

Stop : your : *churn.*

Strategies to Retain Automotive Dealers  
in Struggling Marketplaces.





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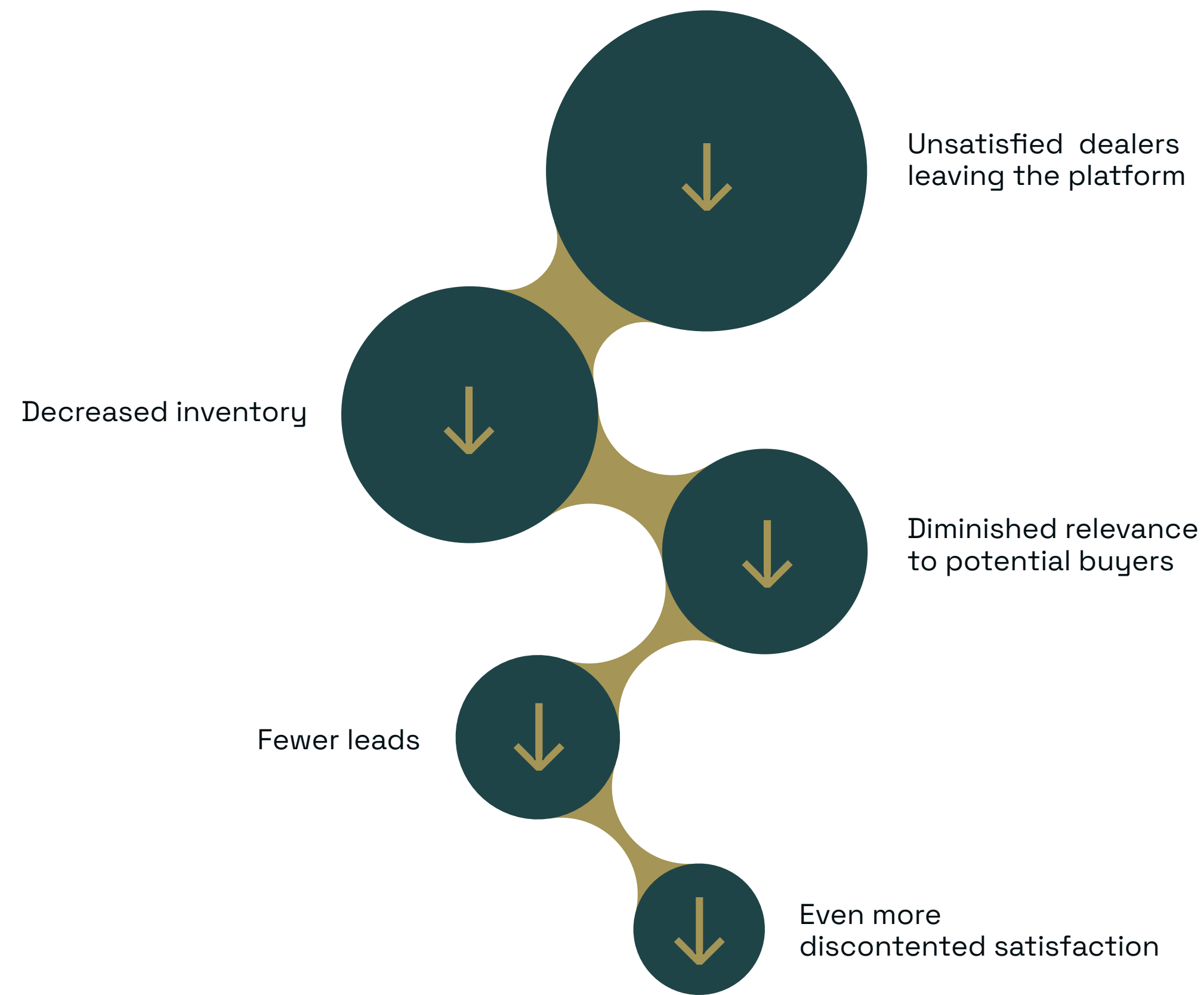
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## 01.0 Introduction

In today's dynamic environment of automotive marketplaces, runner up platforms often find themselves struggling with a significant challenge: the loss of dealers and subsequent revenue decline. This stems from various factors, including pricing disputes, perceived lack of value, and increased competition. To halt this churn and set a path towards sustainable growth, automotive marketplaces must implement strategic measures aimed at retaining existing dealers and attracting new ones. This white paper lays out a comprehensive guide to address this issue, emphasising the importance of improving dealer relations, enhancing customer experience, and providing effective negotiation tools.



## 02.0 Understanding the challenge

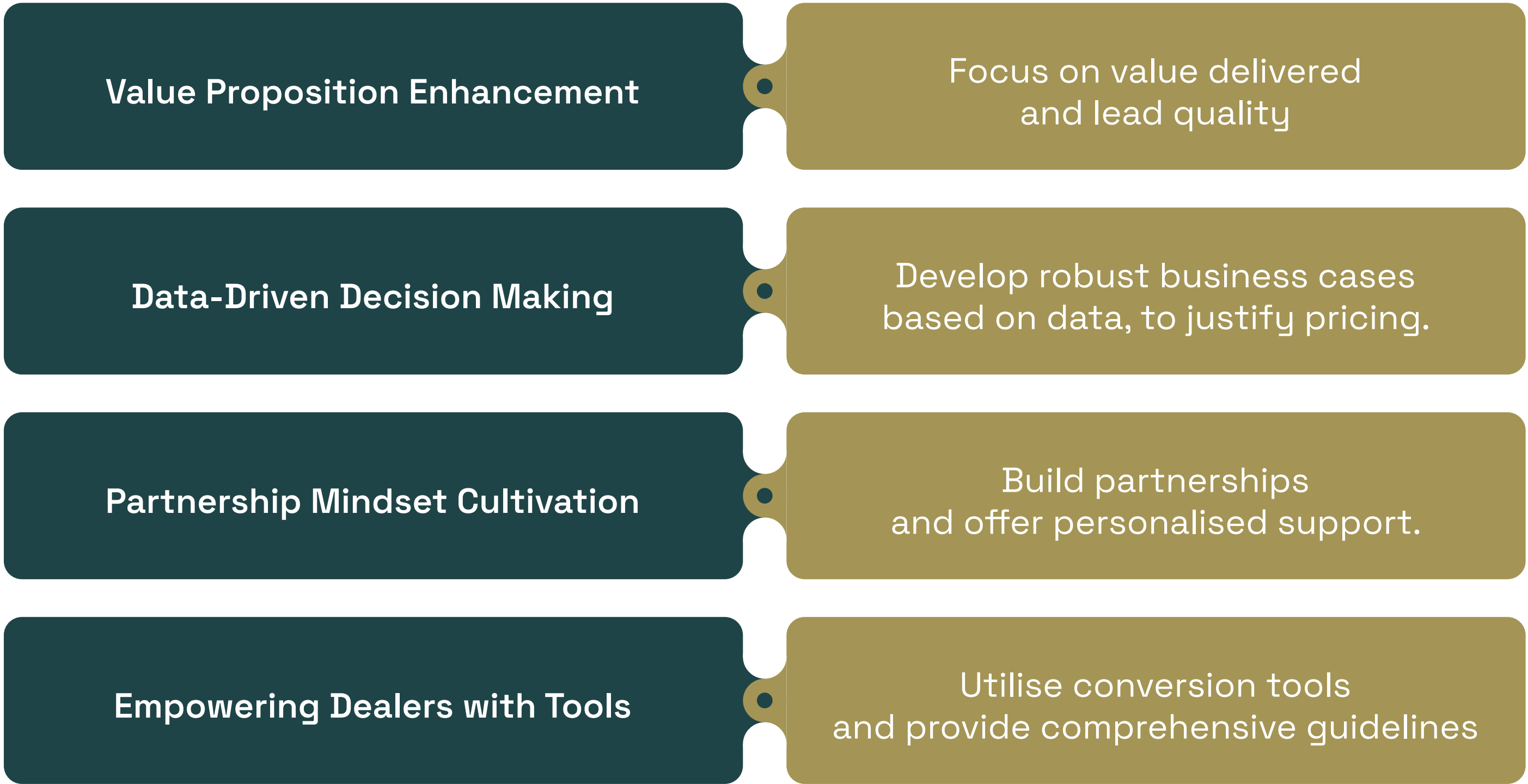


The core issue faced by struggling automotive marketplaces lies in the delicate balance between dealer satisfaction and platform profitability. Dealers, frequently challenge pricing structures, particularly in anticipation of impending price hikes, citing **perceived discrepancies between offered value and cost**. This adversarial dynamic often leads to a downward spiral—discontented dealers withdraw from the platform, resulting in decreased inventory and diminished relevance to potential buyers. **Consequently, fewer leads are generated**, exacerbating the cycle of dwindling dealer participation—a snowball effect if you like.



### 03.0 Identifying solutions

To address this challenge, marketplaces must adopt a mutlilayered approach centred on enhancing dealer relations and augmenting customer experience. Key components of this strategy include.







## 03.1 Identifying solutions

### Value Proposition Enhancement



Conduct a comprehensive analysis to uncover the underlying reasons for dealer attrition, focusing on perceived value delivery.

Start by doing a thorough examination of dealer feedback and market trends to identify pain points and areas of improvement. For this, you can utilise surveys, interviews, and data analytics to gather insights into dealer perceptions regarding the value proposition offered by the marketplace. Make sure to also assess the competitiveness of pricing structures and the alignment of services with dealer needs and expectations, as well as competition.

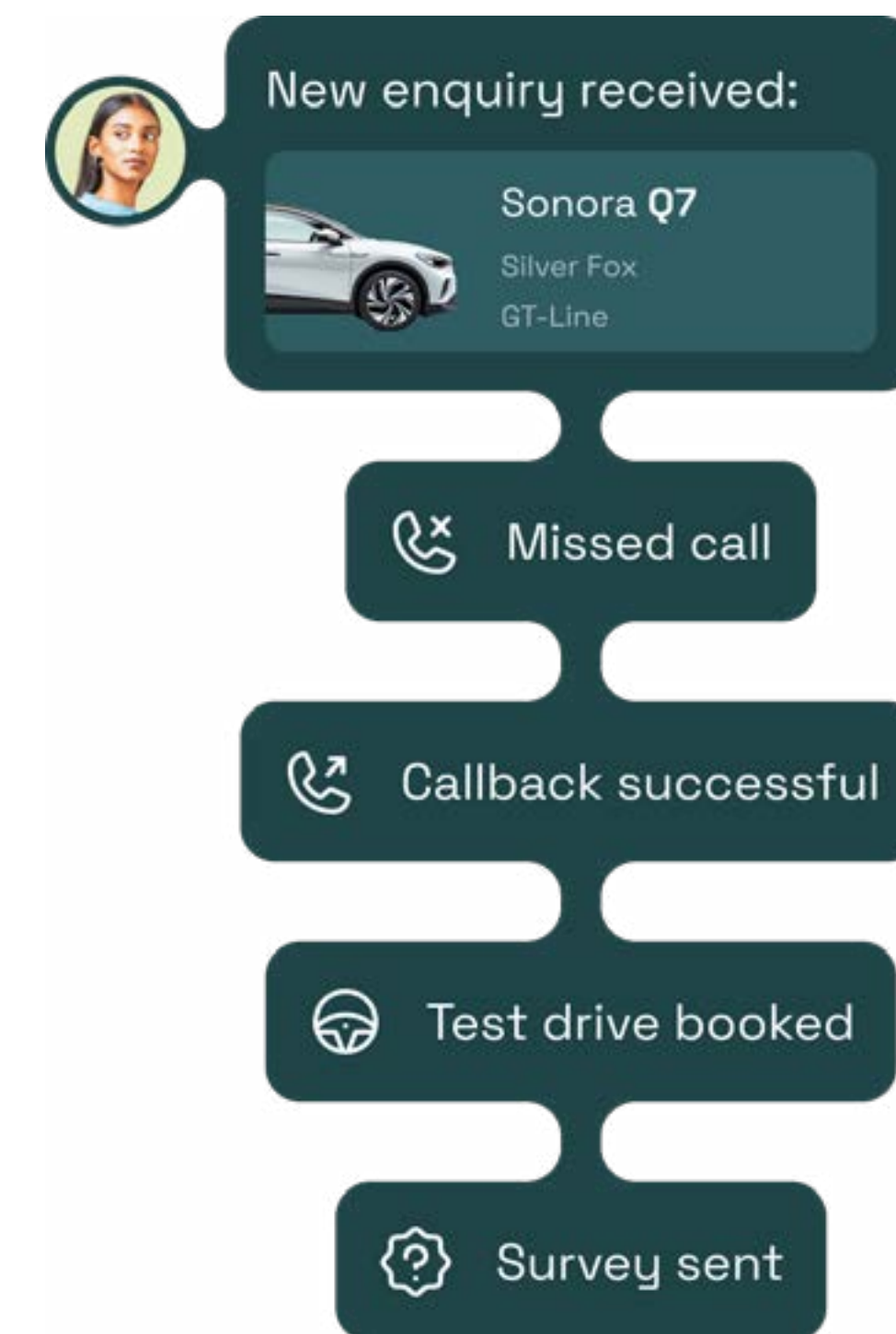


## 03.2 Identifying solutions

### Value Proposition Enhancement

Prioritise lead quality over quantity, utilising advanced analytics to gauge the efficacy of lead generation efforts.

Shift focus from sheer volume of leads to the quality of leads generated, recognizing that high-quality leads are more likely to result in conversions. One way of doing this is to Implement lead scoring mechanisms to differentiate between leads with varying levels of potential, enabling dealers to prioritise their efforts effectively. It is highly valuable at this stage to track lead conversion rates and analyse the characteristics of successful conversions to refine lead generation strategies accordingly.





## 03.3 Identifying solutions

### Value Proposition Enhancement



Implement speech recognition technology to evaluate dealer interactions, pinpointing areas for improvement and tailoring solutions accordingly.

By deploying speech recognition tools you can transcribe and analyse dealer interactions with potential buyers. Identify recurring patterns, common objections, and areas of friction in dealer conversations, allowing for targeted interventions and training initiatives. Based on the insights from the speech analytics, you can develop customised training modules and coaching programs aimed at enhancing dealer communication skills and sales effectiveness.





### 03.4 Identifying solutions

#### Data-Driven Decision Making

Develop robust business cases by quantifying the value per lead and compare it to the cost of dealership participation.

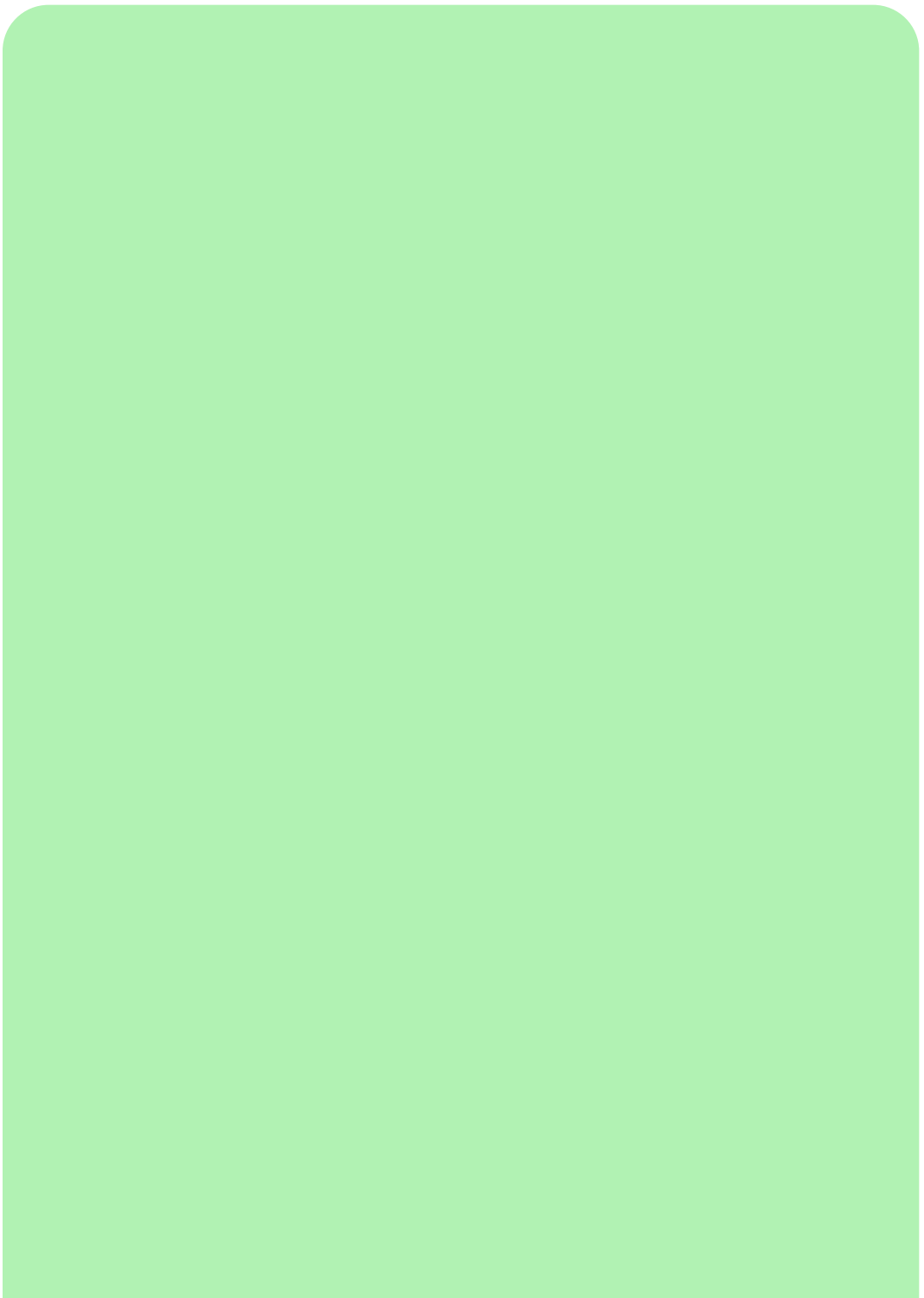
To be better equipped in your dealer discussions, calculate the average revenue generated per lead by analysing conversion data and transactional records. Determine the lifetime value of a customer acquired through the platform, considering factors such as repeat purchases and referrals. You are then able to compare these metrics against the monthly cost of dealership participation to demonstrate the return on investment and justify pricing structures.

Value Calculation Example

No of unique leads/month	75
Avg Listing Price	17 000 EUR
Avg Industry Margin	18%
Standard Conv Rate	5%
Total Value/Month	11 475 EUR

Marketplace Cost

500 EUR



Total Leads Value

11 475 EUR





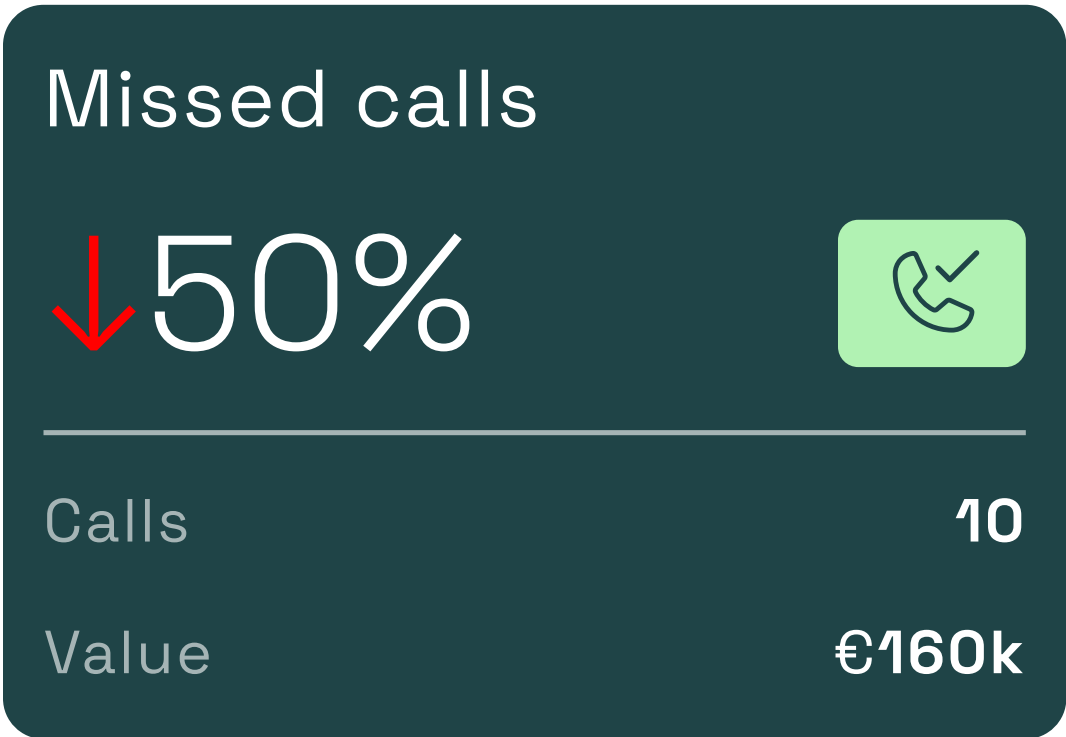
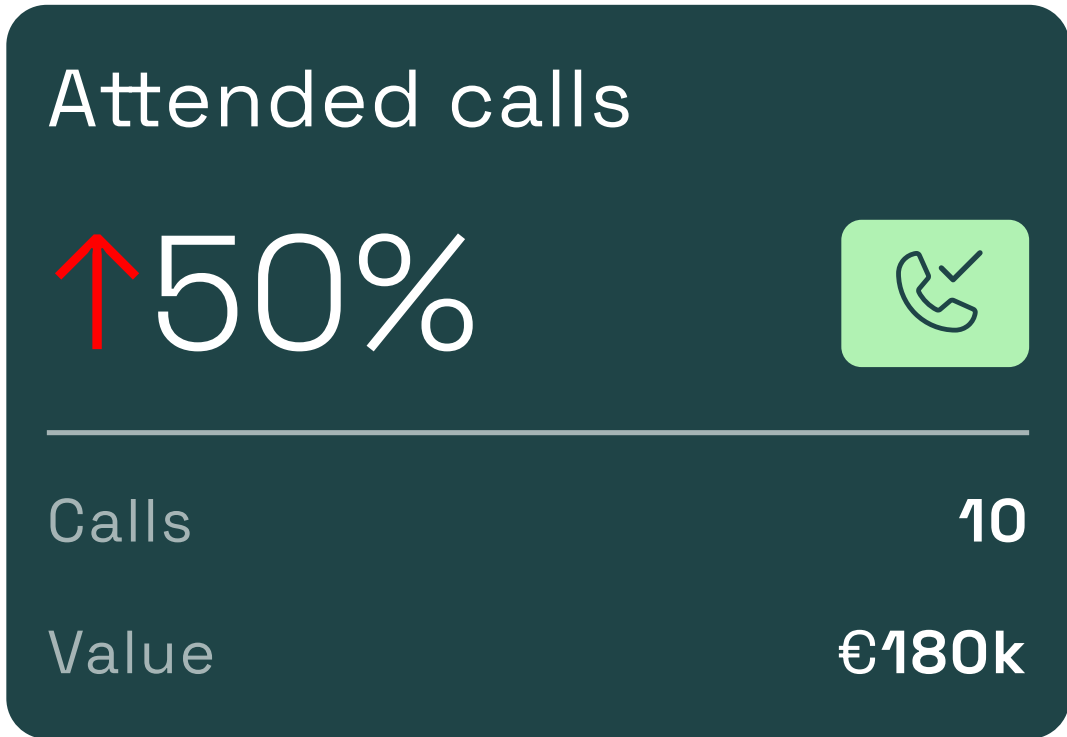
### 03.5 Identifying solutions

#### Data-Driven Decision Making

Your performace last week



How many leads did you miss this week



Emphasise quality aspects that showcase the platform’s efficacy in facilitating conversions, thereby justifying pricing structures.

With all the data at hand, it is possible to showcase success stories and testimonials from dealers who have experienced significant business growth and profitability through their partnership with the marketplace. This can serve as a benchmark for the dealers who are struggling. Highlight specific features and services that contribute to enhanced lead conversion rates and customer satisfaction. The benchmarks can be used to contextualise the platform’s performance and value proposition, reinforcing its competitive advantage.



## 03.6 Identifying solutions

### Partnership Mindset Cultivation

Transition from viewing dealers as customers to cultivating mutually beneficial partnerships focused on driving success.

The dealers are in a highly competitive space, often struggling to get more high value leads. By spending some time trying to understand the specific situation of each of your dealers, you can provide meaningful and personalised support. Look through their performance, activities and KPIs, based on your data. By fostering a culture of collaboration and mutual support you can reframe the dealer-platform relationship to a strategic partnership. Engage dealers in co-creation initiatives and feedback forums to solicit input on platform enhancements and feature development.

All missed calls in your region

Missed Calls

46%



Target

+4pts



Discover our solutions to help you recover €30,000 non attended leads → [Contact us](#)

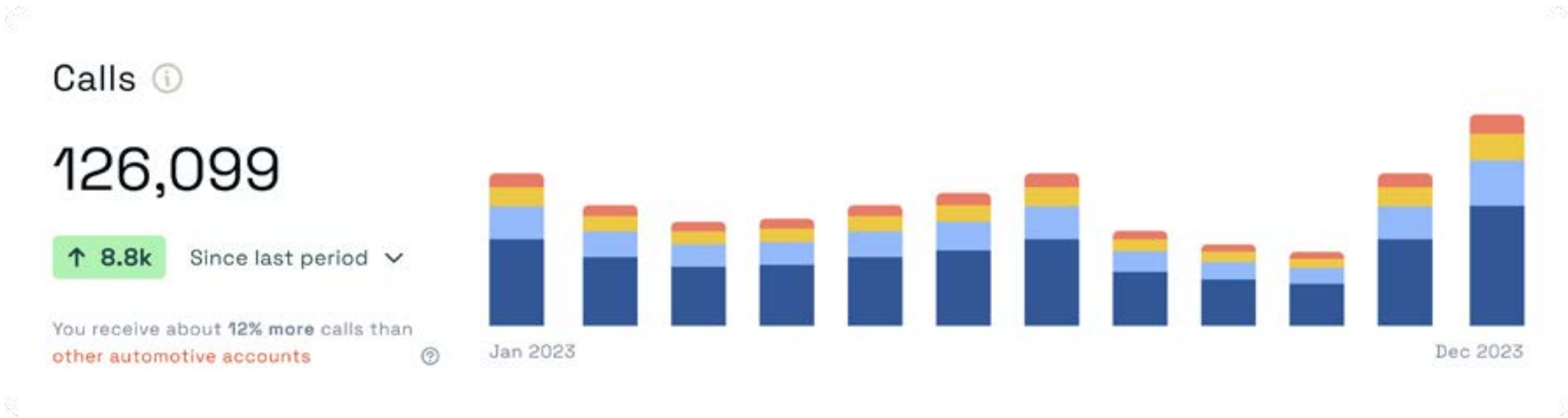


### 03.7 Identifying solutions

#### Partnership Mindset Cultivation

Offer personalised support and guidance to dealers, emphasising improvement areas and providing actionable insights for enhanced performance.

By providing tailored consulting services and personalised account management, you are able to assist dealers in optimising their presence and performance on the platform. With proactive recommendations and actionable insights based on data analysis and industry best practices, you can start improving their conversion rates.



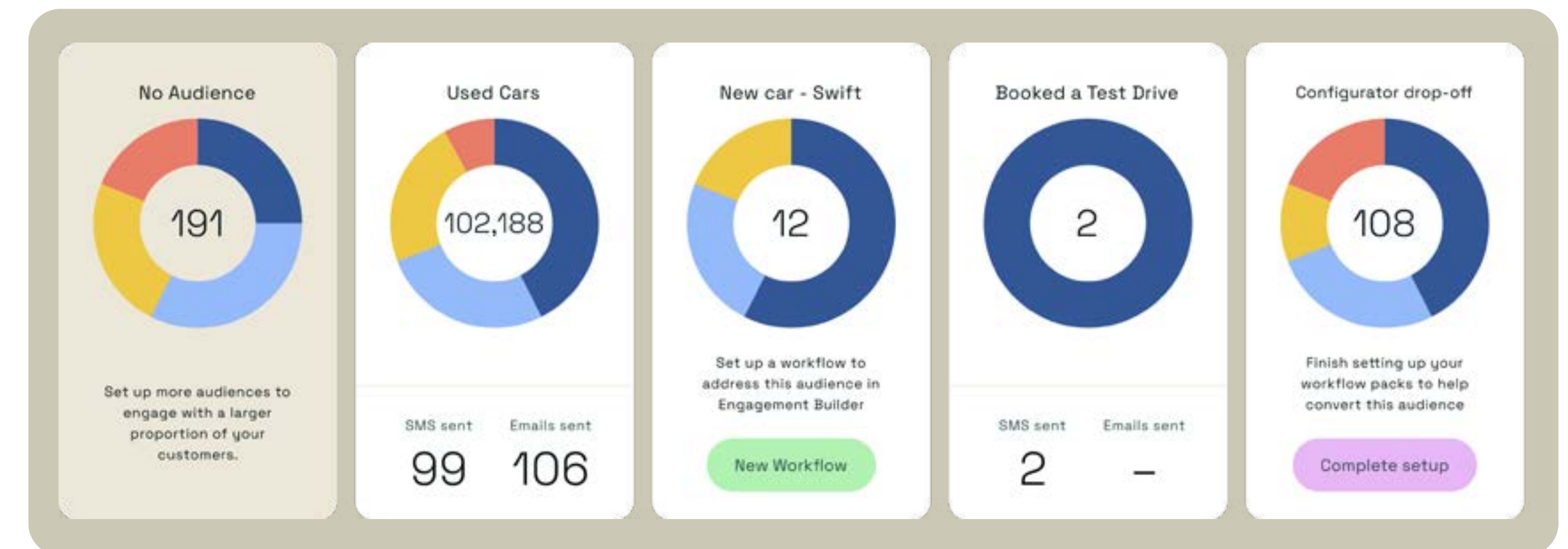


## 03.8 Identifying solutions

### Empowering Dealers with Tools

Utilise conversion tools to demonstrate the measurable impact of recommended changes, fostering trust and confidence among dealers.

Having access to high value data is the core to make the improvements needed. Implement conversion tracking tools and analytics dashboards to monitor the impact of recommended changes on lead conversion rates. Use this data to generate performance reports and metrics to quantify the effectiveness of ad campaigns and communication strategies. By providing actionable insights and recommendations based on data analysis, you can empower dealers to refine their approach and drive tangible results.







## 03.9 Identifying solutions

### Empowering Dealers with Tools

Your best performing ads last week

**Mercedes Benz**  
A200 d Premium



21 Calls

**Audi**  
A1 Sportback



17 Calls



Is there anything good practise here to duplicate?

Provide dealers with comprehensive guidelines for optimising ad content and communication strategies, leveraging platform analytics to measure efficacy.

Many marketplaces are providing their dealers with guidelines on how to create successful ads, more likely to convert. You can offer your dealers templates, checklists, and instructional resources to help them craft impactful advertisements and engage effectively with potential buyers. This could be further strengthened by setting up training sessions and workshops on ad optimization techniques and communication skills, equipping dealers with the knowledge and tools needed to succeed.



## 04.0 Conclusion

**Provide dealers with comprehensive guidelines for optimising ad content and communication strategies, leveraging platform analytics to measure efficacy.**

Many marketplaces are providing their dealers with guidelines on how to create successful ads, more likely to convert. You can offer your dealers templates, checklists, and instructional resources to help them craft impactful advertisements and engage effectively with potential buyers. This could be further strengthened by setting up training sessions and workshops on ad optimization techniques and communication skills, equipping dealers with the knowledge and tools needed to succeed.

## 05.0 To do

- ☐ Conduct a comprehensive analysis to uncover the underlying reasons for dealer attrition.
- ☐ Utilise advanced analytics to gauge the efficacy of lead generation efforts and show lead quality
- ☐ Develop robust business cases by quantifying the value per lead and compare it to the cost of dealership participation.
- ☐ Use quality aspects to justifying pricing structures.
- ☐ Build mutually beneficial partnerships with dealers, focused on driving success.
- ☐ Offer personalised guidance, sharing areas and actionable insights to enhance performance.
- ☐ Utilise conversion tools to demonstrate the tangible impact of recommended changes, fostering trust and confidence.
- ☐ Provide comprehensive guidelines for optimising ad content and communication strategies, leveraging platform analytics.

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