

Grand Theft

Auto Dealership

GPS: The Dealer-Centric

Solution to Rising Theft



In a world where street hustlers pull off daring, dangerous vehicle heists to survive, what is a car dealership to do?

In Chamblee, Georgia, [thieves were able to steal](#) approximately 30 cars totaling more than \$2 million worth of inventory.

A Maserati and an Alfa Romeo, valued at \$120,000 and \$53,000, respectively, [were boosted](#) from lots in Vienna, Virginia, and subsequently incurred about \$30,000 worth of damage.

Thieves made off with eight vehicles from John Hine Mazda in San Diego just a few weeks removed from nearby Courtesy Chevrolet having experienced its own similar crime.

After thefts from a 30-car lot in St. Joseph, Missouri, outnumbered those from its much larger 1,000-car sister store in Chillicothe, Missouri, Woody's Automotive Group [decided to relocate operations away](#) from its satellite dealership. The group's chief operating officer said that he simply could not get his vehicles insured if he continued to have a lot in St. Joseph.

While specific statistics for vehicle thefts at automotive dealerships are elusive, a Google News search shows that these crimes happen

often, are widespread, and result in millions of dollars in losses for dealers each year. Auto thefts aren't just fodder for the latest sensational video games, but a real problem for today's dealer.

Theft Outpaces Dealer Sales

A widespread look at auto theft in the United States may shed light on what is happening on a smaller scale at dealer lots. Motor vehicle thefts in the United States have gone through an uncharacteristic uptick in recent years after trending downward every year since peaking in 1991.

Motor vehicle theft is rising (per [FBI's Uniform Crime Report](#)):

- Up 3.8 percent in 2015
- Up 7.4 percent in 2016, totaling \$5.9 billion in losses
- Up 4.1 percent in the first half of 2017 over the same period in 2016

Franchise dealer sales are rising, but at a slower rate (per NADA):

- Up 5.1 percent in 2016, totaling \$59.6 billion
- New vehicle sales up 4.7 percent, totaling \$35 million

The rate of vehicle theft loss is outpacing the growth rate in dealer sales, and even more so in new vehicle sales. With new vehicle sales actually decreasing by 0.4 percent in 2017, the loss from vehicle theft at the dealership becomes magnified.



Inside the Numbers

Highest National Theft Rates, by Metro Area

1. Albuquerque, New Mexico (1,114.01)
2. Pueblo, Colorado (899.43)
3. Bakersfield, California (854.66)
4. Modesto, California (767.69)
5. Riverside-San Bernardino-Ontario, California (679.05)

Most Stolen Vehicles, Model Year 2016

1. Toyota Camry (1,113)
2. Nissan Altima (1,063)
3. Toyota Corolla (982)
4. Dodge Charger (945)
5. Ford Fusion (914)

Data provided by NICB

A Game of Cat and Mouse

While strides in technology have played a large part in foiling theft over the previous 25 years, industry observers such as the Insurance Information Institute (III) cite a growing sophistication of criminal technology for the uptick in the last two. Thieves are using smart keys to circumvent the need to hot-wire victims' vehicles. Per the National Insurance Crime Bureau (NICB), the number of vehicles stolen using the key or keyless entry device left inside the vehicle increased by 22 percent in 2015. [VIN switching](#) and securing auto loans through identify theft are among other newer nefarious tactics.

To prevent auto theft, NICB recommends [a four-layered approach](#). The first three layers should be familiar to anyone over the past 20 years:

1. "Common sense" such as locking doors and removing keys from the ignition
2. Visible/audible devices such as car alarms
3. Vehicle immobilizers such as smart keys and kill switches
4. Invest in a tracking system

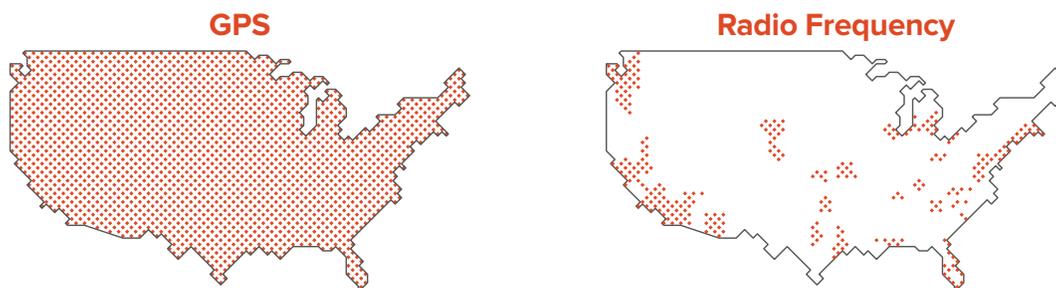
The fourth and final layer presents a solution that not only prevents theft but maximizes dealer revenue to close the disparity between losses and gains.

Technology Has Come a Long Way

Early consumer vehicle tracking technology developed in the 1980s and still in use today utilizes radio frequency (RF) signals to track stolen cars with specialized antennas installed on police cars. Newer technologies have emerged over the past 15 years that use global positioning system (GPS) technology to vastly expand coverage area and expedite recovery time.

GPS vs. Radio Frequency

	National Coverage	Range	Recovery Interface	Recovery Rate
RF	No	3–5 miles	Directional Proximity Radio frequency intensifies the closer the range	90%
GPS	Yes	2-3 meters	Instant Location Latitude and longitude coordinates pinpointed on a map	98%



Greater location accuracy has led to profound recovery results. Stolen vehicle recovery solutions powered by GPS have resulted in faster average recovery times, with some solutions reporting averages as quick as 26 minutes. Also, by virtue of shortening the window of theft, the opportunity to incur damage is dramatically reduced. [According to the California Highway Patrol](#), 21.5 percent of recovered stolen vehicles statewide in 2017 were intentionally burned and/or wrecked. Recovery time matters.

Geographical boundary technologies such as geofencing and geozoning open up even greater theft deterrent protections for dealerships specifically. With after-hour geofence alerts, dealers can receive instant notifications on their smart devices if/when vehicles move off the lot at restricted times. Proactive measures such as these providing immediate feedback often result in vehicle recovery in moments rather than hours or days.

The upside of GPS for a dealership doesn't end at stolen vehicle recovery either; it's only the tip of the iceberg.

GPS Built for the Dealer: Two Birds, One Stone

[Forbes](#) cites tech blogger Jonathan Clark's definition of a platform as a structure that allows multiple products to be built within the same technical framework. When built on a technology platform, GPS can provide dealers with far more utility than stolen vehicle recovery. A dealer-centric GPS solution benefits sales, business operations, and service as well. To get the most bang for their buck, dealers should be sure their GPS technology partner takes an expanded view of the ways it serves its clients.

- **Sales Effectiveness** — GPS location accuracy enables dealers to find the exact car a customer wants in minutes, expediting the sales cycle and improving customer experience.
- **Operational Efficiency** — With GPS, battery management labor can be reduced by at least 50 percent and inventory audits by as much as 4.5 hours. Loaner fleets and lease vehicles can also be managed more precisely for proactive maintenance and personalized trade-in promotions.
- **Service Revenue** — Per NADA, service and parts sales totaled a staggering \$114.15 billion at new car dealerships in 2017. A dealer-centric GPS platform can provide accurate mileage reports that lead to more timely service reminders which can help maximize service under warranty and increase the lifetime value of customers.
- **Mobility Matters** — The average smartphone user has 90 apps, 30 of which are used on a monthly basis, 10 daily. The best apps are updated with new features regularly to keep users engaged. Ask GPS providers about their consumer app offering as well as for their app usage statistic.

The Bottom Line

GPS offers a much more complete solution for dealers than anything else on the market. Although alternatives may offer the cache of legacy brand recognition, advanced stolen vehicle recovery technology coupled with a multitude of dealer-centric features places GPS at the present and future of tracking technology. A GPS solution built for dealers presents an optimal path toward closing the widening gap between rising motor vehicle thefts and plateauing auto sales.

To learn more about motor vehicle theft, its impact at the dealership, and the upside of a dealer-centric GPS platform, visit spireon.com/kahu-auto-theft-solutions or talk to one of our friendly experts at **877.563.0032** today.