

OVERCOMING AUTOMOTIVE INFORMATION OVERLOAD

INCREASE SALES AND IMPROVE TRAINING THROUGH EFFECTIVE USE OF INFORMATION



WHITE PAPER

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TABLE OF CONTENTS

SUMMARY.....	3
INTRODUCTION.....	3
AUTOMOTIVE INFORMATION OVERLOAD.....	4
OVERCOMING AUTOMOTIVE INFORMATION OVERLOAD.....	5
IDEAL VALUE	6
ADDITIONAL VALUE.....	7
CASE STUDY: NISSAN NORTH AMERICA	8
FUTURE OF IDEAL.....	9
APPENDIX A: IDEAL INFORMATION HIERARCHY.....	10
APPENDIX B: IDEAL SCREEN SHOTS	11
CONTACT AND COMPANY INFORMATION	15
REFERENCES.....	15



SUMMARY

In the digital age, salespeople at auto dealerships are hard pressed to keep pace with an avalanche of information from manufacturers about new models, trim levels, options and pricing. iDeal™, a new solution from Price Books and Forms Inc., leverages the power of Personal Digital Assistants to provide an easy-to-use solution that puts all the information a salesperson needs in the palm of his or her hand. iDeal can help dealers increase sales by making every member of the staff, whether veteran or novice, an expert. Timely electronic updates with manufacturers' latest information reduce training and printing costs.

INTRODUCTION

The amount of knowledge and information in the world doubles every 7 to 10 years, depending on who you ask. Some have suggested that it doubles as quickly as every 14 months.¹ Whatever the rate, the total volume of information is increasing very rapidly. The automotive industry is no exception. In the last several years the amount of information available on new vehicles has exploded. There are two primary drivers:

1. Automakers are adding models faster than ever and updating prices and product information more frequently;
2. The Internet has made the information readily available to everyone in numerous formats.

The number of nameplates (the vehicle name as given by the manufacturer) sold in the United States has doubled in the past three decades to 267. The research firm AutoPacific predicts that by 2010 there may be 300 nameplates.² Most manufacturers will be releasing hybrid or alternative fuel versions of their vehicles. Others are expanding their lineups by adding light trucks, SUVs, and other niche models. Manufacturers are also creating entirely new brands (i.e. Scion) with, of course, new nameplates and models.

As manufacturers compete and react to market conditions during the model year, they update information more frequently. Base prices change; destination charges change; option and package content and prices change; options and packages are added or discontinued; color availability changes; sometimes whole models are added or discontinued. The trend over the last several years has gone from a few broad changes affecting all models in a brand (e.g. a 5% price increase across the model line) to many narrow changes, each affecting only specific models.



There are thousands of websites targeting the automotive industry, including sites operated by manufacturers and dealers. There are third party portals, lead generating sites, and others. Consumers can research product information and pricing and read reviews. They can configure options, price a custom vehicle, search a dealer's inventory, and perform many other functions. Each site presents the information in a different way, suited to its purpose. Within minutes consumers can get an abundance of information about specific cars from their homes or offices. According to auto and Internet executives, two out of every three new-vehicle buyers research their purchase online before buying.³

AUTOMOTIVE INFORMATION OVERLOAD

The flood of information presents a real challenge for dealers and their sales staffs. We call this the Automotive Information Overload.

Even the best salesperson can't remember the details of every model, trim level and option package. The variations and complexity of today's vehicles make memorization impossible, especially given that it changes frequently. One dealer described this problem as an "incomprehensible nightmare for sales people trying to learn the product." Chevrolet and Ford "offer hundreds of models, each with three to six trim levels (equipment packages), in eight to 20 colors with two or three interior color and fabric choices, one to four engine choices, two transmission choices, plus a host of other options."⁴ Yet to be effective, salespeople must be able to answer all of a customer's questions. The problem is compounded by the fact that many salespeople are inexperienced because of high turnover. There is a constant need for cost-effective product training.

The abundance of information available to the public adds to the problem. Consumers have become an army of well-informed buyers who often know more than the salesperson about particular models. It has been said that the last uninformed car buyer walked into a dealership in 1998⁵. As knowledgeable as a salesperson may be, he or she is at a disadvantage. The customer can focus on one or two models while the salesperson must try to be familiar with all of their models and all of the competition's.

Because information available to consumers on line isn't always accurate, misunderstandings sometimes arise. A potential customer may bring printouts of information they've retrieved from a website, but the pricing is wrong or the vehicle can't actually be ordered the way the customer wants it. Building trust with customers can be tough when the first thing a salesperson must do is convince them they are wrong.

Manufacturers have tried to address the issue by publishing product booklets and videos and providing internal training websites. GM, for example, recently launched a new training initiative focused on product information targeting their



dealers and salespeople.⁶ Printed materials, however, are quickly outdated and the cost of producing and distributing updates is prohibitive. Recently, salespeople for one brand were carrying product books that were more than a year old. Yet it was the most current official source of information provided by the manufacturer. Websites are easily updated, but salespeople can't carry a laptop when they are on the lot talking to customers. And they can't always get to a computer to study during down time.

OVERCOMING AUTOMOTIVE INFORMATION OVERLOAD

How can dealerships and salespeople get the information they need without being overwhelmed? An effective solution must do the following:

- Provide complete and accurate data
- Allow easy access so salespeople can answer questions at any point during the sales cycle while remaining focused on the customer
- Enable timely updates as manufacturers release pricing and product changes
- Be portable so that salespeople can study and answer questions anywhere – on the lot, in the showroom, or even on a test drive

With this in mind, Price Books and Forms created the ideal solution.

For more than 75 years Price Books and Forms, Inc. has helped dealerships by providing sales tools and product information. Their flagship product, the Automotive Price Book, is an industry standard.

To meet the demands of the digital age, Price Books and Forms is setting a new standard with the introduction of iDeal™. iDeal is a data solution that leverages the Internet and Personal Digital Assistants (PDAs) to eliminate the Automotive Information Overload.

PDAs were once considered simple electronic organizers; now they are so much more. With increased processing power and memory capacity, PDAs can store and quickly retrieve large amounts of data and perform complex tasks. For example, many doctors carry a PDA that puts data on thousands of prescription medications in the palms of their hands. They can check for interactions between medications before writing a prescription or look at information on thousands of diseases and conditions. Simplicity, mobility, and relatively low cost make PDAs the perfect tool for automotive salespeople as well. They can carry in their pockets a small, easy-to-use device that contains everything they need to know about models and pricing.



Leveraging the power of PDAs, iDeal eliminates information overload. Salespeople no longer need to worry about forgetting a detail in an ocean of product data. With a few taps on the PDA screen they can answer questions about pricing, standard equipment, options, vehicle specifications, and exterior/interior color availability.

iDeal makes it easy to find the answers to customers' questions. Much like clicking links on a web browser, the user taps the screen to navigate from the brand to the model, to the trim levels, and then to the standard equipment, options, specifications, or colors (see Appendix A).

Updating is simple. When manufacturers release new information, the Price Books and Forms data team updates the iDeal database and notifies subscribers by email. To download the new database, a user simply synchronizes the PDA to an Internet-connected computer or retrieves it from the Price Books and Forms website. The entire process takes less than 3 minutes. Salespeople never have to worry about using outdated materials again. All the information they need is available from a single, convenient source. The portability of PDAs makes the information available in seconds.

iDeal runs on both Palm OS and Pocket PC PDAs. It runs well on low cost, entry level devices and on more expensive, full-featured models. Salespeople can use the PDA that best meets their needs, preferences, and budget.

IDEAL VALUE

The value that iDeal brings to dealerships and automotive salespeople extends beyond the product information and update service that it provides.

iDeal can improve training and lower costs by reducing the need for printed materials. Employees become more efficient because they can use iDeal to study while they are on the lot waiting for "ups." They no longer need to worry about missing a sales opportunity because they are sitting at a desktop computer in a backroom. Because iDeal provides information as it is released by manufacturers, salespeople can get up to speed as each model is released rather than being inundated by the new information all at once. With iDeal, the salesperson will never be at a disadvantage of knowing less than the customer.

iDeal's product information is essential during the sales cycle. Salespeople have ready access to all of data they need, including multiple brands and multiple model years. And they can be confident that it is current and accurate. No matter when or where a question comes up, salespeople with iDeal can quickly find the answer. This allows them to focus on the customer's needs and keep the conversation moving forward. Good service during the sales cycle builds customer satisfaction, loyalty, and repeat business.



See Appendix B for examples and screen shots.

ADDITIONAL VALUE

Besides product knowledge, iDeal and the PDA offer several other valuable benefits.

A contact information tool provides an excellent way for salespeople to capture leads and customer information such as name, phone number, email address, address, etc. Since they are stored in the PDA they will be available for reference at any time. Contacts can be categorized to help manage the sales cycle. For example, a salesperson may categorize contacts as “New Leads,” “Hot Leads,” “Cold Leads,” and “Closed Deals.” As the salesperson works the leads, information can easily be moved from one category to another. This provides visibility into the sales pipeline and can be very helpful in setting, tracking, and achieving goals. Notes can be attached to contact entries about which vehicle the buyer is interested in, what they plan to trade in, or anything else that will help them remember the contact and close the deal.

A calendar function allows salespeople to manage appointments such as sales meetings and appointments with customers. The PDA can provide a reminder so that no matter how hectic it gets on a busy weekend, the salesperson won't forget an appointment and miss an opportunity.

A task list allows salespeople to keep track of things they need to do. For example, a salesperson may enter a task to check on a certain color vehicle in inventory and call a potential customer back. Again, a reminder can be set so that no opportunity is overlooked.

A notepad function helps users capture pertinent information during a conversation with a customer or any other thoughts or ideas. Because the notes are stored in the PDA they are always available and can be organized and easily retrieved.

Using a PDA with iDeal conveys an image of professionalism, accuracy, and innovation. It establishes credibility and confidence in the customer which leads to improved customer service.

With iDeal nothing gets lost. PDAs synchronize with desktop computers so the data is backed up on the PC. If a PDA breaks or is misplaced, the data is still safe on the desktop.

See Future of iDeal below for more information about future features, benefits, and value of iDeal.



CASE STUDY: NISSAN NORTH AMERICA

To fine tune iDeal, Price Books and Forms conducted a pilot with dealerships in several markets. The purpose was to provide a real-life test to validate that iDeal:

- is easy to use with minimal training
- provides the answers salespeople need
- relies on technology that is compatible with dealers' computers and software

Price Books and Forms loaned each dealership two PDAs and desktop software for synchronizing the PDAs was installed on a computer at each business. Salespeople who already owned a PDA used their own.

Surveys were conducted during and at the completion of the pilot with the dealerships. The results were very positive. Users found that iDeal was so easy to use it required no real training. The content and organization of the information met the needs of salespeople and there were no barriers to implementing the technology. In fact, one dealer bought seven PDAs and iDeal subscriptions, even though the software still was in pilot mode.

Armed with those positive results, Price Books and Forms approached Nissan North America to help with a broader test of iDeal's value. Like other automakers, Nissan North America provides printed materials to salespeople and operates an internal website for training. Based on the dealership pilot, the company realized that iDeal's electronic format might allow them to reduce printing and training costs.

Nissan North America agreed to offer iDeal subscriptions to sales people who already own PDAs. With little promotion, the program attracted nearly 300 subscribers, from salespeople to owners, in the first two months. More are signing up each week. All they need to do is go to the company's training site and click the link to Price Books and Forms' website. Then they provide their names and email addresses, select a user ID and password, and identify the type of PDA they use. Once that is done they can download iDeal's vehicle data. The entire process takes less than 10 minutes. Subscribers are notified by email to update the data whenever Nissan changes pricing and product information. Users can then synchronize their PDA to get the updates or click the link included in the email to log in to the site and get them.

In these tests, iDeal has proven its value as a tool that improves training, boosts sales, and increases customer satisfaction. Describing the advantages of iDeal, one dealer said, "Most buyers are Internet savvy, and sales personnel come and go. The information, being literally in the palm of your hand, makes you look



professional and knowledgeable even if you have little time on the job or your product knowledge is weak.”⁷ A fleet manager said he is impressed with the convenience of having the entire product database at his fingertips as he talks with customers. “Let’s say they’re interested in Maxima,” he said. “I can use the PDA to check the MSRP with the destination charge, the standard equipment and available colors. I can also check the options and tell the customer what’s available... I have no fear of any customer coming in and not getting the right information. I know our sales staff can go out on the lot with this great piece of technology and have the answer, immediately. In the competitive market we’re in, knowledge is the most powerful tool.”⁸

FUTURE OF IDEAL

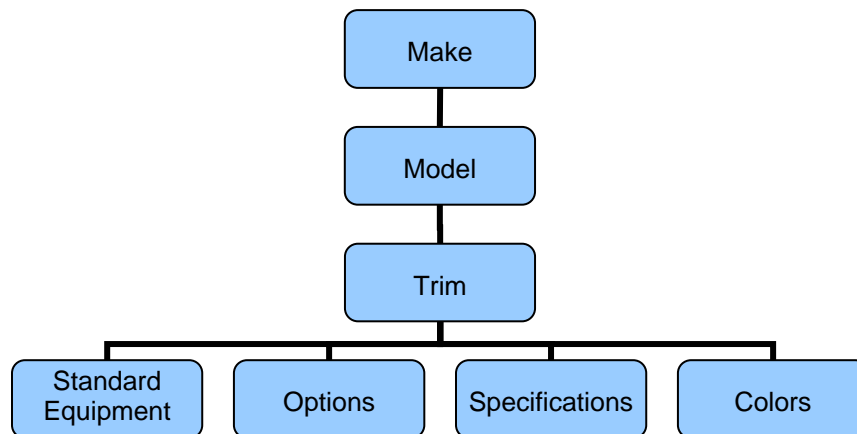
As good as it is, iDeal is getting even better. The following features are currently being added, are in the planning stage, or are under consideration:

- **Financing and Lease Calculator** – Users will be able to calculate financing and leasing options to help qualify customers and answer financing questions. (*This optional feature is coming in February 2006 for Palm OS and Pocket PC devices.*)
- **Trim level comparisons** – This enables users to select two trim levels within a model to be compared. iDeal presents the standard features and options side by side for the selected trims and indicates whether each item is standard, optional, or unavailable for the trims. (*Coming in February 2006 for Pocket PC devices.*)
- **Competitive comparisons** – Users can compare the features of models from different manufacturers, including braking, cargo capacity, safety, reliability, etc. Comparisons are based on independent sources such as *Car and Driver*, *J.D. Power and Associates*, and *Motor Trend*. This is a great tool to use when the customer is considering a competitor’s vehicle. (*Coming in February 2006 for Palm OS and Pocket PC devices.*)
- **Vehicle Configuration** – This will allow users to configure and price a custom vehicle. The software ensures only available and compatible options can be selected.
- **Lead management** – Sales leads can be managed directly on the PDA to better follow up on prospects and receive referrals.
- **Sales planning** – Personnel can plan, track, and achieve daily, weekly, and monthly sales goals.
- **Dealership inventory** – This will make the dealership’s inventory available on the PDA for search and reference to help staff sell what is on the lot rather than order vehicles or lose a customer.

APPENDIX A: IDEAL INFORMATION HIERARCHY

Price Books and Forms designed iDeal around a natural hierarchy that organizes information in a way that is intuitive and easy to navigate.

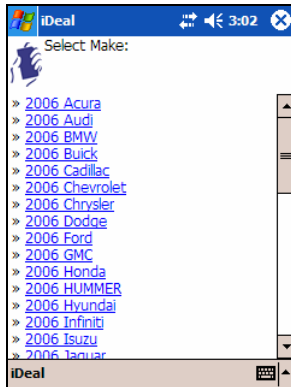
The hierarchy is represented in the following chart. Within a make or brand the vehicle models are listed. Selecting a model reveals the trim levels available for that model. Selecting a trim provides all the detailed information organized by Standard Equipment, Options, Specifications, and Colors.



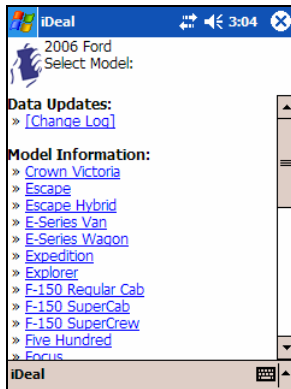
For example, finding the towing capacity of the Ford F-150 SuperCrew truck requires only 3 taps on the screen. In the Ford data, the salesperson would tap on the F-150 SuperCrew model, then tap the desired trim level, then tap Specifications. Countless other questions can be answered just as easily.

APPENDIX B: IDEAL SCREEN SHOTS

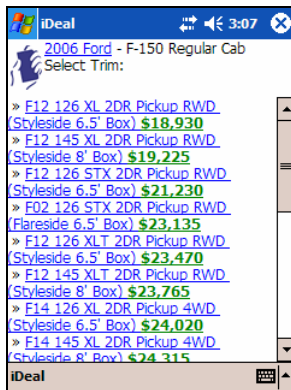
The following screen shots illustrate how easily iDeal provides access to product information as well as some of the additional benefits. Samples of Palm OS and Pocket PC screens are shown.



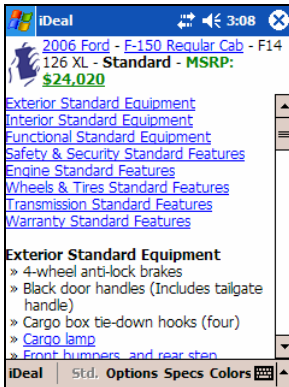
The main iDeal screen lists all the years and makes installed on the PDA (each is a separate database). Tapping an entry opens the database and lists models. Tapping on the iDeal icon at any time returns to this screen. (Pocket PC)



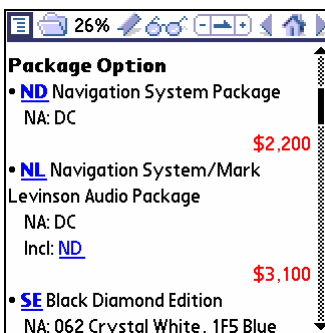
When a database for a year and make is opened the models are listed. The top of the screen always shows what has been selected as you move down the hierarchy into more detail. The Change Log lists the changes that have been made to each model over time. Tapping on a model opens up the trim list. (Pocket PC)



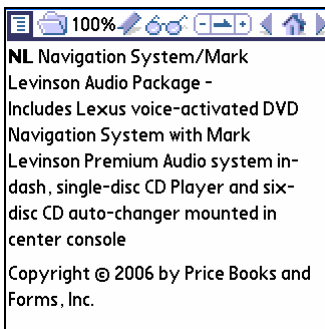
Tapping a model displays the list of trims for the selected model including factory code (where available), trim name, number of doors, body style, drive, additional description (where available), and MSRP (MSRP can include or exclude destination charges based on the user's preference). (Pocket PC)



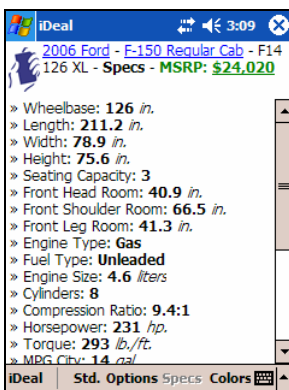
Once a trim level is selected all of the detailed information about the vehicle is available with a single tap on the menu items at the bottom of the screen. This example shows the Standard Equipment for the selected vehicle. Users can scroll down through this page or they tap one of the listed categories to jump directly to the section they are interested in. (Pocket PC)



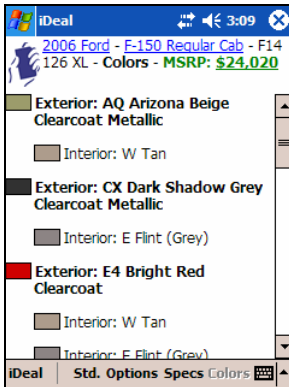
This screen shows the options page. Users can tap on a category to jump directly to the options in that category or they can scroll through the list as needed (in this screen shot the Package Option category was tapped). For each option the following are provided: manufacturer's code (where available), name, constraints, and MSRP. Constraints indicate if the option includes another option, is not available with another option, or requires another option. If more detail is available a link is provided to the detail. (Palm OS)



Tapping on an option code link displays the detailed information for that option. (Palm OS)

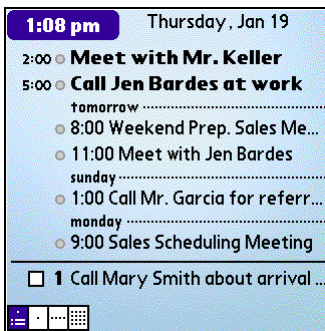


Tapping the Specs menu item at the bottom of the screen displays the vehicle specifications.



Tapping the Colors menu item displays the available exterior and interior color combinations. For each color the factory code is given (where available) followed by the name and paint type. (Pocket PC)

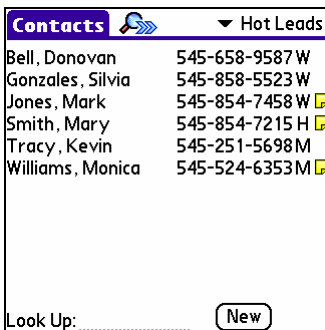
The following samples show the additional value that can be achieved using a PDA with iDeal.



Get organized with a daily agenda showing scheduled appointments and tasks that are due. (Palm OS)



Capturing leads or customer information is simple. Leads can be categorized with custom categories (i.e. "Hot Leads", "Cold Leads", etc.) as shown in the upper right corner. Notes can be attached as shown near the bottom of the screen. (Palm OS)



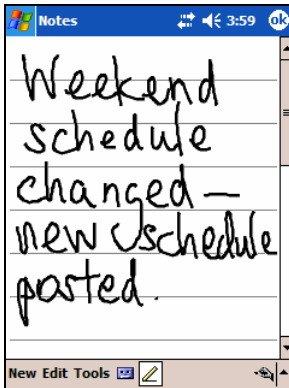
Easily list all the leads for a given category (upper right corner) for follow up and tracking. Leads can be moved between categories with just a few taps. (Palm OS)



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Reminders can be set to make sure that during a hectic day no opportunities are missed. (Palm OS)



Always be prepared to jot down any notes you need and have them handy at all times. (Pocket PC)



CONTACT AND COMPANY INFORMATION

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Price Books and Forms, Inc. was founded as Dealers' Aid Company (DACO) in 1930 by Orville L. Willard. As a Ford Motor Company representative, Mr. Willard saw a need to organize the automotive pricing information that was sent by automakers to dealerships in a simpler, handier format that could be given to every salesperson. He also began printing various business forms dealers need.

Over the years the company has continued to provide value to dealers and their sales staffs. During the '50's and '60's the company's most prominent product, the Automotive Price Book, was created. The Automotive Price Book has evolved into a pocket-size reference guide for use by the sales staffs of automotive dealerships nationwide.

In the mid-80's, General Motors contracted with Price Books and Forms to create and maintain an automotive product and pricing database, the first of its kind. The database has evolved over the years to become an important part of the business.

In late 2004 Price Books and Forms, Inc. introduced iDeal.

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