

Automotive News

June 04, 2018 01:00 AM

CarSaver seeks to expand dealer network



In March, 250 kiosk-filled CarSaver Shopping Centers began opening inside Walmart stores, expanding from the company's original 14 pilot stores opened the year before.

CarSaver's expansion, particularly from its ties to Walmart, means the online third-party site is seeking more dealerships to add to its network.

Editor's note: This report has been updated to more accurately reflect that CarSaver is being rolled out over time.

CarSaver, a new- and used-vehicle online shopping site that also offers kiosks and staffers to guide shoppers through its vehicle listings, needs more dealerships to accommodate its customers nationwide.

CarSaver President Chad Collier told *Automotive News* that the need is driven by its growing number of in-person shopping centers, and particularly by the site's expanded relationship with retail giant Walmart Inc.

CarSaver is being rolled out as a vehicle purchase program for retail partner Walmart's 1.5 million employees in the U.S. and to the store's 250 million customers through walmart.com. That has required an increase in certifying and approving dealerships to be a part of its network.

Certification

Collier said the company primarily certifies franchised new-vehicle dealerships, and those that apply first are given preference.

To be certified, dealers must agree to:

- Meet strict pricing requirements.
- Rank high in customer satisfaction scores.
- Offer strong inventory levels.
- Ensure select dealership representatives are available to assist members.
- Offer new and used inventory through CarSaver.

While CarSaver operates independently of Walmart, dealerships in the CarSaver network must be within a reasonable drive time of a Walmart location to be a part of the expansion tied to the retail giant. Collier said this is to reach more of the 90 percent of U.S. consumers who live within 15 miles of one of Walmart's 3,500 stores nationwide. This is also because CarSaver employees send customers from its shopping centers within Walmart locations to the closest dealership that has the car they want.

The dealership pays CarSaver a "success fee" of \$350 only if a sale is made. Depending on state law, payment may come in the form of a subscription fee. Prices on the site are set by the dealership, but CarSaver says customers using the site are able to save an average of \$3,000 per vehicle off the sticker price. The site does not compare dealership prices against each other.

Lorie Ceal, Internet director at Horne Hyundai, of Apache Junction, Ariz., told *Automotive News* that being in CarSaver's network has attracted people who wouldn't normally consider buying Hyundais to the dealership. So far, Ceal said, the dealership has had fewer sales from the digital online marketplace than expected, but attributes that to the dealership's small size and the relative newness of the program, which the store joined in August. She is hoping for better sales stemming from being a member of the dealership network.

"It definitely does drive people to come check out the Hyundais," Ceal said. "Per capita there's not a whole lot of sales on them, but it definitely does drive traffic."



Collier: Location is important.

Compared with Costco ...

Ceal said Horne is on other third-party sites to maximize the dealership's online presence. CarSaver posts inventory in a similar fashion as other sites. But the difference between CarSaver and other programs such as Carvana, Vroom and the Costco Auto Program, Collier said, is that CarSaver does not require a Walmart store membership from customers, does not intermediate the dealership and is not exclusive to one affiliate from each brand. CarSaver's lifetime powertrain warranty also draws customers back to the dealership after the sale for maintenance, Collier added.

Ceal said the expansion aligns with Hyundai's goals for increased online marketing yet poses problems when attracting individuals who aren't serious customers, requiring

better screening processes.

"Hyundai overall is trying to move to that streamlined model," Ceal said. "It will work great if we have the proper screening processes in place."

In March, 250 CarSaver Shopping Centers began opening inside Walmart stores, expanding from the company's original 14 pilot stores opened the year before.

The company's partnership with Walmart allows its kiosk-filled centers to be accessible, set up across from Walmart checkout lanes. CarSaver sales representatives are available to explain the program and how to use the kiosks or access the platform on their devices.

"For a customer to use CarSaver, it's not dependent on them having a physical center in their area," Collier said. "We really need a robust dealer network to be able to serve that massive consumer group."

Dealers who wish to learn more about becoming a certified CarSaver dealer can go to CarSaverDealers.com.

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