives

- Identify the key types of data Dealers use to manage, make dealership decisions, and drive lifetime value today and where they want to adopt new ways of using data.
- Determine the usage and value around data currently available to Dealers.
- Determine the potential impacts of optimizing data in dealerships
- Understand what is holding dealers back from currently using data today.

SURVEY #1

**393**

Franchise Dealers

SURVEY #2

**191**

Management at  
Franchise Dealers

## In-Field Dates

Survey #1: December 8th – 20th, 2023

Survey #2: January 3rd – February 11th, 2024



## While dealers value data, they struggle to extract insights from it

96%

Use  
Customer/Lead  
Data

94%

Use Vehicle  
Data

96%

Use Dealership  
Data

80%+  
recognize the  
benefits of data...

- More accurate forecasting & monitoring of trends
- Allows dealership to make more money
- Makes dealership more efficient
- Generate demand and capture buyers

71%

Make facilitating the use of  
data driven insights a  
priority for their dealership

70%

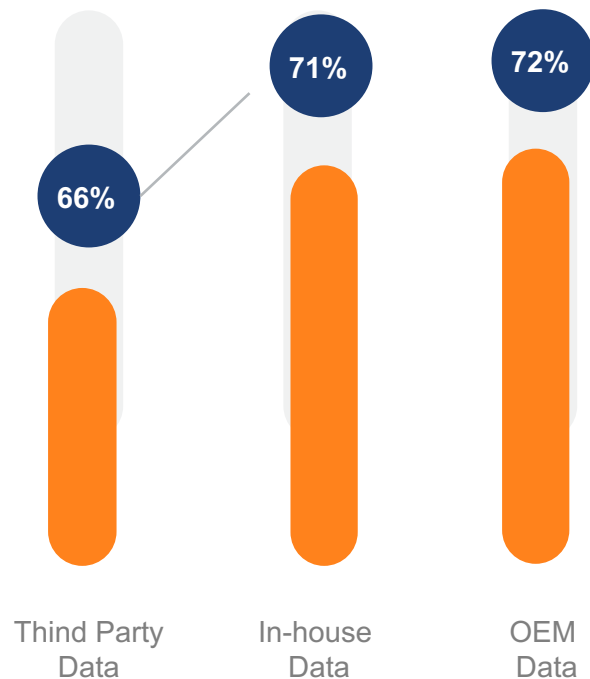
Would implement change  
based on the analysis and  
insights developed from  
their data

69%

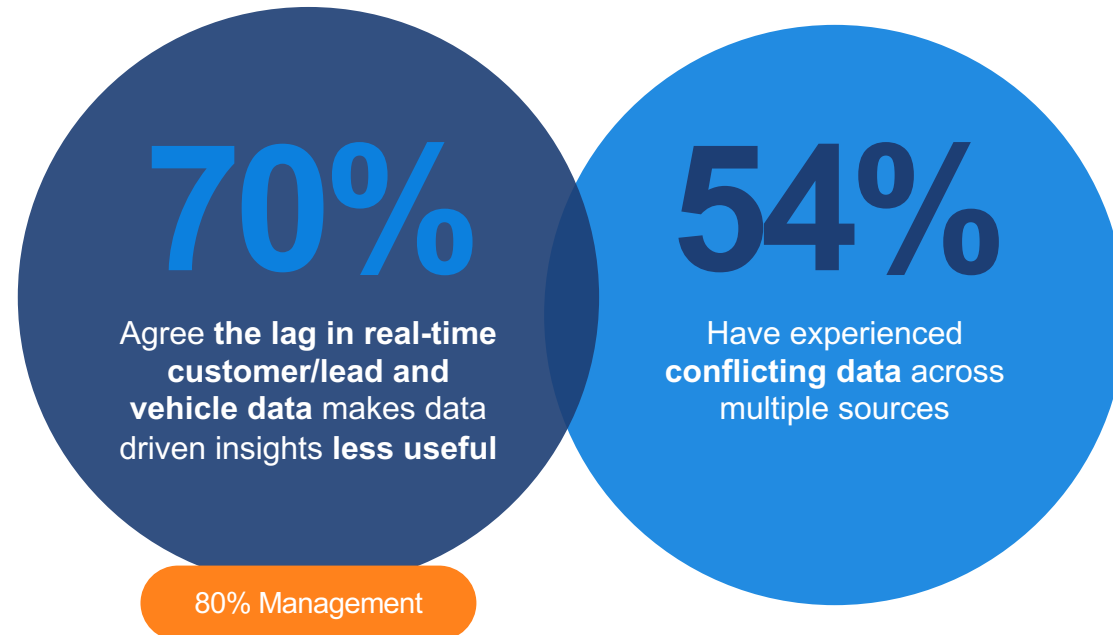
Feel confident taking  
**action** on the insights  
developed from their data

## Dealers are less confident with the validity and accuracy of third-party data.

Confidence in Data Sources

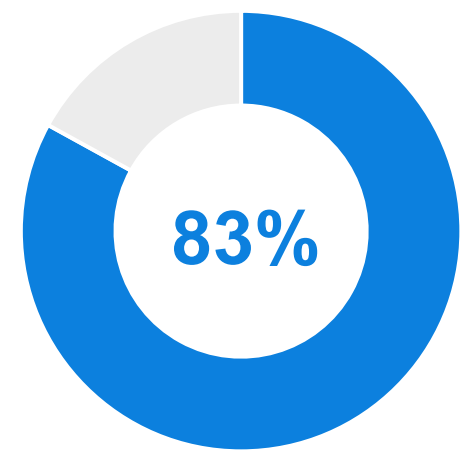


Obstacles Using Data



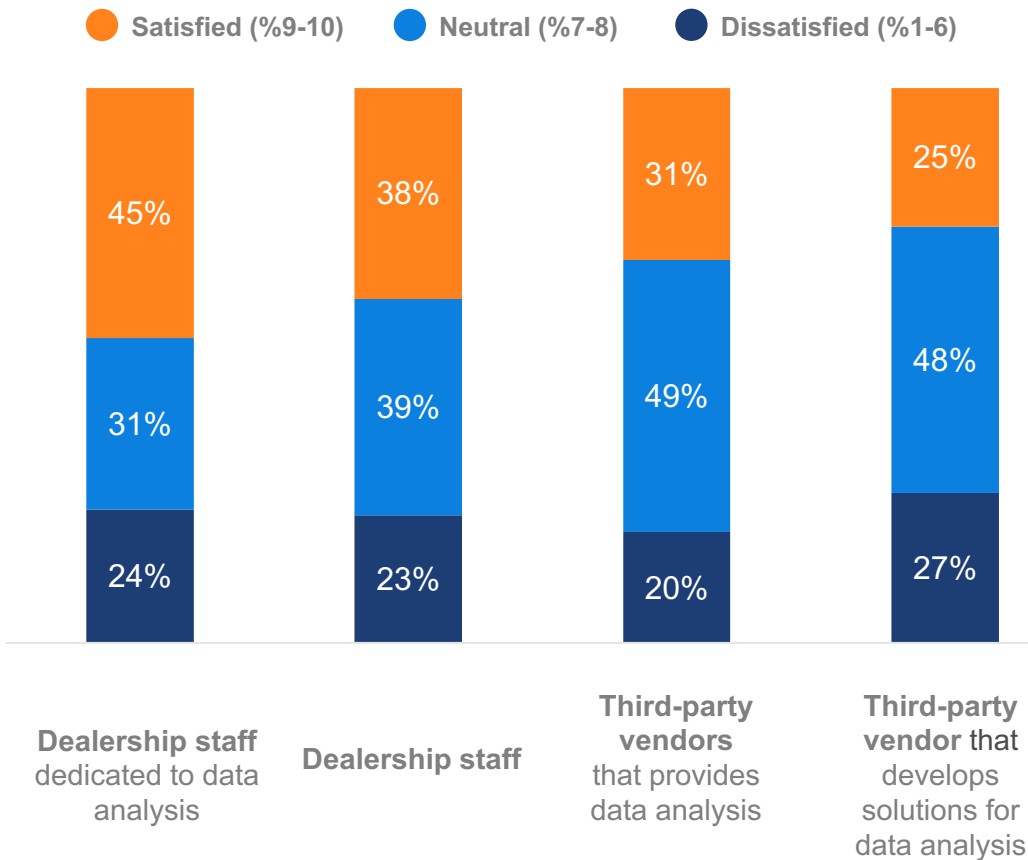
***"The largest challenge is that data is often conflicting when it comes to being "real-time." Most OEM and Third-Party data are on 30,60,90-Day trends, whereas the month-to-month data differs at the dealership level. There are often times where we spend more effort sorting through which data is "correct" vs. data that is "estimated".***

Over 8-in-10 use dashboard/reporting tools, developed by vendors/partners or the dealership. However, dealers are not very satisfied with the insights they receive from staff and third-party vendors.

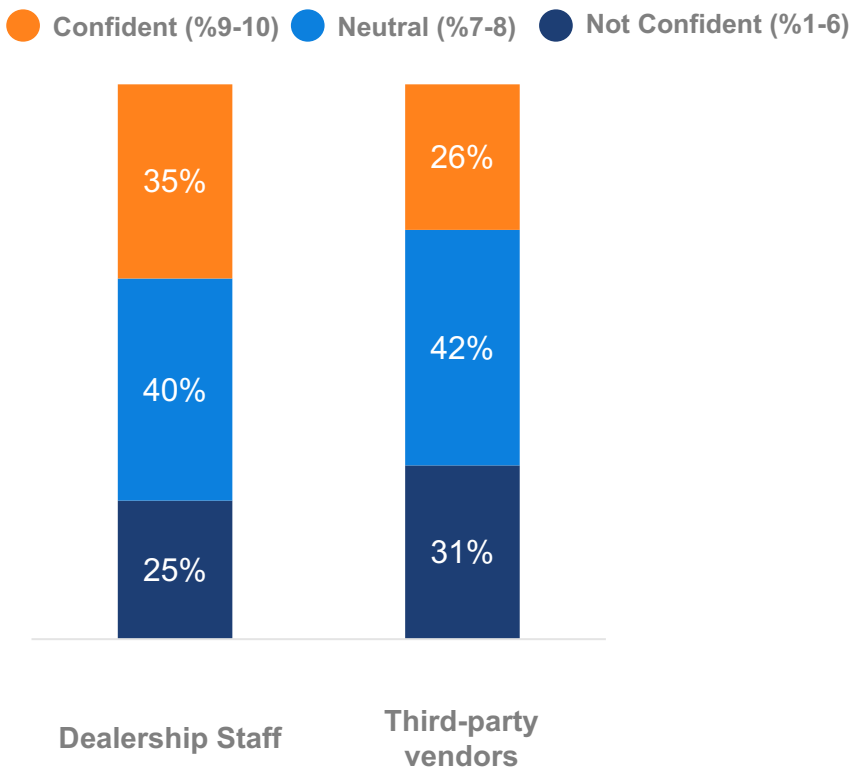


of Dealerships have analysis/insights available in a dashboard or reporting tool

Satisfaction with Insights Received from...

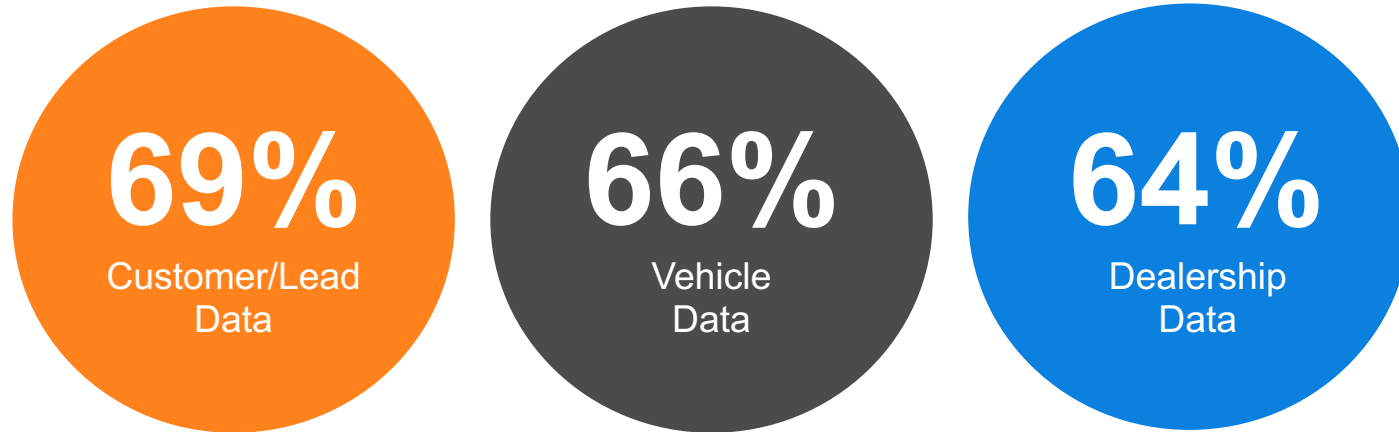


Confidence in Insights Received from...



# Never-the-less, most dealers would stop working with a third-party vendor if they could not provide them access to the data they want.

**Likelihood to Stop Using Vendor if No Data Access (%9-10)**  
Among Managers With Access, Not Sure Excluded



*\*Among those that have no data analysis/insights or develop them in-house.*

# 2-in-3 Dealers have concerns about data privacy and compliance, which many dealers consider when adopting new tools.

Attitudes Towards Data Privacy and Compliance | Among Management (% Strongly/Somewhat Agree)

66%

Of Dealerships are concerned about ensuring data privacy and compliance (%9-10)

59%

of Dealerships are concerned about ensuring data privacy and compliance when adopting new tools

44%

My dealership has held off adopting new data solutions/tools due to fears about data privacy issues or non-compliance

“

*“There are a few challenges when it comes to sharing dealership data.*

***Privacy concerns regarding customer information, ensuring data security during transmission, and aligning various systems used by different parties can be significant hurdles.** Additionally, maintaining data accuracy and consistency across platforms can pose challenges when sharing data with multiple entities.”*



# In addition to increasing revenue, dealers expect data to help them improve their customer experience and their internal operations.

Goals for Data | Among Management (% Rank in Top 3)

## # 1

Increase  
Revenue/Profitability

## # 2

Improve the  
Customer Experience

- Save time & personalize the customer experience
  - Create a competitive advantage
- Allow seamless online to in-store experience

## # 3

Improve  
Internal Operations

- Save time & increase staff productivity
- Improve employee experience/satisfaction
  - Streamline processes & reduce errors
- Improve communication between depts

# No surprise, the top 10 use cases for data aligns with these goals.

Top 10 Use Cases for Data| Among Management (% Rank in Top 5)

## #1

Increase Revenue/  
Profitability

5

**Customer data** to build a lifetime value profile, better serving loyal customers over time

## #2

Improve the  
Customer  
Experience

2

**Customer/lead data** to provide consistent, guided deal-making experience both online and/or in-store

3

Single source of **customer/lead deal** information for sales and service, leading to consistent, accurate payment details and reducing time to complete the transaction

7

Share **customer/lead data** across websites and platforms, preventing the need to re-enter information

8

**Customer/lead data** to generate individualized sales and service offers that create a personalized experience

## #3

Improve  
Internal  
Operations

1

Single source of **vehicle data**, allowing for accurate postings across every touchpoint in the sales process

4

**Employee performance data** to identify those that need attention

6

Dealership's **internal sales and service data** to benchmark KPIs and understand dealership performance

9

**Vehicle inventory data** to flag aged units and understand why they are not moving

10

Pass and receive standardized and accurate **customer/lead data** between the dealership and the OEM

# Key Insights

1. Dealers realize the benefits and potential impacts of data, yet they struggle to implement.
2. Most Dealers employ a mix of strategies (in-house and with partners), but there is no clear solution. Opportunity remains to maximize the data and insights available to them.
3. Dealers believe that leveraging data can lead to increased revenue, a better customer experience and improved operations.
4. Most feel comfortable taking some level of action based on data insights. But as with the data itself, a lack of confidence in current insights holds them back.
5. Most have concerns about ensuring data privacy & compliance, Despite dealership-wide understanding of policies and their importance, many Dealers are hesitant to push forward due to their fears.



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Thank you