

The BIG BUZZ In Digital Retailing... Transparency, Trust, & Time Savings Why Achieving FULL Transparency Is The Ultimate Milestone For Dealers

Everyone in the car business is talking, writing, and podcasting about digital retailing. The list of related virtual events is exhaustive. The popularity momentum is depicted when planning a Google Ads campaign with keywords such as “automotive digital retailing”, “digital retailing”, and “modern retailing”. Google’s Keyword Planner shows a month-over-month increase of these keyword searches for the past 24 months. When forecasting your Google Ads budget, you can expect to pay upwards to \$35 per click for an average 1.5 ad position. Automotive digital retailing is absolutely on everyone’s mind.

As you weed through the mass content, several ideals are dominant:

1. Transparency
2. Building trust
3. A streamlined sales process
4. A seamless online to in-showroom experience

First and foremost is giving consumers more control of the car buying experience. The ability to search on a dealer’s website for vehicles by year, make, model, and type and to explore different configurations is a given. It’s essential to accurately display vehicle pricing, factory rebates and incentives, special offers, dealer fees, financing options, a credit estimator and application, and a tool to formulate payment scenarios. Multi-channel options for requesting information, getting a guaranteed cash offer on a trade, and scheduling a test drive, while enabling consumers to complete their entire car purchase online with flexible pick-up and delivery options – are all must-have components of any digital retailing strategy. It makes sense that this level of transparency builds trust with shoppers, leads to significant time savings, reduces friction, and results in a more favorable car buying experience.

Let’s think about what “transparency” really means... total visibility, crystal clear, open to observation, without concealment.

While digital retailing components play a critical role in creating a transparent online shopping environment, **full transparency is achieved when dealers openly display ALL vehicle and dealership information within the digital retailing framework**, which saves shoppers even more time and builds a greater level of trust.

As consumers move through the car buying journey, there are hundreds of digital interactions across social channels, video platforms, search engines, industry portals, manufacturer websites, and online review sites. Digital Air Strike’s 8th Annual Automotive Digital Retailing Consumer Trends Study¹ revealed the following about 7,500+ car buyers and service customers:

- 60%+ selected a dealership based on online reviews alone
- 54% said that community involvement influenced their decision to buy from a dealership
- 51% used Google to find dealership reviews
- Only 5% of dealerships shopped sent videos in response to customer inquiries
- 27% preferred to select vehicle warranty and add-ons online
- 93% of car buyers spent a few days or more researching which dealership to buy from

¹ 8th Annual Automotive Digital Retailing Consumer Trends Study, Digital Air Strike, February 2020. Available at <https://digitalairstrike.com/wp/wp-content/uploads/2020/06/2020-8thAnnual-Trends-Study.pdf>.

When it comes to achieving transparency in automotive digital retailing, there's more to it than simply integrating a digital retailing solution into dealership vehicle details pages (VDPs).

Imagine car shoppers landing on VDPs that contain all the information they are looking for – not just vehicle photos and specs, financial tools, contact forms, and pricing. What if shoppers could watch videos introducing the service department and the General Manager, explore Google and DealerRater reviews, read about a VIP program, and learn about the dealership's community involvement. Why are shoppers forced to hunt for reviews on search engines and to browse through website pages to learn about the service department, community work, or special programs that are offered? Since the majority of a dealer's digital budget is spent driving traffic to VDPs, having car shoppers leave to find the information they need – is the last thing a dealer should want.

Think about the process that you would go through to purchase a used vehicle. Before you get to the point of needing financial tools to build payment scenarios or get financing, you would spend time figuring out if a particular vehicle is the right choice by looking at vehicle photos and specifications AND by asking questions:

- Is the vehicle factory certified?
- What are the results of the inspection?
- What repairs or maintenance did the dealership perform?
- Does it need repairs?
- Is the history report clean?
- What info is on the OEM window sticker?
- What kind of warranty does it have?
- Is there a return policy?
- Is there a live video walkaround?

How difficult would it be for an online car shopper to get the answers to these questions? How many phone calls would need to be made? How many forms filled out? How long would the consumer have to wait in the dealership for a salesperson to gather this information?

A truly transparent website VDP contains ALL the information that shoppers need in one place - not just vehicle photos, specs, and financial tools. A high-impact VDP contains a vehicle's reconditioning records, inspection report, factory window sticker, vehicle history report, dealership reviews, video walkaround, ebrochure, and videos and documents that illustrate the dealership's reputation.

Providing online shoppers with a "portfolio" of the dealership, the vehicle, and digital retailing components is the ultimate milestone in transparency and trust. Doing so saves shoppers hours of research, reduces painful price negotiations, streamlines the process, and makes the transition to the dealership seamless.

Full transparency offers enormous benefits for dealers as well, such as building value in a vehicle by openly discussing the dealership's reconditioning investment or an inspection performed by a master certified technician. Value-based conversations with shoppers about vehicle quality and safety, and a lower cost-of-ownership over time helps to justify pricing and demonstrates that the dealer is truly interested in helping the shopper make a smart purchase decision. In the end, it's a win-win situation for both the dealership and the car buyer – by focusing on selling value, the dealership retains its gross profit while full transparency earns trust and drives customer loyalty.