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DEALERS

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Trust, Not Price, Drives Sales

Capital One survey highlights the critical role of trust in boosting dealer sales and customer loyalty.



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2 Min Read



Transparent pricing is key to earning customers' trust. GETTY IMAGES

Dealers who blame slow sales on pricing might need to take a closer look at their customer relationships.

Nearly half (48%) of car buyers surveyed for the 2024 Capital One Car Buying Outlook cite trust, not price, as the most important factor in their purchasing decisions.

“The car buying experience demands a unique standard of transparency and trust,” says Sanjiv Yajnik, president of Financial Services at Capital One. “Establishing common ground is key to robust sales and satisfied, loyal customers.”

Yajnik emphasizes that integrating online tools with in-person interactions can boost sales by demonstrating transparency in the buying process. However, a [recent WardsAuto story](#) revealed that strong customer relationships are lacking at some dealerships.

Before diving into the importance of transparency, here are some key insights from the Capital One study:

88% of car buyers complete at least half of the buying process in person, a 5-point increase from last year.

26% say working with a trustworthy dealer is the most important part of the experience, while only 10% prioritize getting the best price.

Salespeople play a crucial role in building trust, with 60% of buyers stating that sales reps are instrumental in fostering confidence.

Car buyers who perceive the process as transparent are 2.75 times more likely to trust dealers, and those who trust dealers are over seven times more likely to view the process as transparent.

Trust is critical in business relationships, especially given rising concerns about digital fraud.

A recent TransUnion study found that two-thirds of business leaders, not just auto dealers, reported that 25% of new accounts are opened virtually. High-profile cyberattacks, such as the recent ones that targeted Findlay Auto Group in Henderson, NV, and CDK Global, which serves many dealerships, have heightened consumer fears about data security.

With numerous websites, blogs and media outlets accusing dealers of price gouging, price transparency has never been more urgent. According to the Capital One survey, buyers are 2.75 times more likely to trust dealers open about pricing.

So, what does transparency mean? The Capital One survey shows that most car buyers (52%) define it as clear pricing and financing found through digital tools. Dealers who believe their processes are already transparent may need to reassess, as there remains a gap in perception between dealers and buyers, though it is narrowing.

The good news: more than half (55%) of buyers surveyed describe the buying process as “very” or “completely” transparent, up from 28% in 2023. This reduces the gap between buyers and dealers to 18 percentage points from 40 percentage points last year.

Still, there’s room for improvement. And dealers who do so are likely to reap rewards. The study indicates that car buyers are twice as likely to return to dealers they trust for their next purchase.



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