



Dealertrack
by Cox Automotive

BUILD SHOPPER TRUST WITH A NEW APPROACH TO RETAILING

**KEY FINDINGS FROM THE COX AUTOMOTIVE 2023
DIGITIZATION OF CAR BUYING STUDY**

Cox AUTOMOTIVE



THE STATE OF AUTOMOTIVE RETAILING TODAY

These days, digital retailing is retailing. But how well is it really working for consumers and dealers? To find out, Cox Automotive conducted a study of 1,650 consumers who intend to purchase a vehicle in the next 12 months and 393 franchise dealers who offer digital retailing for some or all of the steps in the car-buying process.

This eBook reveals the study's key findings and outlines a solution for dealers looking to optimize their *operations* to meet the needs of any type of shopper and build more profitable deals.

THE POSITIVE IMPACT OF DIGITAL RETAILING

Whether they're buying clothes or cars, today's consumers want an efficient, personalized shopping experience. Digital retailing makes this kind of experience possible. Shoppers can simply go online anytime, anywhere, to quickly find incentive information, apply for financing, calculate their monthly payment, and more.

Digital retailing benefits dealerships, too. In fact, 90% of the dealers surveyed said digital retailing has positively impacted at least one area of their business. Here are three of the top benefits they noted:

- 1. Improved customer experience**
- 2. Ease of completing the deal**
- 3. Reduced time spent on a sale**

In other words, both shoppers and dealers benefit from the efficiency and overall better experience that digital retailing enables.



90%

OF DEALERS SAID DIGITAL RETAILING HAS POSITIVELY IMPACTED AT LEAST ONE AREA OF THEIR BUSINESS.

DIGITAL DRIVES MORE PERSONAL CONNECTIONS

Dealers and buyers benefit from digital retailing in another meaningful way: The connections it makes. In 2023, 43% of dealers said digital retailing creates a more personal connection with shoppers—up from just 25% the previous year. Fewer dealers than ever view digital retailing as a barrier to forming personal connections with buyers.

This significant shift represents a breakthrough: Digital saves time and helps drive leads to the store, but now more dealers recognize that it also helps establish, build, and nurture a personal, more meaningful connection with the shopper. What's driving this change? Consumers are becoming more willing to share information with dealers online.

To save time and help the dealer provide more relevant recommendations, consumers are most comfortable sharing these types of data with dealers online:

1. Personal data (such as income and credit score)
2. Vehicle data
3. Online/social media data



74%

OF SHOPPERS ARE
WILLING TO SHARE THEIR
PERSONAL INFORMATION
WITH DEALERS ONLINE



THE REPETITION PROBLEM

97%

**OF DEALERS SAID THAT
CUSTOMERS COMPLETE
STEPS ONLINE AND
REPEAT THEM IN-STORE.**

Even though digital retailing has improved the efficiency and overall satisfaction of the shopper experience, 97% of dealers surveyed said that customers complete steps online and then repeat them in-store.

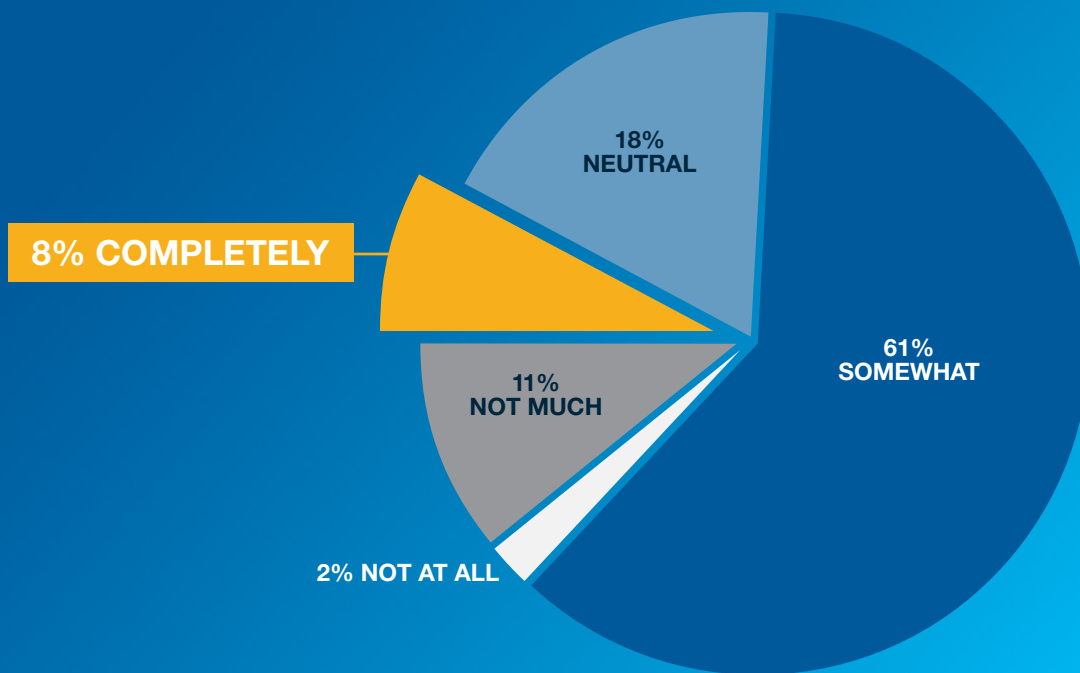
Of course, this repetition detracts from both the efficiency of the process and shopper satisfaction with the experience — and dealers recognize that.

Among those who reported that customers are repeating steps, 54% of dealers agreed that the repetition adds time to the sale. They also said that it decreases customer satisfaction (46%) and decreases employee satisfaction (26%).

THE DIGITAL TRUST GAP

According to the research, the dealer's desire to verify the accuracy of information submitted online is the main reason customers are repeating steps in-store. This makes sense when you consider that less than 10% of dealers completely trust the information customers submit online.

How Much Dealers Trust the Accuracy of Consumer Information Submitted Online



This highlights the challenge for dealerships today. Think about it: If a dealer doesn't trust their own digital tools, they're repeating steps the consumer has already completed — and that costs them time. Meanwhile, the car buyer's trust in the dealership erodes when they are asked to repeat all that information. The end result is a trust gap between the dealer and the buyer.

THE SOLUTION: A HYBRID APPROACH TO RETAILING

Repeating steps of the purchasing process in-store negatively impacts the shopper experience, but both shoppers and dealers prefer to complete some of the steps together in person.

The study shows that the largest percentage of consumers prefer to sit

with a dealer and review the information they've submitted online before moving forward. Additionally, 75% of shoppers and 81% of dealers indicated they are interested in working together to continue the purchasing process on a tablet or other digital tool.



75%
OF SHOPPERS

81%
OF DEALERS

**ARE INTERESTED IN WORKING TOGETHER
TO CONTINUE THE PURCHASING PROCESS
ON A TABLET.**

HOW THE HYBRID APPROACH BUILDS TRUST AND DRIVES DEALERSHIP SUCCESS

Many dealers are used to guarding their pricing details. Showing these numbers to a shopper might initially feel like losing control of the deal, but most dealers agree that transparency is beneficial.

Impact of Price Transparency

75%

**OF DEALERS AGREE
PRICE TRANSPARENCY
POSITIVELY IMPACTS TRUST
OF THE SALESPERSON**

81%

**OF DEALERS AGREE
PRICE TRANSPARENCY
POSITIVELY IMPACTS
CUSTOMER EXPERIENCE**

When a customer trusts a dealer, they're more likely to close the deal, come back for service, recommend the dealership to their friends, and continue purchasing cars there in the future — increasing their lifetime value.

IT'S TIME TO EVOLVE

Switching to a hybrid retailing approach can be a big effort and requires a real shift in mindset. It also takes real technology, real consumer insights, and real guidance. If your dealership is ready to build trust and experience the business benefits of working with any type of shopper on any type of deal, now is the time to offer consumers digital tools that optimize the shopper experience.

Discover how the right partner can help your dealership transform the customer experience.

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