



# DIGITAL RETAILING:

## Key Trends to Watch and Actions Dealers Can Take.

The car-buying experience is in need of change and the process length is just the beginning, according to the findings in the **2018 Cox Automotive Car Buyer Journey Study**. In fact, less than half (46 percent) of vehicle buyers were satisfied with how long the process took at the dealerships, the study showed.

Fortunately, new innovations in digital retailing are changing the car-buying journey. Dealers can now shorten the process with a secure and integrated digital retailing experience through their website – one that offers consumers a simpler and more modern online to in-store experience. Additionally, emerging digital retailing tools help guide shoppers through every stage of the deal more efficiently and effectively than ever before. What's more, new data is showing that this higher-quality consumer engagement correlates to more qualified leads, accelerated sales and higher profits.

This innovation couldn't come at a better time, given the market outlook in 2019 and beyond. With volatility and continued margin compression predicted, dealership operational efficiencies are more important than ever. Fortunately, dealers can leverage digital retailing to create

more business efficiency. Based on these trends and challenges, and our conversations with dealers across the country, here are three elements of digital retailing that we believe dealers should emphasize in the months ahead.

### Make the process easy for the customer and you'll reap the benefits.

Consumers spend more time than ever researching vehicles prior to stepping foot on a dealer's lot. Some use up to 21 different touchpoints during their research, which can leave them unable to find the information they are most interested in – vehicle details, credit application and trade-in valuation. The best digital retailing solutions are the ones that help consumers save time on their online research, leveraging the dealership for vital information and allowing dealers to insert themselves into the consumer's process. Dealerships that provide information in a clear, all-in-one, easy-to-use workflow generate more quality sales leads. Dealers have a distinct advantage in closing sales and increasing profits through digital retailing as they can offer consumers deal term information prior to them visiting the dealership, sell F&I products for higher revenue per car online and utilize management tools that allow them to control

the online deal structure so that it is consistent with in-store operations. However, dealers need to be wary of disruptors, specifically OEM companies, that have also started their own investments in the digital retailing space.

### **Personalize the journey for every car shopper.**

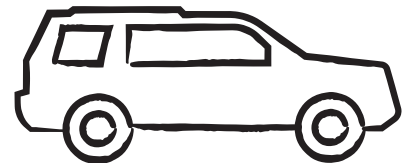
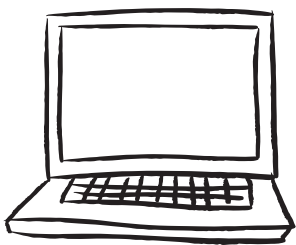
Not every customer wants the same digital retailing experience. Dealers should let the customer determine how much of the process they want to complete online. The key is to personalize the experience for each customer. Fortunately, new advances in personalization and online deal communication make this much easier. With Dealer.com's new website platform, dealers can merchandise inventory and specials tailored to each individual shopper automatically based on their unique online shopping behavior. And with Cox Automotive Digital Retailing, consumers can input information about the type of car they're looking for, their potential trade-in, their financing needs, and even share their contact information to create a more detailed sales profile. Every step is tailored and driven by the shopper. For dealers, this user-provided information does not just serve as qualified leads. They are valuable bits of information that should be leveraged in future conversations at the dealership. The sales department does not have to ask these same questions again because they're starting at a higher level of information, and customers appreciate a more meaningful conversation and customized car-buying process.

### **Connect the data for one comprehensive view.**

So, how should dealers identify the best possible digital retailing solution for their business? More than 75 automotive companies offer some type of digital retailing tool. With all these solutions, there are 1.5 million vendor combinations a dealer can use. Of these offerings, dealers should seek out solutions with integrated technology. The Cox Automotive Digital Retailing solutions suite is comprehensive, so that dealerships don't have to piece together programs from multiple vendors. Our tools integrate customer contact information from other Cox Automotive brands, including Autotrader and Kelley Blue Book. The goal should be for dealers to connect the data across all channels for one integrated view of a customer. We already established customers want a simpler process. Dealers can accommodate this wish by integrating all their digital retailing needs – and yours – in one system. When this happens, the customer and the dealer both win.

### **The time is now!**

Digital retailing is generating a lot of buzz across the automotive space, and with good reason. An effective digital retailing strategy can help you create the efficiency and profitability you'll need to thrive in an ever-changing economy, all while delivering a personalized experience that today's consumers increasingly demand.



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