



How Lexus of Lehigh Valley is creating a 'dealership without walls'



Source: <https://www.lexus.com/models/RX-PHEV>

Products

Online Retail,
In-Store Digital Retail

Market

Allentown, PA

Champion



Mike Anderson
COS, Lexus of Lehigh Valley

Challenge

Lexus of Lehigh Valley faced several challenges that prompted a shift in their approach to automotive retail. Over the years, the dealership had accumulated a web of 11 different technologies to sell cars and finalize transactions, resulting in inefficiencies that stretched the sales process to four to five hours.

With no in-house F&I team, an absence of integrated digital retailing tools and an increasingly demanding customer base, leaders at Lexus of Lehigh Valley recognized the need for a comprehensive solution that could streamline the sales process with a Single Point of Contact (SPOC) and allow customers to transact both remotely and in-store.

Solution

By leveraging Upstart Auto Retail's online and in-store digital retail solutions, Lexus of Lehigh Valley turned their store into a completely digitally-enabled location where customers had one point of contact and could complete the entire car-buying experience without ever stepping foot into their store.

Mike Anderson, COS, said, "It's magical the way Upstart Auto Retail's online platform draws customers through transactions. I've never had so many people say, 'This is the best purchase experience I've ever had' or 'Your tool works so much better than everyone else's.'"

Solution

With the implementation of Upstart Auto Retail, Anderson explained that the dealership has seen several transformative changes.



160% increase in PVR

Upstart's tools helped increase the dealership's PVR from below \$600 to over \$1,600



CSI improvement

After implementing Upstart, the dealership's CSI score became the second highest in the Northeast and also became the #1 Lexus dealer in Pennsylvania



80% close rate

Moving towards a model that allows for remote customer transactions allowed Lexus of Lehigh Valley's close rate to soar to 80%



Single point of contact

Upstart's solution enabled the dealership to offer a single point of contact — meaning Customer Experience Managers handle the entire transaction process from initial contact to final delivery

✓ Fast sales team onboarding

The onboarding process for sales personnel also became more efficient with Upstart, as salespeople can now reach full competency in four to six months, including the complex task of structuring deals. This faster onboarding time contributed to increased sales productivity. In fact, a new salesperson with only three months of experience managed to sell 17 cars in one month.

“Without Upstart Auto Retail, she wouldn’t have been able to realize such great success so quickly. The tool eradicates the need to be taught how to structure a deal. It happens in front of you; all you have to do is plug in the information,” said Anderson.

✓ Single point of contact

Upstart’s solution enabled Lexus of Lehigh Valley to offer a single point of contact for customers — this meant that Customer Experience Managers could handle the entire transaction process, from initial contact with the customer to final delivery. This approach eliminated the need for a traditional business development center and improved customer satisfaction and retention.

✓ Remote transactions

The dealership successfully transitioned towards servicing customers remotely, reducing the need for in-store visits. Approximately two-thirds of vehicles were delivered remotely, signifying a significant shift in customer behavior while improving customer satisfaction.

✓ Improved close rates

By moving towards a model that serves customers remotely, Lexus of Lehigh Valley’s close rate soared to over 80 percent, reflecting the effectiveness of the new digital retailing tools in closing deals. Their digital closing percentage also exceeded 30 percent.¹

“We’ve streamlined car buying so much that walk-in traffic is virtually non-existent — customers can simply show up to pick up their vehicles they configured online or have their car shipped to their preferred location,” said Anderson.

✓ Enhanced profitability

Upstart’s tools helped increase the dealership’s PVR from below \$600 to over \$1,600, marking a 160 percent increase.² According to Anderson,

“Upstart’s digital retailing tools are a vital ingredient in the dealership’s recipe for success, contributing to a massive increase in net profitability and customer and employee satisfaction.”

✓ Increase in customer satisfaction and market share

Customer satisfaction improved significantly, reflected in the dealership’s Google review rating of 4.7 stars. The dealership also secured its position as a top dealership in the Northeast and the #1 Lexus dealer in Pennsylvania with the second highest CSI in the Northeast.

Overall, the transition to Upstart has positioned Lexus of Lehigh Valley as a destination dealership and leader in the automotive industry. **“When we say digital retail, we mean connected retail. Upstart has enabled us to create a ‘dealership without walls,’ and because of that, we’ve become a destination dealer for a lot of people,”** said Anderson.



About Upstart Auto Retail

Upstart Auto Retail is a leader in modern automotive retail solutions, providing the most seamless and flexible connected retailing platform for dealers to increase sales efficiency and customer satisfaction.

Visit us today at upstart.com/dealers

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1. Findings are based on information collected by Lexus of Lehigh Valley as of August 2023.

2. Ibid.