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Inclusive digital dealers will not mourn the death of the salesman

By Professor Jim Saker

In 1969, Arthur Miller wrote Death of a Salesman, a play regarded as one of the most important of the 20th century. It famously questioned the 'American Dream', but also highlighted gender roles prevalent in the society at the time.

In automotive retailing, one of the more interesting aspects of the rise in digital marketing channels is whether it will signify the death of the salesman as we know it.

Historically, as in the Miller play, the sales role in the motor trade has been predominantly male. By comparison, most other retail sectors are characterised by the majority of employees being women.

An increasingly large number of dealer groups and manufacturers are exploring more fully integrated digital sales and marketing channels, where the bulk of the buying process is basically done online and the human input is in the form of advice and facilitation. This changes the role of the employee.

In the early 2000s, there were a number of attempts to develop online car retailing, the majority of which failed. In those days, the chief executive of a well-known manufacturer pronounced that "customers still want to come along and kick the tyres".

A decade on, the consumer's approach to the internet has dramatically changed - now it appears people are happy to 'kick the tyres' in a virtual environment.

That shift: towards a digital world may not only change the nature of car retailing, but also be a major catalyst for attracting more women into automotive retail.

The purpose in writing this article is not based on a feminist ideology (although one could quite legitimately tackle the issue from that perspective), but rather from an argument underpinned by a pragmatic business case.

Basically, attracting more women into the sector would be beneficial. In 2016, there will be more women holding driving licences than men, with 60% being registered owners of motor vehicles.

Research suggests women, in particular, do not like the lack of price transparency in car buying. Nor do they embrace the low-trust, high-pressure buying experience.

As a result, they are increasingly moving to online approaches to buying. One of the only dealers in the UK that operates a true ecommerce click-and-collect model employs 70% women and sells 51% of its cars to women.

Inclusive employment policies are not just about sales. One of the other interesting dimensions that emerges from this discussion is the impact that women have on the management of organisations in general. The World Economic Forum has estimated that organisations with women in senior positions outperform others by as much as 34% in profit terms, while McKinsey identified that organisations with at least 30% of women in higher-level leadership positions have significantly better financial performance than competitors.

Boards with high female representation experience a 53% higher return on equity, a 66% higher return on invested capital and a 42% higher return on sales.

The case for having women in management positions in organisations is indisputable, yet in our sector there is a major under-representation of females. A McKinsey study in 2011 indicated that men are promoted on potential, while women are promoted on past performance. In the retail automotive sector, this is compounded by the fact that there are so few women present in the first place.

Even if you ignore the issue of equity and fairness, the business case for finding a way to attract more women into the sector is difficult to argue against.

Change needs to come from the top

Julia Muir, one of our visiting lecturers at the Centre for Automotive Management at Loughborough, has founded the UK Automotive 30% Club. This new initiative is being supported by a number of key players, who believe we should create an employment environment that is more appealing to women. Muir has worked in and around the industry for many years and believes there are many benefits to be gained from employing more women.

The aim of the organisation is to encourage women into the sector, so that by 2030, 30% of the key leadership positions will be held by women. Another aim is that within five years 25% of senior executives will be female. The organisation will also set up monitoring systems and undertake research to evaluate changes in performance.

I believe the shift to more digital marketing channels will attract more women into the dealership/retail environment and with the benefits of having both men and women in management being felt, organisations will see the bottom-line benefit of having an inclusive employment policy.

With the rise of digital marketing and organisations such as the 30% Club, it may not be the 'Death of a Salesman', but it may be a shift to a salesperson.

"Research suggests women do not like the lack of price transparency. Nor do they embrace the low-trust, high-pressure buying experience."