

Case Study: Dutch Mercedes-Benz Dealership



“ The INDICATA platform has been a valuable tool for us in the last 12 months as part of our used vehicle inventory management and pricing process and has helped to significantly improve our stock turn and reduce the number of overaged vehicles in our stock and thus led to a huge rise in profitability.

Used Car Manager, Mercedes-Benz Dealer

Dutch Mercedes-Benz dealership improves used vehicles sales and profits and gains a competitive edge with the implementation of INDICATA

Customer

A franchised Mercedes-Benz dealership - they requested anonymity for legal reasons- is one of the top 50 franchised dealers in the Netherlands.

Challenge

The dealership had experienced some difficulties in establishing a consistently successful and professional approach to used cars for some time. Main challenges in their used vehicle operations were low gross margins, low inventory turn and high amount of overaged vehicles in the stock. In an in-depth review process of the used car unit a dynamic pricing policy has been identified as a key element of a successful strategy.

Therefore in need of a better way to manage the inventory and the pricing in the used car business and gain access to valuable market data, the dealer began searching for a Business Intelligence (BI) solution. It desired a solution that had the capabilities and functionalities to present complex data sets in a clear, efficient manner to the general management and to the sales staff in the used car operations.

The objective was to implement a system that would provide real-time market data and offer benchmarking capabilities that would track and report daily and furnish analysis of key used car operations indicators. This information would serve to offer valuable insights while providing effective tools for dynamic pricing.

Solution

The dealership conducted a marketplace review which led to a shortlist of BI platforms. When it came down to a decision it was clear that the platform with the best fit for their needs was INDICATA. Key drivers of the decision were INDICATA's ability to provide real-time market data at the highest level of quality, cost-effectiveness, speedy implementation and flexibility.

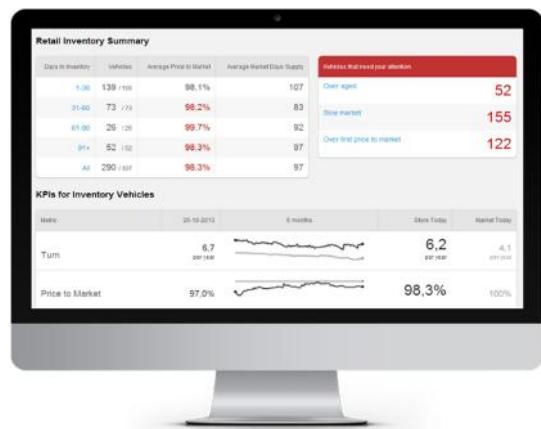
Most importantly, INDICATA addressed the key need which was to reengage its sales managers in the used vehicle department. INDICATA's focus on ease-of-use for end users and its intuitive frontend dashboards make it an inviting working environment for users.

The implemented solution provides the management and the used car sales team with the most accurate market data to understand the dynamics in the market including the competition, to monitor the dealership performance, to manage the used vehicle inventory and to apply a dynamic pricing strategy.

Results

INDICATA provided a level of vision over the entire used vehicle operations and pricing process that did not exist before. This has led to significant improvements of key indicators within 12 months after the implementation:

- Used car sales grew 113% YOY
- Used car division attained 103% revenue growth
- Gross margin per unit up by 95%
- Average stock days reduced by 15%
- Stock turn increased from 2,1 to 3,7



The INDICATA platform offered enhanced functionality, ease of use and a modern look and feel. This enabled also an increase in productivity and eliminating the need for manual calculations has also resulted in reduced error rates.

Apart from achieving significant improvements, the dealer benefits from the high level of expertise and advise in used car management that helps to make informed decisions to protect their business.

Conclusion

The real-time Business Intelligence INDICATA system has helped the dealership to significantly improve the financial performance and the main KPIs in the used vehicle operations including a reduction of overaged vehicles in the used vehicle inventory.

INDICATA is the next generation of business intelligence and market insights software for the management of used vehicle inventories. The platform, unlike any competitor in the market, brings a unique solution to improve profitability in used vehicle operations and protect residual values to the automotive industry and aligned sectors.

INDICATA is a platform that collects, processes and analyses used car market data in real-time to provide insights on market dynamics including demand, supply, pricing, inventories, etc. The web based platform monitors all used cars currently for sale in a market by gathering automatically data in real-time from classified websites, OEM websites, dealer websites, used car retailer websites, etc. The INDICATA dashboard provides real-time KPIs, reports and analysis enabling car manufacturers, importers, dealers, fleet owners, rental companies, banks, insurance companies, etc. to instantly measure their market position, monitor the performance of their networks, know supply and demand for their stock and plan strategies and tactics to protect residual value and improve sales, optimise used prices and manage risks against ever changing market conditions.

AUTOROLA GROUP is a global leader in online remarketing and automotive IT solutions for professional used car operations and fleet management headquartered in Denmark. The company has currently approximately 400 employees and subsidiaries in 17 countries across Europe, North America, Latin America and Asia-Pacific.