



3-Step Guide to Competing in a Dynamic Sales Environment

Working within the incentive planning team at an OEM involves a lot of hurdles. While trying to land all your sales commitments for the current month, you also need to plan your initiatives for the start of the next month. You're using data from various sources, but there are gaps in the information; it's difficult to get a clear line of sight on the competitiveness of your programs, and not knowing the details can lead to missed opportunities or overspending.

Getting incentives approved and out the door as quickly as possible at the beginning of each month is essential to maximizing the number of sales days for your retailers, whose customers pay no attention to whether it's the 30th or the 1st. But how do you know if you're still competitive? It generally takes a team of analysts a few days to analyze competitiveness while validating input from the field and checking on intel from dealers. Scaling across all makes, models, and lenders nationwide through website research is nearly impossible, resulting in a strain on internal resources and decisions based on inaccurate or incomplete information.

Isn't it ironic that those working on the incentive team, who live in pricing and payment data day-in and day-out, always seem to be the last ones to find out when a competitor makes an in-month program enhancement? In a market as fiercely competitive as the U.S. auto industry, and operating with such tight margins, OEMs need a better way!

To enhance your analysis of competitive payment positioning, follow these three steps:

Step 1: Research Technology Options

Begin by exploring available technology solutions that can support your analysis needs. Ensure that any potential solution covers a comprehensive range of data including MSRP, invoice pricing, incentives, and payments for all major OEMs and lenders.

Check if the technology allows for analyses across various incentive types such as base, loyalty, and conquest, as well as different term lengths, mileage allowances, and credit scores. Verify that the solution includes all necessary components for accurate vehicle payment calculations and adheres to complex compatibility rules.

Step 2: Evaluate Usability and Efficiency

Assess the user-friendliness and efficiency of the solution. Request a product demo to gauge how quickly and deeply you can analyze data. Discuss your specific business needs to ensure the solution aligns well with your internal processes. Additionally, find out if the technology offers real-time alerts on competitive movements, a key feature that helps you stay informed and proactive in the market.

Step 3: Partner with Knowledgeable Professionals

Choose to work with experts who have a thorough understanding of your business and the automotive industry. Inquire about their experience with similar businesses and how they can facilitate your internal approval process and foster good adoption among users. Understand the onboarding process and the level of support provided after launch to ensure you receive ongoing assistance as needed. At the end of the day, you need technology to help you make sense of the pricing, incentive, and payment landscape.

You need to roll out more targeted incentive programs that allow you to better align your spend with your intended pricing strategy, based on complete and detailed data.

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