
An eLEND Solutions survey indicates that auto dealers are ready to embrace digital retailing, while highlighting “experience” disconnects: tools providing inaccurate and/or misleading quoted payment terms are key culprit say 87% of dealers

FOOTHILL RANCH, Calif. (PRWEB) January 23, 2019 -- A new report from eLEND Solutions asks the question: Is digital retailing promising more than it can deliver? Although digital retailing, and its many definitions, is being touted as the future of automotive retailing, this survey of auto dealerships indicates that a key hurdle remains: namely, the many standalone digital retailing tools or platforms quoting inaccurate and/or misleading payment information to consumers, which are ultimately creating more skepticism with buyers and expensive rewrites and unwinds for dealers.

According to the report, dealers who adopt digital retailing tools are striving to deliver a frictionless buying experience, including more transparency about the ‘deal’ but, these same surveyed dealers report that basic payment calculator estimator tools are actually getting in the way of their desire to evolve. In fact, an astonishing 87% of dealer respondents agree that it’s common for payment estimator tools to provide inaccurate or unrealistic payment expectations. And it is impacting sales: 74% report that well over a quarter of deals that include digital retailing-provided payment terms have to be rewritten (with 37% reporting that between 51 and 100% have to be redone!) -- and the majority lose over 60% of those sales.

“Because most of these tools return unqualified payment quotes - unmatched to the customer’s credit profile, a specific vehicle and, crucially, any of the dealer’s lender programs, they establish an unrealistic payment expectation that leads to an unavoidable conflict and consumer dissatisfaction,” said Pete MacInnis, CEO of eLEND Solutions.

When paired with the recent J.D. Power finding that nearly half of auto loan customers shopped for vehicle financing options before visiting the dealership, it’s clear that dealers are at risk of not only losing consumer confidence but also losing their share of the financing revenues.

Still, dealers report that they are bullish on digital retailing: 67% agree that ‘powering up’ with technology can simplify the process and result in higher profits. And nearly 60% of dealers surveyed who are using digital retailing solutions believe that the average profitability of these deals is equal to, or higher than, non-digital retailing transactions.

“With dealers needing to rework many of these deals, it’s difficult to believe that profits are outweighing the cost of time delays, not to mention the negative impact on customer satisfaction and loyalty,” continued MacInnis. “Digital retailing needs to catch up with both dealer and consumer expectations.”

Although nearly 50% of dealers who aren’t using digital retailing tools say that unrealistic payment expectations hurt F&I profitability, dealers overall indicate that they are willing to embrace F&I transparency and process improvement: 63% say that these is room for improvement when it comes to transitioning online shoppers into the showroom and cite the number one area for improvement as: “matching finance terms to a consumer’s credit profile.”

The report also uncovers some alarming disconnects. For example, nearly 60% of the surveyed dealers say they
wait to pull credit until after the deal has been negotiated which causes time delays in the sales process because the deal terms haven’t been qualified or matched to the dealer’s own lender programs before negotiations.

“In order for digital retailing to deliver on its considerable promise, the tools need to start providing realistic, ‘qualified’ payment quotes,” said MacInnis. “The sooner real consumer-qualified finance terms matched with dealers’ lender programs can get involved in the deal, the more profitably they can be structured and the more satisfied consumers will be.”

Key Data Highlights
- 87% of dealer respondents agreed that it’s common for payment estimator tools to provide inaccurate or unrealistic payment expectations.
- 74% of dealers report that nearly 1 in 3 digital retailing-initiated deals that included a non-qualified payment quote have to be rewritten.
- 74% of dealers agreed that, on average, 6 of every 10 deals that have to be re-worked, are unable to be saved.
- Nearly 50% of the dealers who aren’t using digital retailing tools believe that unrealistic payment expectations hurt F&I profitability.
- 60% of the surveyed dealers say they wait to pull credit until after the deal has been negotiated.

eLEND Solutions will be at NADA Booth #6553W January 25th – 27th.

About eLEND Solutions
eLEND Solutions™ (DealerCentric rebranded) is re-platforming from a company specialized in credit solutions to a FinTech SaaS and DaaS company focused on providing a simplified vehicle purchase process for the retail automotive industry. The advantage of their industry neutral credit and finance decisioning solutions is a more efficient, faster-moving Sales and F&I deal-flow that sells more cars at higher profits in less time – benefitting dealers, lenders and consumers.

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