

A few years ago most Buy Here – Pay Here dealerships where small lot’s which sold cars to only customers near the dealership who could come in every pay period and paid the dealer in cash.

This put BHPH dealers at a disadvantage having to sell to a limited market and all the risks of come with managing a cash drawer. Also accepting checks which may bounce or need to be mailed into the dealer could delay payment for days or even weeks. Most dealers preferred not to accept checks for that reason, even at the dealership.

Savvy BHPH dealers have seen a shift over the years, 3 out of 4 working Americans have a bank account and a debit card. Individuals who cannot open a bank account preloaded debit cards are a viable option. Several credit card companies issue cards to subprime buyers albeit at a high interest rate.

New technology has entered into mainstream with apps such as Starbucks which can be loaded by way of a number of options, cash, debit, credit, bank account link or online options. Industry giants such as PayPal, Google and Apple have digital pay products to buy product and services in person or offline.

Digital Pay is becoming common place and with so many methods of payment options available to make a car payment, savvy Buy Here Pay Here dealers need to have the ability to take digital payments for a number of benefits and features.

Benefits

1. Reduce theft risks both robbery and employee
2. Reduce delinquency
3. Increase customer satisfaction

Features

1. Reoccurring payments
2. Automated payments
3. Online Payment Portals
4. Dealer branded mobile apps to connect and collect

Digital Pay will have a massive impact on BHPH dealers as well as Independent and Franchise dealers wanting to open their own BHPH departments. Dealers who choose not to embrace change today need to analyze delinquency problems and how many could be avoided by leveraging digital pay methods. Those dealers wanting to take advantage of technology to increased profitability will embrace digital pay as many pay methods are as simple as a click.

About the Author:

Eugene Gonzales is the co-founder and Chief Software Architect for Cartifex a provider of BHPH and Social CRM software, Mobile Pay, Payment Portal Technology and Loan Management services. Eugene is credited for many of the features found in automotive CRM solutions today. His global experience working with Ford Motor, Saturn, Chrysler, prestigious dealer groups and software house on four continents are the backbone to his programming style.

