



DEALERSHIP

WEEKLY INFORMATION NETWORK

www.DealershipWIN.com

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Credit Merchant Services – Amberly Joseph and Gregory Gordon

- We are bringing a dual price strategy to dealerships. The simplest way to explain that is dealerships will offer a credit price and cash price. You see this a lot in other markets already.
- In other developed countries, they pay about .25% in credit card fees while we pay between 1.75% and 2.25% in the US.
- Now, the US is fighting back. Class action lawsuits are being filed against these banks.
 - o Dealerships are a huge part of this. They could save over 2 million dollars in the next three years in net profit.
- Companies intentionally make statements hard to read for businesses.
- Current effective rate – most businesses are interchange plus. There are over 400 different type of card fees, certain cards cost more.
 - o We charge a flat rate to the dealership and a flat rate to the customer... No matter what card is used.
- We put up signage throughout the dealership to explain, all of our advertised and listed prices are cash prices. If you want to pay card it's an additional 3% - and that 3 % is passed off to the dealer.
- A lot of people are concerned about Cash discounting – We don't consider it that because it's a dual price strategy. It's all about the verbiage and giving them the option to pay cash. "We didn't want to raise our prices across the board, we wanted to give our customers the cash price option as well."
 - o We allow cash, check and pin debit cards... just not credit cards.
 - o It isn't necessarily the entire price of the car. It's a small portion of the payment that the 3% will be charged on.
- Communication to your customers is key. Training your employees to handle customer concerns and use the proper word track to explain the change.

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- It's a direct drop to the bottom line. The average dealer saves between \$5,000 and \$10,000 per month.

Reach out to Amberly Joseph or Gregory Gordon with more questions!