



The many faces of change in the evolving retail auto industry

Posted By: [Alysha Webb](#)

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In the evolving world of auto retail, ideas for new business models are sprouting like mushrooms. Subscription services are the flavor of the moment. Cadillac was one of the pioneers, with Book by Cadillac. Volvo, Porsche, and this year Lincoln are some of the other automakers offering subscription models. Subscription services come in many forms. I recently talked with Fair, for example, which offers an app that allows consumers to lease a pre-owned vehicle for short, or long, periods of time.

And a few days ago, I spoke with the folks from Spireon, the makers of the Kahu platform, which was launched as a fleet management tool. Now, the firm has identified a new use for Kahu in the car-sharing sphere – as a tool to facilitate car-sharing of a dealership’s inventory.

This new application would create convenience for the consumer, allowing an easy way to locate and “check out” a car on the dealer’s lot. The same connected car software would allow the dealer to monitor the vehicle’s status using Kahu’s diagnostics, plus provide some risk protection since Kahu could tell them if the vehicle was in an accident, etc.

The idea is still pretty new – Spireon is looking for a partner to provide a way to commercialize this use of the technology. But, it shows how quickly things are moving in that space. It seems like only last year – wait, it was only last year – that I wrote about Kahu as a service-reminder and theft-prevention tool.

Both our columns this week relate to the evolving nature of the auto retail model. Rawls Group returns to *ABSR* with a piece on developing the next generation of dealer principals. Family-owned dealerships or groups have followed basically the same process for generations, says Kendall Rawls, but the changing nature of the industry calls for a change in the way the next generation of dealer principals are prepared for the job.

One aspect of the retail car business that has little changed over the years is the buying process – it often still involves hours spent negotiating a price, then going to the F&I department to work out financing details. Recently I have profiled several dealership groups that have switched in the case of [Walser](#), or are switching to in the case of [Freedom](#), a no-negotiation business model.

Since it kept popping up, I contacted Ryan Adams Group, the consultancy both dealership groups worked with on the switch, to write a column about why dealers are making that move. Read it in this issue.

And, of course, we have [Transaction News](#).

Enjoy!

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