

The Great Monthly Vehicle Payment Disconnect

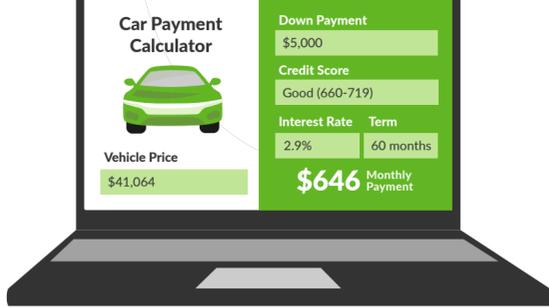
The overwhelming majority of car buyers finance their vehicle purchase or lease, current economic uncertainties and affordability challenges are making monthly payment the most important consideration for buyers, but dealer website tools are disconnected from this monthly payment reality.

Vehicle Payment Trumps Sales Price

Confirming affordability ranks as the greatest challenge facing today's car buyers, auto dealers are reporting the monthly payment amount is more important (46%) or equally important (22%) to car buyers than the actual selling price of the vehicle (31%).



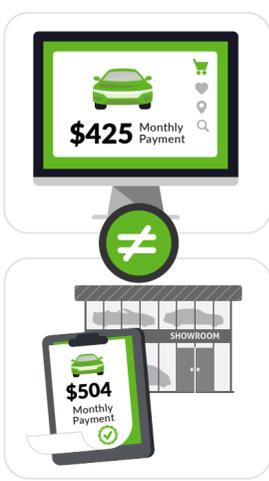
Most Dealers Offer Online Payment Calculator Tools



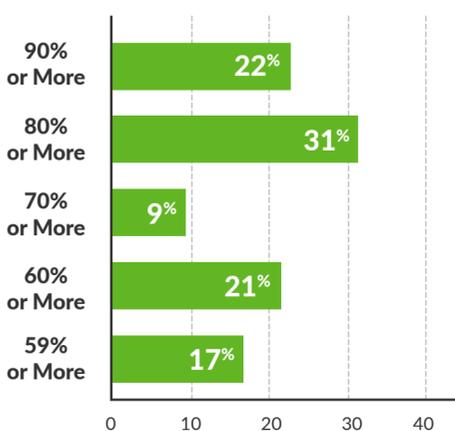
Of Dealers Use Online Tools to Help Car Buyers Calculate Vehicle Monthly Payment

The Disconnect? The Results of Those Online Tools Are Misleading

If you have a payment calculator, you are telling customers the wrong thing! 80% of dealers reported their payment calculators provide an inaccurate or unrealistic monthly payment expectation over 60% of the time.

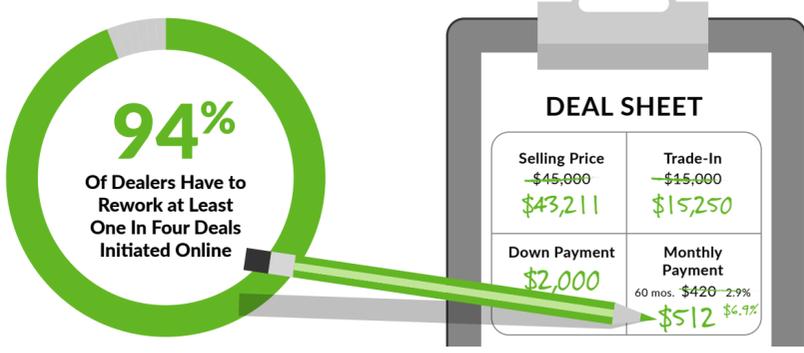


Inaccurate the Following Percentage of Time



Misleading Payment Quotes Cost Dealers Wasteful Deal Reworks

Time is money, efficiency is profitability. Calculator tools can offer convenience for the buyer but create inefficiencies for the dealer when inaccurate payment calculations frequently require refreshes and reworks because they cannot be matched to the customer's credit profile, the final deal structure and lender approvals.



F&I Sales Are Lost

When customers expect a payment quote to be honored, only to be negatively surprised in the store... They don't blame the technology. They blame the dealer. The confusion and disappointment breeds mistrust, dramatically decreasing the likelihood of profitable F&I product sales success.

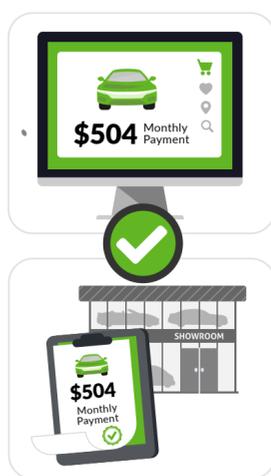
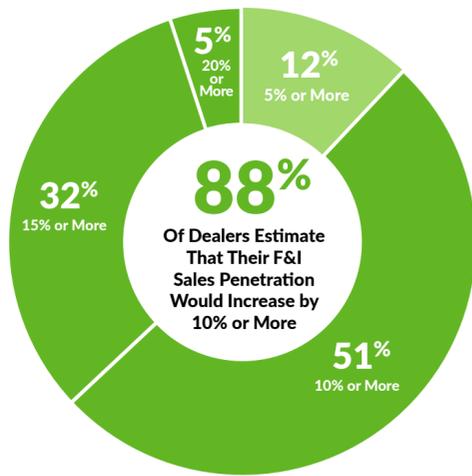


Of Dealers Say Current Online Payment Estimators Hurt F&I Product Sales

Early Deal Transparency Is Good For Business

Accurate Payment Terms Equal MORE F&I Sales

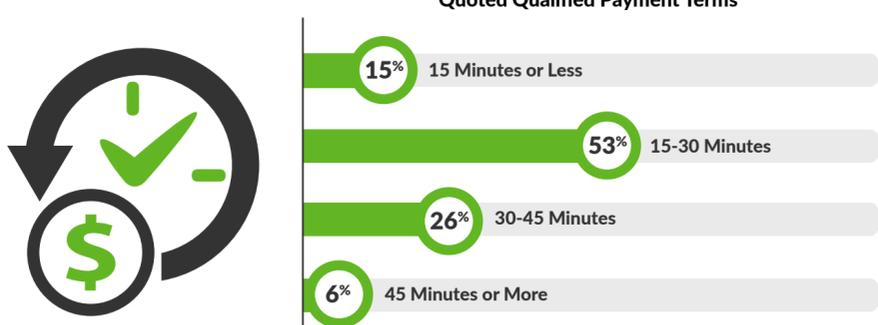
It's a surprise to nobody that upselling a happy customer is much easier than selling a disenfranchised buyer. Nearly 9 out of every 10 dealers say they would realize a 10% or more increase in F&I sales penetration if consumers were quoted qualified payment terms matched to lender fundable contract terms (with dealer mark-ups), before getting to the F&I office.



Accurate Payment Terms Equal Time SAVED

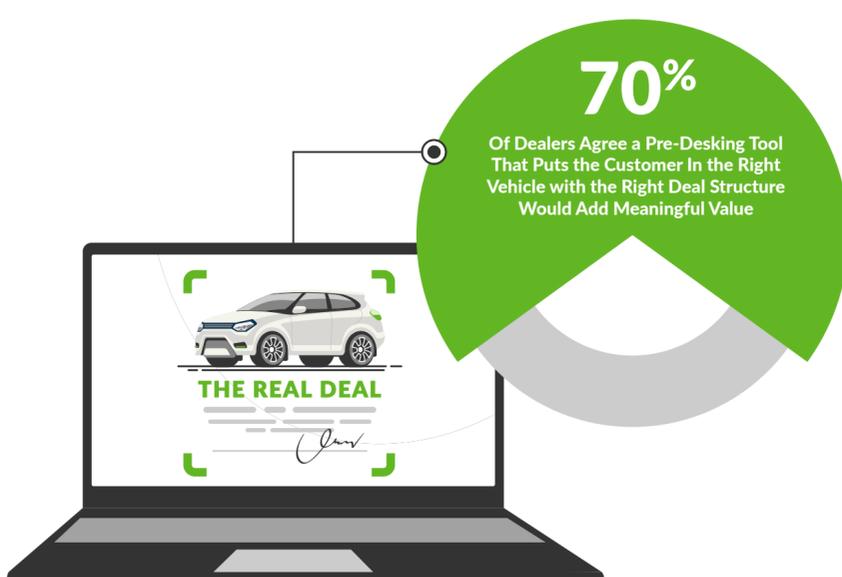
85% of dealers surveyed estimate that 15 minutes or more could be saved in the F&I office if customers were quoted qualified payment terms that match lender fundable contract terms (including dealer mark-ups) prior to the F&I handoff, this equals better CSI and profits.

Time Saved In F&I Office If Customers Quoted Qualified Payment Terms



New Digital Finance Pre-Desking Technologies Offer A Solution

Pre-desking solutions evolve basic online payment calculator tools and the educated guesswork used by most desk managers to eliminate negotiation frictions by providing transactional and fundable payment quoting and deal structuring - prior to the first pencil or F&I handoff.



Conclusion

Online payment calculator tools have merit but they also have inherent limitations - often times creating confusion and disappointment for the customer at the point of sale. Dealers have an opportunity to not perpetuate stereotypes by changing when and how today's "payment sensitive" shopper is introduced to "qualified" payment information. The two-way 'deal' transparency is a trust multiplier - increasing customer satisfaction, finance penetration and PVR.

If selling more cars more profitably is an opportunity for your dealership, check out: <https://www.elendsolutions.com/finance-solutions/>