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DEALERS FINANCE TIMES



Allen Key
Key Auto Sales

DEALER INTERVIEW

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with Allen Key of Key Auto Sales

Dealers Finance has been working with independent automobile dealers for over thirteen years. We take great pride in providing the most competitive floorplan financing for growing dealerships just like Allen Key's Key Auto Sales. We had the opportunity to ask him a few questions about his business, the used car industry and, of course, Dealers Finance.

1 **How did you get into the automotive retailing business?**
About 20 years ago I decided to do what I liked best, talking about cars and making money while doing it. I started selling cars in 1986 and made my mark by getting an education about the car business. I opened a lot in 1996 and I'm still going strong.

2 **What is your favorite car of all time?**
1968 Chevrolet Camero SS. Timeless beauty and endless power.

3 **Where is your favorite place to vacation?**
I've been many places in the world; however, I like being in Destin on white beaches with little umbrellas in my glasses.

4 **What is the funniest thing you can remember happening on your lot?**
Once, in the middle of winter, the temperature must have been in the 30's or 40's, and a lady shows up wearing nothing but a pair of men's shorts. She'd been accidentally locked out of her apartment and wanted to use the phone. She bought a car from us two weeks later.

The Dealers Finance Mission

We like being the friend in the finance business. It's what makes us different from other floorplan financing companies. We believe that excessive fees unfairly drive up the cost of dealer financing. So we will never charge for overnight shipping expenses or for site visits. Plus we proudly offer the industry's only no-fee inventory financing plan, the Gold Plan. We have created our financial products to be flexible and customized to the specific needs of growing dealerships. Simply put, we are a local lender managed by friendly, local people.

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YOUR FRIEND IN THE FINANCE BUSINESS

1-800-205-6221 or 678-739-2059 | <http://www.dealersfinance.com>

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DEALER TIPS

Three tips on finding buyers and keeping them as customers.

For many dealerships throughout the southeast, finding used car buyers can be a challenging process. Which advertising mediums best reach your ideal buyers? What should you say in your ad message? The bottom line is that you have to work harder and smarter in order to succeed in today's business climate. So, here are a few tips on how to attract and keep customers for life.

1. Recognize your best customers. This will require researching customer demographics to determine which type of customers work best for your business. Call your state auto dealer association to find out if they have any useful information about used car customers in your region. Talk with other dealers to find out what's working for them. And scour the trade magazines such as Used Car News and Auto Dealer Magazine for overall

trends in the marketplace. For instance, R.L. Polk & Co. recently conducted a used vehicle research study that revealed four major types of used vehicle buyers; Budget conscious, Do-it-yourself buyers, Domestic premium buyers and Luxury import buyers. The report revealed that used vehicle shoppers tend to be less satisfied with the buying experience, are less active on the Internet when it comes to researching and shopping for used vehicles, visit multiple locations before making a purchase and consider multiple vehicles before making a decision.

2. Use demographic data to find targeted advertising mediums. The shotgun approach of reaching large numbers of people isn't the best use of limited advertising dollars. By learning details about your ideal customers (known as

demographics) you can research marketing mediums that reach those groups of people. And while the Internet should be a part of your marketing mix, studies have shown that only 23% of used-car purchasers research online before visiting a car lot. Consider more traditional advertising mediums, such as local neighborhood newspapers, select billboards, public transportation ads and even direct mail. All of these mediums can be very cost-effective in reaching specific customers in targeted geographic areas.

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EMPLOYEE SPOTLIGHT

Bob Andretta, Account Executive

Bob joined Dealers Finance in February, 2003, as an Account Executive. He works with dealers in north Georgia.

Where did you work before Dealers Finance?

Prior to working for Dealers Finance I worked for Bank of America as a Vice President/Relationship Officer managing a portfolio of floorplan customers. Before the bank I retired from IBM with 37 years of service. The last 12 years were with IBM Credit Corporation where we established a floorplan operation financing IBM and IBM competitor products.

What do you like most about working at Dealers Finance?

This industry has fascinating people and working with them face-to-face is the most enjoyable part of this job.

What do you do outside of work?

I stay busy with projects at our church and when I retire for good, I plan to stay active volunteering in this area.

3. Give 'em reasons to keep coming back. Don't hesitate to ask a customer for a recommendation with their friends and family. For every sale you make on a customer's recommendation you can offer credits on their next purchase, or send them a gift card to a local store. Sending a letter with this referral reward is a great way to get the customer's attention and can also lead to increased referrals. Often it's the simple things that mean a lot to customers. For example, make sure to shake hands with everyone who buys a vehicle from you, even the children. A handshake is a great opportunity to physically connect with your customer and to let him know

you really appreciate his business.

Finally, monitor the Internet for reviews on your business. Staying on top of comments made about you on the Internet is not as hard as you may believe. You can start with the search engines by typing in the name of your business and your business web address to see what's out there. You should also review all peer review websites such as www.yelp.com and www.DealerRater.com. Also consider joining your Chamber of Commerce (www.approvedchamber.com) and the Better Business Bureau (www.bbb.org). Remember that negative feedback can provide

valuable insight into how customers perceive your business. But be cautious when responding to negative feedback. The best approach is to acknowledge only legitimate complaints, take immediate ownership of the problem and outline your actions to ensure it doesn't happen again. This will help you earn credibility with potential buyers by showing that you take the time to respond to complaints and that you stand behind your business.

Keep an ear to the ground and an eye on the horizon and you'll be on your way to maximizing profits in 2008.

David Ozyp, www.ozyp.com

INDUSTRY TRENDS

Averages by model year (11/17/07-12/01/07)

Model Year	Average Mileage	Average Price
2008	12,148	\$16,344
2007	18,240	\$15,522
2006	31,485	\$14,343
2005	47,196	\$12,360
2004	56,986	\$11,864
2003	77,478	\$8,419
2002	91,993	\$6,318
2001	102,101	\$5,162
2000	112,308	\$4,125
1999	120,291	\$3,448

Source: N.A.D.A./NAAA AuctionNet



Sales Percent by Model Year

Model Year	Percentage of Overall Sales
2008	1%
2007	21%
2006	13%
2005	13%
2004	14%
2003	9%
2002	8%
2001	8%
2000	7%
1999	6%

Source: N.A.D.A./NAAA AuctionNet

SPECIAL OFFER

Benefits to dealers

Dealers Finance is proud to offer the following special benefits to every auto dealer we work with:

1. Reduce curtailments from 20% to actual Black Book value
2. Add non-auction vehicles at 100% of Black Book average value, instead of 80%
3. Eliminate fees for overnight delivery of titles
4. Never pay fees for site visits and lot checks
5. Be automatically signed up with all auctions

For more information visit www.dealersfinance.com or call 1-800-205-6221.

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What do you think the future holds for the used car business?

As long as we, as dealers, continue to adapt to our clientele and continue to be innovative in marketing, there will always be a need for good quality vehicles from a good quality dealer.



Allen Key
Key Auto Sales

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Is there anything in particular you like about Dealers Finance?

They understand our goals as a company, providing us unparalleled customer service and support.

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