



# Invest in online finance tools to keep pace with your customers

Digital platforms have transformed the way we live, work and play over the past decade and the new technology is finally being embraced by many of Britain's biggest dealerships.

It has long been a paradox that while manufacturers have designed ever-more sophisticated technology into their vehicles, most showrooms have failed to reflect the changing times.

The coffee machines are better, the TV screens are certainly bigger, but otherwise, the typical dealership model has changed little from the 90s.

Until now, that is, when online motor finance has suddenly come of age – making the purchasing process easier and smoother for customers and sales staff alike.

Today, the most innovative dealerships allow would-be buyers to check the availability of credit finance before entering their showroom, so they

can make no-pressure decisions at times of their choosing, which also dramatically reduces the amount of form-filling.

Research by iVendi indicates that at least two thirds of the top 200 dealers offer interactive finance options on their websites – double the amount that had it in 2014.

The finance business marks its seventh trading year in August, and its chief executive, James Tew, is an advocate of all things digital.

"Our online motor finance products are now used by just over 7,000 dealers, and together they generate more than one billion quotations every day, which underlines just how popular digital platforms have become," he said.

"By analysing use of our online motor finance calculators, and our Car Finance Checker – which allows people to discover how credit providers would rate their application for finance – it's also

clear that many of these checks are being made during the daily commute, in lunch breaks, or at home in the evening.

"In the early days of the internet, customers may have sat down in front of their PC and spent several hours researching everything about their next vehicle, but increasingly such inquiries are being made on smartphones, so it's vital that dealers make sure their offerings are mobile-friendly.

"Dealers also need to recognise that although some buyers are fanatical about particular marques, and are practically in love with their car, that for many, it's just a commodity which gets them from A to B.

"Purchasing decisions, especially after several years when money has been tight for many individuals and households, are now far more often about finance than marque, engine size or the old 0-60mph benchmark, and it's far easier to carry out

research about credit finance before you head for the showroom."

The benefits for customers are evident, and online finance tools also free up dealership staff to spend more time with existing and potential customers, rather than having the burdensome – and sometimes awkward – task of conducting lengthy credit checks in front of the would-be buyer.

However, Tew said it hasn't been easy persuading dealers to adopt technologies that have become commonplace in other sectors.

"For decades, selling cars took place face-to-face, and even when websites came along, most dealers didn't adopt them with enthusiasm, so just a few years ago, a typical site would simply have a picture or two of a vehicle, a few lines of information and an inquiry form," he said.

"Many sectors – food, retail, fashion, music and others – adopted digital platforms rapidly because



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James Tew, iVendi

they saw their potential to increase productivity, volumes and margins, but for automotive, it's been a slow evolution.

"In the last couple of years though, dealers have come to realise that buying a car is really a series of micro-transactions within the main transaction, and that most of those elements can be handled through digital platforms.

"There's also been a welcome shift in mindset, so some dealers have recognised that their industry has to be customer-driven, although too many still think customers should just return to them.

"I believe the most successful dealership groups will be those who look at other High Street sectors, and learn from them. You look at the 'sale or return' policies of online fashion brands, for example, but would a dealer even think about taking a car worth £20,000 or £30,000 to a potential customer's home for a trial?

"Equally, many dealers still need to invest much more in their websites. In this digital era, many more people will visit a dealership online than physically walk into a showroom, but we're still seeing fortunes spent on 'gin palaces', but very little invested in the same dealership's website."

iVendi's range has evolved since it launched its first product in April 2010 – the Quoteware module,

which integrated specialist motor finance calculators into a dealer's site.

The latest platform, launched in January 2016, creates a customer journey involving the dealer and multiple finance providers, so every aspect of the purchase process, from initial interest to deal completion, can take place online or in the showroom, according to the customer's preference.

The service has since been enhanced by the addition of a Quick Quote feature, and Showroom Eligibility, a program that allows a would-be customer to see the various rules by which their finance application has been assessed.

"An application for credit finance might be rejected, but our system offers full transparency of the process, so the dealership staff and the individual can work together, to assess different products and to discover a way to move the transaction forward," said Tew.

There's also an automatic data back-up tool to ensure dealers are complying with the latest Financial Conduct Authority (FCA) requirements.

"We want to give dealers the same peace of mind as their customers, so we're constantly fine-tuning our technology to ensure it delivers certainty," said Tew.

iVendi is fully accredited by the FCA, said Tew.

"When it became obvious that a minority of dealers weren't recording the required data, we added a free upgrade to ensure that it was being saved and backed up automatically.

"We're already working on other tools to help customers and dealers, and we'll be rolling these out by the end of the year. The manufacturers never stop driving innovation into the sector, and the customer appetite for digital technology isn't going to wane, so we also need to ensure that we're ahead of the game."