

# Expanding Out-of-State Sales with Title-and-Registration Service



Effective automotive digital retailing goes beyond simply selling the vehicle. Well-coordinated and comprehensive logistics are needed to meet consumers rising experience expectations; which includes completing title-transfers and vehicle registrations. Dealers are working with leaner staff and even leaner inventory so navigating multiple states' vehicle title-and-registration requirements is complex and time consuming and can be costly. An expert title-and-registration partner can ease much of this burden for dealers.

# An Expansion of Distance Retailing

In the last few years, digitization has given rise to a breadth of change in the automotive industry: evolving consumer expectations, shifts in buying behaviors and the expansion of vehicle-retailer service offerings, particularly home delivery. Prior to the unprecedented COVID pandemic that struck in 2020, consumers had already been increasingly demanding e-commerce options, yet this demand surged amid mandated dealership shutdowns and consumer concerns for their own health and safety.

COVID forced automotive retail to modernize the way they sold cars, dramatically altering consumers' expectations of the car-buying experience. No longer confined to inventory at their local dealership, a growing number of consumers are now searching for their next vehicle online or out of state.



This emerging trend of selling across state lines was further accelerated by ongoing supply-chain challenges and subsequent shortages of vehicle inventory. These challenges began when manufacturing plants were forced to shut down due to health and safety concerns at the start of the pandemic. Once plants were permitted to reopen, automakers worked diligently to ramp up new-vehicle production; however, they were then faced with another setback due to a global parts shortage of semiconductor chips.<sup>1</sup> While the U.S. Congress passed The CHIPS and Science Act in July 2022, allocating \$10 billion to enable domestic manufacturing of these chips, specific plans to utilize these funds to build plants and increase U.S. production are just starting to be announced.<sup>[2][3]</sup>

Until domestic production of semiconductor chips can ramp up, the chip shortage will continue to stretch on, limiting available new inventory on the market and driving up demand for, and the price of, used-vehicle inventory.<sup>4</sup>

With limited vehicle availability and surging prices that are only just beginning to soften, consumers are going online to find the vehicle makes, models and prices they want, oftentimes choosing to purchase vehicles located in another state.<sup>[5][6]</sup> In June 2022, Automotive News reported on a survey showing car buyers were willing to travel up to 469 miles, on average, for their next vehicle purchase.<sup>7</sup> Similarly, Cars.com conducted a survey in 2021, which found that at least 10% of all car buyers were purchasing their next vehicle from across state lines.<sup>8</sup>

As this distance retailing trend has surged, it has become increasingly critical for automotive retailers to establish a logistics strategy to remain competitive. Part of that strategy certainly includes transportation – fast and secure vehicle transports.

Another aspect of a strong automotive logistics strategy is title and registration. Once a vehicle is sold, the title must be properly issued or transferred depending on the purchase type. If this work is not completed timely and accurately, the customer or dealership could face fines or other serious penalties. However, this work is particularly complicated as every state Department of Motor Vehicles (DMV) has its own unique rules and regulations pertaining to vehicle title-and-registration.

While dealerships often employ a title clerk to assist with title processing, title transfers and new vehicle registrations, most only have expertise processing within that state or the neighboring states. To continue offering these services to an out-of-state customer base, retailers must be able to execute this work at a national scale.

Often a partnership with an expert title-and-registration provider is necessary to manage DMV requirements and ensure state-by-state compliance.



# Management Across State Lines

The ability for dealers to offer and execute title-and-registration work was always seen as an added benefit when purchasing a vehicle in-person at a dealership. However, consumer desire for title-transfer support and completed vehicle registration has only grown along with the demand for digital and distance retailing.

To successfully complete title-and-registration work, dealers must either attempt to navigate each respective state's specific rules and regulations by working directly with state DMVs, or partner with an experienced title-and-registration provider. An expert provider can assist dealers in managing all vehicle titles, plates, and registration work in any state.

Although some dealerships choose to work directly with state DMVs, this often becomes time-consuming and complex, as the dealers' teams must sort through various state requirements. Handling title-and-registration needs across multiple states can also expose retailers to the risk of potential mistakes, which could result in fines, or temporary suspension from performing these services. The potential risk is even greater when dealing with more complicated services, such as liens on titles.



To add further convenience to the car-buying experience, dealers often bundle any administrative costs into the vehicle purchase price. This simplifies the car-buying process while eliminating the need to go to the DMV to issue a new title or registration. However, calculating fees for one or two states is much less complex than doing so for all 50 states, all with their own unique requirements and fees. Dealerships are often left juggling the demand of creating a simple, straightforward experience for their customers with the reality of their own limited time, capacity and resources.

Title-and-registration providers have pre-approved couriers that can make runs to DMV sites and wait in line with the required paperwork. Many times, they offer dealers overnight-direct options, so critical documents can be quickly sent to the DMV office for processing.

Additionally, expert providers have the ability to bundle fees and have easy access to the costs associated with each state. This enables them to assist in the fee-bundling process, ensuring dealers can continue to offer price-bundled deals to further encourage sales and improve customers' car-buying experience.

Although a dealer may want their own title clerk to assist with in-state processing, outsourcing out-of-state processing to a provider dedicated to this work can ensure more speed, better compliance and increased efficiency, while also helping dealers avoid unnecessary fines.

## Digital Processing

Title-and-registration processing is undoubtedly a paper-heavy process. Paperwork is sent back and forth between automotive retailers, customers, and any stakeholders to ensure all required signatures are completed and every mandated form is submitted.

The dealerships' title clerk must often call DMV locations directly to confirm the required documentation for processing. This becomes even more complex if the title clerk is handling title-and-registration processing for vehicles headed to multiple different states, each with their own specific requirements.

To address this time-intensive and paper-heavy process, many states have started to offer digital-processing capabilities. Currently, 30 states have digital integrations with their DMV locations, enabling electronic processing for most, if not all, required paperwork for titles, title transfers, vehicle registrations, lien titles and more. It is anticipated that even more states will follow suit over the next decade.

While many state DMVs now offer digital-service options on their websites, these are often catered toward individual vehicle owners rather than dealerships processing large volumes of titles. This means it can be inefficient and time-consuming for title clerks to log onto each respective state DMV website and handle all the necessary steps. The title clerk must be prepared with all required information and documentation, or be willing to find it, especially on crucial items like sales tax, to prevent issues like overcharging.

To move with more speed and create an excellent experience for their customers, dealers can integrate with a title-and-registration platform to help deliver fast, accurate fee estimates and access digital-processing capabilities.

Additionally, Application Programming Interface (API) capabilities enables simple and seamless integration between the title and registration platform and a dealer's internal operating systems, ensures critical information is passed back in real time including order status and updates, and faster processing times. This process eliminates the friction dealers and title clerks often experience with a manual, paper heavy process, and navigating each states rules and regulations ecommerce options.

**“ A partner with direct connections to DMVs reduces unnecessary steps and allows dealers to take advantage of digital title-and-registration processing available at DMVs in 30 U.S. states across the country. ”**

# ACERTUS as a Title and Registration Partner



ACERTUS is well-positioned to help automotive retailers navigate the complexities of distance retailing program and seamlessly execute out-of-state sales with a full suite of automotive logistics services including vehicle transport, reconditioning, home delivery, title and registration. Well-coordinated and comprehensive logistics are needed to meet consumers rising experience expectations; this includes completing title-transfers and vehicle registrations. Dealers are working with leaner staff and even leaner inventory so navigating multiple states' vehicle title-and-registration requirements is complex and time consuming and can be costly. But, ACERTUS partner can ease much of this burden for dealers.

With 150 dedicated processors, ACERTUS provides quick, cost-effective and comprehensive title and registration service in all 50 U.S. states, Puerto Rico and Canada. This includes initial titles, title transfers, vehicle registrations, registration renewals, title vaulting, inspections, duplicate title work, title or registration corrections, title vaulting, lien-and-security interest filing, overpayment refunds and vehicle inspections.

ACERTUS can execute this comprehensive title and registration service while vehicles are in-transit or in-storage to ensuring processing is completed quickly and efficiently.

ACERTUS released a new, proprietary Application Program Interface (API) that enables title-and-registration processing at scale.<sup>9</sup> With this technology, a dealer can seamlessly connect to ACERTUS' processing capabilities and 21 digitally-integrated DMV locations; this mitigates processing delays, increases visibility and helps navigate the complexities of state rules, regulations and requirements with online requests and electronic document sharing.

ACERTUS' API can easily connect with existing backend operating systems or DMS to increase efficiency and create a seamless experience. ACERTUS can also power front-end e-commerce experiences so customers can bundle title and registration services with their vehicle purchase.

As the only full-scale, tech-enabled automotive logistics company that can move, store, recondition, title and deliver vehicles anywhere in the country, ACERTUS' proven, complete and start-to-finish service turns logistics into a competitive advantage.

For more information, visit [www.ACERTUSdelivers.com](http://www.ACERTUSdelivers.com).





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