



**Power your automotive ecosystem
with a connected consumer
digital strategy**

AUTODATA
SOLUTIONS

Champions of integrated digital retailing focus on what their customer wants and needs, not what they wish their customer would want and need. “Spoiled” by retail disruptors like Amazon, today’s consumers are looking for frictionless experiences no matter how big, small, expensive or cheap the item they’re looking to buy. In the automotive industry, which has traditionally been known for antiquated processes, excessive waiting and price ambiguities, adopting the principle of “we’re here to make things easier for you with transparency and frictionless shopping” is what can set a dealer apart from the crowd.

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The modern car buying process has changed. Everyone knows that today’s consumers do most of their vehicle research online. Of the 24 actions that the average in-market auto shopper takes on their way to a purchase, 19 of them are digital.¹ The average new car buyer now visits fewer dealerships before buying — only 1.5 dealership visits before making a purchase, down from the 5 visits common 10 years ago.²

A successful digital retail program is not just about improving or expanding a dealer’s website. It’s about identifying the car shopper’s journey and creating a seamless experience online, offline and everywhere in between. Setting up a truly integrated shopping experience will take some thought and time, but it will be worth it in the end. Not only will your dealers

have satisfied return customers, but great benefits befall dealers who can sell their inventory more effectively and efficiently.

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Here are a few things to consider as you set up, or improve upon, dealers’ integrated digital program.

So many choices

With digital solutions popping up from every direction and all of them touting opportunities to increase sales revenue, it is no wonder that OEMs and dealers are unsure about which solution will work best in partnership with their own familiar processes.

While dealers are overwhelmed by choice throughout the vast vendor offerings, they also don’t want to be pigeonholed into digital programs that offer only a single solution. It’s not a one-size-fits-all industry, and dealers need their choice of the most innovative solutions, already vetted and ready to go, from the expansive digital landscape.

Framework for getting dealers into the game

OEMs are getting smarter about how to deliver integrated digital solutions to their dealers. While some OEMs are still in the exploratory phase as they evaluate programs and benefits, the leading OEMs have retained expert technology and data companies to bring a solution to their dealer body.

Digital Solution Dealer Framework



Of course, having the right strategy anchors the framework. Developing and launching an integrated digital program includes connecting data between websites, CRM, digital advertising, social media, lead management and analytics. The data integration provides the platform to deliver the seamless connected consumer experience.

The entire program needs to be managed with operational excellence and supported by a team of digital experts who can counsel the dealers on their digital spend and their solution's ROI. Continually enhancing the program through the innovation

process not only drives improvements in current solutions, but more importantly, evaluates new cutting-edge products and services that are in incubation or early launch phase.

KEY AREAS OF INTEGRATION

Personalization

It would be an enormous misstep to ignore consumer requests for personal interaction. Many aspects of the car buying journey are confusing and impersonal. Packages, pricing and inventory are inconsistent across manufacturer, dealer, third-party and social sites.

Consumers expect to see consistent messages meant specifically for them across all channels. In fact, recent analysis has found that personalization reduces acquisition costs by 50%.³ And because personalization is a proven tactic for improving communication with buyers, customer experience leaders who focus on personalization grow revenue 12% faster than laggards.⁴ Demands for seamless and personalized experiences will only increase with the rise of shared mobility, autonomous driving and vehicle connectivity.

Dealers working with OEM digital programs are in the early stages of personalizing the consumer journey from Tier 1 to Tier 3. A consumer shopping on a Tier 1 site or researching vehicles on a third-party site who then visits a dealer website should be shown services, vehicles and offers previously viewed. For example, a shopper looking at a full-size pickup on an OEM website should be served that vehicle first when moving over to a dealer site.

Digital advertising

It's estimated that the U.S. automotive industry will have spent \$12.7 billion on digital advertising in 2019 and increase to over \$14 billion in 2020.⁴ With so much money on the line, an integrated strategy between tiers 1, 2 and 3 will get the most bang for the buck. From manufacturers at the foundation focused on brand awareness to the dealer associations focused on regional deals to the individual dealerships focused on showroom visits,

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all have a role to play. Together, the three groups are capable of tremendous synergy and sales.

Digital touchpoints impacted 51% of the \$3.7 trillion total U.S. retail market in 2018.⁵ To adequately reach the target audience, you can no longer purchase a TV commercial and call it a day. The internet is now much more effective than TV at driving awareness. Third-party websites are preferred for unbiased information for research, dealer websites are preferred when looking for specific vehicles, and OEM websites are preferred for selecting specific trim/features and for incentives/offers.¹

For dealers to reach their target audiences, a digital advertising and video/social media strategy is required that reaches prospects where they are already spending their time — and literally places your messaging into the palms of their hands.

Tier 1 Through Tier 3 Strategies Based on the 'Google Micro-Moments' Framework



Which car is best moments



Is it right for me moments



Can I afford it moments



Where to buy it moments



Am I getting a deal moments

TIER 1

TIER 2

TIER 3

Tracking results

Instead of throwing new digital methods at the wall to see which sticks, collecting data on each tactic is key to the integrated digital platform's success. As dealers know, every marketing channel provides a dashboard that reports back spend to sales, and every one of them claims that their unique program drove the final sale. Consolidating all digital marketing spend into a single dashboard that reports on leads, digital advertising, social media and website activity is much more efficient.

Delivering a compelling and personalized customer experience depends on extracting data-driven insights and using those insights as future fuel. With only 23% of companies citing that they are able to act on the customer data they collect, the challenge lies in connecting volumes of data across channels.⁶

What dealers need is data that not only tells a story but also predicts the future. As the customer experience continues to evolve, extending across a growing and diverse array of devices and touchpoints — data must be the single source of truth.

The biggest opportunity is not only bridging the disparate data but also using predictive analytics to define the desired customer experience. The next phase is using artificial intelligence to quickly get to the recommendations on what spend is working best and which vendors are outperforming others.

Let us help you navigate the digital landscape today.

AutodataSolutions.com

Contact Marianne Tappy - SVP Digital Strategy
248-890-5289
marianne.tappy@autodatasolutions.com

Measuring success of an integrated digital program



SALES: Deliver incremental sales and service opportunities attributed to digital solutions



EXPERIENCE: Provide consistent brand messaging and an engaging customer experience across all tiers, OEM and agencies



EFFICIENCY: Improve OEM and dealer profitability through efficient digital program spend and managed vendor accountability



TRANSPARENCY: Visibility into vendor selection, performance and financials, as well as flexible program pricing options



SATISFACTION: Increase OEM, dealer and vendor satisfaction through ongoing collaboration and innovation

One last word

The automotive shopping experience is not currently meeting customer expectations — with more than 61% of shoppers saying their recent vehicle purchase was the same or worse than a previous purchase experience.⁷ All digital program elements should harmonize into a seamless and personalized brand-to-retail customer experience. This is where we come in.

Autodata Solutions has defined itself as a leader in automotive digital retail by utilizing its industry-leading talent to launch certified programs for OEMs and more than 7,000 dealers, contributing to 40% of retail sales.

Sources

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