

**The auto industry has shifted to a digital-first world and dealers need to adapt or they will continue to see the compounding effects of margin compression to their bottom line.**

Gone are the days when vehicle buyers need to physically see cars on the lot. Rather, what they see about inventory online sets the standard on what they expect from the dealership. Coupled with the fact that the 2018 Cox Automotive Car Buyer Journey Study found that shoppers are spending less time overall in market when searching for a car, this puts dealerships in a situation where effective online merchandising can be the deciding factor between retailing a vehicle or losing sales to the competition.

## 3 Rules

1. Leverage Speed
2. Authentic Inventory
3. Details Matter

### Rule 1: Leverage Speed

List all inventory online as quickly as possible so that it can be seen and moved at a more rapid pace. Once a car is purchased at an auction, photos and information about the car need to be accessible online immediately.



A benchmark for effective online merchandising is photographing, describing, pricing and listing a vehicle in one day, instead of the traditional average of eleven. This provides up to ten more days to advertise the car while minimizing holding costs.

### Rule 2: Authentic Inventory

Real vehicle photos should be included in the listings that have a clean background that won't distract from the car itself. Real photos are important to online visibility, as multiple photos receive 349% more VDP's per listing compared to stock photos, according to a recent Cox Automotive study. Using actual photos of the car instead of stock images differentiates the unit and dealership from its competition.

**Remove clutter from image backgrounds or look into photo background replacement.**



**Always use actual photos instead of stock photos.**



# 3 Rules for Money Making Merchandising

## Rule 3: Details Matter

Inventory should provide as many details as possible online to further set themselves apart from the competition. Special incentives, no accidents, one owner, installed options or new tires could be the key description that compels a buyer to purchase.

These steps go a long way in merchandising inventory, improving profit margins and moving more cars. The goal is always to make more money and in the digital world we are living in, it's becoming more difficult to get customers' attention, effective merchandising may be the only way to grab them.

**Build data doesn't only make listings stand out, it also improves exact style matches for Vin Decoding. On Makes such as Jeep, we saw over 8% improvement in exact style matches on Vin Decode after build data is added. See this table for more context:**

OEM	Exact Match - Before Build Data	Exact Match - After Build Data	% Increase
Jeep	85.82%	94.29%	8.47%
Dodge	85.68%	94.23%	8.55%
Ram	86.59%	94.08%	7.49%
Chevrolet	88.94%	95.53%	6.60%
Fiat	87.26%	93.21%	5.95%
Alfa Romeo	87.12%	92.58%	5.46%
Buick	90.44%	94.67%	4.23%
Subaru	90.49%	94.63%	4.14%
Cadillac	91.96%	95.52%	3.56%
Mazda	85.80%	89.41%	3.61%
GMC	90.94%	94.45%	3.51%
Nissan	92.52%	95.15%	2.62%

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