

Your Inventory COVID-19 Checklist: Reopening Your Dealership

Use the below checklist to make sure your inventory is in order before COVID-19-related stay-at-home orders are lifted.

Check Employee Access

- Make sure all employees who need access to Inventory+ can log in. With reshuffling and layoffs, many employees may no longer have access.
- Make sure to remove users who should no longer have access.

Audit Your Inventory

- Make sure your new- and used-vehicle inventory counts match across:
 - Inventory+
 - Your DMS
 - Your website
 - Your physical lot

Clean-Up Your Listings

- Make sure all vehicle listings include:
 - Photos
 - Price
 - Description
- Change and update vehicle descriptions to retrigger SEO! Don't forget to include optional equipment.
- Update the introduction and closing parts of your vehicle descriptions to make them more relevant. For example, "Our sales and service departments will be open starting April 27."
- Update inventory photos so there are no distractions, like snow, in the background.
- Adjust your pricing
 - You don't need to drop your price. In fact, you may want to increase pricing to get movement on your website and third party listings. This action could get consumers who are expecting a price drop on units they're eyeing to reach out. (*further pricing strategies listed below*)
- Check your lot service feeds
 - If you are photographing your inventory, make sure to turn off your lot service feed. You don't want that active feed overwriting any photos you take.

Walk the Lot

- Make sure the lot and your vehicles are clean and nicely lined up.
- Check to make sure window stickers and buyers guides are not faded, torn, or hanging off the window. Replace if needed.
- Walk the lot and touch every car to make sure there are no damages or issues.

Rethink Pricing Strategies

Market trends to consider:

- The OEMs and auctions are virtually shut down, which means it will take time for them to ramp up. That means pricing will be skewed and down between 12% and 15%.
- Vehicle production and shipments are just now restarting, which will affect new-car inventory supply. If you have new inventory on the lot, think twice about netting your deal all the way down pass on losers. Demand gross, as consumers are paying it. OEM incentive programs will increase demand despite limited supplies.
- Stimulus checks are out, which means consumers now have funds for down payments.

Pricing strategies to consider:

- Be careful with current model-year and 1-year-old used units with a program. It's within these vehicle segments that you could take a loss. Keep an eye of those vehicles, as customers will lean towards these new vehicles with incentives versus your high-priced inventory.
- Price 3-, 4-, and 5-year-old vehicles different, as those units should generate higher gross profits.
- The market will experience a 45- to 60-day adjustment period once stay-at-home orders are lifted, so take advantage of that age group while you can.
- Don't get hung up on age, as every dealership is experiencing inventory aging. Aging and turn policies are out the window – everyone is starting at day one. Reprice based on merit, not age.
- Decrease the actual cash value of vehicles you appraise. The drop in wholesale values has created an opportunity to undervalue vehicles you appraise to help you with acquisition. This situation will be short-lived, so take advantage. Customers are not negotiating as much as before.
- When possible, try to mirror your factory programs when it comes to your pre-owned inventory. Additionally, contact your finance sources to see what the cost is to build in no interest for X amount of days (60, 90, 120). For example, look to offer 0% interest rates on used vehicles to drive sales of your higher profit deals.
- Work up mock deals on price bands. Pre desk deals with a variety of payment options to further market to customers. For example, for all your \$14-17k vehicles, work with your lender to drive payment options for 48-, 60-, and 72-months.

Connect with your Customer Success Manager

- Take advantage of the resources available to you and utilize your Customer Success Manager or Strategic Growth Manager for best practices. Not sure who that is? Give us a call at (888) 539-0942.