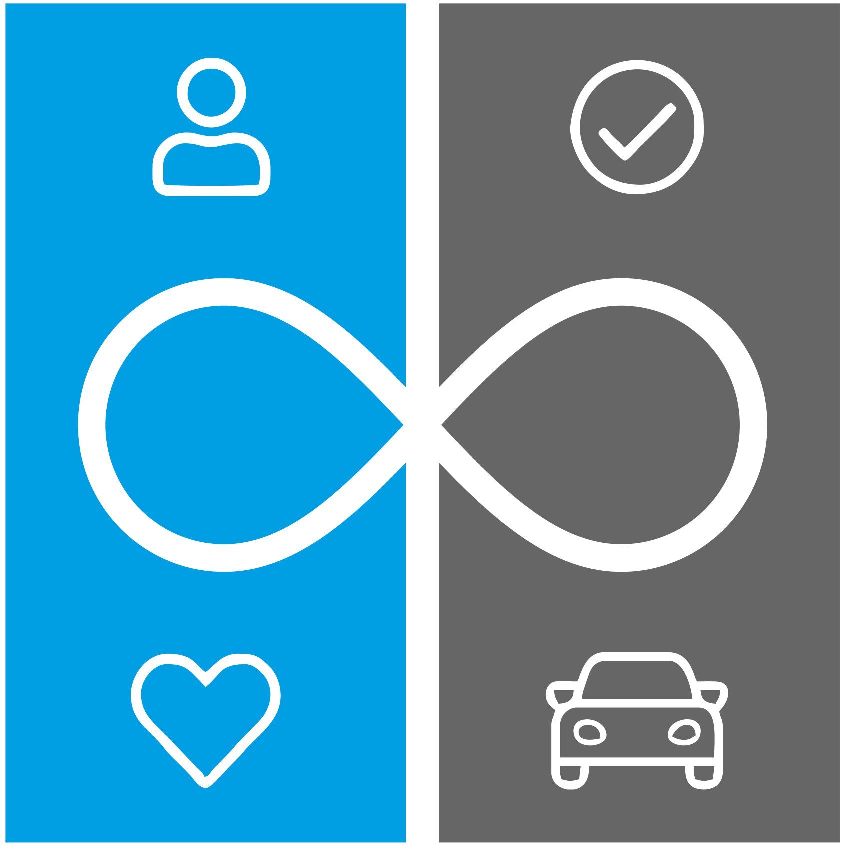
Rethinking car buying in the ecommerce age



April 2021

Introduction

The Covid-19 pandemic has impacted many areas of life, changing the way we interact socially and economically. Within car retail it has accelerated a decade-long shift towards digitally-based retail models. The winners during the closures and lockdowns that extended into this year, have been those brands that were prepared for, or quickly adapted to, the unprecedented constraints the pandemic imposed.

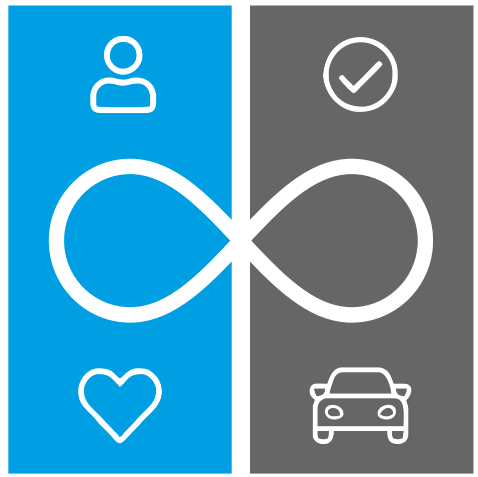
Brands that had digital tools and workarounds in place were the ones who have weathered the storm better. Not only have they been able to retain contact with existing customers, and those already committed to new car purchase, but, with technologies like digital showrooms, they could attract and develop a relationship with new customers as well.

The pandemic showed that a large number of customers were more than happy to undertake some, if not all, of the work of purchase through online channels. It also appears to have made that shift permanent as consumers have clearly embraced the value and convenience of online transaction.

At Sophus3 we decided to create a detailed assessment of ecommerce in the automotive sector, examining the purchase journey from the customer's point of view and scoring each website on its ability to answer questions, provide information, and assist the customer in their purchase journey. The intention was to measure transactional capability across the sector so that our partner brands could understand their relative performance, and focus on both their strengths and their weaknesses.

We are delighted to share some of the findings of that study with you here.

Sophus3, London, April 2021



Contents

The study

Sophus3 undertook a review of car brands' progress to become more transactional online.

The study looks at the purchase journey from a customer viewpoint, to appreciate its messy and episodic nature, and to assess car brands’ ability to respond to that.

The key assessment we make is how well set up is each brand’s website to answer questions, provide information, and assist the customer in taking some, or all, of the steps along a purchase journey.

The markets and brands we looked at

The study was conducted in quarter one of 2021. It covered the ‘Big 5’ markets of Europe: Germany, the UK, France, Italy and Spain.

In each of these markets we looked at the sites of the following OEMs which were chosen as representing a mix of ‘premium’, ‘volume’, and ‘budget’ brands:

> Audi, BMW, Citroën, Dacia, Fiat, Ford, Hyundai, Kia, Land Rover, Mercedes-Benz, Nissan, Peugeot, Renault, SEAT, Škoda, Tesla, Toyota, Opel/Vauxhall, Volkswagen

Each site was visited by a Sophus3 analyst and assessed against the list of features and functionalities detailed below which we identified as ‘transactional’ in nature.
Each site was effectively marked on the presence of these and, with some features, their visibility, within the site.

A score was then assigned and totalled, with each site indexed against the average score for its market.

Features and functionality we assessed

We assessed each car brand website according to a number of attributes.
17 data points were collected from the 95 websites that were assessed. We combined these 17 points into 6 metrics to be measured and compared. These are described overleaf.

1. Click-to-buy?

The first and most basic question. Does the site openly invite you to purchase a car and direct you to that end? Within this we looked at several features of the site. These included:

1. Are online sales highlighted on the homepage of the site?
2. Is there a persistent link to a purchase page within the global navigation visible on every page of the site?
3. When the site visitor looks at the page describing a specific vehicle model is there a purchase ‘call to action’ (CTA) on each page, e.g. a ‘Buy it Now’ button?
4. How clear and succinct is the purchase message (we use a word count of the explanatory purchase page as a proxy for clarity).
5. Is pricing transparent? Is the purchase price of the vehicle clear and visible at the point it is presented (rather than requiring the user to access a secondary price list document, or complete a full configuration)?

2. Personalise product

Vehicle configurators are commonplace on the current generation of car brand websites. These are web interfaces that allow the user to ‘build’ and visualise the car of their choice by adding and removing features and equipment so that the car meets their preferences. The configurator calculates the final price of the combination the user has selected

We assessed and weighted the following features of each site’s configurator app:

1. Does the configurator allow the user a 360° view of both the exterior and interior of the car?
2. Can you store and return to a configuration allowing you to refine your choices and preferences over time?
3. Can you share the configuration with others involved in the purchase decision and, ultimately, with the retailer who would fulfil those purchase choices?

3. Interact in real time

We asked if the site allows the visitor to interact with a real person about their purchase options.

1. Does it allow you to talk with that person via a video link in real time?
2. Can the brand's representative use a video link to show a visitor around an actual vehicle to demonstrate and explain its different features and their benefits?
3. Can the representative share information such as brochures, pricing, or a link to a configured car?

5. Personalised quote

We asked if the site allowed the user to request a personalised quote for a car configured to their specification.

We also assessed the usability of the interface to do this, i.e. the length and complexity of the form the visitor was required to complete.

4. Get trade-in valuation

An important waypoint in car purchase is establishing the value of any trade-in vehicle a buyer may want to exchange to meet part of the purchase price of their new car.
We assessed whether a site allowed a valuation of a trade-in vehicle.

6. 'Try before you buy'

Each site was assessed as to whether it allowed a visitor to request a test drive. Again, we measured the length and extent of the form the user was required to fill in. We also marked the brand on whether it offered the convenience of a test drive from home. (In reality most brands that previously offered this service have suspended it during the pandemic because of prohibitions on the shared use of a vehicle.)

Combining the scores

All of these measures were combined together into a unified score that was then indexed against the average of the market.

The Metric Score
The Metric Score is the average of the underlying data points. These data points are weighted against the average for each market. If only one web site contains a feature, then it will get a higher score than if many websites contain that feature. These metrics are then scaled to between -100 and +100 where on this scale the market average is equal to 0.

Brand Combined Score
The average of all data points for one brand. We use the underlying values not the Metric Score to prevent rounding and average errors from clouding the results.

'Big 5' Market Index Score
The market score is calculated by the average of the unweighted data points. We use the unweighted scores to enable comparison across countries. The scale of this score is 0-100.

'Big 5' Brand Index Score
The brand score for all markets is calculated by taking the harmonic mean of each Brand Market Score. This was chosen to prevent brands with one high performing market having a large impact on their overall performance.

Note

We are publishing only the last two scores within the public domain. The detailed data of individual brand and market performance makes up the second part of this document and is available exclusively to members of the eDataXchange project. (Contact details here.)

Summary: How the markets compared

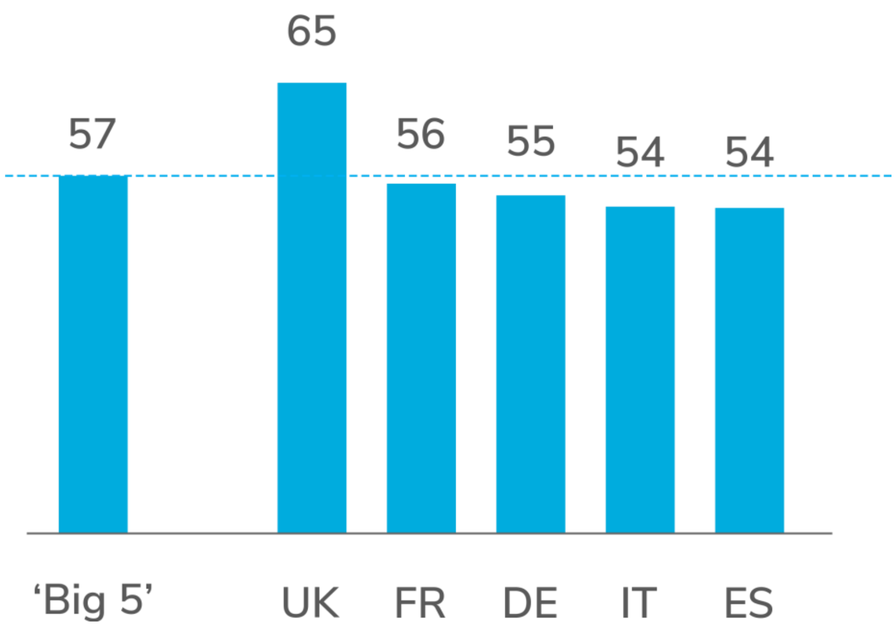
Looking at the results by market we can see some variation across the 'Big 5' but, on average, the performance of all markets remained far from perfect.

The UK's slightly higher score is due to a strong performance in a number of areas. Much greater prominence is given to 'Buy it now' and similar calls to action on the home page and, in particular, individual model pages.

A much greater number of configurator applications allowed the storage and resumption of configurations.
Most noticeably, more UK sites offered a Live Chat facility, and of these, a greater percentage had video and virtual showroom functionality.

Valuation of trade-in vehicles was also offered on more sites within the UK. However in most other areas the differences between markets were slight. Car brands in Italy, France and Spain gave more prominence to 'request a quote'. All markets scored similarly for test drive requests in terms of visibility and the complexity of form filling.

'Big 5' | Market Index Score



Summary: How the brands compared

At a brand level, combining scores from across the five markets, the results are particularly interesting.

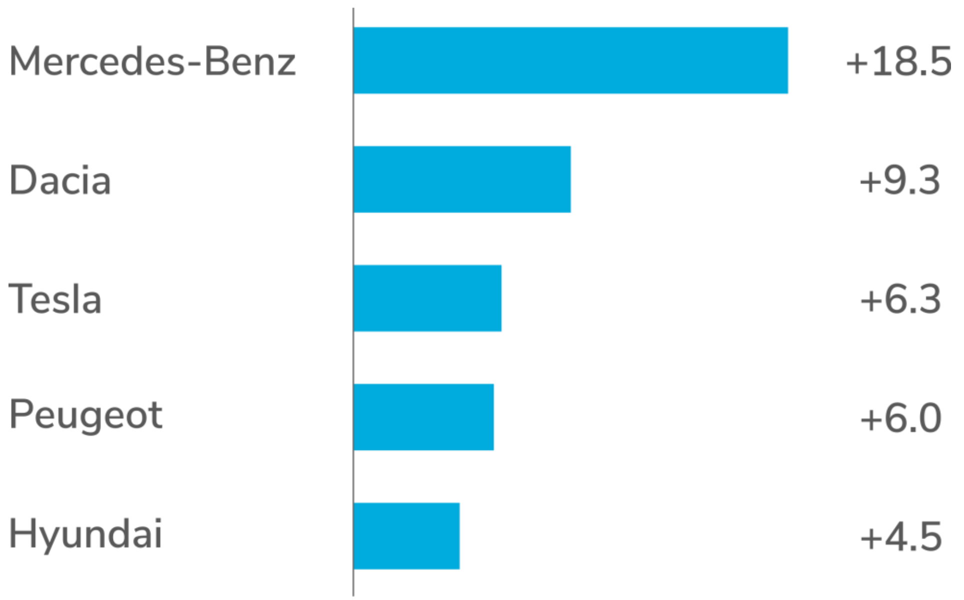
The two top scoring brands are Mercedes-Benz and Dacia — manufacturers at opposite poles of the premium/budget spectrum. Yet both of them rate highly because of the breadth and attention to detail they have given in making their sites transaction ready, even though their consumer propositions are so distinct and different. They also score highly because of their consistency in implementing transactional features across every market.

Both brands have purchase call-to-actions visible across the site and at the level of specific model pages. Both offer Live Chat interaction (although in Dacia's case not yet with video in every market). Both favour clarity, simplicity and brevity in the provision of information and the construction of user forms.

Other brands tend to score lower through the absence of one or two features we consider of importance to transact and because of marginal differences in usability due to slightly longer forms and more verbose explanations of processes.

Statistically we found the features that were missing the most from individual sites were: a 'Buy it now' button on individual model pages, a link to a purchase page within the site's global navigation, and the provision of video functionality within Live Chat.

'Big 5' | Brand Index Score



Data detail

The data underpinning this research displayed on pages 11–17 is available exclusively to car brands participating in the Sophus3 eDataXchange project.

To obtain the full report, or to find out more about the project, please contact our commercial director **Nick White** at nick.white@sophus3.com.

Key takeaway: brands should perform their own ‘DIY’ assessment

The study we have shared is a suggested framework through which to assess the transactional capability of a car manufacturer’s website. Most brands will want to complete their own self-assessment, and in so doing, may want to weight functionalities and features very differently.

For example, many brands have invested a lot in configurator technology to enable site visitors to build a hyper realistic virtual car. Yet Tesla — a brand often cited as the leader in a direct to consumer strategy — doesn't even offer this feature on its site. Each brand will have its own sense of what it sees as important and this exercise is perhaps useful as an opportunity to test those assumptions and to benchmark and compare their own practice against that of their competitors.

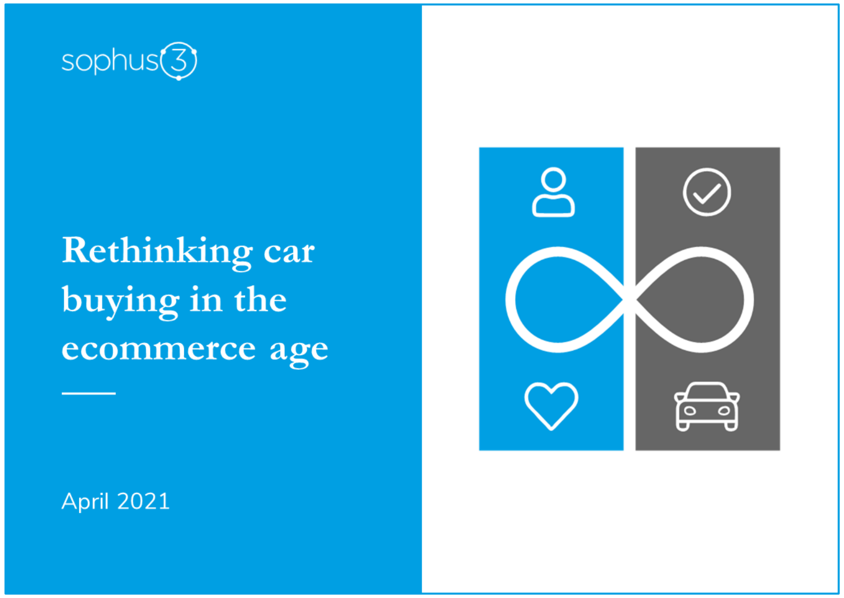
There are also additional features and functionality that they may want to include. For example, access to vehicle inventory is a strong ‘plus’ in terms of a site initiating purchase transactions that we have not included in our own study.

Similarly we have not fully measured if some or all necessary paperwork can be completed digitally without the need for physical interaction in a showroom environment.

Brands will also want to look at their own operational capabilities in more depth. We accept that our own study is a fairly shallow assessment of a digital interface more than of the complete experience a customer will receive. From a customer viewpoint that experience is qualitative and subjective — “How good was the information I received during that live chat?”; ”Does the company really see me as an individual, has it noted and acted upon my needs?”

At those points the customer’s experience is determined by the company’s operational and back office capabilities and the way the brand manages interaction with each individual customer across a complex array of touchpoints. Measuring operational effectiveness, as opposed to promise, is the deeper challenge for any self-assessment of your company’s transactional capabilities.

Credits



This paper was written by **Paul Rutishauser** using data and analysis supplied by members of the Sophus3 eDataXchange team, including:

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