

# Why Buy Here programs, A Big Win for your Dealership

Digital retailing continues to gain in popularity among both dealers and car buyers, offering convenient, flexible shopping and buying experiences that consumers expect, while enabling dealers to reach customers whenever and wherever they want to buy. However, the expanded access that digital retailing enables means more customers are shopping outside their local area to find the make and model vehicle they desire, creating the need to develop a compelling value proposition that sets you apart from other dealerships.

Michael Naim, Zurich Area F&I Manager, said, "Dealers need to offer something that makes them unique and gives them a competitive advantage. Today's consumer expects a superior experience and greater value, the dealer who can present a better overall buying experience, coupled with a value package that stands out, will sell more cars and generate more gross profit. Let's be even more clear, you need to give customers a compelling reason to buy from you or you'll become obsolete."

Savvy dealers are increasingly looking for programs and solutions that truly set them apart. "We're open on Saturdays," or "we're 3rd generation" leaves dealers in a field of sameness. Saying you offer a great experience in the dealership by offering free coffee, shuttle service, or free Wi-fi is no longer enough.

Naim says, "There is tremendous value for the dealership in offering a Why Buy Here program. First, the program differentiates you. Packaging products and wrapping them around a vehicle can create a much more compelling proposition for customers. Beyond that, these programs drive business back to your dealership for service. Finally, the premium dollars associated with the cost of the products become part of your reinsurance portfolio, generating additional profit. It is often quite eye-opening for customers when they see how these programs can shift the cost of marketing and advertisement dollars to create income and become part of their reinsurance portfolio. These programs, when well-designed and executed, can drive so much value and profit to the bottom line."

The strategy can also support circumstances where a vehicle is priced above MSRP. "Demand for new vehicles is outpacing supply such that cars are regularly sold above MSRP. Even though market conditions are dictating the pricing, selling above MSRP has the potential to be problematic. Offering a robust package of services that are included with the vehicle can add tangible value," Naim said.



## A compelling Why Buy Here strategy should include:

- Products and services with tangible value to consumers
- Value exceeds cost
- An implementation and training plan to ingrain the Why Buy Here into the dealerships' culture ensuring its success in driving sales results
- Retention components that drive customers back to your dealership for service and purchase of their next vehicle

## The components of Why Buy Here programs can include:

- Lifetime Engine Warranty (low cost/low exposure/high returns in reinsurance portfolio)
- Basic maintenance (oil changes and tire rotations)
- 1-year environmental protection plan
- A dealer provided limited warranty
  - If pre-owned, the vehicle might come with six-month or one-year comprehensive warranty



## Advantages of a strong Why Buy Here program:

- Sets you apart
- Drives business back to your dealership
- The products in the package become part of your reinsurance program
- Shifts the cost of marketing and advertising dollars into your own company as income
- Helps with retention

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