

TREND SONAR REPORT

# E-COMMERCE TRENDS: MOBILITY AND CAR SALES

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**THE FUTURE  
OF MOBILITY IS  
ALREADY HERE,  
NOW IS THE  
CHANCE TO SET  
NEW STANDARDS**

A generation of **digital progress** has disrupted the mobility sector's control of customer interaction. As a new decade begins, the **commoditisation of e-commerce** across the mobility sectors presents itself as perhaps the biggest threat – and opportunity – for change. Customer led demand for innovation will leave no part of the automotive industry untouched. The coming decade looks set to permanently **re-invent our perception of mobility.**

E-COMMERCE TRENDS: MOBILITY AND CAR SALES

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# THE USE OF ONLINE PLATFORMS TO SELL AND PURCHASE A CAR HAS EVOLVED THROUGHOUT THE PAST 20 YEARS

BY 2025, IT IS ESTIMATED THAT  
**6 million new vehicles**  
 WILL BE SOLD THROUGH ONLINE PLATFORMS\*

\*Source: Frost & Sullivan



**2000**  
 The first online marketplaces for used cars appear. Previously, consumers were dependent on local dealers and the purchase experience was almost 100% physical.

Even when considering a model, awareness was drawn from traditional advertising, and research was largely conducted via printed brochures from dealers.

**2005**  
 Online broker platforms appear to provide support during the sales process between authorised dealers and the end consumer.

Sales of new cars focused on the “build-to-stock” model. Online research becomes a crucial part of the experience as platforms begin providing online booking, car configurators and e-brochures.

**2010**  
 Consumers research vehicles across different channels. Competition for leads between platforms increase, leading to a professionalisation of the digital experience.

Car subscription services, digital dealerships, and innovative third-party online platforms appear. OEMs increase their focus on multichannel activities – some of them with a direct sales approach.

**2015**  
 The process of buying a car continues to undergo digital reinvention. As consumers constantly switched from digital to physical channels (pre- to post-purchase), aligning the online and offline interactions becomes an integral part of the purchase experience.

OEMs increase their focus on selling their cars directly to consumers (DTC) and some of them start launching D2C pilots.

**Today**  
 COVID-19 becomes a catalyst to force automotive online retail models to be adopted by most OEMs.

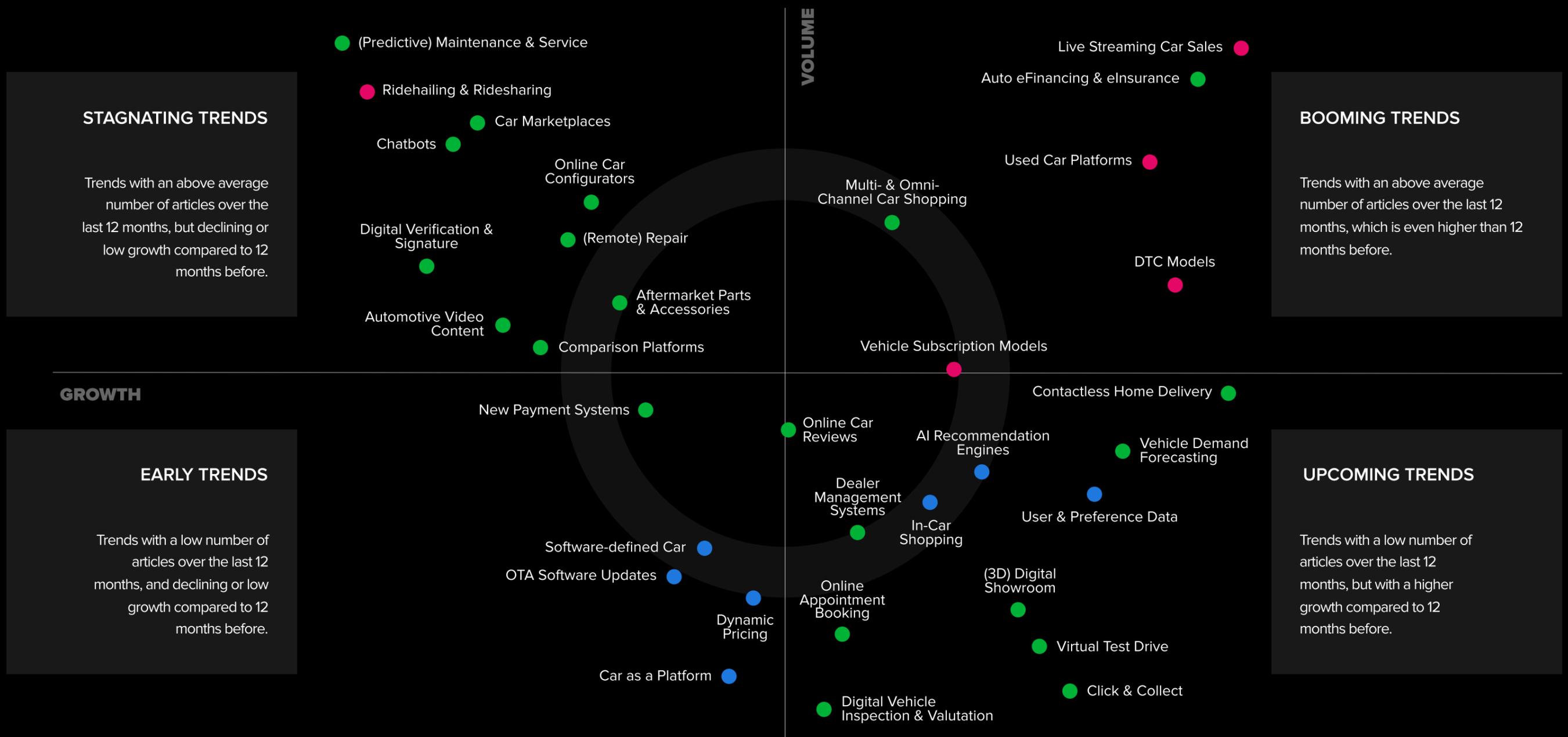
OEMs use an omnichannel approach to compete with evolved online marketplaces, car subscription and sharing services and new players focused solely on digital-first direct-to-consumer platforms. Integration of analytics, pricing tools and financing models in the online purchase process is now a standard application to increase leads.

# AUTOMOTIVE E-COMMERCE TRENDS

By using our [Sonar Trend Platform](#), we have scoured millions of online sources to identify the most relevant trends related to automotive e-commerce, based on their occurrence within expert media articles,

mass media, patents and scientific publications. The trends are placed in different quadrants of a matrix that displays the growth and citation volume of each topic.

● THE NOW: BUYING ONLINE CARS    
 ● THE NEXT: UPPER SALES FUNNEL    
 ● THE FUTURE: VIRTUAL PRODUCT EXTENSION



Timeframe: January 2019 / January 2021

# THE NOW:

## where are we with buying cars online now?

### THE FUTURE OF E-COMMERCE MOBILITY IS ALREADY HERE, IT IS JUST NOT EVENLY DISTRIBUTED

The mobility industry is evolving rapidly. But what we are seeing is both an evolution and revolution. New and digital first players have been leapfrogging the traditional industry, capitalising on well designed digital native solutions, challenging the old power dynamics of OEMs and dealerships.

We investigated where the industry is currently, and how digital and e-commerce are reshaping industry roles and developing new customer expectations.

### TRADITIONAL OFFERINGS ARE BEING AUTOMATED

- Digital readiness and online presence has become vital for brands and mobility players in the automotive space, especially in 2020/2021 where pandemics put digital on the fast track, rewarding the players that were well prepared to shift all of their activities online
- Brands are being forced to increasingly master digital and data-driven marketing, leveraging data and advanced analytics to stay ahead of customer expectations

- Touching on customer journey steps such as leasing, financing, insuring, or even the registration of vehicles, new entrants and services are transforming the customer experience by automating and smartening up the former time-consuming and paper-heavy components of car purchase – eradicating paperwork all together

### TECH CAPABILITIES ARE ENABLING NEW EXPERIENCES

- Manufacturers and dealers must find new ways to leverage the best of both worlds and provide a digital service ecosystem to consumers, enhanced by supportive offline structures and in-person or in-store experiences complementing the digital customer journey seamlessly
- Brands are testing and implementing next-level consumer interfaces such as 3D showrooms, virtual test drives, advanced configuration tools and digital concierge services, that allow consumers to natively scout, test and configure products online
- Within the last decade, third party players like marketplaces, brokers and bespoke platforms have been leapfrogging the traditional automotive sector across the digital space – transforming the path to purchase and serving customers new fully digital journeys

### THE ROLES AND EXPECTATIONS WITHIN THE INDUSTRY ARE EVOLVING

- Despite challenges in defining the role between dealer and automaker, the transition of the role and conceptually focus on the customer is a definite must: customer facing sales agents must evolve into customer relationship managers, especially among the premium class of customers
- Access to customers, business and services are moving towards digital and direct channels as new players are entering the field such as fintech and insurtech startups, leasing companies and OEMs
- The trends towards connected and autonomous, shared and electric cars, changes the service needs of car or fleet owners, as maintenance cycles and needs are disrupted by product changes



### TECHNOLOGY IS DRIVING CHANGE ACROSS THE WHOLE AUTOMOTIVE LANDSCAPE

Emerging technologies and the rise of connected, autonomous, electric, and shared (ACES) mobility are disrupting the traditional automotive business landscape.

Digital customer experiences are profiting from new technologies enriching the whole customer journey from marketing, product experience, to purchase and service.

# THE NEW:

## the upper sales funnel is the new battleground

### RE-THINKING WHAT OWNING A CAR WILL MEAN TOMORROW

Access to mobility has undergone tremendous change over the last decade. We are now at the intersection of digital and traditional services. Looking ahead at what will come next, we see the biggest changes across the upper sales funnel. Traditional models are being leapfrogged as new D2C platforms emerge creating new concepts of ownership and a new life for used cars.

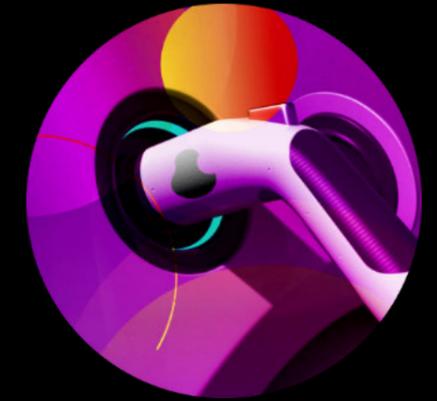
We investigated where the change is coming from and what it means for the future of mobility ownership.

### SELLING A CAR FROM ANYWHERE IS THE NEW NORMAL

- China has turned into the innovation leader teaching the world how to sell mobility in the future, thereby leapfrogging the traditional sales funnel, directly connecting with customers from the upper sales channel
- Digital-first, native e-commerce players and greenfield OEMs like Telsa or Nio are upending the traditional car buying experience selling directly online to customers: this is forcing OEMs and dealers to implement digital retail platforms and establish subscription-based models

### THE RENEWED CONCEPT OF CAR OWNERSHIP IS CREATING NEW OPPORTUNITIES

- Access-based mobility concepts, like leasing, renting and subscriptions, are increasingly prevalent, blending the concept of car ownership and shared or short-term mobility models
- Attractiveness of new concepts for customers is high as they ultimately have a needs-based access to different cars or mobility options for a fee
- The used car market experienced an additional uplift in the wake of Covid-19, as dealerships had to close and even previously non-car-owners suddenly shifted their mindset to consider private car ownership for the purpose of avoiding public transportation



### EMERGING STARTUPS AND NEW PLAYERS ARE TRANSFORMING THE PLAYING FIELD

The traditional automotive value chain is experiencing increasing competitive pressure from new players and business models, disturbing the existing power equilibrium.

E-mobility, IT giants and new agile and digital tech businesses capitalizing on as-a-service business models are disrupting vehicle sales as well as aftermarket OEM and dealership structures.

# THE FUTURE:

## the future of mobility will be virtual

### DIGITAL IS VIRTUALLY EXTENDING THE CONCEPT OF MOBILITY BEYOND THE CAR ITSELF

The automotive aftermarket sector is being shaken up by the multitude of alternative drivetrains, autonomous cars, new competitors, sales channels. All of these touchpoints collect vast amounts of data through connected cars via cameras, sensors, and computers. Cars are now more than a means of mobility; they are a method of data gathering.

Opportunities abound for aftermarket players who can enhance the driving experience and offer value added services and new data driven business models that better serve consumer needs.

We highlight how the car is now being defined not for its hardware but by its software.

### RETHINKING INDUSTRY JOB ROLES TO RETHINK THE CAR EXPERIENCE

- The vehicle data collected is providing a new life cycle analysis of the car, transforming service and maintenance from periodic to event-driven. In-demand skills for dealers require an upskilling from being

masters at the art of selling traditional cars and equipment offline to mastering digital channels as well as IT-driven knowledge and expertise on product and related options e.g. connected car features

- Through collecting and integrating the vast amounts of vehicle and customer data, dealers are increasingly transforming from sales agents into customer relationship managers
- In the future, the car will turn into another interface for retail – acting as the point of sales or even delivery – providing augmented shopping experiences, for additional or improved microservices or car features as well as additional business models and value-added services generating extra cash and revenue streams beyond mobility

### WHO OWNS THE DATA WILL OWN INDUSTRY INNOVATION

- Data access is vital and so is the strategic path for players going down the proprietary or open data ecosystem path, allowing third parties or even customers to extend their own service landscape

- Data ownership, trading and data sharing agreements will be essential to defining the future power-dynamics and service ecosystems provided to customers
- OTA upgrades offer tremendous potential avoiding recalls and turning the vehicle into its next-generation and thereby blurring lines of old and new models, as well as the opportunity to implement new business models allowing for on-demand installation of additional car features

### THE INDUSTRY IS ENTERING INTO A PLATFORM ECONOMY

- Since the entrance of players such as Uber and Lyft, mobility has shifted towards a service sector, built around a digital, connected and on-demand service ecosystem
- Automakers and mobility providers increasingly pursue a car-as-a-platform approach, to provide customers access to a broad digital ecosystem of data-driven and app-based value-added services
- Beyond the vehicle, to design the best customer experience players need to consider ways to enrich and integrate the service landscape accessible for their customers, by opening their systems to developers and additional services



### CONSUMER EXPECTATIONS AND NEEDS WILL INCREASE AND CHANGE

Consumers - especially the younger mobile-first generation - are native to e-commerce.

They see purchasing via digital channels and interfaces with a service mindset, expecting, for example, cross-channel and cross-device buying, 24/7 support, free as well as instant delivery / returns and personalized offerings.