



The COMMENT

SOCIETY — USA

Death of the salesman

Henry Rees-Sheridan From ‘inspirational and educational hubs’ to online sales only, as electric-vehicle manufacturers begin to eschew tradition, are we about to witness the end of the car showroom?

The shimmering forecourt. The windscreen price tags. The grim rictus of the crumpled salesman. An instantly recognisable fixture of the US suburban landscape, the car dealership brings together two prominent features of the nation’s culture: entrepreneurial capitalism and automobile ownership.

Dealerships – and dealers – loom large in the national imagination. From *The Simpsons’* Gil Gunderson to *Fargo’s* Jerry Lundegaard, no figure more poignantly conveys the predatory desperation at the frayed edges of the US economy. Indeed, the stigma attached to the profession has even touched the life of the current president. When Joe Biden became a senator in 1972, his father quit his job as a car dealer because, according to the president’s sister Valerie Biden Owens, he “didn’t want a United States senator to have a used-car salesman for a dad”.

It would take a strange sort of masochist to enjoy a trip to the outskirts of town to be upsold mudflaps. So why haven’t alternatives to dealerships emerged? One reason is that innovation within retailing has been stymied by regulation. In the early 20th century, car dealers were at the mercy of manufacturers, who could undercut their own

franchisees by endorsing a new dealership down the street. In the 1940s and 1950s, laws were adopted to protect them. There was a limit placed on the number of franchisees a car-maker could license in a given area and the direct sale of cars by manufacturers was prohibited. In most states these laws still apply but the industry is changing rapidly.

Electric vehicles (EVs) accounted for all of the net growth in global car sales in 2021. Several prominent EV manufacturers are young companies that are not locked into the legacy dealership model. They’re taking advantage of this freedom by developing new ways of using physical spaces to sell their cars.

Events held here often have nothing to do with cars. They include bicycle maintenance workshops and tending the edible garden

One of them is Rivian, a company specialising in off-road EVs. Its flagship bricks-and-mortar location is Venice Hub in Los Angeles, where there are two display vehicles that visitors can sit in. The rest of the facility looks like a modern community centre with a library, communal hall and open-air spaces. Denise Cherry, who designs Rivian’s facilities, describes the Hub as a “space designed to inspire and educate people”. The events held there often have nothing to do with cars and include bicycle maintenance workshops and tending the Hub’s edible garden.

Polestar, a performance EV manufacturer owned by Volvo, has taken another approach. In buildings that resemble the lair of a discerning Bond villain, colour and material samples are displayed in chrome drawers and the walls are adorned with artfully framed photos of the cars’ components. The company’s website describes its spaces as like “an art gallery where the cars are the exhibits”.

What Rivian and Polestar’s very different buildings have in common is an absence of salespeople. Polestar’s website boasts that “product experts are on hand to share their knowledge and enthusiasm with you. Selling just isn’t in their job description.” The truth is that, in many states, franchise laws mean that they couldn’t have salespeople even if they wanted to. Instead, if a visitor wishes to buy one of the vehicles on display, they must do so online. Other EV manufacturers, such as Tesla and Lucid, also offer such an option.

EV makers still have major hurdles to overcome. The new technology presents manufacturing challenges. Rivian’s stock, for example, fell sharply this year after the company failed to meet its 2021 production target. But the sector will inevitably grow. If companies eschewing dealership models continue their ascent, the traditional car showroom could slide into obsolescence within this decade.

What would that mean for our retail – and cultural – ecosystems? We can surely find a better use for the land that dealerships currently occupy. But the psychic energy that car dealers are avatars of has to manifest somewhere. Virtual currencies seem to be the new epicentre of contemporary American legerdemain. But it just doesn’t feel the same being hustled online. — (M)