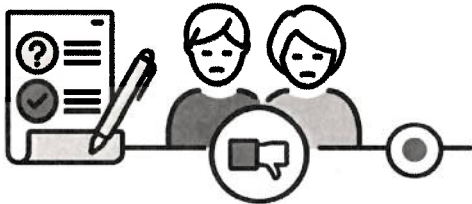


DIGITAL RETAIL BY THE NUMBERS

Below are some quick statistics about the current car buying process and what customers want when shopping for a car online.



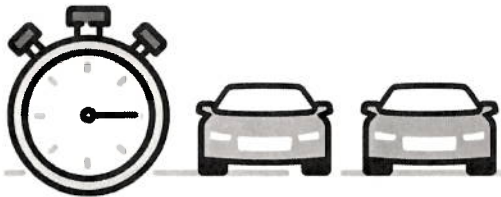
99% of customers are not satisfied with the **current car buying process**.
17 out of 4,002 are satisfied with current buying process

Source: 2016 AutoTrader Car Buyer of the Future Study



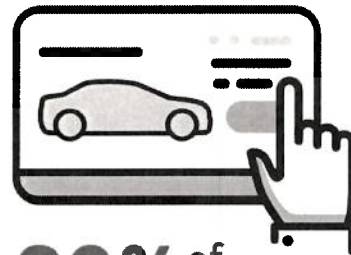
83% of consumers want to **shop online to save time**

Source: Cox Automotive 2019 Car Buyer Journey Study



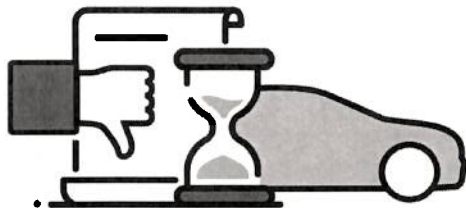
Buyers spend **3+ hours** in the showroom when the negotiations, trade-in, paperwork, F&I and after market sales are handled at the dealership

Source: Cox Automotive 2019 Car Buyer Journey Study

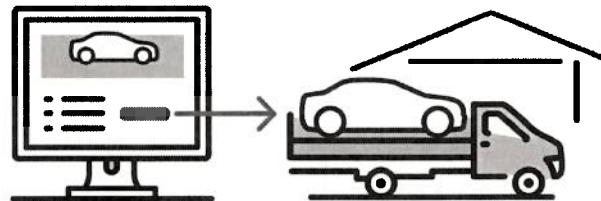


80% of buyers use **third-party sites** when buying a car

Source: Cox Automotive 2019 Car Buyer Journey Study



58% of car buyers are **unsatisfied** with **how long the process took**



43% of auto shoppers want to do the entire **transaction online** without ever visiting a dealer (**Pre-COVID-19**)

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Bold, equitable [public investment](#) will build a sustainable economy for all.

Apr 17, 2020 - Economy & Business

Car-buying will never be the same after coronavirus



Joann Muller, author of [What's Next](#)

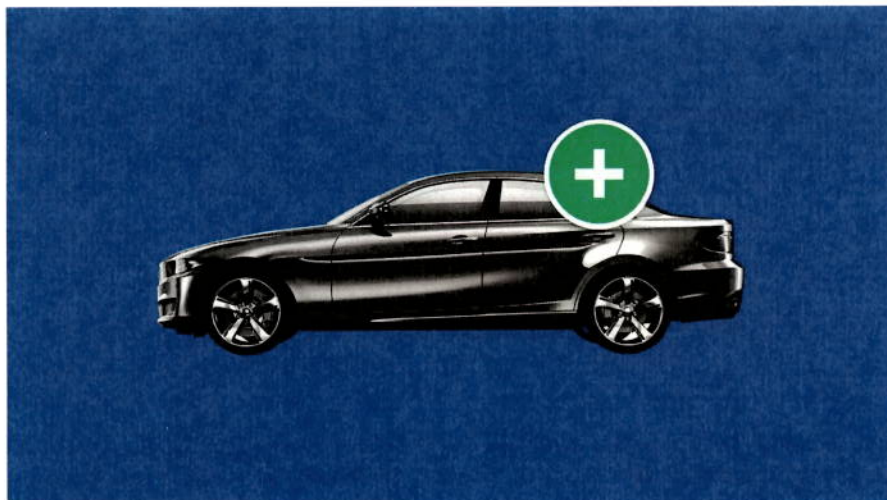


Illustration: Eniola Odetunde/Axios

Why it matters: Confined by stay-at-home orders, people have discovered that getting a new car delivered is as easy as ordering groceries or takeout. Experts say they may never visit a showroom again, with consequences that will reverberate on every Main Street in America.

The big picture: It's already happening in China, where car sales are rebounding and dealers are reporting a sharp rise in virtual-showroom visits, writes ZoZoGo consultant Michael Dunne in [Automotive News](#).

- Buy, for example, one of Chinese automaker Geely's models online and the car will be disinfected and delivered to your driveway, while the keys are delivered separately via drone.

The revolution is happening in the U.S., too.

- Consumers whose lease is expiring or who need to buy a car in a hurry want to do it safely, without visiting a showroom.
- The enabling technology is provided by digital finance startups like Roadster and Digital Motors or by larger automotive digital marketing companies like Cox Automotive.

How it works: Consumers already do much of their car-buying research online. Once they've settled on a model, they can seek out a dealer that offers a buy-from-home option

they want.

- Consumers can then build their own deal, adjusting payment options, including the term and down payment, and factoring in the value of a trade-in vehicle or added warranty or service plans.
- Credit approval occurs online, too.
- Companies say a three or four-hour showroom visit can be compressed into a 15-minute online process plus another 30 minutes for the home delivery.

Car dealers have been cautiously exploring online sales for years, but the economic toll from the health crisis has abruptly shoved them into the digital age.

- Orange Coast Auto Group owner Jon Gray says business at his Fiat Chrysler dealership in Costa Mesa, Calif., is down 50% since the pandemic struck, but online sales are picking up steam since he introduced the option a month ago — four months earlier than he'd planned.
- "Without a doubt when the coronavirus is over, this is going to have legs."

"If there's a silver lining to this crisis, it is the rapid adoption of digital tools and processes" to modernize the car-buying process, says dealer strategy expert Dale Pollak, senior vice president at Cox Automotive.

Yes, but: Not all dealerships will be able to adjust quickly, which will likely lead to consolidation.

The advantage could go to large regional dealer groups and publicly traded giants like Auto Nation, which have the technology resources, industry experts say.

- They could squeeze out mom-and-pop dealerships that have thrived for decades on personal relationships polished at the Chamber of Commerce or as sponsors of Little League teams.
- Dealers are struggling, with more than 2 in 10 fearing this might be the end of their dealership, according to a Cox survey.

What to watch: Many franchise dealers have invested millions of dollars to modernize their showrooms under strict guidelines from automakers. That could turn out to be a waste of money.

- In virtual car sales, all that's needed is a service center and a place to store inventory, says dealer consultant Mark Rikess.
- "You're going to see a lot of mom and pops, even in metro markets, who will say, "This has passed me by. My dealership is still worth good money. I'm going to get out."



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recover from CC

Jan 3, 2021 - Economy & Business

Car buying has changed forever



Joann Muller, author of [What's Next](#)



Illustration: Sarah Grillo/Axios

It took a pandemic to drag the car-buying process into the 21st century — and consumers are never going

[Skip to main content](#)

<https://www.axios.com/car-buying-changed-online-covid-04f4c460-0be1-44d6-a831-d8b3871ee1cb.html>

buy cars online as they do almost everything else, with the ability to complete the entire transaction digitally and take delivery without ever setting foot in a showroom.

The big picture: While most other commercial transactions — even banking — went digital years ago, car-buying remained a stubbornly low-tech, often aggravating, process.

- But when the public health crisis paralyzed their industry, car dealers had little choice but to embrace the disruptive changes they'd been resisting for decades.
- They scrambled to install new software that would let customers browse inventory, apply for credit and choose a payment schedule.
- And they offered virtual test drives to demonstrate in-car technology and arranged "touchless" vehicle pickup and delivery.

"Consumers really like it. Surveys show they want more of it, and dealers are getting on board that this is how it's going to be."

— Michelle Krebs, executive analyst at Cox Automotive

The backstory: Technology entrepreneurs — and sometimes even carmakers themselves — have tried for years to modernize the car-buying process.

could run them better.

- Since then, newcomers have tried various digital retailing efforts, but none with any great success.
- Car dealers, protected by state franchise laws, often were the biggest obstacles to change.
- Tesla's direct-to-consumer sales model, for example, met fierce resistance from dealers in many states, requiring lengthy court battles or negotiated settlements with state governments, though Tesla eventually won.

For the record: Some progressive dealers have been exploring online sales initiatives for several years.

- But many worried their profit margins would suffer if they weren't able to upsell buyers with extras like extended warranties or plush floor mats.
- It turns out that dealers are more profitable than ever since shifting to online sales, Krebs noted.
- "The deal happens faster because the consumer knows exactly what they want, and there's not a lot of haggling on the price," she said.
- **Yes, but:** Prices are high also because inventories are limited due to COVID-related factory shutdowns earlier in the year.

The state of play: Dealers are now touting their "omnichannel" tech strategy to provide consumers a

- Nissan, for example, just launched a [new online shopping platform](#) called Nissan@home that lets prospective buyers schedule a test drive, sign the paperwork and arrange delivery of their new vehicle from their computer or mobile device.
- Sonic Automotive, a large publicly traded dealer group, recently hired its first [chief digital officer and vice president of e-commerce](#) with the goal of doubling its annual revenue by 2025.

The bottom line: A three- or four-hour showroom visit can be compressed into a 15-minute online purchase.



Automotive News

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September 19, 2021 07:00 PM

Auto retail experts offer insights on navigating changing times

In a virtual event sponsored by Cox Automotive, convened a panel of retailing experts to share insights. Here are excerpts.

In a virtual event sponsored by Cox Automotive, convened a panel of retailing experts to share insights. Here are excerpts.

In an Aug. 18 virtual event titled "The Thriving Dealership: Now and for the Future," sponsored by Cox Automotive, *Shift* convened a panel of retailing experts to share insights. Here are excerpts.

Digital retailing

Frye "Something that actually even surprised me was that, even as the pandemic wound down, we thought our digital retailing engagement would drop with it. In fact, it's been quite the opposite. It continues to grow and get stronger and stronger. ... I think the biggest part of it truly is convenience. And then the part that's hard to measure is control because consumers feel like they have more control of the buying process, something that we've always jealously guarded ourselves as dealers. But when we have released some of that control, we've been rewarded because they are willing to pay gross in return." -- **Kevin Frye, eCommerce director, Jeff Wyler Automotive Family**

Negri "I want to be careful to point out that we're in a step-by-step methodology. First was granting the consumer the right to be able to use a website, and live interaction to move them. Not unlike your checking account, they feel comfortable with it today. So we're kind of in that phase, coming into the second phase of the pandemic, it's not a big deal for a customer, I think. ... We're seeing 15 to 20 percent now that really do want to choose to work that way. Now, to be careful, that still leaves 80 percent that is not. So we have to be

careful if we try to go down that path." -- **Joe Negri, executive director, advertising and marketing, Mike Maroone Automotive Group**



"COVID might be gone down the road. But we have taken the genie out of the bottle. Once the customer has experienced a new way of buying, whether it be through one of the so-called disrupters or one of us, they aren't going to go back, even if all of these other reasons for buying online have changed down the road. So the genie is out of the bottle, and we've got to switch our mindset from it being a lead provider to an online purchase." -- **Liza Borches, CEO, Carter Myers Automotive**

Frye: "I want to challenge dealers: Our website experience, that model is really about 20 years old and it's about converting people into filling out a form. And what we've seen the last few years is that conversion rate has dropped little by little each year to its lowest point in history. And so what we decided to do was remove the forms from our website wherever possible and have those calls to action point directly to live chat. And we're doing a hybrid where our chat provider will answer immediately with AI, try to screen out any initial questions. But if we identify an active shopper, it's going to go directly to one of our trained sales professionals at the dealership to handle the chat."

Abbott

"In Q4 of last year we did a study at Cox Auto that found that 49 percent of dealers were going to go away from digital retailing after things got back to 'normal.' I think it's all new; I don't think there's a new normal anymore. ... Based on what we know about today's digital consumer, I think the biggest difference is, for the thriving dealerships, they just have that mindset and that progressive mentality." -- **Chase Abbott, vice president of sales, dealer software solutions, Cox Automotive**

Advice for fellow dealers, heading into 2022

Frye: "We need to be thinking about EVs. Right now I think the mentality is the *Field of Dreams*: If we build them, they will come to buy them. Well, dealers are going to be in the front line of this battle. And it's very important that we start building really strong partnerships with our OEMs on not only how to sell these EVs, but how to service and support them in the future."

Borches: "Our advantage on the retail side of this business is for us to embrace technology, but wrap it with the relationship. We have seen how fast technology can change, and that's going to continue. And we need to keep challenging ourselves to say where in our process do we need the relationship and do we need the people. Put them in there as strong as we possibly can and then wrap it with technology in the places that we can become more efficient."

Inside The eCommerce Automotive Industry Landscape In 2021



[Magdalena Kiczek](#)

The automotive industry has gone through some big changes in recent years. The domination of the forecourt has slowly faded with the rapid growth of the internet and eCommerce, causing the industry to adapt to new ways of doing business.

And although we've seen a steady rise in automotive eCommerce, it's clear to see that the COVID-19 pandemic played a big role in accelerating this change.

COVID-19: The year that changed everything?

In 2019, the automotive industry revenue closed at **\$2.2 trillion** and the eCommerce automotive industry was showing promising growth too, with a market valuation of **\$14.6 billion that same year**.

But **when COVID hit in 2020, car sales plummeted** across the board, with supply chains struggling to get parts into the country and people considering their four-wheeled friends non-essential for the first time.

Yet those who *were* in the market for a new car in 2020 unsurprisingly turned to online sellers, as their local dealership just wasn't an option during the lockdown. Industry-leading car dealer, **GForce** – who counts one-third of the UK's franchised retailers as its customers – saw a **1228% increase** in online car sales, showing promising things for automotive eCommerce.

Fast forward to 2021 and things are finally starting to return to normal. Businesses are back in operation, people are commuting to work again, yet the trend in automotive eCommerce and people buying their new cars online didn't stop as some might have expected.

With national lockdown causing consumers to up their screen time in 2020, what was thought to be just a spike in online car sales has now ignited a shift in consumer behavior, accelerating the already promising growth of automotive eCommerce in 2019.

In fact, **32% of US car buyers** were open to buying online pre-covid, compared to 61% today, showing an undeniable shift in the way we buy.

Automotive Ecommerce vs Traditional Car Sales

But why are consumers still choosing to buy their vehicles online? Why, if people can go to their local dealership and test drive the real thing, are they still turning to online retailers to buy their new vehicle?

Let's compare the two and see.

Buying a car online

Simultaneously view cars, comparing brands, models, features and specifications

The final price and payment plans in one click, with easy comparisons across different suppliers and vendors

Electronic trade appraisal

Electronic contracting

VR/AR car viewing

Home delivery

Buying a car in-person

Typically one brand per showroom

Discuss offers and possible payment options with a sales representative

In dealership trade appraisal

Going through the contract onsite

In-person test driving

Drive your car off the forecourt the same day

There are clear advantages and disadvantages for both but it really depends on personal preference. Some people prefer the one-to-one service of a sales representative, while others prefer a more relaxed environment with less pressure.

One thing that *is* clear is eCommerce as a whole is growing rapidly, so it only makes sense that automotive eCommerce would follow suit. We just weren't expecting it to happen so abruptly.

With COVID causing car companies to rethink their approach and focus their efforts online, consumers have been given a more convenient, hassle-free option when it comes to buying their new car. And by the looks of it – they aren't going back to the forecourt anytime soon.

This doesn't come as a surprise given that a 2016 AutoTrader Car Buyer of the Future Study showed that **99% (yes 99%) of customers** are not satisfied with the current buying process.

Autotrader, amongst many other online marketplaces, is used by dealerships to advertise stock online. However, this isn't the only eCommerce channel that can be used to **boost automotive sales**.

Other methods include:

- **Social Media** – **Creating a page on social media** for the dealership and posting frequently can help to increase awareness. The **more engagement received on posts**, the more the page will show up on other potential customers' feeds.
- **Google and Bing Ads** – Vehicles can be advertised online through paid ads on platforms such as **Google** and **Bing**. When someone searches for something related to a vehicle or brand, the ad appears in front of the potential customer as a related search. Not only can this lead to instant sales, but it also strengthens the brand as a whole.
- **Virtual Showrooms** – These are becoming increasingly popular amongst dealerships; especially following the COVID-19 pandemic where customers were no longer able to visit the cars in person due to non-essential shops having to close. The virtual showrooms will appear on the dealership's own website but be promoted via other media platforms. For example, Mercedes Benz has an online virtual showroom, which they have recently promoted via TV adverts. Viewing the car through virtual reality online is the closest thing to viewing the car in person.

- **Expert Reviews** – Reviews from experts have been used for years online as many consumers look for a trusted third-party opinion before making a purchase. A dealership can reach out to experts for a review of their automotive in hopes that their review will help influence the potential buyers however, many pride themselves on honesty and it *could* result in a negative view of the company.
- **Article Marketing** – Article marketing is where your advert is posted on established and related blogs or websites. This may not only generate a lead, but if consumers click on the advertisement, it can boost the search engine rankings of the dealership's website. If the article itself is getting good traction and is ranking well, this can drive sales organically through search result traffic, too.

In the 'Global Automotive Consumer Study' conducted in 2018, the result showed **the majority of participants** are influenced the most by dealers' own websites, taking the majority vote at 36%. The least impactful information source was social media with 14%.

These are all common channels used by leading brands in the automotive industry today. It's important to regularly review what your consumer's needs are and act accordingly with your marketing strategy and advertising methods.

Industry giants such as Tesla, Carvana, Vroom and Walmart are just some of the names disrupting the automotive eCommerce market with new innovations in the space thanks to their huge financial resources. As of 2020, **Carvana was valued at about \$14 billion and Tesla at a huge \$140 billion.**

The newcomers of the field are in competition with traditional car companies and dealers; whereas Walmart decided to partner with the industry, enabling their **250 million customers** to shop for automotives through their eCommerce platform, CarSaver.

Tesla may be paving the way for its competitors following the release of their Model 3, choosing to sell the car solely online. Because of this, **Tesla managed to sell more cars**, in more locations and at a lower cost – leading the way for others in the industry to jump on the eCommerce bandwagon.

Amongst these industry giants is Ford, a 118-year-old motor company.

Ford was quick off the mark in 2020 and saw the pandemic as a [chance to reinvent itself](#). The Ford team identified the industry changes underway, such as driverless cars, shared mobility and electric vehicles and new executives, Suzy Deering (global CMO) and Jim Farley (CEO) started making changes fast.

From their organisational structure to customer experience, Suzy and Jim left no stone unturned when preparing their new strategy. The trajectory of the automotive eCommerce industry was clear; so the pair set out to have technology at the heart of their new plan to keep up with the ever-changing demands of the modern-day car buyer.

1. **Ford decided the best way forward is to reimagine what auto brands do.** They wanted to build software know-how within the company and invest in electric architectures. It was clear this was essential following the rise in demands and ever-changing steps in the automotive industry. They acknowledged that the biggest transformation for them is to a software services-dominated company and brand.
2. **Driving the 'connected car' experience forward meant that Ford is upholding their founder Henry Ford's original vision, that "every American consumer can own a vehicle".** They do so by reimagining what vehicle ownership looks like today and giving customers what they want before they know it themselves. Ford hopes to bring the experience of using a car *outside* of just a mode of transport by making new digital products and integrating software into its vehicles through a first-of-its-kind partnership with Google. Millions of automotive companies' cars will be powered by an Android system by 2023, having Google's apps and services built-in.
3. Many businesses use a traditional acquisition model in order to attract consumers through ads and rebates. **However, Ford is shifting focus to a loyalty-based model in an effort to look after the customers they already have.** By nurturing the relationship and relying on first-party data, they aim to build upon existing knowledge of their customers and stay one step ahead of their customers' needs.

This blueprint is a huge transformation for Ford and the new technology and innovations they aim to bring to their customers will likely see them at the front of the pack in the automotive eCommerce space over the coming years.

So what can consumers expect when they buy a new car online?

Buying a car online clearly has its benefits, and thanks to covid-19, it just keeps getting quicker and easier than ever.

- Less pressure
- Unbiased information
- Easier buying process
- Home delivery
- More time to make an educated decision
- Easy website navigation
- Virtual showrooms
- Virtual reality test drives
- Augmented reality cars

In order for dealerships to stay ahead of the curve, integrating advanced technology into the buying process is a must. Many automotive manufacturers and dealers are making large investments in a range of consumer-focused digital technologies, from tablet-based product guides to virtual reality-enabled applications.

In fact, in an interview with Robert Forrester, stated that “**car dealers must become technology companies**”, a big statement from the chief executive.

It was also revealed that during the COVID-19 lockdown, **50% of their customers** were happy to buy a car online without having seen it in person. With more and more dealerships turning to advanced technology for their online presence, many people believe the future of the automotive industry lies in the virtual world.

Virtual showrooms (VR) and **augmented reality (AR)** create new options for both customers and dealers. A customer may favor a car for a specific trim or feature,

yet the traditional dealership cannot stock every car model in every different color, with every specification available. VR and AR make customization simple and are becoming increasingly popular amongst the industry.

Augmented reality can support the operations of car dealerships to enhance the sales process too, and many well-known brands are taking advantage of this.

Jeep is [enabling their customers to conduct virtual walkarounds](#) of their newest models, allowing you to view different colors, change the interior and even place the vehicle in the customer's everyday environment.

[Research from Close Brothers Finance](#) highlighted that 43% of dealers used their time during the pandemic to build up their online presence in 2020. As a business, having a website alone is no longer enough. If the customer can't easily navigate through, purchase using various payment methods and see recognisable logos, they will likely go elsewhere.

Some essentials for ease of use websites include:

- Professional layout
- Clean design
- Powerful visuals
- Fast loading time
- Search bar
- Multiple payment methods (e.g. Paypal, Mastercard, Visa)
- Recognizable logos (Well-known car manufacturers, Google trusted, etc.)

A [UPS study showed that 52%](#) of online automotive shoppers have purchased parts or accessories from their mobiles. Purchases made from tablets are on the rise too. So ensuring your website is mobile and tablet friendly is something to bear in mind.

What might the future of automotive eCommerce look like?

With manufacturers now dedicating lots of time, energy and resources into their online presence, consumers can expect a much easier, smoother and more technology-led experience when it comes to buying their new wheels online.

Brands like Audi and Mercedes are just some of the companies to provide a virtual and augmented reality viewing experience to help car shopping online feel more real. In 2025, the global automotive AR and VR market is forecast to reach about **673 billion U.S. dollars**, showing a huge upward trend in virtual viewings.

In a 2019 auto shopper study pre-covid, **43% of auto shoppers** said they wanted to complete the entire transaction online without ever visiting a dealership, and by 2022, it is predicted that **over 60%** of retail sales will be eCommerce.

I think we can expect big things from the automotive eCommerce industry in the coming years. Whether that's launching new technologies, more user-friendly and efficient buying processes or simply better customer service – industry giants have had a serious wake-up call in 2020 and have adapted quickly.

With the current rate of innovation in the automotive eCommerce space, there's no doubt it will continue to take huge leaps over the coming months and years and become a norm for car buyers everywhere.