

Seven years' progress in as many months

The impact of COVID-19 has obliged many motor retailers to rapidly improve their online capabilities. But, for some, it was a case of just stepping on the accelerator

Motor retailers have accelerated their e-commerce offering over the past year in response to the COVID-19 pandemic.

As a consequence of lockdown, more consumers have been buying online than ever before and that includes purchasing their latest vehicle.

Larger dealerships have been at a distinct advantage in this digital race, given their access to greater resources and investment.

This is supported by a recent McKinsey study which found that car retail had advanced technologically by seven years in the space of just seven months as many dealers have switched focus to digital sales.

Prior to initial lockdown, John Clark Motor Group had a successful lead-generating website which attracted more

than 450,000 unique visitors per month. Then, in January 2020, it went live with its GForces e-commerce platform, enabling customers to carry out the entire buying process online.

"It gave us an end-to-end solution and the ability to propose and accept finance online through two of our providers," said Chris Clark, group managing



CHRIS CLARK,
JOHN CLARK
MOTOR GROUP

director at John Clark Motor Group.

"In addition, we brought iStoreDOCS on board through enquiryMAX to enable the customer to e-sign in a way that's fully FCA-compliant, freeing up our sales executives to focus on explaining the features and benefits of the vehicle to them."

The group had also just moved over to a new Microsoft platform as well as migrating its phone system to a cloud-based model in the fourth quarter of 2019, so when the pandemic struck, staff could engage with customers and colleagues from day one.

It subsequently operated using remote sales hubs during lockdown, while its team of digital product experts has been building a stock of images and videos, which have been deployed over the past 12 months.



SPOTLIGHT:

E-COMMERCE

“Used car volumes were at about 70% on the previous year in May and in June we actually sold more vehicles remotely than for the same period in 2019 when all our sites were open,” said Clark. “Unit profit was also higher than in previous years.”

He added: “This year has been a real turning point for us and we’re certainly not going back on several significant changes we have made and gained tangible benefit from. We have further measures planned for implementation in 2021 that will mean a change in structure, roles and responsibilities as well as additional resources needed to support online digital engagement at the front end, such as beefing up our live chat capability.”

“However, we also realise that the remote relationship, while highly effective, only goes so far – at the end of the day people want to deal with people and customers appreciate being able to put a face to it, so we don’t want to lose that part of the journey.”

Pendragon was also in the fortunate position of having started the move to online before the pandemic struck. That meant migrating all its individual websites onto one platform to enable transactions to be done online.

“We already had an idea about what direction we wanted to take the company and the steps we needed to take to become more digitally focused,” said Pendragon chief marketing officer Kim Costello. “So we had started putting a lot of these processes in

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KIM COSTELLO, PENDRAGON

place before lockdown happened and were therefore able to implement the technology much quicker than we would have done previously.”

Throughout both lockdowns, Pendragon provided home delivery and click-and-collect services as well as the option to complete the end-to-end purchase of vehicles digitally using its Pinewood dealer management system. Because of its nationwide footprint, it is able to deliver cars quickly and easily to most parts of the country.

The AM100 retail group has also changed the way it interacts with customers using virtual tools to do everything from answering enquiries to doing a test drive and a walk-around of the vehicle by video.

In a September London Stock Exchange announcement, it unveiled a new growth strategy driven by digital innovation aimed at delivering an underlying profit before tax of £85-90 million by 2025.

Costello added that e-commerce has increased to 20% of overall sales. But she cautioned that it was important to keep all buying channels open, given different customer needs and preferences.

“Lockdown has moved the whole industry along a step further in terms of technology implementation and the way we offer products to the end user,” said Costello. “That has only accelerated over the past year as more customers have turned to online for their purchasing journey.”

She added: “The main lesson we have learned is that we can adapt to any situation. Traditionally the automotive industry has been a bit slow to adopt technology, but we have proven that, given the right tools and taking on board customer feedback, we can – and have – adjusted to the new normal.”

ALEX WRIGHT

