2021 DEALER DMS SENTIMENT SURVEY

VUE **DMS**

The Dealer's Cloud-Native DMS

YOUR FIRST STEP TO BREAKING FREE

Thank you for downloading the 2021 DMS Dealer Sentiment Survey, a guide to help you take back control by choosing a dealer management system that meets the needs of today's dealership. Selecting a DMS is one of the most important decisions you will make for your dealership, and our hope is that the conclusions found within this eBook will help you break free from outdated systems limiting your success.

We wanted to determine how a DMS can help dealers as they pivot quickly in this rapidly-changing market. With this in mind, we commissioned an independent study to understand more about what dealers need from their DMS. In this eBook, we will discuss the top pain points with today's DMS and share reasons why dealers are moving to new solutions.

While most software providers emphasize the consumer experience, we believe that a good consumer experience starts with a great employee experience supported by the right DMS. You deserve a solution that helps your dealership succeed by providing the information you need, in the way that you want it.

We hope the findings contained in this eBook will help guide you in your journey.

Sincerely,

Sharon Kitzman
President, Dominion DMS

PLANNING FOR YOUR NEXT DMS

In this eBook, we highlight the three most essential requirements of today's DMS, based on an independent study of dealer sentiments: Security, Mobility and Features.

We hope these findings provide you with a roadmap for making your next DMS decision, one that can ensure business continuity even during turbulent or unexpected times.
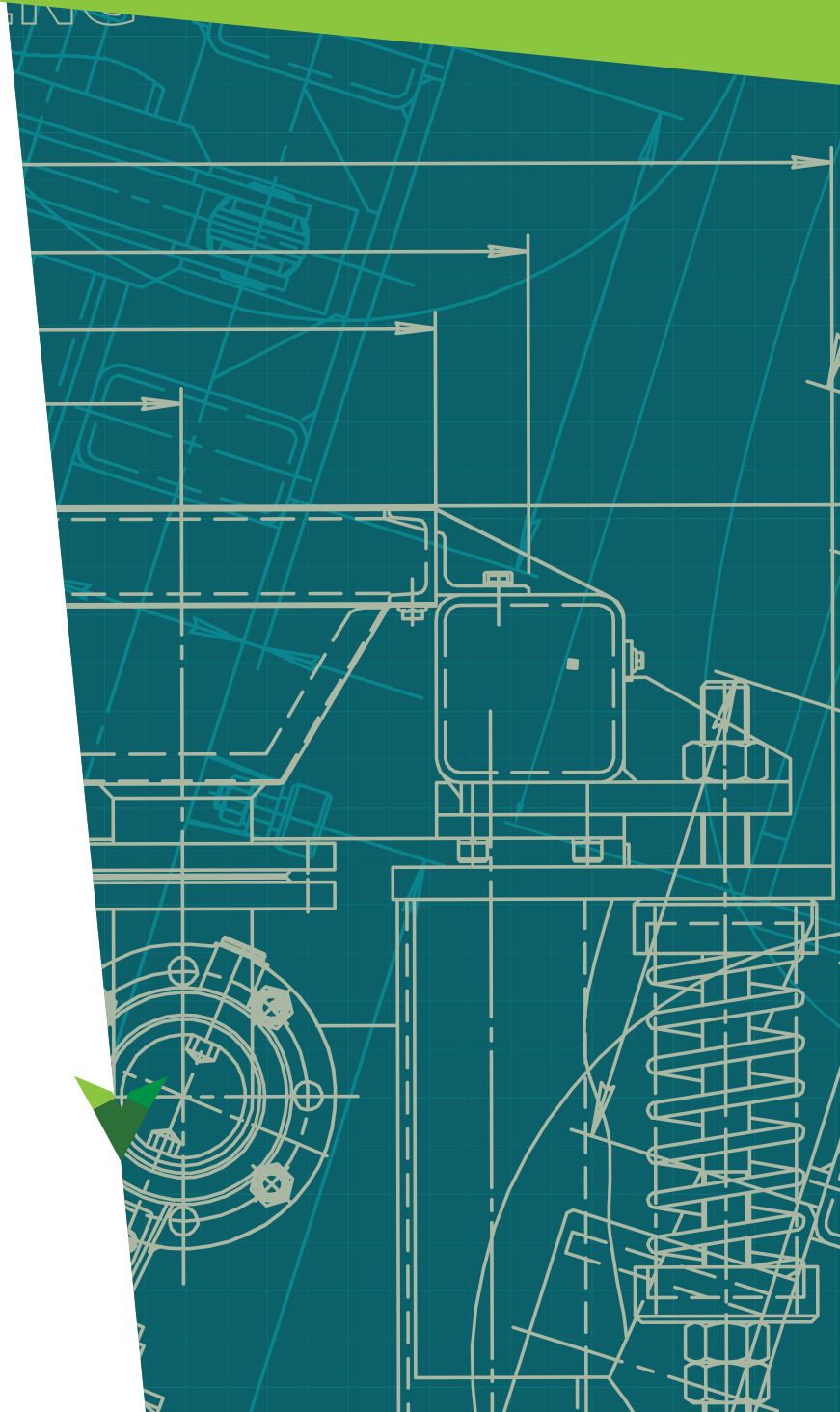
KEY TAKEAWAYS

AS A DMS USER, DEALERS LIKE YOU...

1. Want a solution that is secure, cost-effective and efficient

2. Seek a feature-rich solution

3. Agree mostly on which features are Core and Select

4. Rank Mobile Service Drive Inspection and Dashboards high on the list of expected Core Features

5. Consider Integrated Multi-Point Inspection (MPI) to be a top Select Feature

6. Often describe Quality of Technical Support as a current DMS limitation

7. Prefer different pricing models based on company size

8. Prefer a cloud solution for its security (89%)

9. Identify Microsoft (83%) as the preferred software provider in the automotive space over Google and Apple

STUDY AT A GLANCE

To conduct this study various dealers from an independent panel across the United States were surveyed. The scope of this survey included:

✔ Surveyed 220 DMS Decision Makers from various car dealerships

✔ Dealership Size – Mix of sizes and structures (including large, single-point dealers as well as dealer groups, etc.)

✔ Discussed pain points, top limitations and considerations made when evaluating current DMS and future purchases

✔ Survey participants included Dealers, Chief Financial Officer, General Manager, Controller and Fixed Operations Manager

✔ Research objective: to understand what dealers expect from a DMS

✔ Examined dealership attitudes toward DMS

DEALER DMS EXPECTATIONS

WHY DEALERS SELECTED CURRENT DMS

Security and Features are the top reasons customers selected their current DMS solution, followed by Quality of Support. Quality of Support is often an attribute that customers describe as one of their DMS' greatest limitations.
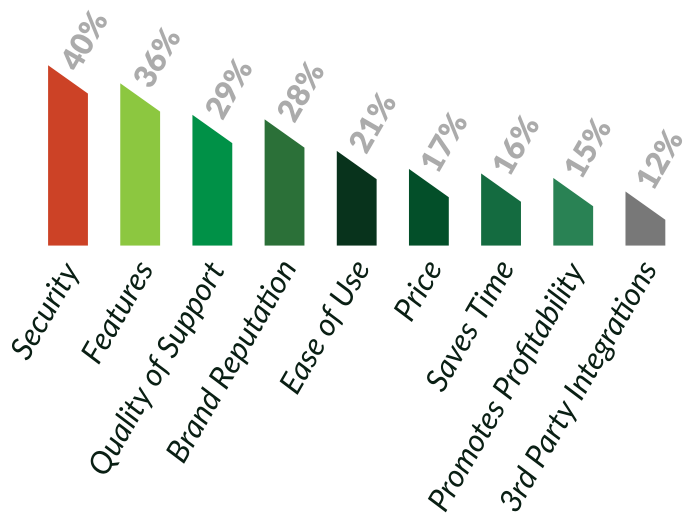
40% SECURITY

36% FEATURES

29% QUALITY OF SUPPORT

40% — Security
36% — Features
29% — Quality of Support
28% — Brand Reputation
21% — Ease of Use
17% — Price
16% — Saves Time
15% — Promotes Profitability
12% — 3rd Party Integrations

REASONS DEALERS ARE UNHAPPY WITH CURRENT DMS

Primary motivators behind switching often come down to DMS Features' type and the solution's price and security.

Top 3 reasons dealers are unhappy with current DMS

Ease of Use / 26%

Price / 24%

Quality of Support / 19%

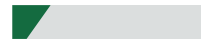*3rd Party Integration Capabilities* / 11%

Sales Experience / 11%

Features / 10%

Does Not Save Time / 10%

Security / 7%

Top 3 reasons dealers would switch their DMS

45% \ *Features*

30% \ *Price*

25% \ *Security*

23% \ *Quality of Support*

20% \ *Ease of Use*

20% \ *Promotes Profitability*

20% \ *Brand Reputation*

13% \ *Industry Recommendations*

AGREEMENT ON CORE FEATURES

A Core Feature is one that must be included in a DMS

Bolded features, such as Integrated MPI, Vehicle Barcoding, and HR/Employee Portal were considered Select Features that a large portion of respondents didn't expect to be part of a Core Package.
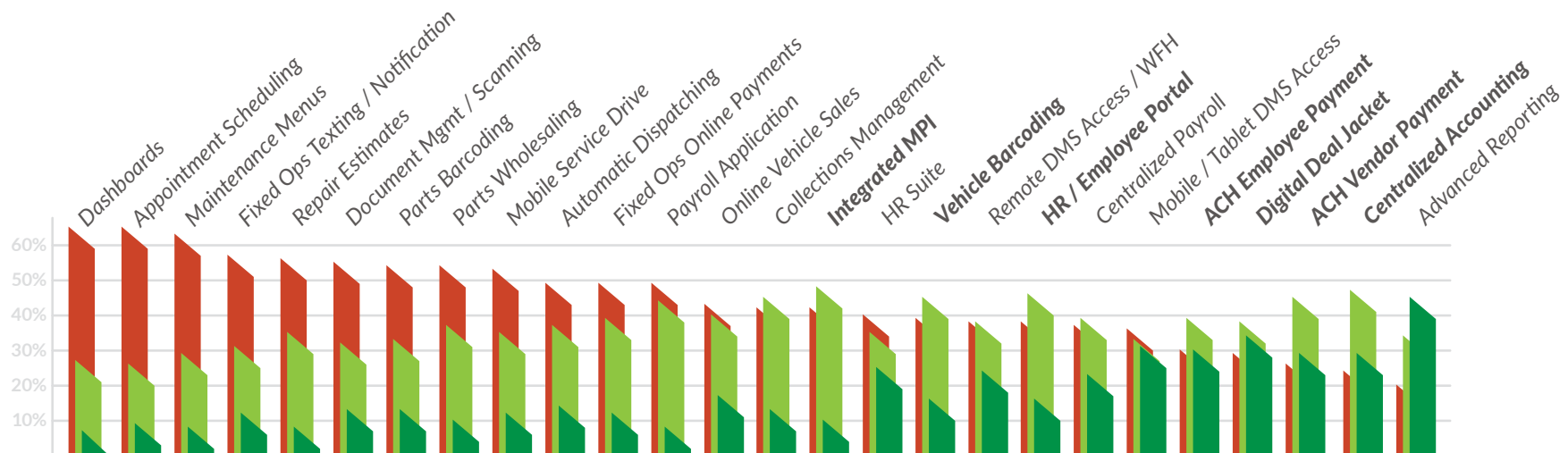
*All features presented in the survey were considered necessary, no respondents chose the "Not Needed" option

Features (left to right): Dashboards, Appointment Scheduling, Maintenance Menus, Fixed Ops Texting / Notification, Repair Estimates, Document Mgmt / Scanning, Parts Barcoding, Parts Wholesaling, Mobile Service Drive, Automatic Dispatching, Fixed Ops Online Payments, Payroll Application, Online Vehicle Sales, Collections Management, **Integrated MPI**, HR Suite, **Vehicle Barcoding**, Remote DMS Access / WFH, **HR / Employee Portal**, Centralized Payroll, Mobile / Tablet DMS Access, **ACH Employee Payment**, **Digital Deal Jacket**, **ACH Vendor Payment**, **Centralized Accounting**, Advanced Reporting

DASHBOARDS ARE MOST IMPORTANT

This is considered a feature that must be included in a DMS

The 9 features in the table were considered Core Features regardless of dealership size.

In addition, dealerships with employee counts of less than 100, Parts Wholesaling and Mobile Service Drive were the top features that would persuade a dealer to switch their DMS.

For dealerships with employee counts of more than 100, Parts Wholesaling and Repair Estimates were the top features that would persuade a dealer to switch their DMS.

	Dealership Size 1 - 100 Employees		Dealership Size 100> Employees
Dashboards	65% / 23% / 12%		66% / 31% / 3%
Appointment Scheduling	65% / 27% / 8%		65% / 26% / 9%
Maintenance Menus	66% / 24% / 10%		60% / 33% / 7%
Fixed Ops Texting / Notification	56% / 28% / 15%		58% / 34% / 9%
Repair Estimates	55% / 34% / 12%		58% / 37% / 5%
Document Mgmt / Scanning	58% / 31% / 12%		53% / 33% / 14%
Parts Barcoding	57% / 30% / 13%		52% / 35% / 13%
Parts Wholesaling	55% / 37% / 9%		53% / 37% / 10%
Mobile Service Drive	53% / 37% / 11%		53% / 34% / 13%

SMALLER DEALERSHIPS EXPECT MORE

Dealers are split on whether Payroll Applications, HR Suite, and Remote DMS Access/Work From Home (WFH) features were Core or Select Features, regardless of company size.

This graph also identifies Premium features, which are expected to cost more.
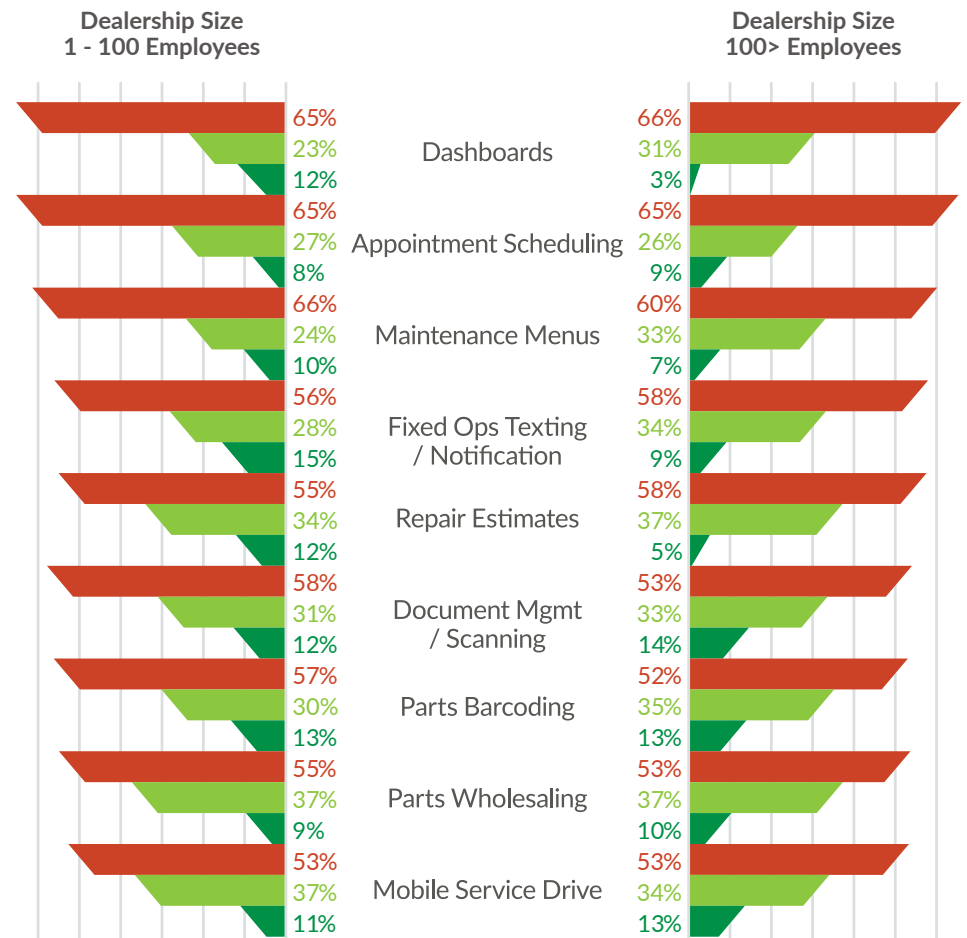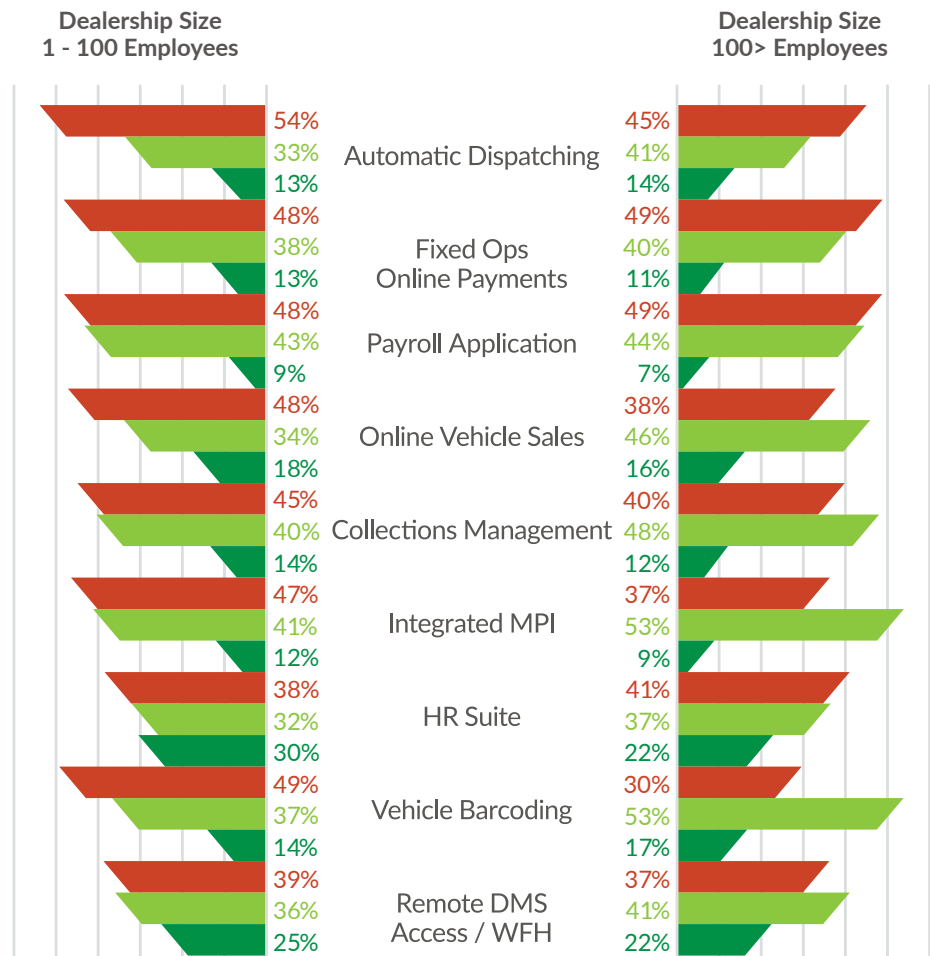
LEGEND

CORE FEATURE

I wouldn't consider a solution without this feature.

SELECT FEATURE

Inclusion of this feature would influence me to choose this product over another.

PREMIUM FEATURE

I would expect to pay extra for this.

Dealership Size 1 - 100 Employees

Dealership Size 100> Employees

Feature	1 - 100 Employees	100> Employees
Automatic Dispatching	54% / 33% / 13%	45% / 41% / 14%
Fixed Ops Online Payments	48% / 38% / 13%	49% / 40% / 11%
Payroll Application	48% / 43% / 9%	49% / 44% / 7%
Online Vehicle Sales	48% / 34% / 18%	38% / 46% / 16%
Collections Management	45% / 40% / 14%	40% / 48% / 12%
Integrated MPI	47% / 41% / 12%	37% / 53% / 9%
HR Suite	38% / 32% / 30%	41% / 37% / 22%
Vehicle Barcoding	49% / 37% / 14%	30% / 53% / 17%
Remote DMS Access / WFH	39% / 36% / 25%	37% / 41% / 22%

MICROSOFT IS THE INDUSTRY'S FIRST CHOICE

When DMS users were asked to rank their top 3 software providers for the automotive industry, they chose Microsoft as their first choice (83%).

83%

13%

5%
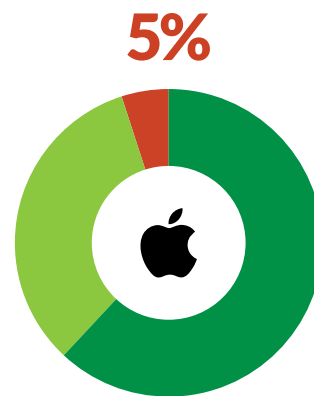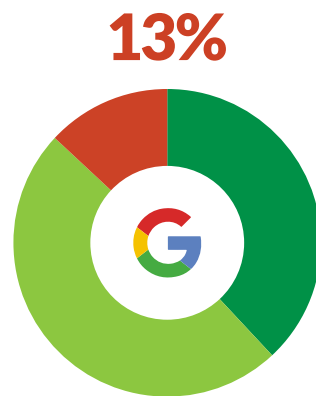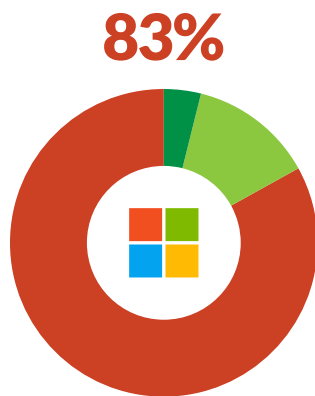
Software Provider	1st Choice	2nd Choice	3rd Choice
Microsoft	83%	13%	4%
Google	13%	49%	38%
IBM	11%	45%	44%
Amazon	4%	40%	57%
Apple	5%	33%	62%

A DEEPER
LOOK AT DMS
EXPECTATIONS

WHAT TO LOOK FOR IF YOUR DEALERSHIP HAS 100+ EMPLOYEES

Based on the study, the largest dealerships identified nearly half of the listed features as Core Features, with Mobile Service Drive (64%) listed as their top Core Feature.

64% *of larger dealerships say Mobile Service Drive should be a Core Feature in their DMS*
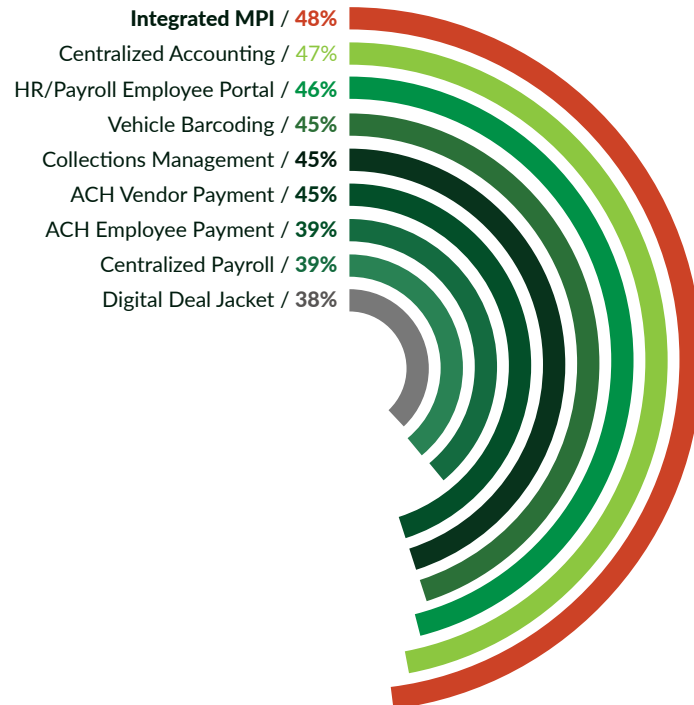
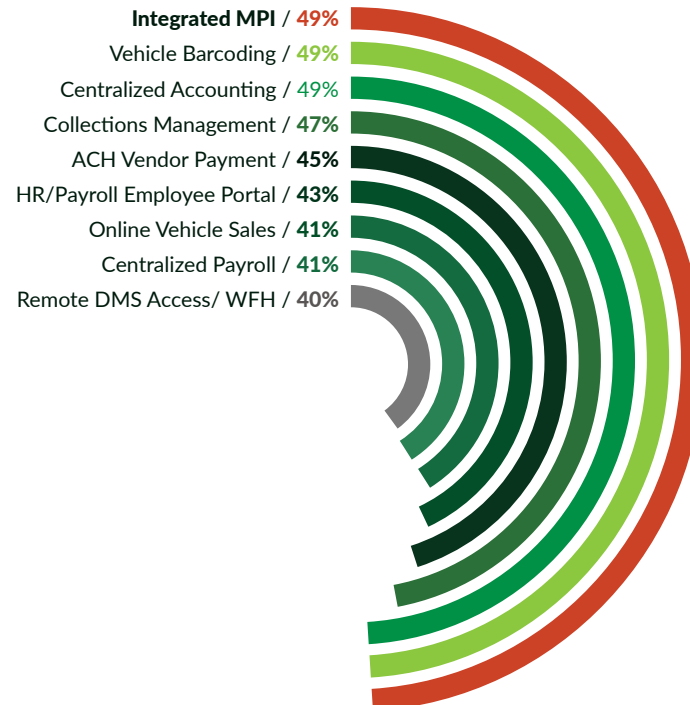| Feature Type	Core	Select	Premium
Mobile Service Drive	64%	28%	8%
Appointment Scheduling	60%	33%	6%
Maintenance Menus	58%	32%	9%
Dashboards	57%	34%	8%
Fixed Ops Texting / Notification	57%	33%	8%
Repair Estimates	56%	36%	7%
Document Mgmt / Scanning	55%	35%	9%
Parts Barcoding	54%	31%	15%
Parts Wholesaling	52%	36%	11%
Fixed Ops Online Payments	48%	36%	16%
Automatic Dispatching	47%	40%	14%
Payroll Application	46%	43%	11%
Integrated MPI	45%	49%	6%
Collections Management	43%	47%	10%
HR Suite	42%	32%	26%
Mobile / Tablet DMS Access	40%	31%	29%
Online Vehicle Sales	40%	41%	20%
HR/Payroll Employee Portal	39%	43%	19%
Centralized Payroll	36%	41%	22%
Remote DMS Access / WFH	36%	40%	24%
Vehicle Barcoding	33%	49%	18%
Digital Deal Jacket	31%	35%	33%
Centralized Accounting	23%	49%	28%
ACH Vendor Payment	22%	45%	33%
ACH Employee Payment	21%	39%	41%
Advanced Reporting	15%	32%	53%

INTEGRATED MPI IS AN ESSENTIAL FEATURE

Most dealerships, regardless of size, considered Integrated MPI and Centralized Accounting as part of their top three Select Features.

Vehicle Barcoding ranked higher due to a larger percentage of top DMS customers (49%) categorizing it as a Select Feature whereas the group as a whole, selected HR/Payroll Employee Portal at similar rates (46%).

ALL RESPONDENTS

- Integrated MPI / 48%
- Centralized Accounting / 47%
- HR/Payroll Employee Portal / 46%
- Vehicle Barcoding / 45%
- Collections Management / 45%
- ACH Vendor Payment / 45%
- ACH Employee Payment / 39%
- Centralized Payroll / 39%
- Digital Deal Jacket / 38%

CUSTOMERS OF TOP 3 COMPETITORS

- Integrated MPI / 49%
- Vehicle Barcoding / 49%
- Centralized Accounting / 49%
- Collections Management / 47%
- ACH Vendor Payment / 45%
- HR/Payroll Employee Portal / 43%
- Online Vehicle Sales / 41%
- Centralized Payroll / 41%
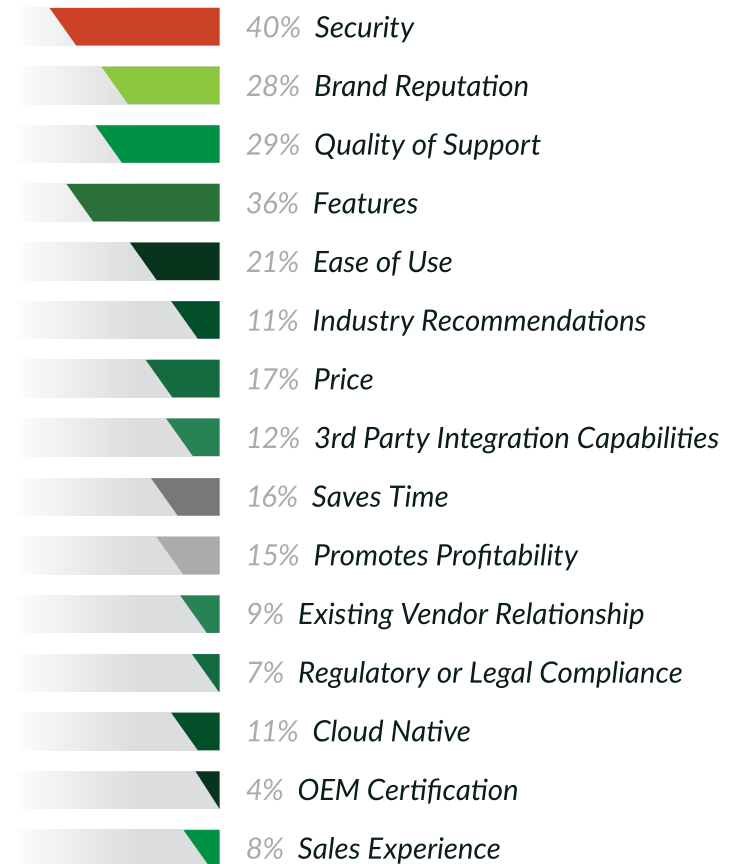- Remote DMS Access/ WFH / 40%

SECURITY IS TOP REASON FOR MOVING TO THE CLOUD

Moving to the cloud is more than a trend. It provides greater security, mobility, and availability with minimal maintenance. Mainly for security and efficiency reasons, cloud solutions are preferred over on-premise solutions. It helps them take back control of their data and minimize threats from cyberattacks.

89% of larger dealerships seek a DMS vendor who offers cloud solutions

- 40% Security
- 28% Brand Reputation
- 29% Quality of Support
- 36% Features
- 21% Ease of Use
- 11% Industry Recommendations
- 17% Price
- 12% 3rd Party Integration Capabilities
- 16% Saves Time
- 15% Promotes Profitability
- 9% Existing Vendor Relationship
- 7% Regulatory or Legal Compliance
- 11% Cloud Native
- 4% OEM Certification
- 8% Sales Experience

CLOUD-NATIVE APPLICATIONS AVOID DISRUPTIONS IN SERVICE

"Cloud-native" is building and running applications completely in the cloud – no on-premise infrastructure required.

These are the features that differentiate a cloud-native DMS.

FEATURES	CLOUD-NATIVE DMS	TRADITIONAL / ON-PREMISE DMS
Infrastructure	No on-site infrastructure, removing need for IT and maintenance	On-site servers required, taking up dealership space and resources
Capacity	Scales up automatically during peak hours to meet capacity needs	Built for the worst-case scenario and cannot scale without expensive upgrades
Delivery	Software updates implemented immediately	Server updates require application changes and longer test cycles
Recovery	Rapid response for native, automatic disaster recovery	Need hours or days of prep time to handle disaster recovery and servers at other locations
Geographic Reach	Leverage closest data center for faster service and optimal performance	Dependent on server location, which can impact performance speed
Accessibility	Web-based application that's accessible anywhere without VPN	VPN required to access, limiting off-site and remote connection

ABOUT SHARON KITZMAN

Sharon Kitzman is the President of Dominion DMS. Over three decades, she has managed the strategic direction and product development for three leading DMS Providers: Reynolds & Reynolds, Dealertrack DMS, and VUE DMS, a Dominion Dealer Solutions company. Sharon is a recognized leader in the automotive industry for her sales, marketing, product lifecycle management, process re-engineering, OEM management, professional services, and customer services.

Sharon joined Dominion Dealer Solutions following a successful tenure at multiple DMS providers to lead the launch and long-term growth of its cloud-native DMS, VUE. She will continue to build VUE's strategic partnership with Microsoft and other third-party providers in this role. In addition, she will draw on her experience in elevating customer satisfaction and growing market share to ensure VUE is the DMS partner of choice.

Sharon is recognized as an expert in DMS technology and development. She has received numerous industry accolades including Automotive News *Top 100 Leading Women* 2015 and 2020, Auto Remarketing *Women in Retail* 2021, and AutoSuccess *Women at the Wheel* 2021.

ABOUT VUE DMS

VUE DMS, the first cloud-native dealer management solution built on Microsoft Azure, provides US-based retail automotive dealers the digital security, flexibility and efficiency to meet today's rapidly changing market. Leveraging decades of experience serving dealerships, VUE DMS enables dealers to take back control to deliver a superior experience, reduce costs and protect their business. Learn more at VUEDMS.com

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The Dealer's Cloud-Native DMS

Visit VUEDMS.com/DMSsurvey or call 877.421.1040 to learn how you can benefit from the security, efficiency and mobility of a cloud-native DMS