

CONQUEST CASE STUDY: SHEEHY VOLKSWAGEN, SPRINGFIELD, VA

CONQUEST
NEW CAR INVENTORY MANAGEMENT & PRICING

Discover Sheehy Volkswagen's two-year journey to become the top-performing VW dealership in its region. Find out how the dealership doubled its sales, and increased its inventory turns, by using technology and insights to drive better performance and profitability in its new vehicle department.

About Sheehy Volkswagen

The dealership is part of Sheehy Auto Stores, a 24-store group operating in the Mid-Atlantic area. The group is known for its customer-centric approach to selling cars and its commitment to local communities through its Sheehy Cares program.

Sheehy VW Climbs Its Way to No. 1

General Manager Russ Zakeri and his team at Sheehy Volkswagen got real serious in 2015.

His dealership had just completed a factory renovation. He needed to sell more new vehicles to make good on the store's seven-figure investment.

He also understood his dealership faced a different market. One where dealers often win, or lose, business based on what potential buyers see online from a dealer, and how it compares to their perceptions of what they should see.

Zakeri understood the challenge. He recognized that his desire to increase sales volume would require having more of the right cars for the market than the competition, and pricing them properly to capture more business. He also knew it'd be an impossible task if he didn't find an easy and efficient way to identify the right new vehicles and prices he should offer.



SHEEHY VW SUCCESS STATS

Ranking:

#1 in region; among top 5 in U.S.

Retail Sales:

150 new vehicle sales per month

Inventory Turns:

6.5 times per year

Regional VW Market Share:

4x improvement

**117% Increase in New
Car Inventory Turn**



A New Car Strategy Shaped in Used Cars

Prior to taking over the as GM, Zakeri worked in used vehicles at Sheehy. He was part of the dealership's evolution to a no-haggle, one-price approach in used vehicles, known as the Sheehy Easy Price.

Zakeri understood that a customer's desire for transparent pricing and a convenient, easy sales process was no different in used vehicles than in new vehicles. He knew he needed to do a better job of having the right new vehicles, and properly pricing them to the market, if he wanted to achieve his goal of increasing retail sales and profitability.

That's when he started investigating solutions that would empower his dealership to stock, price and merchandise his inventory based on customer demand in his market. This need for better market insight is what led Zakeri to use Conquest, the new vehicle inventory management and pricing system from vAuto.

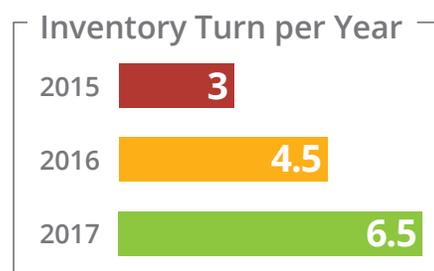
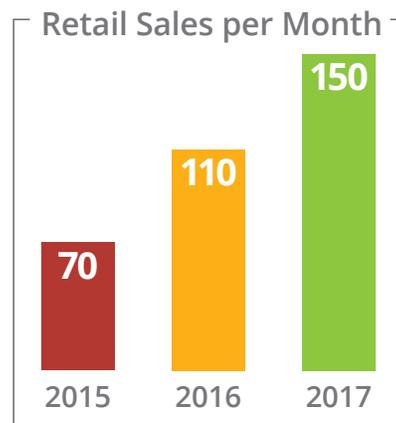
"We needed more inventory to sell the number of cars we not only wanted to sell, but also needed to sell," Zakeri says. "We got a little more allocation with the renovation, but it was really on us to turn the inventory and earn the cars to compete more effectively. We wanted Conquest to help us sell more cars and turn our inventory. If you don't turn your inventory, you get less allocation and it costs you sales."

In 2017, two years after committing to a more growth-focused new vehicle sales strategy, Zakeri and his team can proudly say they've hit their goals.

In that time, Sheehy VW has gone from being a middle-of-the-pack performer, consistently fifth or sixth in sales volume among VW dealers in the region, to becoming the No. 1-selling VW dealership.

"Conquest is definitely a big part of our success," Zakeri says. "It is the single most important tool we use to be more competitive. Conquest puts all the information you need right in front of you. It shows you the trim levels, how you are doing with inventory compared to the market."

"You know where you need to make deals and where you should be priced more competitively or not," he says.



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Russ Zakeri,
General Manager,
Sheehy Volkswagen



A Growth-minded Strategy Fed by Precision Insights, Speed to Market

Zakeri's desire to become a larger-volume dealer relied on a simple but profound four-part strategy.

Put your best price out there on every car.

Buyers today want a more convenient, efficient and transparent purchase experience. "We decided we're better off not playing the pricing game," Zakeri says. "We said, 'Let's put the right price out there that we will take,' and give the customers the experience they prefer, from the internet department to the sales desk."

Base pricing decisions on insights, not instinct.

With Conquest, Zakeri's team creates pricing rules for specific models, trim levels, colors and other factors. "When you're working as a desk manager, you know your inventory. But it's tough to know your turn, your days supply compared to the competition, your allocation, your price to market and conversion rates — basically, the things you need to make a good pricing decision," Zakeri says. "With Conquest, it's all right there."

Be faster.

It can take some dealers several days to update pricing and incentives at the beginning of every month. That's why it's often a set-it-and-forget-it scenario — which means prices only get touched once a month, whether they need adjustment or not. With Conquest, Zakeri takes a different path. He doesn't spend hours looking at third-party sites to gauge the competition. Conquest serves up the pricing landscape, stacks the appropriate incentives, and updates all cars and prices. In minutes. "Even a 48- or 72-hour advantage matters in our market," Zakeri says. "It's competitive out there."

Keep the right cars coming.

With Conquest, Zakeri knows the vehicles he's selling compared to his competitors. He knows when his inventory is more favorably positioned to current and emerging market demand than the competition's inventory (and when the reverse is true). Zakeri applies these "active inventory" insights to his ordering decisions to ensure his pipeline of incoming vehicles fits market demand. "I can see if I'm running out of vehicles at a trim level, or I've got too many on the ground and in my pipeline, and need to adjust," he says.

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A Plan for Stiffer Competition Ahead

Sheehy VW's success hasn't gone unnoticed. Zakeri and his team see it. Some competitors are offering more rational pricing. There may be greater movement toward one-price retailing.

Zakeri plans to keep ahead by working to be a better student of his market than his peers in competing dealerships. He'll go deeper into a system like Conquest, and spend more time there, to find an advantage he hasn't yet uncovered.

"It's all about understanding the insights, followed by the execution," he says. "We work hard to be good at both, and hopefully better than the competition."

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Drive Better Performance and Profitability with Conquest

Sheehy Volkswagen is not alone — more than 2,000 franchise dealerships use Conquest to drive better performance and profitability in their new vehicle departments. Learn how Conquest can help you improve your new vehicle performance and profitability.

Visit vAuto.com/Sheehy
to take a video tour of Conquest.



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