

The ecommerce era

Paul Stokes, GForces' head of online retailing, puts the spotlight on ecommerce and why it is essential to the future of automotive retail

Which industry challenges does ecommerce solve or face, and how does it still support the traditional dealer model?

Ecommerce provides the opportunity to bring our industry up to date with today's consumer expectations. It introduces the vital combination of choice and control to the consumer. It enables us to present all of the necessary information consumers need to make their decision, without bias or pressure. It also allows us to introduce automated processes that make buying quicker and convenient, such as intelligent search and secure payments.

Ecommerce enablement also provides instant access to relevant accessories, services, and upsell items at checkout. Without feeling sold to, consumers are much more likely to consider these options, and will pay full price, just as they do on Amazon and other platforms.

There is still a demand for the unique social and sensory aspects of in-showroom buying, too. It's just how these properties are utilised that needs to change. Online brands, such as Amazon, Loaf, and Joe Browns have spearheaded the "clicks-to-bricks" movement. They have a clear understanding of the changing demands of their audiences, and where physical stores fit into their marketing mix. They utilise everything from QR entry codes for cashier-free coffee shops to supermarket shelf-readers, and embrace new technologies. We need to recognise that pay-points and the consumer journey leading to them are rapidly changing.

Retailers need to provide experience-led safe spaces where a consumer can explore, connect, and ultimately buy. As an omnichannel solution, our platform, NetDirector® Auto-e delivers that, supporting the buying journey online and in-store using the same interfaces.

What advantages do retailers gain through ecommerce over manufacturer-led click-to-buy schemes?

Vehicle manufacturers have clearly identified valid consumer demand for online sales – but their focus is purely on new cars. Manufacturers therefore enter the ecommerce arena with one hand tied behind their back. In the real world, nobody buys new at RRP. By trying

to singularly own the route to market, they effectively render themselves uncompetitive. Their success hinges on model discounts and special-rate finance deals.

In a market where we are seeing monthly drops in new vehicle registrations, but growth in the used sector, the advantage is clear. Ecommerce enables retailers to reach a different segment of the market to manufacturers – used car buyers. With complete control over their stock and pricing, retailers have much greater flexibility to tailor their offering to consumer demand.

How is ecommerce changing traditional marketing for automotive businesses?

Ecommerce has changed how we buy and sell, but it has also changed how we target consumers – by introducing new competitive elements and driving prices down. We now reach our audiences on digital channels, not the ones on TV. Social media and search engine ads, or pop-ups in content platforms, are where our primary marketing activity should lie.

We are moving away from price point and product effectiveness in our marketing. Instead, we are seeing more story-led, emotive campaigns.

This is because ecommerce has vastly increased the number of channels consumers use when searching for products and services. That means we have to continually adapt our marketing approach

to effectively reach them. We also have to understand how shopping activities on each platform differ, and adjust our marketing to suit.

Do you feel it's accurate to suggest automotive brands are still struggling to catch up to consumer expectations?

The quick answer is yes, but there are reasons. Ecommerce presents challenges to retailers. They are hesitant to give consumers too much control, and worry they won't be able to retain margins.

With NetDirector® Auto-e, purchases so far have all been at advertised price. Transactional-based platforms are the preference for the consumer, because they're fast and efficient to use. Through NetDirector® Auto-e, the average end-to-end vehicle purchase, including finance, takes just 26 minutes.

Fewer than 0.1% of the UK's retailers offer a full transactional solution, yet the landscape is clearly changing. How will the market look when 10% of retailers can sell online? Or nearly all? The rewards of embracing ecommerce massively outweigh the risks when it comes to future-proofing your business.

Can retailers have faith in consumer readiness for ecommerce?

Consumers are already embracing ecommerce elsewhere. We're the ones who need to catch up. To date, the automotive industry has failed to provide a transactional model that consumers recognise. It needs to be completely end-to-end, with every part of the consumer journey accommodated within a retailer's native web environment. You aren't taken offsite to pay via a third party on Amazon, and you shouldn't be when buying a car.

NetDirector® Auto-e is the dedicated ecommerce platform from GForces. It enables end-to-end vehicle sales, including finance applications with an instant credit decision. It can also handle part-exchange valuations and complex queries, including existing finance. And it offers consumers the flexibility and user journey they expect.

Consumer habits are neither changing or in the process of changing – they are constantly evolving. Evolve with them on a platform that constantly adapts to the needs of your business and consumer demand.

“THROUGH
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PAUL STOKES, GFORCES

COMPANY PROFILE

Key products and services: Industry-leading ecommerce platforms, software and services for digital dealerships

Key staff: Giles Smith – CEO

Simon Upton – COO

Paul Hilton – retail director

Paul Stokes – head of online retailing

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