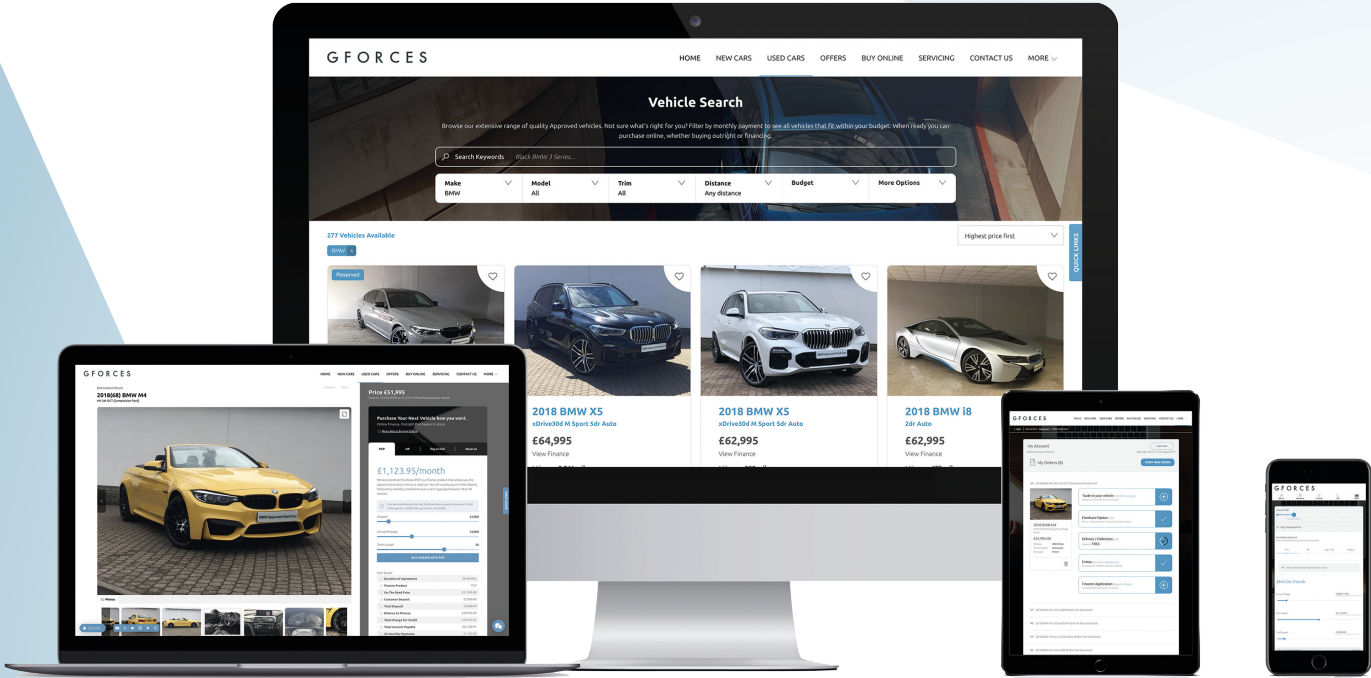


CHOOSE YOUR SUPPLIER SPOTLIGHT



Forward-thinking
retailers make online
car buying a reality

Innovative automotive retail groups are now selling used cars online, embracing new technology to meet the demands of consumers who prefer to transact digitally. Almost one in five retail sales (18.9% in June 2019, source: ONSI) are made online, but until now those purchases would rarely, if at all, include used cars. Car buyers are well versed in searching for their next car online and manufacturers have been experimenting with online new car sales. However, this year saw a handful of dealers take the brave and innovative step to facilitate online used car sales. By utilising NetDirector® Auto-e, a dedicated ecommerce platform from digital technology specialists,

GForces, retailers are able to offer an omnichannel experience seamlessly blending online and in-store. A minority undertake the entire process online, while most complete part of the purchase journey digitally. Elements such as the test drive, signing documents or vehicle collection invariably take place in the dealership. By default, customers are then removed from the distant purchase regulations which allow a 14-day cooling-off period. Paul Stokes, Head of Online Retailing at GForces, said: "At retailer level there's a real appetite to switch on ecommerce functionality into their existing website." GForces currently has 73 dealer groups signed up, with 44 live on NetDirector® Auto-e, which is available to both new and existing

G F O R C E S

clients. Currently, 11 (25%) of the live sites offer full end-to-end. Integration with third parties enables every aspect of the sales process to be conducted remotely including part-exchange valuations, finance applications and instant credit decisions. Stokes added: "I think retailers will win the online race, they will bring it to market quicker and they will then have the advantage of learning from the business intelligence." Results are already positive and enlightening. More than half (55%) of those who transact online do so outside retailer hours and, not

surprisingly, 51% of transactions were undertaken using mobile. The average age of those who choose to buy online is 35 and more than a third (35%) are female. Stokes continued: "We don't see online flicking the switch from the traditional model, online is complementary and will operate alongside the existing retailer strategy. When customers are serviced with the opportunity to buy online, they will." RRG led the way being the first to go live in November last year and have been followed by Chorley Motor Group, Vantage Motor Group, Simpsons Skoda, and independent Croyland Car Megastore in Northamptonshire, among others. Chorley Motor Group, which began offering the ability to transact online in February, found that in March, its first full month of operating the system, 5% of its sales were undertaken online.

Stokes said: "That's without any marketing or PR. Customers have landed on their website and then decided it was right for them to transact online." Most customers elect to collect the car from the premises or they choose to come in and sign the documents. Customers who choose to complete online and opt for a home delivery are classed as a distant sale, but so far these have been a small percentage.

He added: "If a sales executive has a customer at the desk they will want to close the deal that day. Our stance is at this point they'll see more sales, and more repeat sales, by helping the customer create an account. That way, they remove the pressure tactics of selling, and enable the customer to complete the transaction online, at a time that suits them, and probably with less negotiation on price." GForces has seen transactions take place as soon as NetDirector® Auto-e is implemented, and, so far, all customers have been new and are more geographically dispersed. On average, those placing an online deposit live 76 miles from the dealership and online finance customers live 65 miles away.

While the focus has been on used cars, Vospers, due to go live in September, will be the first to offer online transactions for new cars. Stokes said: "There is still a stigma

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attached to buying a car. Consumers know what's coming when they venture into a dealership. They know they are going to be faced with a sales process which can sometimes be intimidating. There will also be the sales pitch of insurance-backed products, which are often included as part of the sales process and typically included within the finance monthly payment. Other industries have shown consumers there is another way. We are in danger of alienating vehicle buyers if we don't evolve."

Compliance
Compliance has been a central component of developing online transactional functionality. Arguably, providing customers with the option to complete the sale online is much more in line with Financial Conduct Authority (FCA) thinking, as the transaction takes place away from the sales-pressured showroom. The GForces system incorporates non-insurance add-on products such as the extended warranty and accessories, but not the likes of Gap, which is governed by its own set of FCA rules. However, early indications show online customers are turning their backs on such add-ons. Stokes added: "The process is more clear, transparent and consistent. Each online step follows a logical buying journey, whereby required compliance and legislation checks have to be confirmed as accepted by the customer. The online process follows the clear guidelines as defined by the FCA's principles of treating customers fairly."

Advertising feature

KEY
CONTACTS



Giles Smith
CEO



Simon Upton
COO



Paul Stokes
Head of Online
Retailing



Paul Hilton
Retail Director



Richard Johnston
OEM Director

The snowball effect
Implementing the functionality to transact online is relatively straightforward, taking an average of eight weeks to configure. Stokes said: "We will see a natural progression over the next 12 months as more go live. There will be a snowball effect as the bigger motor groups take the next step. The super groups will not want to be left behind, so we will see a huge paradigm shift. It will inevitably lead to further questions about the sales model and commission, as well as changing our perception about online, which is currently a lead-generation exercise. "There is an absolute appetite in the market to transact online. You can't ignore the consumer and it will be the consumer ultimately who will drive the functionality they want. Our solution is unrivalled in the market. It features finance integration with instant credit decisions, retains full ownership of the customer for the retailer, and delivers it all within a dealer's native platform."



Email: info@gforces.auto Tel: 01622 391944 Website: www.gforces.auto