

The changing automotive sales landscape: Online, Quick Response & Hygiene

The global automobile industry is at the edge of a paradigm shift led by advanced technologies in automating business execution, operations, and decision-making processes. There has been a significant and swift transformation in consumer behaviors and their expectation of buying experience, making it vital to drive an automaker's success. Moreover, an excellent experience makes the customer coming back as now the customers seem to value experiences more than the act of ownership.

With e-commerce and contactless online sales platforms in place, there has been transparency in sales and pricing compared to before when OEMs set a high price that was gradually discounted at different sales levels until the customer negotiates for the best deal dealer of choice. In addition, upcoming players such as Tesla are practicing the "direct to customer" sales (D2C) approach, whereas established OEMs like Daimler progressively lower retail costs. Lastly, with the growing electric vehicles (EVs) market, established vehicle segments and pricing structures are transforming.

While automotive sales already slowed down in 2019, followed by a severe hit of more than 40% due to COVID-19, e-commerce, D2C, and EVs became a preferred version of sales by customers.



The need for digitalization in the automotive industry has never been so strong. There is no denying that customers are leaning towards online and contactless purchasing modes in the given day scenario.

40% | **Buyers interested in purchasing their next vehicle online without stepping inside a dealership**

Buyers love to dig deep and select from OEM and Aggregator websites with Vehicle 3D configurator, making the vehicle-buying process more personalized, convenient, and transparent.

42% | **Shoppers would buy vehicle more frequently if sales process was simpler**

The use of digital channels is the key to improve the customer experience and tap the potential of increased.

52% | **Consumers considering buying a vehicle**

Motivated by health and safety concerns, consumers are bending towards self-owned vehicles over public transport or shared services.

67% | **Buyers wanting Hygienic and contactless buying experience**

Automotive retail needs to become virtual, lean, and contactless as the buyer is looking for buying experience with new buying norms - sanitize and social distancing.

For more information, visit www.excellonsoft.com.

The current digital state and roadmap – OEM's

Digitization plays a critical role in today's world, and companies are gaining a competitive advantage by leveraging emerging trends in business execution, operations, and decision-making processes.

Even before the COVID-19 pandemic, the global automotive industry was wrestling with a prolonged slowdown. There was a change in the vehicle-buying experience, which has shifted from a dealership-centered process to incorporating several digital touchpoints, thereby reducing the dependency on dealerships. The introduction of digital interventions has opened a surplus of opportunities for fixing and enhancing the experience, making it omnichannel, seamless, and more prosperous for buyers.

90%

Buyers research online while buying a new car

The online experience is growing as buyers are spending less time in-market. New buyers prefer online research, including third-party websites, blogs, and testimonials such as TrueCar, Cardekho, and Vroom (for used cars). OEMs need to build a strong presence on third-party sites, as they are considered neutral and unbiased sources of information about a vehicle.

72%

Buyers believe that current digital touchpoints are merely meeting expectations

Customers prefer full access to vehicle-related information like current offers, vehicle features, testimonials and reviews, videos, variant stock availability, 360-degree view of the vehicle, and product finder tool. This experience can be made more accessible by allowing customers to chat with specialized online technical assistants anytime, anywhere to help customers with more information, address queries, and make the right decision. Responsiveness to all questions is very essential.

85%

Consumers prefer “peace of mind” and would rather purchase at a fixed price, knowing that they did not miss out on a better deal

Automakers are starting to understand the need for price transparency: Lexus dealers in the US have developed the “Lexus Plus” concept, where participating dealers ensure their customers fair and transparent prices without the need for negotiation.

Roadmap for digital and brand experience

Virtual brand centre

The automotive company live streams the vehicle launch, with focus on demonstrating safety-related features.

Customers can visit the vehicle design studio to customise and personalise their vehicles

Vehicle comparison

Build sponsorship networks of aggregator sites like Cars 24, CarTrade, Cars.com, etc. to review and rate products.

Incorporate live ratings and reviews within the brand website and other micro-sites.

Online Assistance

Chatbots with self-learning capability can also be deployed on all online platforms

Conversation can be carried out via video calls or live messaging

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The current digital state and roadmap - Dealer

Automotive dealerships need to become virtual, lean, and flexible; therefore, the present sales channels need to become more efficient to adopt these changes. Now is the time to have contactless Sales with the motto of 'Anytime, Anywhere' to be in place.

Trade- In Valuation

66%

Buyers use a Trade-in Value estimator

Customers can select the cloud dealership they desire and schedule online consultation for queries, valuation, or even getting the vehicle's valuation online.

Financing Options

60%

Buyers using the finance calculator

A finance calculator empowers the customers to plan their payments based on the best available loan and leasing options.

- Cloud dealerships enable the preferred financing option for customers (outright buy, 100% funding, partial funding selection)
- Online ID checks, eligibility checks, and e-signature facility will speed up the loan disbursement and final purchase process
- CIBIL credit score check

Online Test Drive Booking

72%

Buyers opting for online booking of test drive

The customer can opt for a test drive and an AR or VR experience from the comfort of home or do a pre-booking for test-drive center.

- Cloud dealerships for experience and virtual test drives booking as per the convenience of the buyer
- Scheduled test drives delivered to the home with a virtual demonstration via digital in-car screens.

Purchase Experience

40%

Buyers opting for virtual sales

Virtual Sales can become a market reality with time, empowering customers to buy vehicles online Anytime, Anywhere.

OEMs like BMW, Peugeot, Hyundai, and Volvo have successfully deployed almost contactless online sales.

- WhatsApp Integration with the primary system
- KYC like process carried out for customer identification
- Accessories and add-ons, like extended warranty, need to be showcased.

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Endnotes

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