

PRIVATE ACQUISITION INSIGHTS

WHAT'S REALLY WORKING IN USED CAR ACQUISITION? **136 DEALERSHIPS WEIGH IN.**

We asked dealers across the U.S. and Canada, "What's working and what's not working in your used acquisition strategy?" From 136 detailed responses, we analyzed the common themes in their feedback to identify current trends and challenges in the used car market.

Respondents included General Managers, Sales Managers, Used Car Managers, Inventory Managers, and other acquisition specialists. The information is shared anonymously to protect their privacy.

Based on the data, several recurring themes highlight both the opportunities and obstacles facing today's dealerships in acquiring the right inventory. Here's what dealerships across the country had to say about the state of used car acquisition in 2024.

Insights from the Experts:

Clayton Dorris

01

**INVENTORY SCARCITY:
MEETING DEMAND
REMAINS A CHALLENGE**

Many dealerships noted that securing sufficient inventory remains a significant hurdle. With many respondents simply providing variations of "We need to buy more cars" it's clear that dealerships are feeling the pressure to fill their lots. Some are turning to ICO (instant cash offer) programs to supplement their inventory. While diversification like this helps, many respondents feel it only partially alleviates the need for a stable inventory source.

02

**HIGH AUCTION PRICES:
AN ONGOING
COST STRUGGLE**

The rising costs of acquiring vehicles through auctions are also top-of-mind. For several respondents, the increasing expense associated with auctions is creating a profitability challenge. One dealership leader stated, "It's hard to find vehicles at a fair price. Auction prices are high." With auction costs frequently cutting into margins, dealerships are finding that they must explore other avenues to acquire inventory without sacrificing profitability.

**STRUGGLING TO
ACQUIRE CARS LIMITS
DEALERSHIP POTENTIAL**

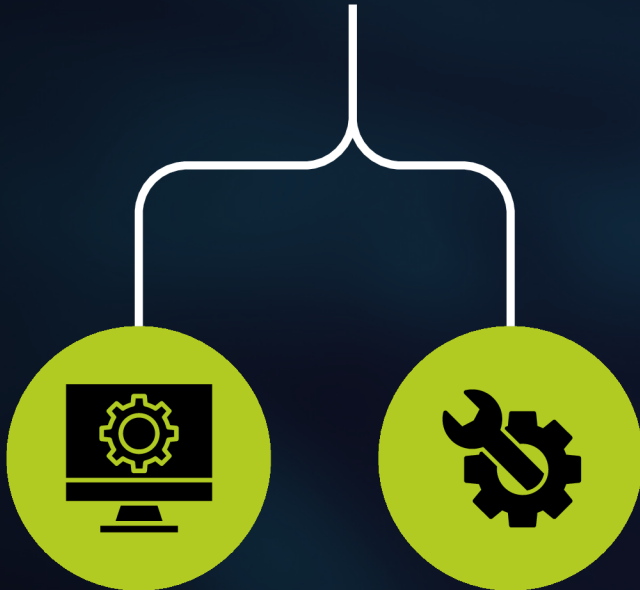


**THOUGHT
STARTER**

With inventory shortages being a big issue, what new ways can dealerships try to ensure they have enough cars on their lots?



HOW TO IMPROVE INVENTORY ACQUISITION



INVEST IN EXISTING SOLUTIONS

Dealerships find value in existing tool

DEVELOP INNOVATIVE TOOLS

Many dealerships feel there is room for innovation

03 ACQUISITION TOOLS: THE NEED FOR PRECISION

A common theme in the responses was the need for precise acquisition tools that fit within their budget. Dealerships are looking for ways to efficiently find inventory that aligns with their profit goals. As one respondent put it, "Obtaining the right inventory at the right cost remains difficult." Although some dealerships have found value in existing solutions, many feel there is room for innovation in tools that better target their specific inventory needs.

04 STAFFING IN ACQUISITIONS: INVESTING IN SKILLED RESOURCES

For some, the challenge isn't solely about acquiring vehicles but also about the people responsible for acquisition. A few dealers highlighted that they need dedicated team members to support acquisitions, with one dealership manager simply noting, "We need a person to work our acquisitions." The feedback emphasizes that even as automation and technology play a bigger role in acquisitions, human expertise remains essential in managing the complexities of sourcing the right vehicles.



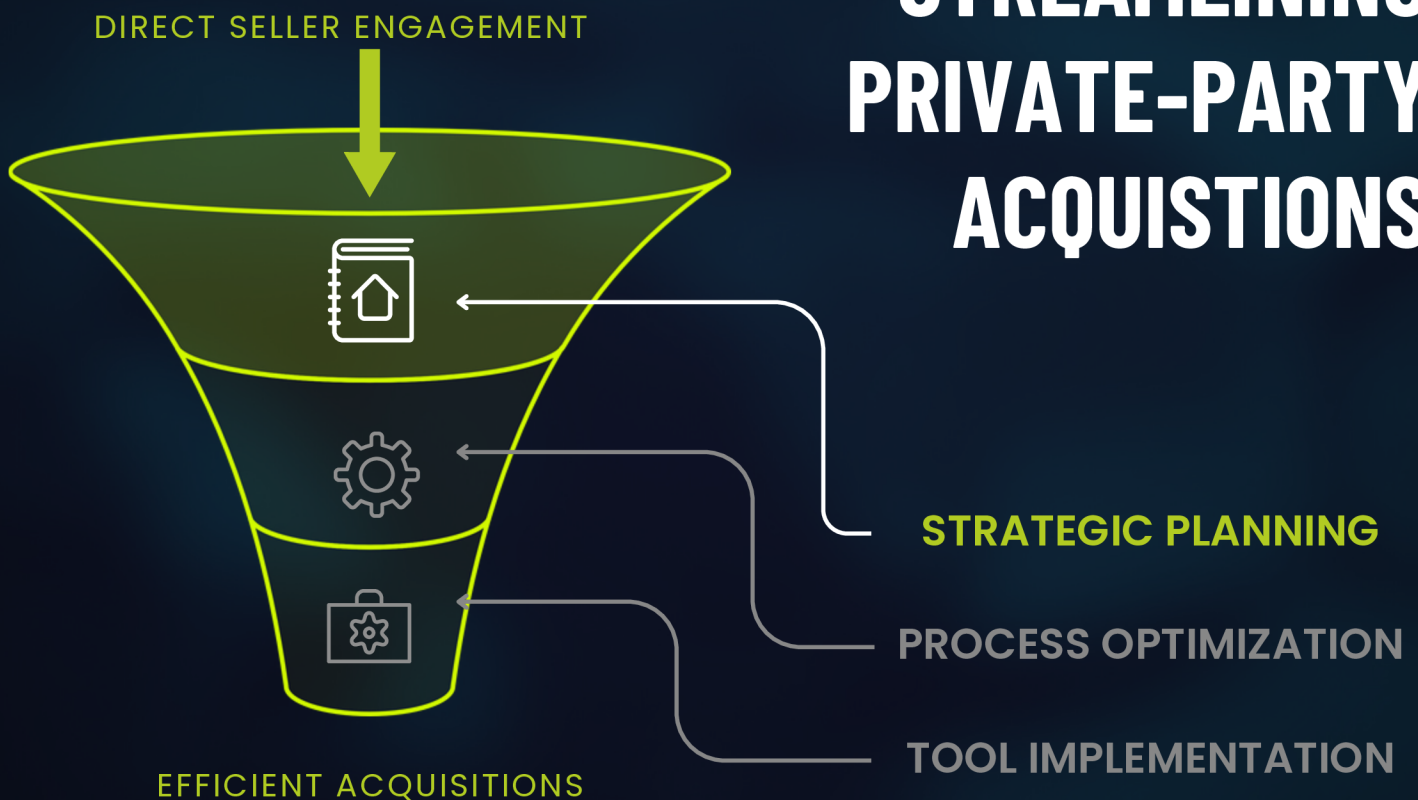
THOUGHT STARTER

Since auction prices are high, what other options do dealerships have to buy cars without spending too much?

**05 PRIVATE-PARTY ACQUISITIONS:
AN EXPANDING STRATEGY**

Private-party acquisitions emerged as a growing focus area, with several dealerships expressing interest in engaging directly with individual sellers. One respondent emphasized the appeal of this channel, saying (in all caps), "WE NEED PRIVATE PARTY!" These acquisitions can help dealerships source vehicles while bypassing the high competition and costs of auctions. However, scaling private-party acquisitions effectively requires a strategic approach, along with tools and processes that make these transactions efficient and manageable.

STREAMLINING PRIVATE-PARTY ACQUISITIONS



THOUGHT STARTER

As technology plays a bigger role, how can dealerships effectively use both tech tools and skilled staff to improve their car buying process?

FINAL THOUGHTS:

ADAPTING TO A DYNAMIC MARKET

These insights reveal that the acquisition landscape is evolving, with dealerships responding to high auction prices and inventory shortages by diversifying acquisition channels and investing in dedicated acquisition roles. The blend of technology and human expertise remains crucial as dealerships seek solutions tailored to today's market demands. While these challenges are likely to persist in the near term, understanding and adapting to them can help dealerships stay resilient.

Knowing where used car acquisition stands at the end of 2024, provides an opportunity for dealerships to include updates to their current strategy, and provides a benchmark for measuring success in 2025. The future of inventory acquisition looks different than it has before.

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Now that you have the insights and strategies at your fingertips, it's time to take action.

Don't let this knowledge sit idle. Evaluate your current vehicle acquisition strategies against the practices discussed here and identify areas for improvement. Consider reaching out to Vehicle Acquisition Network for tailored advice, training, or even a demo of advanced tools that can transform your buy center's effectiveness. Remember, every small step you take towards optimizing your processes can significantly impact your dealership's profitability and growth. Start today by visiting our website or contacting our team to learn how we can support you in transforming your vehicle acquisition strategy into a powerhouse of success.