
The Importance of Customer Experience in the Digital Purchase Journey

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The automotive industry continues to advance and evolve with new technology and features constantly being introduced into the market. The emergence of online automotive retailers who are meeting the expectations of consumers wishing to browse online for a significant portion of their car buying journey, combined with a more digital-focused post-pandemic world, is giving the industry the much-needed shake-up to embrace a more online approach to selling vehicles. Peadar Walsh, Global Head of Digital Marketplaces at JATO, discusses the future of automotive retail and the importance of customer experience within a successful digital purchase journey.

The car buying experience is changing

Buying a car is possibly one of the second biggest purchases after a house. The property market has embraced and evolved to become more digital, so why has the automotive market been so slow to adopt it? The car buying experience hasn't changed in more than 50 years, with manufacturers and retailers following the same traditional approach it always has albeit with a few modifications over the years.

Yet there is a huge appetite for some, if not all, of the car buying experience to be more digital with research highlighting 19% of drivers want a fully virtual experience for their next purchase, and 86% want to complete at least one step of the buying process online. Demand from consumers is driving opportunities and sales for those automotive retailers that have realised the potential and embraced a true omnichannel approach and are reshaping the retail landscape for car buying.

GForces, the provider of ecommerce solutions to franchised retailers, reported new and used car purchases through its platform increased by 1228% in 2020. Whereas Mercedes-Benz predicted by 2025 that 25% of its new car sales will be online.

While there will always be a segment of drivers that want to keep the traditional car buying route, the new generation of online buyers continues to increase. Those that evolve to meet all drivers' buying behaviours will keep up with the fast-changing market; those that fail to change, will be left behind.

The digital-savvy driver

Consumers today want everything at their fingertips, at the click of a button. Whether it's to research a product, check out reviews, or to purchase a product, they expect to be able to do it all online.

The global pandemic has certainly accelerated this behaviour as everything went online to replace in-person transactions during lockdowns. And consumers adapted and changed buying behaviour, appreciating the convenience and the timesaving involved with a more digital process.

Post Covid, the customer buying journey now starts online. When buying a new car, most drivers are not affiliated to a particular company or brand; they want to make an informed decision based on the information presented to them. They want information quickly and easily; if they cannot find the information from one site, they will find it elsewhere.

The consumer buying process

During the consideration phase, the buyer often makes the decision between new and used, and as such can transition between OEM websites, new and used car portals and car comparison/magazine sites for the information they need to make an informed choice. While many purchases are planned and scheduled, there are some triggers that can lead to an unexpected purchase, such as family circumstances needing more seats.

As buyers seek to identify their preferences or key decision criteria, they switch between brands they were originally aware of, viewing equivalent models/makes/specifications as a result of the comparison process.

It is at this stage, that customer experience is crucial to enhance the digital purchase journey.

Enhance the digital purchase journey

There are two main areas that influence a buyer's decision on what vehicle to choose, and that's financial (e.g. price of vehicle/lease) and specifications, dependent on individual requirements. Whilst many online automotive retailers will be competitive on the financial side of things, it's the specifications area that can often let down a digital platform.

If your online platform has all the information a prospective buyer needs, you have an increased chance of converting the lead and making the sale. However, if the website is slow to respond, doesn't have the most up-to-date vehicle information or the ability to compare vehicles/specifications, there will be a break in the digital purchase journey and the buyer may go elsewhere.

The most successful online automotive retailers have made this buying process as simple as possible for the driver. Whether it's a new or used car, accurate car comparison can make a significant difference to the customer experience, especially when combined with the ability to tailor specifications relevant to their key decision criteria e.g. safety or EV driving range. Having the latest new car pricing to facilitate selection by price range is also essential.

A frictionless buying journey through accurate vehicle specifications ensures an increased customer experience and enhances the digital purchase journey.

The future of automotive retail

We are seeing progress and innovation within the digital marketplace for automotive retailers. Tesla has been a key driver in this landscape, demonstrating the success of direct sales rather than through a legacy dealer network.

While not all retailers or manufacturers will sell via their digital platform, good online customer experience is still vital for any future sales. Consumers need accurate vehicle information that is easy to access and find in order to make an informed decision. If a particular company or brand doesn't provide it, they risk the competition taking the sale because they made the digital purchase journey simpler for the driver.

While huge steps have already been taken, as an industry we are only at the beginning of the move to online retail - there is a long way to go, and competition is only going to increase within the digital marketplace. For those that embrace and evolve to a more digital-focused future, they will reap the rewards.