DEALERLOOP WHITE PAPER

Closing the Loop

How Australian dealerships lose gross between the enquiry and the handover, and how to win it back.

WRITTEN FOR DEALER PRINCIPALS AND GENERAL MANAGERS

CONTENTS

The argument, in nine sections.

The paper quantifies the leak between the enquiry and the handover, shows why it is structural, prices what closing it is worth, and sets out how Dealerloop closes the loop. Every figure is a public industry benchmark presented as a range with a named source, never a customer result.

Executive summary

Australian dealerships spend more to *acquire* a lead than almost anything else they buy — carsales charges up to **$72 per used-car enquiry** plus monthly fees, and a 50-car yard routinely spends $5,000–$7,000 a month just on the lead pipe. Yet roughly **a third of those enquiries get a slow response or none at all**, and about a third arrive **outside business hours** when no one is there to answer.

That gap is not a marketing problem. It is a margin problem. One incremental car sale is worth roughly **$4,500 in total gross** to a benchmark Australian dealer, and with average dealer net profit at just **1.5–1.8% of sales**, every recovered unit drops almost straight to the bottom line. Recovering even one to two sales a month is a **$54,000–$114,000-a-year swing**.

The leak doesn't stop at the enquiry. It continues:

- **Speed-to-lead.** Leads contacted within five minutes are far more likely to convert than those contacted an hour later — but most after-hours and weekend enquiries wait until the next business day.
- **The owner base.** The customers a dealer already sold to — the cheapest sales in the building — are rarely re-worked at finance maturity, warranty expiry, or the three-year upgrade window.
- **The handover.** Delivery week is run on emails, spreadsheets and phone calls; licensing paperwork, finance sign-off and aftercare fall through the cracks, delaying cars and souring the moment that creates the next referral.

This paper makes the case for treating these as **one connected loop**, not three disconnected tools. It then describes how **Dealerloop** closes that loop — answering every enquiry in seconds with inventory-grounded AI, carrying the won deal through a coordinated handover, and bringing the customer back — while sitting *alongside* the dealer's existing DMS rather than replacing it.

It closes with a practical buyer's checklist for evaluating any AI lead engine, and how to run a no-risk trial on your own lead flow.

SECTION 01

The leak, in plain numbers

Dealers don't have a lead *volume* problem. They have a lead *conversion* problem that starts the moment an enquiry lands.

The response gap is real and measured. In a carsales study of more than 32,000 enquiry responses, **34% of enquirers received no response within 24 hours**, and **34% of enquiries arrived outside business hours**.[1] Those two facts compound: the after-hours enquiry is the one most likely to go cold, because the people who could answer it have gone home.

Speed decides the outcome. The classic MIT / InsideSales lead-response study found leads contacted within five minutes are **21× more likely to qualify** than those contacted after 30 minutes.[2] Automotive-specific data points the same way — conversion in the 25–32% range when contact happens inside five minutes, collapsing to low single digits after an hour.[3] Yet a human BDC or sales desk, however good, physically cannot answer a 9:40pm Saturday enquiry at 9:40pm Saturday.

The leads themselves are the dealership's biggest line item. carsales' published rate card charges **$72 per enquiry** on used cars in the common price band, plus an **$799/month** base and an establishment fee; new-car packages run $66/enquiry plus monthly tiers up to several thousand dollars.[4] Dealers report effective costs of "$300+ per car" in portal fees.[5] Drive charges **$50 per lead flat**.[6] In other words: the dealership has already paid premium money to make the phone buzz. Letting that enquiry sit unanswered until Monday is the most expensive mistake in the building.

And the close rate has room to move. Typical internet-lead close rates sit around **6%**, while top performers reach **15%+**.[7] The difference between average and good is not usually the inventory or the price — it's whether someone engaged the buyer fast, qualified them, and booked the drive before they moved on to the next yard.

> **The uncomfortable summary:** dealers pay top dollar for leads, then lose a third of them to a clock. The cars are in the yard. The buyers are real. The gross is sitting on the table.

SECTION 02

Why it happens — and why it's structural, not lazy

It would be easy to read the numbers above as a staffing or effort problem. It isn't. The leak is **structural**, which is exactly why throwing more people at it rarely fixes it.

Enquiries arrive 24/7; humans work business hours. A third of demand lands nights and weekends. Covering that with humans is brutally expensive: a single in-house lead handler is **$72,000–$90,000 a year fully loaded — roughly $6,000–$7,500 a month — for business hours only**.[10] Genuine 24/7 human coverage takes around **four full-time staff**.[11] No single-rooftop dealer can justify that to answer enquiries that may or may not arrive.

Outsourced BDCs trade one problem for another. They cost **A$2,000–$10,000-equivalent a month**,[12] are often offshore and script-driven, and don't know your stock. They can answer fast, but they can't say "yes, the 2022 RAV4 Cruiser in Eclipse Black, stock #4471, is still here and it's $42,990" — because they aren't grounded in your inventory.

The owner base is the cheapest gross in the business — and it's ignored. Re-selling to an existing owner at finance maturity, warranty expiry, or the ~3-year upgrade point is the highest-margin sale a dealer can make. But it requires someone to *remember*, *time it*, and *reach out first* — work that never survives a busy month. So it doesn't happen.

Delivery week is a coordination problem nobody owns. Once a deal is won, it has to clear licensing, finance, aftercare, accessories, plates, trade-in and detailing — across several departments, against a date the customer is counting on. Run on email and memory, things slip: the licensing form isn't ready, finance hasn't signed off, the car isn't detailed. A delayed or chaotic handover doesn't just cost a day — it sours the single best moment to earn a review and a referral.

Margins make all of this hurt more. New-car front-end gross compressed from **$4,950 (CY2024) to $3,950 (CY2025)**,[8] and net dealer profit is **1.5–1.8% of sales**.[9] When the margin on the deal is thin, the deals you *lose to a clock* matter disproportionately — and the cheap, high-margin owner sales matter more than ever.

The common thread: every one of these is a **timing and coordination** failure, not an information failure. The dealer has the leads, the stock, the customers and the staff. What's missing is a system that never sleeps, never forgets, and carries one thread of context from the first enquiry all the way to the next sale.

SECTION 03

What the leak costs — in cars, not features

Dealers don't buy software. They buy recovered gross. So the only number that matters is what closing the leak is worth, in the dealer's own units.

Gross profit per unit (AADA Dealernomics, CY2025):[8]

METRIC	BENCHMARK
Front-end gross per **new** car	~$3,950
Front-end gross per **used** car	~$3,750
F&I + insurance per retail unit	~$1,060 new / ~$755 used
Total gross per unit	**~$5,000 new · ~$4,500 used**

The recovered-sale maths for a typical single rooftop (~35–40 units and ~100–150 leads a month):

SCENARIO	MATHS	ANNUAL VALUE
Recover **1** used sale / month	$4,500 × 12	**$54,000**
Recover **2** sales / month (1 new + 1 used)	~$9,500 × 12	**$114,000**
Conservative (front gross only, 1 used)	$3,750 × 12	**$45,000**

These are not aggressive assumptions. Recovering *one* extra sale a month from leads you already paid for — by answering them in seconds instead of by Monday — is the floor, not the ceiling. Add the owner re-engagement and the smoother handover, and the number grows.

Put against what dealers already spend trying to do this job — badly:

CURRENT "SOLUTION"	MONTHLY COST	COVERAGE
carsales lead fees (50-car yard)	$5,000–$7,000+	This *is* the leak — a third get slow/no response
In-house lead handler	$6,000–$7,500 loaded	~40 hrs/week, no weekends
Outsourced BDC	A$2,000–$10,000-equiv.	Variable, often offshore, doesn't know your stock
Chat widget / auto-responder	$200–$800	Doesn't converse, qualify, or book

> **The framing that decides everything:** *one recovered car sale is worth about $4,500 in gross. The question isn't "what does the software cost?" It's "how many sales am I losing to a clock, and what is even one of them worth?"*

SECTION 04

The shift: from point tools to one system across the journey

The dealership tech stack has historically been a pile of point tools — a chat widget here, a CRM there, a separate e-sign account, a follow-up reminder somewhere else. Each solves one slice. None of them share a thread.

That fragmentation *is* the leak. The enquiry that came in at 9pm, the qualification the buyer gave over SMS, the test drive that got booked, the deal that got won, the trade-in that got valued, the finance that got approved, the handover that got scheduled, the owner who's due to upgrade in three years — in most dealerships these live in five different places and four different heads. Context dies at every handoff.

The alternative is to treat the customer journey as **one connected loop** with a single thread of context running through it:

01 **Win the lead** — capture every enquiry, answer it in seconds with real inventory, qualify it, book the drive, hand it to a salesperson warm and in context.

02 **Run the handover** — carry the won deal through a coordinated, on-time delivery: the checklist, the departments, the finance, the licensing, the e-sign, the reminders.

03 **Keep the customer** — work the cold leads and the owner base automatically, generate the review at delivery, and bring them back for the next sale.

The same leads, customers, inventory and documents power all three. That integration is the point. A point tool is easy to copy or bolt on; **one thread through the whole journey is the thing that's hard to replicate — and the thing that actually moves the number.**

This is the category Dealerloop is built for.

SECTION 05

How Dealerloop closes the loop

Dealerloop is an Australian-built platform that runs a dealership's customer journey end to end, sitting **alongside** your DMS — it owns engagement, timing and lifecycle; your DMS keeps owning the deal, the money and the customer master. No rip-and-replace.

Job 1 — Win the lead

- **Captures every enquiry, from every door.** carsales, Gumtree, Facebook Marketplace, your own website form, structured ADF/XML feeds, and inbound SMS — all flow into one place. No enquiry slips through a channel nobody's watching.
- **Answers in seconds, 24/7, grounded in your actual stock.** Dealerloop's AI replies by SMS or email within seconds of the enquiry landing — and it answers from your *real* inventory. It will never invent a car you don't have or quote under your listed price. If a buyer asks about the RAV4, it talks about the RAV4s on your lot, by variant, colour and price.
- **Qualifies and books.** It holds a real conversation, qualifies the buyer, and books the test drive or call directly into the calendar.
- **Hands off warm, with context.** When a lead is ready for a human, it goes to a named salesperson with the full conversation and qualification attached — not a cold "someone enquired" alert.

Job 2 — Run the handover *(Dealerloop Handover)*

When a deal is won, Dealerloop turns it into a single delivery that runs itself:

- **One-upload data capture.** Upload the signed sales contract once and Dealerloop reads it to auto-capture the **customer** (name, mobile, email), the **sold vehicle** (year/make/model/variant, colours, VIN, stock #, auto-linked to your inventory) and the **trade-in** — removing a big chunk of manual re-keying, without trying to become your DMS. Staff confirm what it read.

- **A department-gated checklist that's enforced, not honour-system.** Licensing, finance, aftercare, accessories, plates, trade-in, detailing — each task is owned by the responsible department, and the people in that department are the only ones who can tick their part (managers can override). The system flips the delivery between "scheduled" and "ready" based on what's actually outstanding.
- **Australian licensing, e-signed.** The correct WA transfer form is pre-filled from the captured data (VL1A for new, MR9B for used/demo) and sent to the customer to e-sign the right section via **Documenso**, with the signed PDF stored back on the delivery.
- **A reminder ladder.** As the delivery date approaches (72/48/24/12/6/1 hours out), the responsible department gets nudged about anything still outstanding — and a "ready for handover" note fires when it's all clear.
- **Rush approvals.** Last-minute aftercare or accessories inside 48 hours require a manager's sign-off, in-app and by email — so nothing risky goes out the door unapproved.

Job 3 — Keep the customer

- **Work the long tail automatically.** Cold and early leads enter consent-aware nurture sequences that re-engage them over time, in your dealership's voice, grounded in current stock and price drops.
- **Re-work the owner base.** Lifecycle triggers (anchor dates, price drops, post-delivery milestones) reach out *first* — turning your existing owners into the cheapest, highest-margin pipeline you have.
- **Earn the review and the next sale.** At delivery, the customer can be enrolled (their choice, never silent) into a post-purchase sequence — thank-you and review request, then 7-day and 30-day follow-up — that protects the moment and seeds the referral.

SECTION 06

What makes it different — and defensible

Plenty of vendors will sell a dealer an "AI chatbot." Here is what to look for that most of them can't claim:

- **One system, one thread, the whole journey.** The same leads, customers, inventory and documents power engagement, handover, e-sign and retention. Competitors bolt these together from separate products; Dealerloop is one thread. This is the moat — and the reason the number actually moves.
- **Inventory-grounded AI.** Replies reference your *real* stock — price, specs, availability — not canned templates. The AI cannot deny a car that's in the yard or undercut your listed price.

- **Operations that are actually enforced.** Department roles and server-side rules mean the handover checklist gets *done*, not just *displayed*. The sign-off, the rush approval, the licensing gate — all enforced behind the scenes, not left to good intentions.
- **Built for Australia.** Australian SMS and email, Australian licensing forms (VL1A/MR9B), consent handling under the Spam Act and Privacy Act/APPs, one-tap STOP, quiet hours, AI disclosure, and data hosted in Australia. Australian-owned and run.
- **Honest, safe automation.** Consent-aware by design, with nurture in dry-run by default — nothing goes to a customer by accident. For a cautious dealer, that restraint is a feature, not a limitation.
- **Sits alongside your DMS — no lock-in.** Dealerloop owns engagement and lifecycle, not your system of record. Month-to-month, export your data anytime. No 12–36-month handcuffs.

SECTION 07

The objections worth answering up front

Dealers are right to be sceptical. The honest answers:

WHAT YOU'RE THINKING	THE STRAIGHT ANSWER
"I tried an AI and it sounded robotic."	This is the real #1 objection — and fair. The fix is to see it on *your* stock and in *your* tone before you commit, and to run it on your own live lead flow. Judge it on your enquiries, not a canned demo.
"Will it annoy my customers or damage my brand?"	It hands off to a human at the right moment, discloses it's an assistant, respects opt-outs and quiet hours, and you see every conversation. There's a kill-switch.
"Another vendor, another invoice."	It consolidates the after-hours answering service, the chat widget and a chunk of follow-up labour into one line item — and it's a fraction of the human you'd hire to do the same job 9-to-5.
"My salespeople already follow up."	Maybe — during business hours, on the leads they remember. The leak is the 34% that arrive after hours and the owner base nobody has time to re-work. Ask for a leak audit of your own response times; the data usually settles it.
"What if it doesn't work for my yard?"	Beyond the platform fee you only pay when a booked customer actually walks in, and there is no long lock-in: month to month, walk away any time.

SECTION 08

A buyer's checklist for any AI lead engine

Whether or not you choose Dealerloop, evaluate any AI lead tool against these. They separate a real engagement system from a dressed-up chatbot:

01 **Does it answer in seconds, 24/7 — including nights and weekends?** That's where the leak is. Business-hours-only coverage misses the point.

02 **Is it grounded in your live inventory?** It must reference your actual stock, prices and availability — and never invent a car or undercut your price.

03 **Does it qualify and book, or just reply?** A reply is table stakes. Booking a drive and handing off warm is the job.

04 **Does the handoff to a human actually work?** Failed AI-to-human handoffs are the quiet killer. Insist on seeing it.

05 **Does it carry past the sale?** Does it run the handover and re-work the owner base, or stop at the enquiry?

06 **Is it Australian-compliant by design?** Spam Act consent, one-tap STOP, quiet hours, AI disclosure, Australian data hosting.

07 **Does it sit alongside your DMS, or fight it?** You don't need a second system of record.

08 **Can you leave?** Month-to-month and data export, or a multi-year lock-in?

09 **Can you trial it on your own lead flow?** Real confidence comes from your enquiries, not a slide.

SECTION 09

What it's worth, and how to start

The arithmetic is the whole argument. One recovered used-car sale is worth about **$4,500** in gross. A platform that answers every enquiry in seconds, runs your handovers, and brings owners back costs a fraction of the person you'd hire to do a slice of that job business-hours-only. **One extra car a quarter covers it. Anything beyond that is margin you weren't capturing.**

Dealerloop pricing is **appointment-based** (you're never billed per message or per lead), **per rooftop**, and **month-to-month** — $99 ex GST a month per engine, plus a per-appointment fee only when the customer actually shows up.

The next step is a fifteen-minute demo on your own stock and your own tone. Bring your current carsales spend and your response times; we'll show you where the leak is and what closing it is worth on your numbers.

Book a demo: dealerloop.com.au · admin@dealerloop.com.au

Appendix — about Dealerloop

Dealerloop is built and run by **Dealerloop Technologies Pty Ltd** (ABN 27 698 983 863), an Australian-owned dealership-solutions company. The platform is multi-tenant SaaS: each dealership's data is isolated, hosted in Australia, and exportable at any time. Dealerloop integrates with the lead sources and tools dealers already use and is designed to sit alongside the dealer's DMS, not replace it.

Sources

All figures in this paper are drawn from public industry data and are presented as industry ranges and benchmarks, not as Dealerloop customer results.

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You pay when they walk in.

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