

DO DIGITAL ACCESSORY SYSTEMS WORK FOR MOPAR STORES?

How One Store Went from \$100k to \$400k in Accessory Sales in One Year

Introduction

How modern is your dealership? Are you presenting accessories with a digital solution or are you still using pen and paper? After customers are sold on their vehicle, they deserve the same modern customer experience to customize their vehicle. The accessory industry generates around \$6.9 billion dollars, according to <u>SEMA</u>. While dealerships everywhere expected the pandemic to kill accessory sales, they actually soared, and exceeded the industry's projections. More than six million car buyers accessorize their vehicle within two years of ownership, according to <u>Revolution Parts</u>. Unfortunately, most of those accessory sales happened outside of the dealership, when they could've been at the dealership. Take a look at Earnhardt CDJR, for a great example of selling accessories on-site—they made more than \$400,000 in accessory sales, in 2021 alone.



Mopar also had one heck of a year despite the inventory shortage. Their total full-year results <u>decreased</u> <u>by only 2% in the U.S</u>. The RAM's brand total year sales increased by 4%, YOY with 2021 being the second best performing year after 2019. Although, with the chip shortage ravaging on, vehicle sales continue to pose an issue. More consumers are turning to online sales, vehicles made to order, and Carvana type convenient sales. Despite the increase of online-only sales, in-person sales do continue to increase.



The Problem

These were the most distressing issues they were facing:

- Low revenue
- No way to sell online
- Paper catalogs

- Dealership needed to accept a new process
- Low inventory levels

Earnhardt CDJR Brought Accessory Sales into the 21st Century

Earnhardt CDJR, much like other dealerships, initially had their auto accessories displayed on a piece of paper to show their clients. Demonstrating that auto accessories are being sold, only as an afterthought, when they are actually the cherry-on-top. This isn't only in Mopar stores either. This practice is still largely used across various dealerships nationwide. So Earnhardt CDJR said: "It's time to say 'out with the old, and in with the new'".

We spoke to the head of the accessories department, Matthew Perez, about his experience using the Mopar Accessory Sales Tool, and he said "the typical amount of accessory sales Earnhardt CDJR does in a month is about \$350 sales per order". This not only includes car sales, it also covers over-the-counter customers as well.

Why Use Paper Brochures At All?

When we asked Perez what the most difficult part of selling accessories using the paper flyer was, he stated, "The customer would check mark what items they wanted after we presented the paper to them. The worst part of the process was these sheets of paper in general. I believe this to be very unprofessional and last minute thought when you give a customer a piece of paper with add-ons after they spend \$25-\$105k on a new vehicle". And we agree! After finding their dream car, customers don't want a paper catalog. With the Mopar Accessory Sales Tool powered by Insignia Group, customers are able to see pricing, see their accessories on the vehicle, and view included labor costs.





Getting A New Process Adopted

Now, while this may seem as easy as Cinderella sliding on the glass slipper, we know that incorporating a new system, for salespeople to follow, isn't as simple. So we asked Matthew how he dealt with helping his employees adopt the new method, "Training salesmen how to use the system is the only change we have had to make. It took about 10 minutes to make them an account, and teach them. So easy and simple, way better than the previous way we sold accessories". We know that getting salespeople to add to their approach isn't the easiest, so we have step-by-step training videos for general managers, salespeople, and parts managers.

Do Accessories Matter When Markets Dive or Pandemics Happen?

The inventory shortage is no excuse to not provide accessory sales options. When asked about what Matthew thought about the shortage, he didn't hold back, "Shortages plague us all, but if you are able to give the customer several options of what you do have in stock and can install now, they tend to understand and want that item instead". And he's right. While your dealership may not have everything, you can provide the customer with substitutions of what you do have. Say you have a customer that wants an accessory you currently don't have; an informed accessory seller will be able to provide accessory substitutions as needed. Customers will find their accessories elsewhere if you don't.

How Much Did the Revenue Change in One Year?

The result of using the Mopar Accessory Sales Tool was a surge in accessory sales for Earnhardt CDJR—over \$400,000 worth year over year; and an increase to \$1,000 in sales per order. According to Matthew, their goal for the next three months is, "[...] to have all salesmen have accounts in Insignia Group [system] with the knowledge of adding each and every customer to the system. A lot of salesmen think the money is only in the car sale, but they can make even more after the sale. That is the key to get us to our goal of \$1k in accessories per vehicle". There is more to the car sale process than just the vehicle itself, and if your salespeople aren't presenting accessories, the customers will end up buying them elsewhere. Customer retention is vital especially when consumers can go online instead of to the dealership for accessories. Selling accessories improves your CSI score, improves customer retention, and increases commission.



Matthew's Final Thoughts on the Accessory Sales System

If you aren't "sold" on selling accessories, then take advice from Matthew. He says to "take the time to learn the Insignia Group system and use all its features. Stay up to date on the system as well, so customers and employees are able to utilize the system to its fullest potential. Add items to the system that aren't on the OEM webpage; such as leather seats or Amp Step Systems. These items are top sellers with a lot of profit margin if done correctly". This advice is your golden ticket to successfully selling vehicle accessories.

We asked him what he thought were the three most important factors that lead to his success in 2021. Matthew says,

Most important is **knowledge**. We have a team of parts guys that all have particular knowledge on different parts of the vehicles we sell. When a customer is asking for an item for that car, they are wanting our knowledge on what will and what will not work. Next, most important is **inventory**. Due to the crisis in the world these past few years, inventory is hard to keep in stock. Some items being in a constant back order is difficult to sell when a customer is so use to getting items immediately. With being a bigger dealership we are able to reach out to smaller companies and have the financial backing to buy items from them in bulk to get a good profit on items.

Lastly, we pride ourselves on our brand MOPAR. It is a name that has been around and a brand people trust and want.



Conclusion

Here's how the Mopar Accessory Sales Tool helps your dealership. Our software system easily aids the salesperson to track, sell, increase revenue, improve dealership communication, and boost customer retention. By using our cutting edge 3D configurator, the sales team is able to visually build the customized car of any customers' dreams. Your dealership is also able to access data about the top selling accessories in your dealership, as well as nationally. It includes a full catalog of Stellantis accessories, the ability to eliminate paper We-Owes (with electronic one), and fully customizable labor rates for each accessory that is sold within your dealership. Our Mopar customers, as a whole, have attained an average of \$684 in accessory sales per order, in the last 12 months—that's a pretty penny you might be missing out on if you aren't one of our customers.

The Numbers





10min
(Sales and parts depts.)
TRAINING TIME

Get A Better Way to Sell Accessories!

