

CPO PROGRAM BENEFITS

PURPOSE

The purpose of the CPO (Certified Pre Owned) program is to help you attract more customers to your lot. More customers mean more potential sales. Certified is a marketing tool and is designed to help you set your dealership apart from the dealership down the street who may not care about their reputation. It lets the customer know before they even arrive that you have something special.

BENEFITS

- Studies have shown that customers make a list of up to 10 dealerships to visit. At some point on that list, they will encounter a good salesperson, and their hunt for a car is over. By advertising your cars as Certified, your odds of being at the top of that list, if not the first, is much greater. You have something the other dealers don't.
- You know your dealership offers quality inventory, but how does a customer know? Online many cars look great ... Unless you have something that lets the customer know, you are different, your dealership looks just like the rest. What are you doing to set yourself apart and draw business?
- After sale repairs are greatly reduced with CPO sales. You know and the customer knows exactly what has been done to the car before they buy it. They are given a copy of the 158 point checklist with their purchase. This is a great closing tool.
- Certified inventory can over time increase your level of good credit customers. Good credit means more profit.
- Certified should make it easier to upsell a longer warranty. A longer term warranty protects the customer and benefits you by helping you add profit to your deals. A protected vehicle helps keep a better performance portfolio with lenders. Studies have shown that up to 1/3 of repos are due to mechanical failure.
- If you use Dealertrack, you will notice that it asks you if the vehicle is certified. Many lenders will loan more money on a certified vehicle or extend terms.
- Recent reports indicate that a certified vehicle can demand an average of 10% more than the same vehicle that is not certified. Even if you choose not to charge more for the car, this is a great tool to help you hold gross.

So, what do you need to do for your car to qualify? Simple! When you sell a Certified Pre Owned car, you must give the customer a copy of your inspection check list, provide a free minimum 3 month warranty, and make sure there are no open recalls.