



*College of
Business Administration*

Accessory Consulting Efficacy



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Executive Summary

The Winthrop University College of Business Administration, in partnership with Insignia Group LC, of Rock Hill, S.C., conducted a research analysis project to determine the efficacy of the consulting services offered by Insignia Group.

Insignia is a software and consulting firm established in 2001, which offers services to franchise automotive dealerships, suppliers and original equipment manufacturers (OEMs). The software developed by Insignia is primarily used during the purchase process of a new vehicle by a retail consumer. The research analyzed usage and sales data stored within the Insignia systems. Three avenues of analysis are used to compare the usage and sales results of a group of Insignia dealership customers who received direct consulting services versus customers that did not use its services.

These analyses gave a greater understanding of the way different parts of the business perform; how successful Insignia's Guided program is, and the uses and attitudes of the Insignia Accessory system.

Introduction

Insignia Group provides a digital visual accessory system for dealers to use in presentation and sales to retail customers at the point of purchase of a new vehicle. In 2012, Insignia launched a consulting division to assist dealers with the development of an accessories presentation process.

Insignia Vehicle Personalization Experts (VPEs) visit designated dealers each month to coach sales associates on the usage of the system and best practices in selling accessories. The dealers that receive consulting are called “Guided” dealers. All other Insignia customers are designated as “System Only”, meaning they only subscribe to the system. For all dealer customers, Insignia offers customer service support for issue resolution and account management. Insignia’s customer service functions are not part of this research analysis.

The purpose of this research is to determine the efficacy of the consulting program from three data categories. The performance of the Guided dealers and System Only were compared. A third category of dealers emerged from the data — those dealers previously on the Guided program and moved to System Only — which was added to the analysis to determine the effectiveness of the consulting program.

Benchmark analysis is used to compare “Guided” dealers (those dealers that received Insignia consultative support) to “System Only” dealers (those dealers that only subscribe to Insignia’s software services).

Bookend analysis identifies dealers that were previously Guided and switched to System Only. Analysis of these dealers tracked their progress with bookends before and after their Guided program period. Two sets of dealers emerged from this analysis:

- Dealers tracked one year before and one year after

- Dealers tracked six months before and six months after

This bookending technique is also applied to Guided Dealers to compare their performance over the same amount of time.

Data reflected in this study was collected from the Insignia Data System which had performance statistics of each dealer in the system since 2014.

Benchmark Analysis

In the first analysis, performance benchmarks were established using the averages of Insignia's system Key Performance Indicators (KPIs) for all Insignia Dealers. Then averages were calculated for all Guided Dealers and all System Only Dealers. Finally, the three groups were compared to each other based on their KPIs.

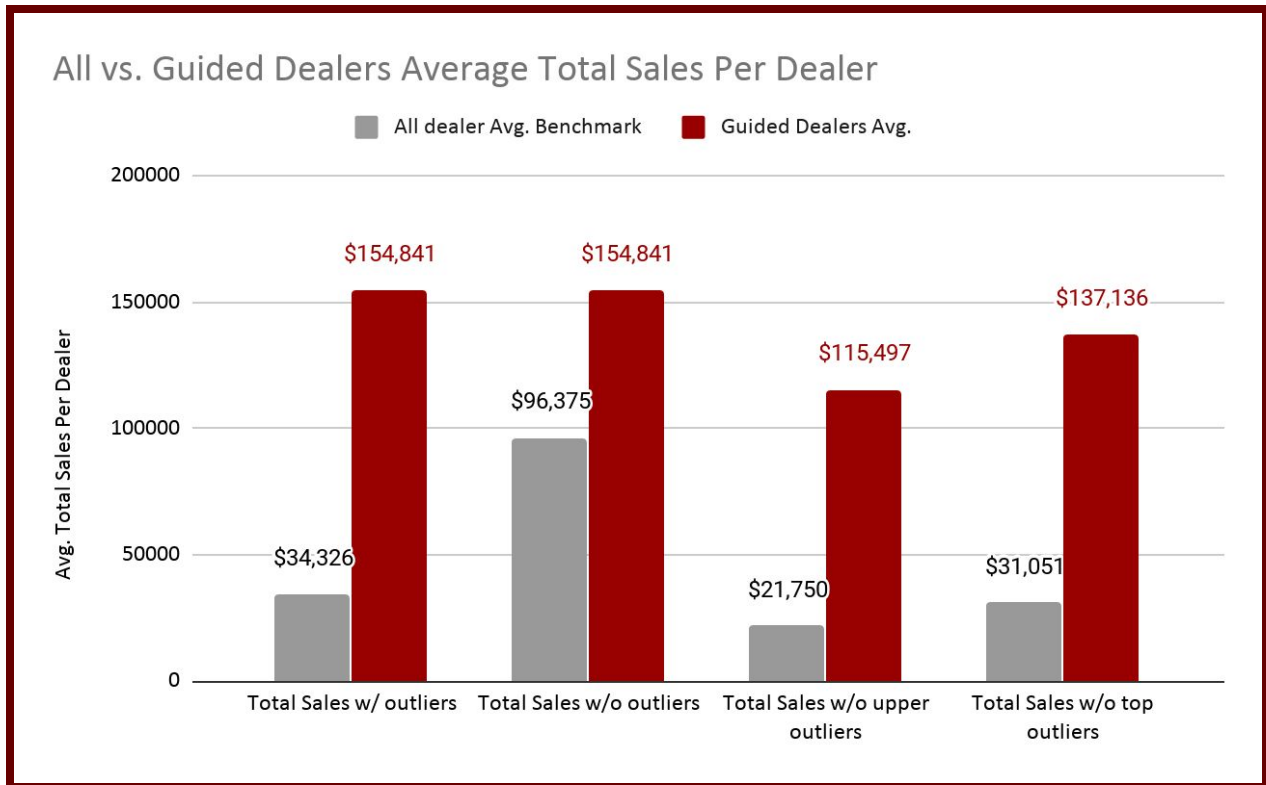
The key performance indicators (KPIs) are as follows:

- Registrations - represents vehicle buyers who are recorded into the system for each dealer
- Orders - represents purchases by the retail customer
- Total Sales - represents the total dollar amount of sales for each dealer
- Sales Per Order - represents an average dollar sale of each Order
- Part Views - represents when a user of the system "clicks" for more details of an accessory part
- Vehicle Views - represents when a user searches for a specific vehicle by Year, Make, Model and sub-Model
- Total View - represents the combination of vehicle and part views together

Data points were gathered from the average performance of a dealer in either category (Guided, System Only, Overall Average) each year from 2015 - 2019.

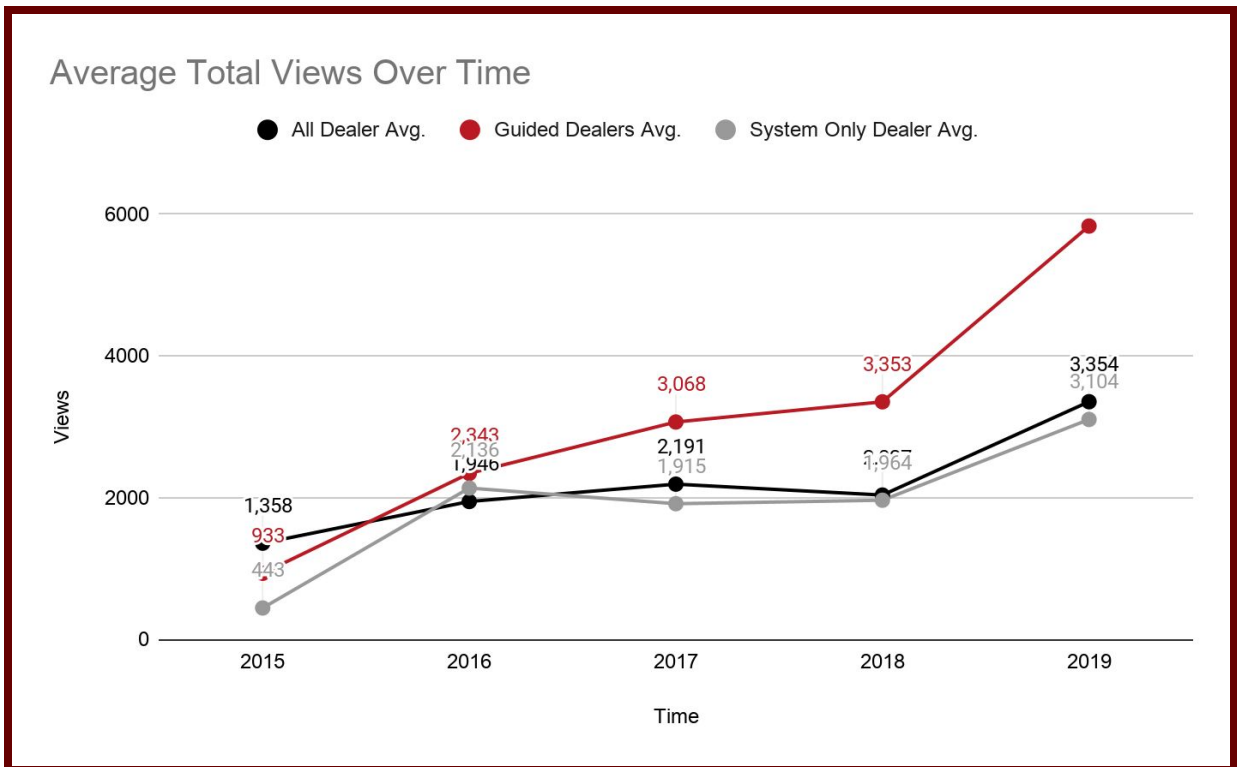
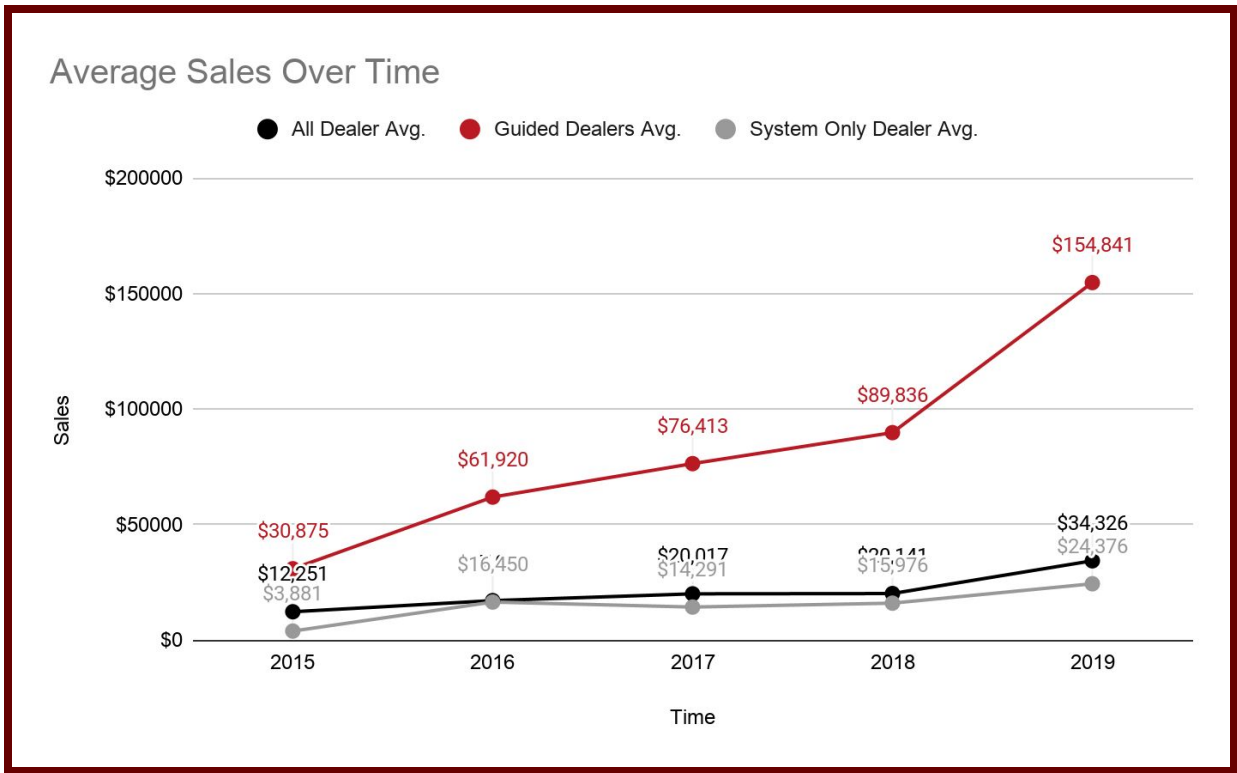
Results:

Over time, Guided dealers performed better than the average and System Only dealers on each KPI. Guided dealers sold an average of \$616 per order compared to \$231 per order for System Only dealers. In 2019, the average dealer sold \$34,326 in accessories through the Insignia system overall. The average Guided dealer sold \$154,841 through the Insignia Accessory System. Guided dealer's average total vehicle views has grown by almost 5,000 over the past 5 years, a 525% growth rate, which equates to an averaged increase of 105% annually.

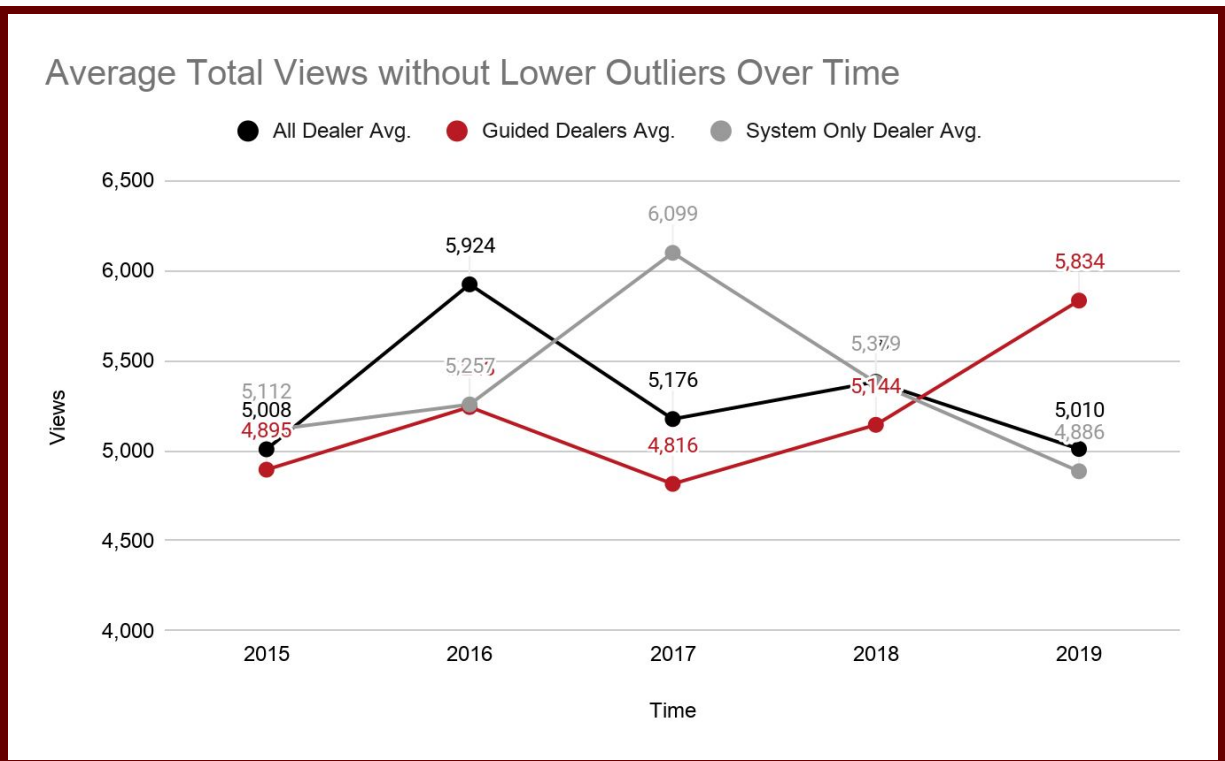
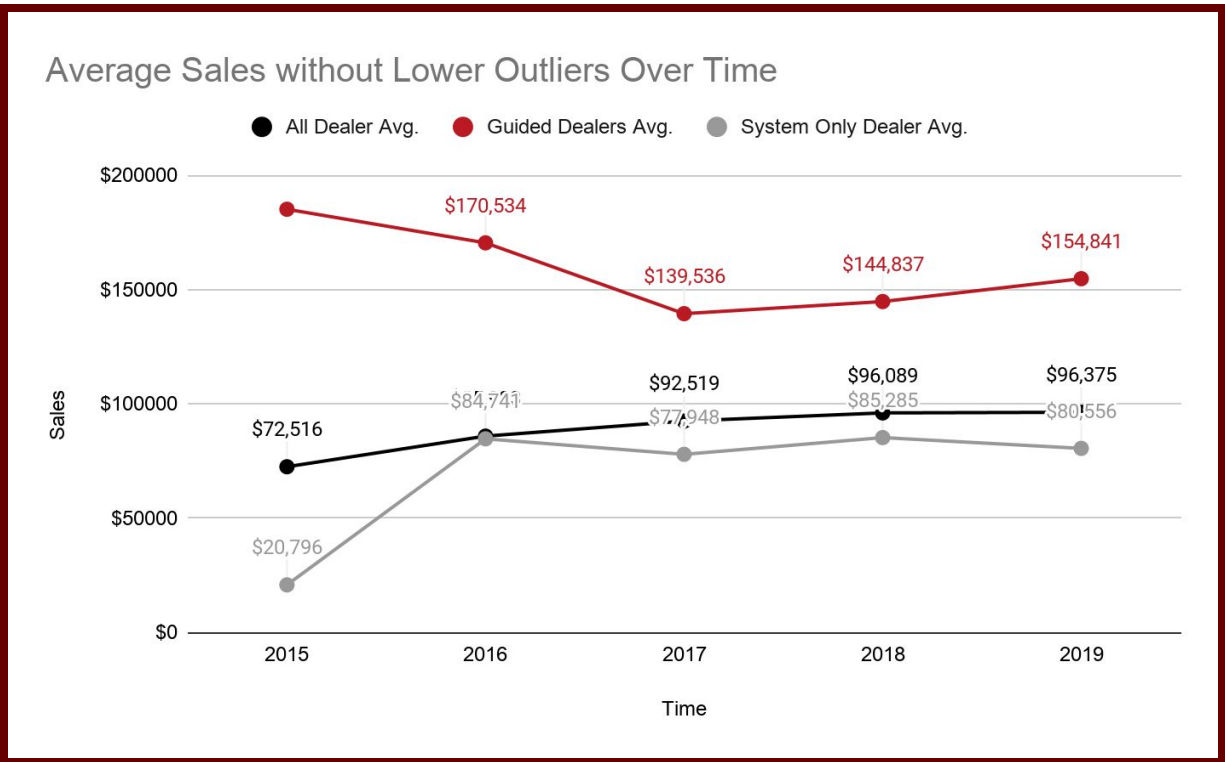


“Outliers” in the above graphic is defined at dealers who were either far below the median dealer, such as zero sales and less than 50 views in 12-months time (“Outliers”) as well as dealers that were so superior to the median dealer in usage of millions in sales (“Upper Outliers” and “Top Outliers”).

See the graphs below for sales and total views comparisons.



Outliers were also taken into account: lower outliers (\$0 in sales, < 50 total views). Removing the outliers lifts the averages for System Only and the overall average in sales and total views.



Bookend Analysis

The next step in understanding the effectiveness of the consulting services is to look at the Past Guided Dealers: dealers that were Guided for a time and then converted to System Only. In order to see their performance overtime, a bookend is placed before and after the dealer changed services.

Two lengths of bookends were used:

- 1 year
- 6 months

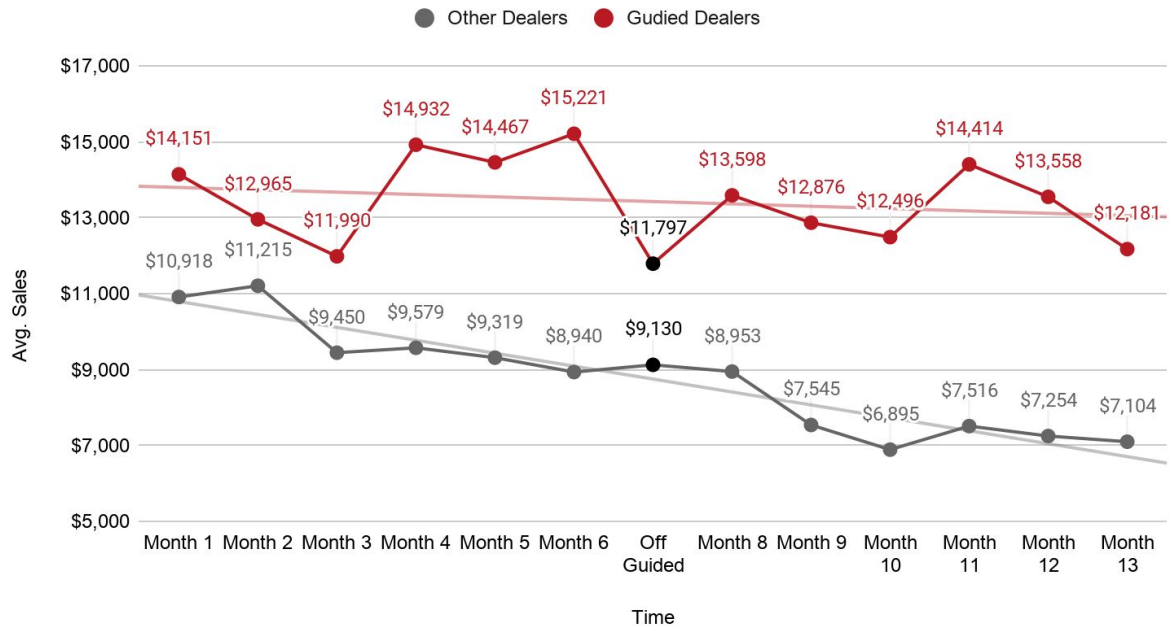
The bookend analysis consists of 46 Past Guided Dealers tracked with a 6-month bookend and 11 Past Guided Dealers for the 1-year bookend. The same KPI's (excluding Parts and Vehicles views) are used to measure performance and averaged over time to establish a trend.

The average Past Guided Dealer is then compared to the average Guided dealer performance. Guided dealers that fit the criteria were randomly selected to keep the number of dealers averaged consistent.

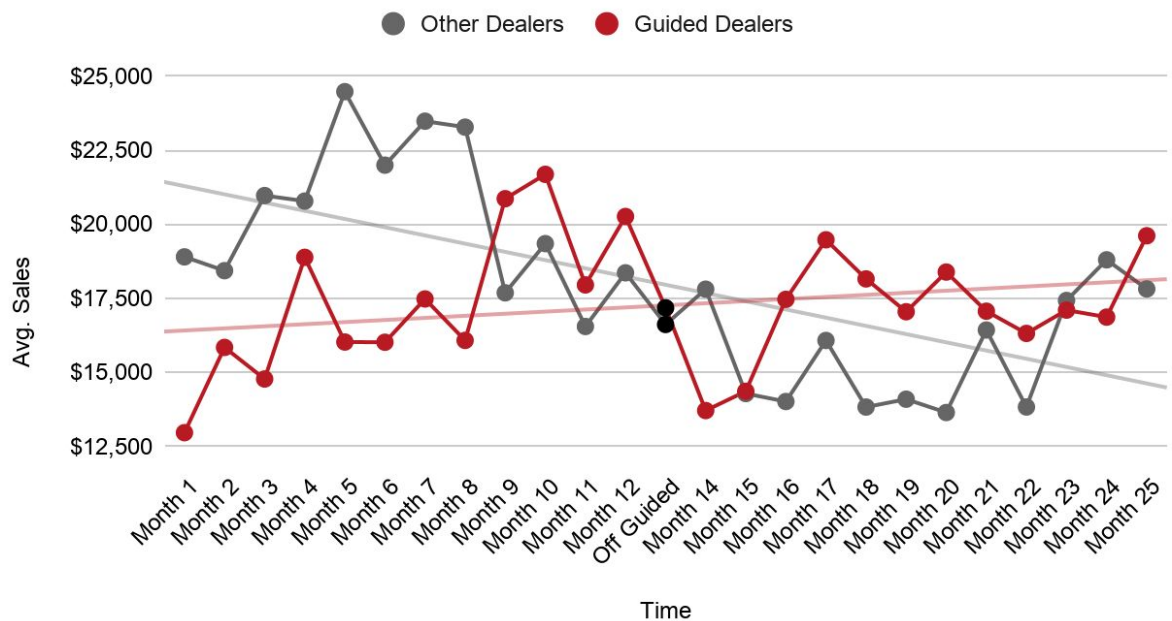
Results:

Guided Dealers had consistency over most categories while Past Guided Dealers showed a decline. The disparity between the groups is more apparent in the 1-year bookend compared to the 6-month bookend.

Past-Guided vs. Guided Dealers Average Sales 6-Month Bookend



Past Guided vs. Guided Dealers Average Sales 1-Year Bookend



Conclusion

Based on the analysis of Usage Data of the Insignia System and judged by the Key Performance Indicators (KPIs) of that Usage Data, the effectiveness of the Consulting services provided by Insignia was revealed. We see that Dealership customers that stay on the Guided program perform better over time than those that are not on the program or have moved away from the program.

Specific to the Dealerships that change services, the decline in KPIs is not immediate, but does trend down over time. Guided Dealers performed better over both 6-month and 1-year bookend analyses. Guided program Dealers also performed better overall compared to System Only.

The data provides a clear picture that the use of the Insignia System in conjunction with consistent support via Insignia VPEs, provides the best performance as measured by the Insignia System KPIs.

Glossary of Terms

The following terms appeared in this report. This glossary provides a convenient reference and explanation for them.

Benchmark: In general, a benchmark is a point of reference, or a common standard, against which other data can be compared or evaluated. In business, benchmark analysis is often used to measure one's company's performance or success against its competitor. For this study, benchmark analysis was used to compare Guided Dealers' performance against System Only Dealers' performance.

Bookend: In statistics, a bookend is a reference point within a particular system to note one margin or parameter of data. Typically, bookends occur in pairs, like their namesake physical counterparts, so one bookend marks one extreme within the system, while the other bookend marks the opposite end. For this study, the bookends were the times before and after dealers utilized Insignia's Guided program.

Guided Dealers: Insignia's Guided Program provides personalized consulting services to develop an automotive accessory presentation and sales process to increase dealership sales.

Guided Program: Insignia's comprehensive approach for the sales training of original equipment and aftermarket auto accessories ("Vehicle Personalization"). The Guided Program offers consultations with Vehicle Personalization Experts (VPEs) to provide a greater depth of service to improve the sales processes and performance.

Key Performance Indicators (KPIs): In this study, the KPIs were the benchmarks in measuring performance between Guided Dealers versus System Only Dealers. The KPIs were based on these factors: Registrations, Orders, Total Orders, Sales Per Order, Parts Views, Vehicle Views, and Total Views.

Outlier: In statistics generally, an outlier is an observation of data falling well outside of the expected value range in a study. For this study, the outliers were dealers either far below the median dealer; such as zero sales and less than 50 views in a 12-month period (a Low Outlier), or dealers so superior to the median dealer in their sales (an Upper or Top Outlier).

Parts Views: The number of online “clicks” performed by users of the Insignia system when seeking details on accessory parts. “Users” can be either dealers, dealership staff, or individual online car shoppers.

Registration: The cataloging of vehicle buyer information into the Insignia system by its dealer-clients to better serve, understand and market to their automotive needs.

System Only Program: Another approach Insignia offers to assist dealerships with boosting their auto accessory sales. Dealers who enroll in the System Only Program use Insignia’s patented OnTrack 1.0 technology to showcase the dealership’s accessory-to-vehicle personalization platform. This platform can be on a personal computer, showroom kiosk, or mobile devices to make Vehicle Personalization more accessible to sales associates and customers.

Total Views: The total number of online inquiries performed through the Insignia system by consumers, which includes Parts and Vehicle Views.

Vehicle Personalization Expert (VPE): A VPE is an Insignia sales consultant who makes monthly visits to dealers who participate in the Guided Program. VPEs coach sales associates on using the Insignia system to create best practices in selling accessories.

Vehicle Views: The number of online “clicks” performed by users of the Insignia system when seeking details on a specific vehicle by year, make, model and submodel. Again, “users” can be dealers, dealership staff, or individual online car shoppers.