

Taming 'data in the wild' will smooth path to sales

Andy Wand, Director of Automotive – EMEA, at Reputation explains why dealers must fully embrace the digital era ... or risk being left behind



For decades, a customer's journey across the automotive landscape was a linear experience.

Yes, it took time to visit dealers, collect catalogues, discuss different brands with family and friends, have test drives and make the final decision, but the process was always very much from A to B.

In these digital and inter-connected times, though, the journey is far more complex and convoluted.

Would-be buyers Hoover up information from a myriad of sources, read dealership reviews, visit motoring platforms and consider lists of 'likes' and 'dislikes' before making their decision.

Andy Wand spent 15 years accumulating experience and expertise in the European automotive industry before joining Reputation in March 2021 as Director of Automotive – EMEA. He says mobile technology has made the research process continuous for everyone, regardless of sector.

"We can spend months making holiday plans, only to be influenced in the days before we book by reading

about an amazing place on TripAdvisor and seeing how highly it's rated. Car purchase decisions are impacted in exactly the same way," he says.

"You may have chosen your Brand A vehicle because it had a five-star safety rating and that was the most important element within your decision-making process, although you preferred Brand B for all of its other features.

"However, just as you're getting ready to sign your PCP agreement, another dealer, offering Brand B, texts you to say their latest rating is also five star, and you walk out of that showroom.

"Making purchasing decisions is now impacted by so many influences that it places a premium on the ability of dealers to identify how potential buyers are making their journey – and understand how to influence each stage of their decision-making."

Equally, Wand says dealers must be intensely aware of a customer's emotional mindset, and of its crucial importance in the final decision.

"When people buy a new car, it's usually emotional rather than functional. We know from years of

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data that around 85% of purchases are down to emotions and perceptions, often because people associate certain brands with a particular lifestyle.

Wand says: "It's been really interesting to see how perceptions about what matters have evolved in recent years. At its most basic, everyone needs to realise that you can no longer understand a customer's journey from a purely VoC (voice of the customer) perspective.

"Some aspects are obvious and tangible – and always have been. That smile, that welcome, maybe something as seemingly inconsequential about offering someone a cup of freshly-brewed coffee while they're waiting for an appointment.

"However, the most powerful influences today can't be immediately seen. You need to collect and analyse the data which is impacting customer decisions about both brand and dealership.

"We often talk about the existence of 'data in the wild' which needs to be harvested. If you can understand the data which impacts your customers, you're in a much better position to

establish a rapport, complete a sale and build a relationship."

In the era of A-B customer journeys, when CX (customer experience) analysis was in its infancy and feedback was typically via paper questionnaires, the accepted methodology for judging satisfaction was via Net Promoter Scores (NPS).

"When NPS was conceived almost 20 years ago, it was a breakthrough moment. The idea of using a scale from zero to 10 was simple to explain, and the concept that higher scores led to referrals, repeat business and additional revenue was immediately compelling," recalls Wand.

"However, the onset of the digital era in parallel with the evolution of sophisticated CX strategies has left NPS behind, in the way that we no longer watch TV on Sony Trinitrons which need two burly individuals to carry them across our front rooms.

"NPS can still provide one measure of the customer experience, but its fatal flaw is that it lacks context. Looking at the scores and seeing that you were picking up lots of 7s and 8s was a great feeling, but it soon faded when you realised you had no idea what was working – and what wasn't."

One of the guests at Reputation's online forum in June raised the issue of 'being found', and Wand says that has

become a core element of digital models.

"You need to know how customers engage with your brand and see into their individual decision-making process much further back along the purchasing journey. Getting found and being chosen is crucial."

The pandemic has accelerated adoption of digital technology in all its forms, and more people now expect to be heard on social media, as opposed to simply expressing their views.

"Reviews are increasingly important as opposed to the very simplistic old-school metrics from NPS. You need to allow customers space and freedom to express their views and then you can search for your key words, create action points and respond," says Wand.

"When you do engage with customers or potential customers, it's vital to remember that sending a generic response isn't good enough. There is absolutely no reason nowadays, given the amount of available data, not to tailor a personal response which is sympathetic and empathetic.

"Dealers must realise that the expectations of customers have changed, and that if they don't engage, and engage correctly, they

KEY CONTACT



Andy Wand, Director of Automotive – EMEA

Advertising feature

will lose significant numbers of prospects."

The messages of the past 18 months about online reputation management seem evident, but Wand admits they still have to reach everyone.

"BMW, Hyundai, Kia, and Renault are the OEMs who really get it. Among the dealership groups, Pendragon stands out. Half of the AM100 Top 20 use Reputation. They are all at the leading edge of where customer experience is going, how they measure it, how they lead it and how it fits into their wider sales strategy," he says.

"Some brands are still lagging though, and it's interesting how some OEMs who claim that customers are at the heart of their model don't engage with the digital tools which would enable them to deliver on their promises.

"Buying a new car is usually the second largest financial decision of our lives, and as consumers increasingly rely on digital technology to underpin and shape their journeys, dealers and OEMs simply have to engage with them on their chosen platforms."

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