

CitNOW GROUP

Uniting
Customers
and Retailers
Through
Technology



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Introduction

The automotive customer has changed in recent years, but has the sales and aftersales experience aligned with new customer expectations? Whilst the industry has been focusing on digitising processes, the focus should now shift towards building improved customer experiences, harnessing technology as the key enabler.

We have identified four key elements for success: omni-channel, people, seamless and communication, which underpinned by the right technology, will transform every customer moment. In this report, we'll explore how to seamlessly and efficiently unite the retailer and customer to engage and exceed customer expectations at all touch points within their sales and aftersales journey. We'll be presenting exclusive car buyer research and looking at industry insights to understand the current digital retail experience, and how this compares to what the customer wants.

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We are all individuals and so are your customers — one size does not fit all.

Transforming the customer experience

The customer experience needs to be at the heart of every business; getting it right is key to every transaction and to ultimately winning and retaining customers.



We are all individuals and so are your customers - one size does not fit all. Understanding the needs of today's automotive customer is crucial to offering the right approach that will ultimately help you achieve your business objectives.

According to Salesforce's 'State of the Connected Customer' report, 88% of customers feel that the experience a company provides is just as important as its product and services, and almost half of the same group say they've stopped buying from a company because other competitors provided a better experience.

CitNOW Group is collaborating with Salesforce through its ISV Programme, with both companies aligned on the importance of using technology to provide the ultimate customer experience. This need for a coherent strategic direction for software development is reflected in the CitNOW Group's own survey results, which found the most valued part of the car buying experience is good customer service.



The Customer

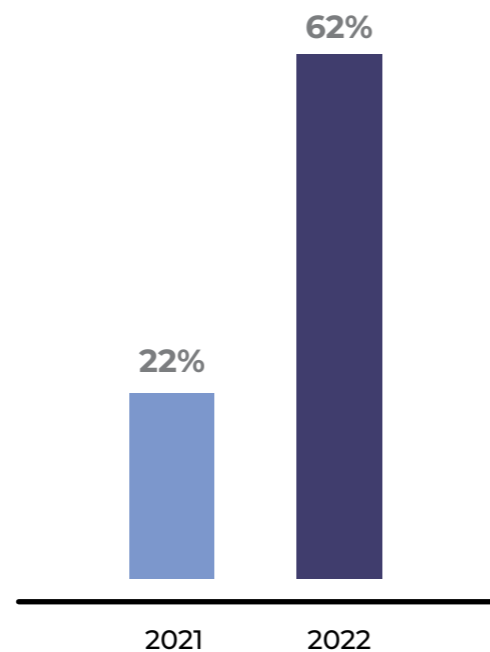
The experience starts from the moment the car buyer decides to change their car. Before the customer gets in touch with the dealership, they are likely to have had multiple digital touchpoints either online or via social channels.

The online showroom

The customer has access to more online channels than ever before to gain information about their next purchase. Two thirds (62%) of car buyers' most popular online channel for researching a new vehicle purchase is the dealership website. This figure is up from just one in five (22%) in 2021 showing a significant shift in consumer behaviour and demonstrating the growing importance of treating your dealership website as an online showroom. With almost triple the amount of car buyers now starting their journey on your website, it's vital that this first customer touchpoint presents your dealership in its best light.

Meeting the growing demand for a multitude of digital assets across a variety of formats is pivotal for effective vehicle advertising and a positive online experience. A third (34%) of car buyers say 360-degree videos of the vehicle exterior and high-resolution interior images (33%) are the top visual aid choices when viewing listings.

Rise in popularity of dealership websites for online research



Evolution of the customer

With the rise of digitisation and online channels, customers are now more informed. In fact, the vast majority (87%) of industry professionals we polled believe that prospective customers are arriving at showrooms more informed than ever.

Our car buyer survey highlighted that half (51%) of customers know the exact car they wish to purchase before they contact the dealership. Our findings also presented that 80% of car buyers visited less than three dealerships when making their most recent car purchase, with a third of those (33%) only visiting one.



51%
of customers know the exact car they wish to purchase before contacting a dealership

Providing the best experience is key to ensuring your dealership is one of the few, or the only dealership, the car buyer visits.

What does the customer want?

Today's sales and aftersales customers have a fairly similar list of wants and needs from their experience that, if delivered well, can create a lasting relationship:



Sales customer

- ✓ The car in stock
- ✓ Dealership close to home
- ✓ Good customer service
- ✓ Competitive and fair price
- ✓ Easy to do business with
- ✓ Personalised video of vehicle
- ✓ Part exchange offer before dealership visit



Aftersales customer

- ✓ Good price
- ✓ Favourable location
- ✓ Good workshop reputation
- ✓ Ability to book service online
- ✓ Easy booking system
- ✓ Courtesy car
- ✓ Video of repair work

Building relationships

To deliver on what the customer wants, it's important for sales and workshop teams to establish a strong relationship with customers from the first point of contact and throughout their journey with you.



Timing

Over half of car buyers want a response after enquiry within 3 hours, with 24% expecting a response within 30 minutes. Automating your communications and processes can greatly increase your chances of responding within an acceptable time frame.



Video

43% of car buyers would be more likely to buy a vehicle if they received a personalised video of it in response to their initial enquiry. 41% would be more willing to approve repair work if they were sent a video of the work required. Integrating video into your sales and aftersales processes could increase your showroom lead conversion and work sold.



Communication

Two thirds of car buyers expect to be responded to via the same method of communication they reached out to you on. We found that in practice only one third of retailers say they always respond to the customer via the same channel. This could be an effortless change that can deliver great value to the customer experience.



Trust

One third of your aftersales customers choose their service centre based on where they usually go — winning them to your workshop in the first place will keep them coming back. We found that 30% of the industry does not introduce their aftersales team to customers on the handover of their vehicle — something very simple that could keep the customer coming back to your dealership time and time again.



The Retailer

Having explored what the customer wants from their sales and aftersales experience, we looked into the retail experience being delivered by analysing the desktop and mobile websites of the top 100 dealers and a selection of car manufacturers.

As mentioned in the 'Online showroom' section, high-quality images and video are important to car buyers. However, when looking at how many dealers provide 360-degree interior imaging when listing a used car, we found that just 14% of dealer websites offer this; on manufacturer websites this rose to 20%.

Customers want to view the vehicle in detail without the need to see it 'in the metal'. Retailers could be missing out on active enquiries from customers by not promoting their stock effectively with high-quality digital assets.

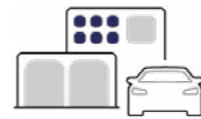
Developing the sales experience

In addition to having the best possible array of digital assets, a retailer should personalise its digital connection with customers whenever possible, such as offering tailored part exchange valuations and bespoke vehicle videos. If done right, this approach can provide a sense of familiarity that makes the customer feel like they have visited the showroom before they even step foot on the forecourt.

Our research shows that more than half (56%) of customers would be more inclined to buy from a retailer that provided a part exchange offer before visiting the dealership.

When investigating the extent to which car dealers and manufacturers offer part exchange services online, it was found that four out of five dealers (79%) and almost two thirds of OEMs (60%) offer just a basic online part exchange valuation through their website.

Retailers could increase part exchange conversion rates by utilising more advanced technology like Tootle. This dedicated part exchange platform



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enables retailers to offer accurate valuations by requesting images, video and panel grading of the vehicle's condition. Not only will this encourage a sale, it also helps to prevent any awkward situations if the part exchange vehicle is not in the condition you were led to believe.

Our research also found that only one in five (20%) dealer websites proactively offer the option to request a personalised video of a car on their website. With 43% of car buyers more likely to buy a vehicle if they received a personalised video of it, this is another area where technology can be an enabler to unite the retailer and customer.

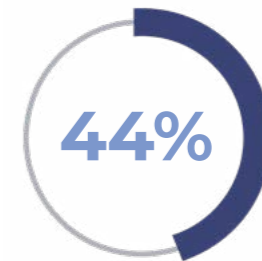
Engaging with aftersales

There are undoubtedly expectations in the aftersales market too. Our latest insights highlight that car owners want greater convenience when it comes to booking their car in for a service. Our research into the online experience found that only a quarter (27%) of dealer websites allow customers to make a service booking on a dedicated day and time, while less than one in five (17%) manufacturer websites provide this level of online booking detail.

With 44% of car owners saying they would like to be able to book a specific time and date as

part of their online service experience, and 42% wanting an easy to access service booking system, providing customers with a simple and efficient online booking service could significantly increase appointments. The level of demand for added convenience is only set to increase, with three quarters (74%) of under 25 year olds saying they want to book a specific date and time for their vehicle service online; the highest percentage of any age range polled.

REALtime Communications estimates a loss of more than £1bn in aftersales revenues over the next four years. Coupled with the falling absorption rates, harnessing technology to increase efficiency and connect with the customer will greatly assist with reducing these losses.



44% of car owners want to book a specific time and date for their online service



Transformation

For those in the industry with their fingers on the pulse, the CitNOW Group survey results won't be that revelatory: good customer service; fair pricing; ease of doing business — these are long standing pillars of success for most retailers with a focus on customer satisfaction.

But is understanding what the customer wants and putting it into action really that straightforward? Especially when you throw in the advancement of agency model, the move to EVs and an increased use of online services.

Technology is the enabler to all we have explored in this report as it allows the customer to lead the experience they want. We have identified four elements for success that are key to retailers achieving the ultimate customer experience and truly uniting with their customer.

Seamless

The customer wants a seamless online to offline experience with the ability to move between the two with ease. We know that providing this is a challenge for many retailers — it came out as the biggest challenge dealers are facing in our recent industry survey. Truly seamless is not impossible, however it requires the right technology and process to support it.

Utilising technology such as a sales and enquiry management platform like Dealerweb Showroom can greatly enhance the ability to offer a seamless sales experience.

One 'hub' where all customer interactions can be managed along with integrations to third party software means the salesperson can be more efficient and reduces the need for the customer to continually repeat information or have interactions missed.

With the addition of an effective lead management system like Dealerweb React to instantly manage and respond to leads, retailers are able to offer customers a seamless and timely online to offline experience.

In the workshop, a dedicated eVHC and process management platform like REALtime Communications (RTC) provides one place for staff to manage customers, book service and repair work, track jobs and complete eVHCs to maximise service opportunities for the retailer and provide a seamless experience for the customer.



Omni-channel

An omni-channel customer experience should not be defined by the retailer, but by the customer and can be enabled by technology. Retailers need to offer an integrated multi-channel approach that allows the customer to personalise their journey based on their preferences and demographics.

As we explored in the 'Customer' section, we know the types of assets customers want to see during their online research. Technology like Auto Imaging and CitNOW Web greatly enhance the process of collecting high quality digital assets and distributing them to all relevant online channels. Not only does this benefit the retailer with quick time to web, it also meets the customer requirements for a multitude of digital assets.

Multi-channel communications from email and phone to video, live chat and WhatsApp - they all have a time and place for the individual customer. Utilising dedicated messaging and video platforms will provide the best experience

for sales and aftersales customers — allowing them to engage how they want to.

Back-office processes and technology are also critical to an effective omni-channel strategy. A sales and aftersales platform to manage and record all customer interactions and preferences are essential to offer a true omni-channel experience.

Allow the customer to engage how they want

 **People**

A recent ICDP consumer survey and focus group found that the most important factor for customers at the dealership was the ability to ask questions and receive advice without the pressure to buy. Our survey results reflect this sentiment with 42% of car buyers valuing good customer service above all else and 57% saying that their preferred method of communication is to talk face to face in the dealership – over and above any online channels.

While consumers are increasingly starting their car research journey online, there are still 49% who don't know exactly what car they want to purchase before contacting the dealership. Sales staff need to take the time to establish where the customer is in their buying journey and have an effective sales management platform to record the information. Retailers can leverage digital technologies and

personalised communication to build a picture of what they need and initiate an emotional connection with the customer. This will make them more likely to visit the showroom — a crucial step when you consider the effect that talking face to face still has.

The same can be applied to the workshop. From the moment the customer engages with the workshop team to book an appointment, explain any issues with their car and drop off their vehicle, they will have interactions with various members of the aftersales department. An effective aftersales platform will enable you to offer an efficient process that reduces the amount of times the customer has to give their information and provides one central place to log all interactions and customer notes. Coupled with the trust a video from the technician working on the vehicle brings, technology can greatly improve the customer experience in the workshop.



 **Communication**

Effective communication with the customer supported by digital information throughout their entire car buying and ownership process is key to binding all of these elements of the journey together. A car is often one of the biggest purchasing decisions a consumer makes in their lifetime, so they need to feel supported by the retailer when making their decision and whilst leaving their vehicle in your care in the workshop.

65% of car buyers polled said they want to be contacted back by the retailer via the same method they contacted them, with phone and email still coming out on top as the most popular communication methods. A platform for sales and aftersales teams to log all customer communication is essential for a smooth customer experience.

Offering as many channels to communicate as possible is also another way technology can bring together the customer and retailer. When looking at live chat and WhatsApp, those aged 18-34 favoured these communication channels after phone and email. A messaging platform like Web1on1 enables ease of conversation via these online communication channels.

With the growth of the agency model, communication between all parties will be key for a smooth transition from OEM to retailer to customer. Ensuring the customer experience is not affected is key and technology will be fundamental to this. Salesforce recently announced its new Automotive Cloud solution to help OEMs and retailers effectively maximise the customer lifetime value. CitNOW is one of the first ISV partners to integrate with this new platform, making life even easier for retailers when utilising multiple technologies whilst ensuring the customer receives a high level of communication.

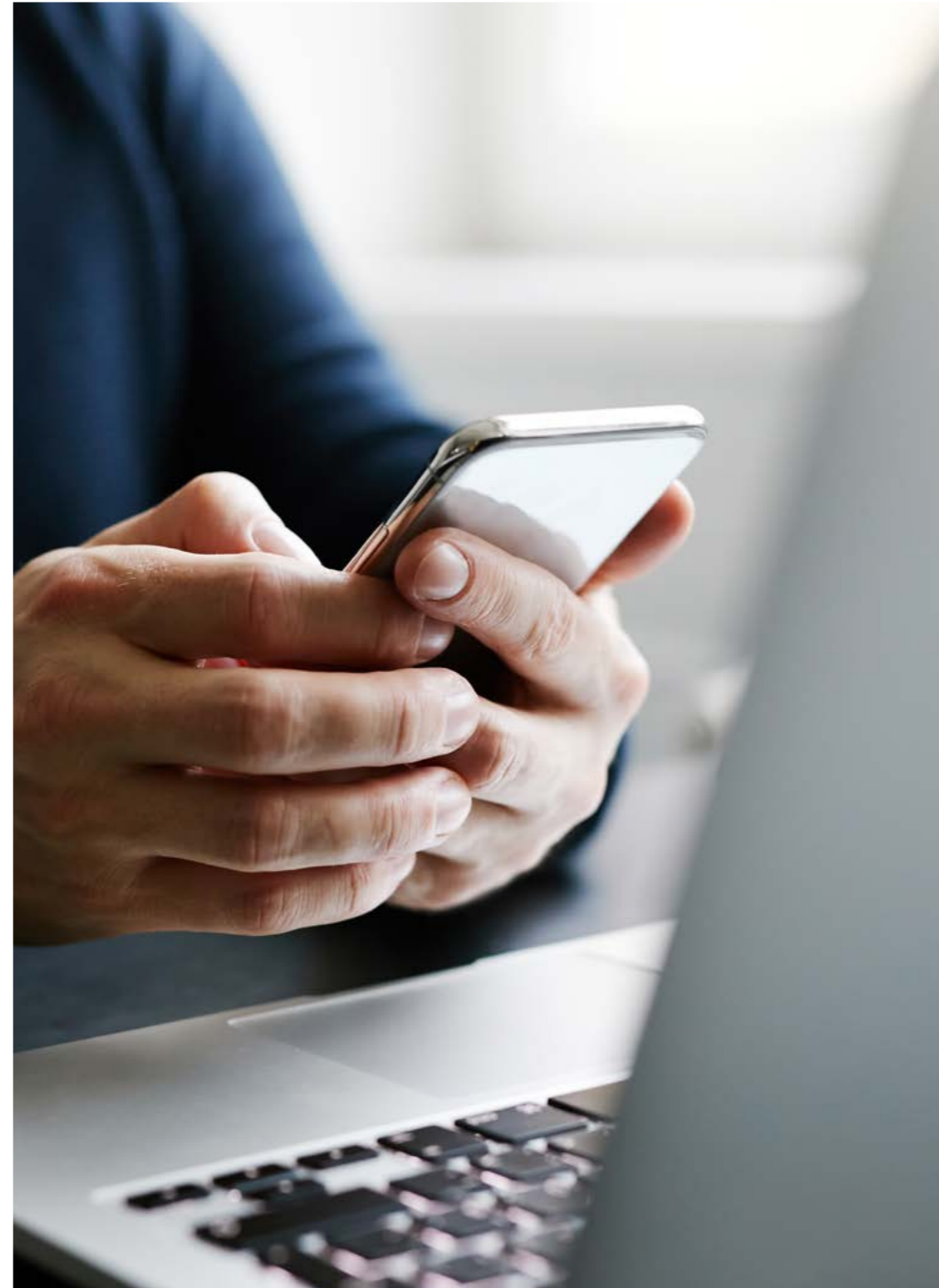


Conclusion

The best way to improve the customer sales and aftersales experience is to join the dots and deploy multiple interconnected solutions within the automotive ecosystem. That is the philosophy at the heart of the CitNOW Group solutions, helping to drive efficiency and seamlessly transform every customer moment.

Technology is the enabler to all we have explored in this report as it allows the customer to lead the experience they want. The tools that enable every digital point of contact are carefully crafted by software engineers to optimise the user experience, but often this happens in isolation. Therefore, different technologies need to work together and integrate with dealership processes to be the true enabler to unite the customer and retailer.

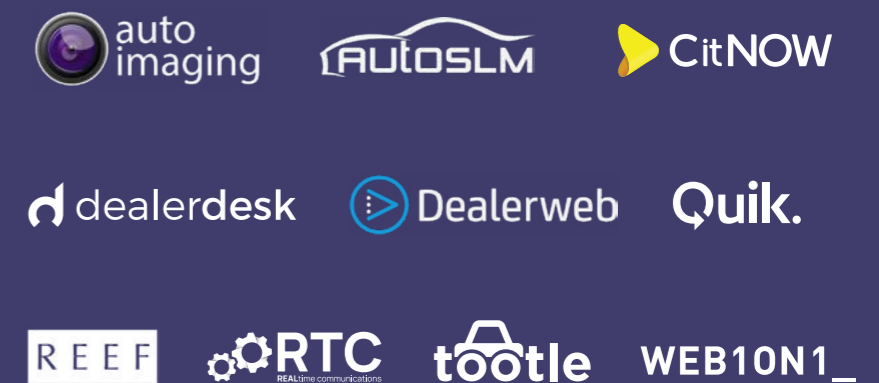
No one system can be utilised to its fullest when used independently – they must integrate with the necessary back-office processes to support dealership operations, providing data and insights to support each other. Only then do processes become more efficient and seamless for the people using the technology and deliver the experience the customer wants.



About CitNOW Group

CitNOW Group is a market-leading automotive solutions provider that drives efficiencies and seamlessly transforms every customer moment. The portfolio of products provide a sales and aftersales platform that integrates into a dealership's everyday processes to maximise conversion, satisfaction and retention. CitNOW Group prides itself on partnering with its customers to enable their success through technical leadership and innovation.

The CitNOW Group comprises Auto Imaging, AutoSLM, CitNOW, dealerdesk, Dealerweb, Quik, Reef, REALtime Communications (RTC), Tootle and Web1on1. Our span is global with a presence in 64 countries with over 15,000 installations worldwide.



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