

CitNOW GROUP

The Ultimate Digital Customer Journey



www.citnowgroup.com

Introduction ..

The rate of digital transformation in automotive retailing has rapidly accelerated in recent months. With more ways to communicate than ever before, knowing how best to engage with customers, and when, will be the key to success for many businesses. In this report, the CitNOW Group examines how technology is reshaping and redefining the retail experience and what the ultimate digital customer journey looks like now.


Determining the optimal route from lead to sale has become increasingly difficult, especially in the face of new car manufacturing issues and the exceptional demand for used vehicles.

The proliferation of communication methods in recent years also means that most retail journeys are now unique to each customer – and all still expect a seamless experience, whichever path they choose.

The CitNOW Group is at the forefront of building solutions that address the needs of the customer during their car buying and ownership experience. Driven by a vision to transform the way the automotive world communicates, the CitNOW Group comprises market-leading UK software providers CitNOW, Dealerweb and Tootle. The CitNOW Group can help retailers digitise each stage of the customer journey – from the research phase right through to aftersales – to offer the best possible customer experience, sell more cars and services and build a loyal customer base.

To find out more about what today's customer expects from their retailing experience and how this has changed as we emerge from the pandemic, we launched a survey to ask the opinions of car buyers and industry professionals¹. Alongside findings from our own data, we explore what the future holds for digital communications in the customer journey.

What do customers want? How do they want to be communicated with? What does the ultimate customer journey look like? Read on to find out more.



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Where it starts

Given the rapid growth in ecommerce across all retail sectors, it's no surprise that consumers are overwhelmingly using online platforms to start their car buying journey.

Our research shows that almost nine out of 10 (87%) respondents would prefer to research their next vehicle online, whether that be via a dealership or manufacturer website, or third-party classified portal¹. This number is an increase of 10% compared to 2020, reflecting the need for retailers to make sure their website and social media act as the perfect 'shop window' to promote their stock and encourage customers to initiate contact or visit the showroom.



87%

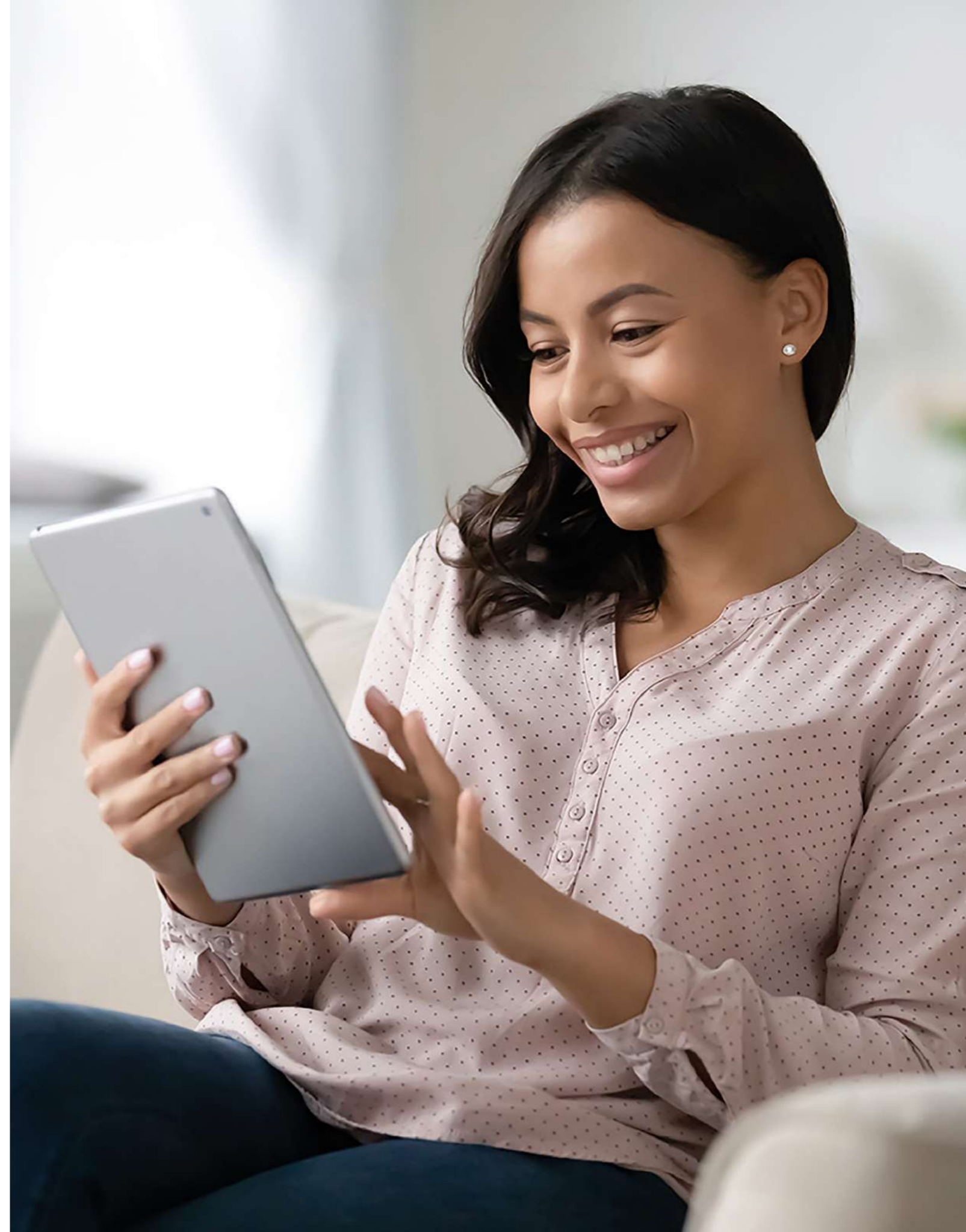
of car buyers would prefer to research their next vehicle online

Over half of consumers polled say their most valued assets when viewing an online vehicle listing are high quality images and a variety of images that show all angles of the interior and exterior of the vehicle. A detailed video presenting the inside of the vehicle, including the dashboard and recorded mileage, is also highly regarded.

Most valued online assets

- 1 Interior and exterior images
- 2 High quality images
- 3 Video of car interior

As demand for a multitude of digital assets across a variety of formats has increased, technology has become available to ensure that gathering and displaying these assets is easier and less time consuming. CitNOW Web offers a platform where these types of assets can be captured in one app, enabling retailers to quickly and efficiently upload high-quality images, video and 360 degree spins to their online vehicle listings. This helps to significantly decrease the time to web, and increases ad dwell time and the likelihood of a sale.



Customer expectations

Despite the effects of the pandemic and consumers being forced into communicating digitally during nationwide lockdowns, our survey found that car buyers still prefer to make an in-person enquiry when purchasing a vehicle.

We found that 44% of today's car buyers prefer a visit to the dealership¹. It was also found that even after initial engagement with the sales executive has taken place, 50% of car buyers would prefer in-person interaction. It is really encouraging that consumers still place high importance on the showroom experience, and the beauty of digital communications is that you can bring the showroom to the customer.

44%
of car buyers want to visit the dealership

In order to achieve the ultimate digital customer journey, it's important to understand how crucial it is to be responsive to an enquiry. We found that after consumers enquire about a vehicle, there is an expectation to receive a response from dealerships within three hours. 27% of respondents think a response between one to three hours after enquiry is sufficient, whereas 24% would ideally prefer a response within 30 minutes.

1-3 hrs
27% think a response between one to three hours after enquiry is sufficient

30 mins
24% would ideally prefer a response within 30 minutes

Lead management software like Dealerweb React can provide all the information you need to ensure you are meeting these high customer expectations. Dealerweb data shows that a tool like React enables retailers to respond to leads within 11 minutes, greatly exceeding customer expectations by ensuring their needs are met quickly and efficiently, helping you stand out in a competitive marketplace. In addition, the customer experience can be enhanced with the integration between CitNOW Sales and Dealerweb React to seamlessly send a CitNOW video in the React customer response.

Interestingly, the survey found that 14% of 18-to-24-year-olds would expect an immediate response – the highest for any of the age groups surveyed. This aligned with data collected on how consumers prefer to remain in contact with their car sales executive. It was found that almost a quarter (22%) of under 35-year-olds said they prefer contacting

sales executives after an initial engagement via messaging apps such as WhatsApp. Similarly, the younger generation favoured live video (20%), suggesting that they are looking at newer, more instant forms of communication to speed up the buying journey. This further highlights the importance of knowing your customer and their specific needs when deciding which is the best method of communication.



Lead management software can encourage quicker response times



The importance of personalisation

Buying a new or used car is one of the biggest financial commitments that a person will make in their lifetime. Therefore, it's predictable that many will have a particular concern around confidence in the retailer – before and after a sale is concluded.

When asking car buyers how they bought their last vehicle, our research showed that a significant majority (49%) of respondents bought from a franchised dealership. This is in line with the research showing that the first place a consumer researches is a dealership website closely followed by the manufacturer website - they are following the path they start on. The importance of the journey from online to showroom is vital and needs to be as seamless as possible.

A speedy, personalised response will not only help create a long-lasting relationship, it can also have a big impact on buying behaviour. 72% of survey respondents under 45 years old stated that they would be more likely to buy a vehicle if they received a personalised video of it, highlighting the need for retailers to ready their experience for customers expecting a video.

By using video to communicate early on in the car buying process, sales executives can establish emotional connections with potential customers that will make them more inclined to visit their dealership to find out more about a vehicle. Tools like live video that enable two-way conversations, recorded video to provide a vehicle walkaround, or desktop sharing to talk through finance options, can all play an important role in building trust with customers.



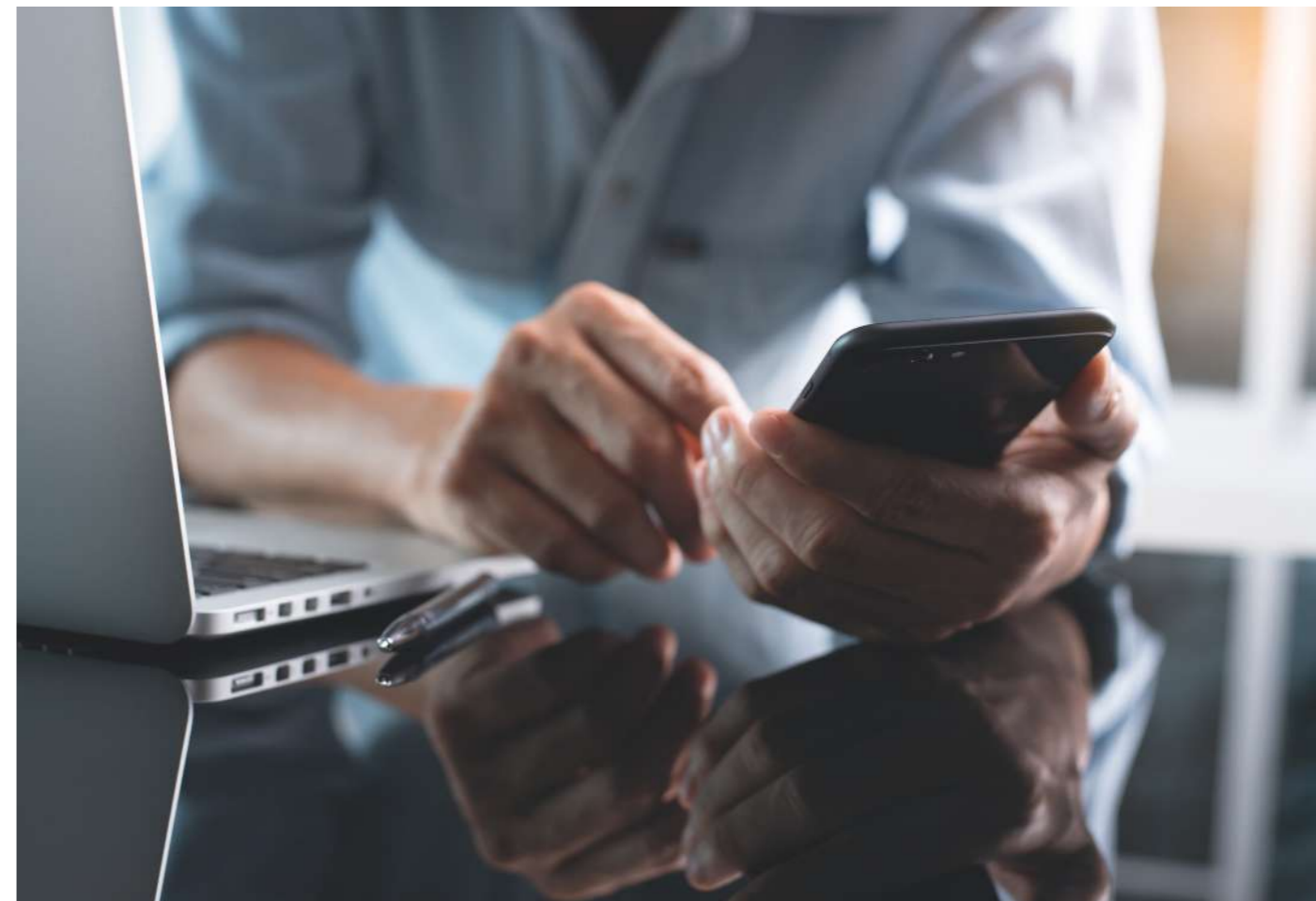
41%

would be more likely to buy a vehicle if they received a personalised video

The increasing variety of communication methods and points of origin means every customer lead or enquiry needs to be addressed quickly and in a personal way. Dealerweb Showroom allows sales staff to make a good first impression with customers by quickly responding to their enquiry. They can then start building a customer profile that enables a more personal approach at every touchpoint in the customer journey.

Showroom addresses the common pain point of customers having to repeatedly provide personal information, while reducing the internal administration time required to re-key data such as vehicle requirements and finance details, offering a more seamless experience for the customer.

The integration between Dealerweb Showroom and CitNOW Sales enables a log of any CitNOW videos sent within the lead information in Showroom, providing more contact history to help personalise the customer communication.



The rise of video

The shift to online interaction has led to a pronounced and sustained increase in the use of video by retailers to maintain customer loyalty and bridge the digital-to-physical experience. In March 2021, CitNOW celebrated its busiest ever video production month, with over 1.2m videos created globally across all CitNOW apps.

The popularity of video as part of the car buying journey has continued to grow. 84% of car buyers² who had received a video as part of their car purchase said that they found it to be a valuable part of their experience, up from 73% four years earlier³. This figure increased to 92% for car buyers over the age of 50, showing the importance of video for building relationships and trust. These findings are reflected in the number of CitNOW videos being produced, with an average of 1m a month and customer watch rates remaining consistent.



84%
car buyers find video valuable



86%
car owners were satisfied with their buying experience

Purchasing a vehicle can be an overwhelming experience for many. There is considerable pressure to ensure that the car meets practical, financial and lifestyle requirements – and that's before negotiations start with the retailer. Encouragingly we found that 86% of car owners were satisfied with their most recent car buying experience¹, with the difficult elements of the journey being price negotiation (17%) and sales pressure (16%). Utilising a video solution like CitNOW can take the pressure and negotiation out of the equation as the customer has already started to make an emotional connection before they set foot inside the showroom.



Make the part exchange easy

The part exchange process can be one of the more challenging elements in the sales journey for retailers. We often hear of customers overvaluing their existing vehicle or not being transparent when reporting the condition of the car, which can lead to an awkward conversation on the forecourt that could potentially jeopardise a sale.

An industry survey conducted by CitNOW Group found that 76% of retailers think customers overvaluing their existing vehicle is the biggest challenge in the part exchange process⁴. The pain of part exchange is also felt by consumers, with one in ten car buyers stating that the aspect they disliked most about their previous car buying experience was negotiating a part exchange value for their existing car¹.

The need for a smoother and more transparent part exchange process is clear. 57% of car buyers would be more inclined to buy from a dealership that provided a part exchange offer before they visit, showing that if the process to receive a part exchange offer is easy, customers are more likely to complete the transaction.



57%

car buyers more inclined to buy from a dealership if a part exchange offer is made first

To help meet this demand and alleviate pain points during the part exchange process, the CitNOW Group recently launched Tootle, a simple-to-use online platform that helps retailers accurately undertake part exchange appraisals and manage the whole process.

Tootle can be used independently or through the integration with CitNOW Sales to allow customers to take the next step directly from their video presentation page.

Tootle is an online platform that can be used if the customer is remote or there in person, to submit vehicle details, images, videos and a panel grader so the sales executive has everything they need to make an accurate appraisal. The customer also gives their desired exchange valuation.

Tootle uses independent valuation data from industry experts cap hpi to check against the customer expectation, with the customer automatically alerted if their valuation exceeds the recommended estimate. While working with a pilot site, it was found that the customer's anticipated value was moved to within 6.5% of cap clean when presented with this information - around a 15% improvement on average expectations.



Beyond the sale

Just as digitisation in the car buying process has accelerated, the aftersales journey has changed too. As customers transition from retail experience to ownership, they still want personalised, transparent communications alongside a convenient service.

The use of video by workshops has risen over the last decade, improving transparency and enabling customers to make informed decisions about spending on repairs. 70% of motorists say they value the transparency that video provides in the workshop² and 62% of car buyers under 50 years old say they are more likely to approve any repair work if they are first sent a video that clearly shows what's required.

Not only does video in the workshop increase the likelihood of work being approved, we have also found that it facilitates fast responses. 65% of work is approved by the customer within half an hour of them receiving the video - with 26% within just ten minutes. Quicker approvals mean less ramp time per vehicle, a faster turnaround for customers and more efficient utilisation of technician hours - something that has become even more crucial as workshops suffer from a shortage of trained technicians.



70%

of car buyers value the transparency that video provides in the workshop

65%

of work is approved within **30 minutes of receiving a video**

26%

of work is approved within **10 minutes of receiving a video**

In a highly competitive marketplace and at a time where demand is fluctuating, workshops that can take full advantage of the digital tools available will be best placed for ongoing success. Those that deliver personalised services and maximise opportunities for upselling, while completing work more efficiently, will have a significant advantage over their competitors.



Conclusion ..

The ultimate digital customer journey

What's clear from the research is that the ultimate digital customer journey should not be defined by the retailer, but by the customer. Nor should it be restrained by technology, but rather enabled by it.

Retailers can reassess how they engage with customers and find new ways to maximise revenue streams if they want to remain competitive. This means assessing new buying behaviours, responding to queries in a timely manner that is appropriate for each individual, building emotional connections, all while removing as much friction from the process as possible and carrying this approach through to aftersales.

Longer term, the key to success will be adapting to new opportunities relating to electrification, mobility services, new ownership models and changing aftersales and servicing requirements. Those businesses that anticipate emerging trends and engage with the customer in the right way will prosper. This becomes much easier with the right mindset to enact change and operational flexibility.

For now, it's clear that car buyers still welcome the reassurance provided by a visit to the dealership. This proves the enduring value of face-to-face contact for maintaining customer loyalty and the importance of finding ways to replicate this effect within the digital journey. Making the faceless digitised experience into a personal one through video and personalised communication is a fundamental way to stand out.

Utilising the right digital tools to do this will make this process a whole lot smoother. Be it managing your leads effectively, bridging the online to offline experience with personalised communications, improving your processes around part exchange or speeding up work approved with video in the workshop, the CitNOW Group provides the solutions to help. The integrations we have between the CitNOW Group solutions further enhances the customer experience whilst improving efficiency within the dealership. Our platforms allow your customers to start their purchase journey wherever and whenever they want, building trust and transparency that will ultimately improve the chances of customer retention and increased sales.



References ..

1. CitNOW Group poll of 1,000 UK motorists, October 2021
2. CitNOW Group poll of 1,000 UK motorists and 500 automotive retailers in October 2020
3. CitNOW Vision Report, 2017
4. LinkedIn poll conducted in April 2021



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