

A futuristic white sports car is shown in a dark, digital environment. The scene is filled with vertical purple and white light streaks, resembling a digital rain or data stream. The car is sleek and aerodynamic, with large, glowing blue wheels. The background is dark blue, and the ground is covered in a layer of glowing blue particles. The overall atmosphere is high-tech and futuristic.

Omnichannel strategy in the Powersport and Automotive industries

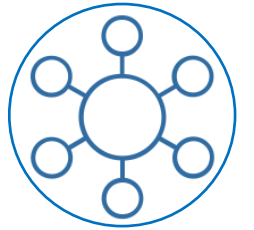
Omnichannel strategy will be crucial in the automotive industry due to digitalization and COVID-19 situation



Technological innovations in automobiles have advanced rapidly in recent years, improving safety, performance and reliability. Digital natives are becoming mainstream car buyers with completely new expectations, and older generations are picking up new habits. Conditioned by Amazon and other online experiences, car buyers increasingly follow omnichannel customer episodes: They research, select and buy cars in different ways than their non-digital predecessors, and increasingly they expect the same capabilities and service quality when shopping for cars as they experience in other aspects of their digital lives.

Seven ways car buying is changing

1	Almost 50% of car buyers begin online - Rather than taking their family to a dealership on a weekend to look at cars as their parents might have done, nearly half of all customers globally and up to 60% of customers in the UK now begin online.
2	Customers switch between online and offline channels and want to move seamlessly among them - While online is becoming the most important starting point, buying experiences are still not pure digital plays. Customers typically shift between different online and offline channels at least four times.
3	Dealers remain pivotal, but their role is changing - Although buyers are becoming more comfortable researching, configuring and even buying cars online, physical dealers remain important in most purchase episodes. Most buyers still prefer to complete complex tasks like the final configuration and purchase in person at the dealership.
4	More than 60% of customers decide on brand, model and price before visiting a dealership - Increasingly, customers know exactly what brand and model they want, and how much they want to pay, before visiting a dealership. Customers spend a significant amount of time researching their purchase online, but most still visit dealers for a test drive, final configuration and the purchase.
5	Friends and family are important influencers in car purchases - Survey found that friends, family and colleagues are the most influential and trusted sources when deciding on a new car. Among survey respondents, 44% of buyers follow recommendations they get in their private environment. Another 30% rely on online product reviews and test sites, which continue to gain influence, increase information transparency and simplify comparisons across brands.
6	Time is of the essence; the window of consideration is short - The average shopping episode, from initial research to purchase, is only about nine weeks.
7	Offering online purchasing is a must, as more than 25% of customers are potential users - Only about 2% of customers in our global research sample have bought a new car online, which means they have signed contracts and paid without visiting the dealer.



**Omnichannel
strategy in
the
automotive
industry**

Consumer expectations and digital technologies are having a huge impact on how to sell cars



Customers changing behaviors, new retail concepts (e.g. direct-to-consumer or home delivery models), and digital technologies are having a huge impact on selling cars in the automotive industry. How should automakers and dealers approach the challenge of developing omnichannel sales excellence? Future leaders will need to build strengths in five critical areas of the sales experience.

Manage channel boundaries effectively. Every time customers switch from one channel to another, automakers and dealers risk losing preferences or other data—which could result in frustration or loss of those customers. To avoid that, they will have to find ways to bridge channels, creating a true and seamless omnichannel experience.

Adapt the dealer network. As more customer episodes move online, dealer networks will see less use. Automakers will need to take an active role in shaping the contours of their future dealer networks, which are likely to comprise fewer dealer partners and outlets, especially in mature markets.

Find new ways to appeal to buyers. Increasingly, car buyers expect the same levels of innovation and personalization they find in online consumer services. To meet those expectations, automakers and dealers need a deeper understanding of their customers.

New approach to omnichannel sales

Build analytic capabilities to generate valuable insights. Learning more about customers by analyzing data allows automakers and dealers to communicate more effectively and create more compelling offers.

Bring buyers into the ecosystem. Customer interactions used to be limited to a few moments before, during and after the sale or service event. But an omnichannel experience supports a long-term relationship with customers over the life of the vehicle and beyond.



Impact of omnichannel strategy in the automotive industry

On the market there are a lot of examples of an omnichannel strategy, here are the most vital

Company	Description
Vertu Motors	The company sold over 3,000 cars while there was a complete lockdown. People were finding cars online because they couldn't visit dealerships. They were then buying cars after discussions with a live person, having first inquired through the internet. 50% of customers were happy to take delivery without having seen the car; the other 50 percent waited for the lockdown to ease because they wanted to test-drive the car. When dealerships initially reopened in England on the first of June, the company saw a strong improvement in the level of internet inquiries and a massive increase in the number of phone inquiries. That was by far the biggest shift: they saw a 25% decline in the number of people walking into a dealership without having contacted us in advance.
AUDI stores	The AUDI City Stores in Berlin or London offer the customer a digital configuration of his desired vehicle and even the opportunity to take a seat in it virtually. The Audi City store in London format has no inventory and only a couple of show models on display. Instead, consumers can interact with large digital screens to explore different models and design their perfect car.
Penske Motor Group	One retailer that has been at the forefront of away-from-the-dealership shopping is Penske Motor Group, which sells vehicles throughout the Los Angeles basin from its five stores representing the Toyota, Lexus and Mercedes-Benz brands. In the Los Angeles area, about 20% of its Toyota transactions and almost 60% of its Lexus sales are delivered off-site. Penske Motor Group does basic training with staffers to ensure that shoppers' commonly asked questions can be immediately answered when they come in through various channels. The group also enlisted digital retailing platform Roadster to help it accelerate the buying process and keep tabs on the more detailed aspects of customers' shopping journeys.
Volvo	Volvo's Polestar brand was named the best-positioned car brand for online sales. Like Tesla, Their Polestar 1 and Polestar 2 models are only available online. However, Volvo also maintains dedicated "spaces" at physical locations in partner dealerships.
RumbleOn and RideNow	Creating the only omnichannel solution in the powersports industry – offering an unparalleled customer experience for outdoor enthusiasts across the country. RideNow's significant physical retail platform provides the missing piece of a 'bricks and clicks' strategy for RumbleOn, enabling them to reach consumers wherever they want to shop, whether online, offline, or both," For RumbleOn, this transaction is about unlocking incremental sales, capturing additional monetization opportunities such as parts and services, and consolidating a fragmented industry to drive efficiency and improve the customer experience



Examples of omnichannel strategy in the automotive industry