



# How Automotive Leaders **Can Beat Industry Disruptors**

The war between the automotive leaders and disruptors has turned into a battle royale. Digital-first businesses such as Carvana expanded their reach amid the dramatic rise of digital retailing in 2020 and 2021. Their direct-to-consumer approach appealed to shoppers during the era of social distancing (and still does). But the leaders are striking back with their own digital tools. 2022 is a whole new ball game. How can leading dealer groups and OEMs beat the upstarts?

## The Battle Royale

This battle royale has been building for years. Take Carvana. The company has existed since 2012. Carvana started to gain traction by anticipating changing consumer preferences and building a business centered on online car shopping.

The pandemic turned consumer interest into action. Research showed that before March 2020, 13% of U.S. consumers had made automotive purchases online; **after March 2020, that figure more than doubled to 28%**. That's when the digital-first upstarts such as Carvana, Vroom and Driveway really took off. And throughout 2021, as the cost of new cars skyrocketed amid a global chip shortage, Carvana's market capitalization soared.

As the upstarts were thriving, current industry leaders adapted. In 2020, **69% of dealerships added at least one digital step** due

to Covid-19. According to Cars.com, dealerships offering home-delivery services **increased 35% within the first six months of the Covid-19 pandemic**. Dealerships doubled down on digital tools, such as **Reputation's online messaging solution**, along with digital retailing, appointments and test drives.

On the OEM side, GM made a big splash with the announcement of the launch of **CarBravo**, a new business that helps GM dealers put their used-car lots online. This followed Nissan's launch of **Nissan@Home** for new-car digital retailing. Leaders can gain the upper hand by innovating the online customer journey and capitalizing on the advantages of a physical location. Here are some additional ways that auto leaders can beat industry disruptors.

1

## Improve Customer Experience by Learning from Online Data

As the auto shopper's journey continues to go online, it is essential that automotive leaders lean into digital to learn from customers and improve the entire customer experience.

A lot of review data proliferates "in the wild," or on social sites and touchpoints such as Google Business Profiles— well beyond the scope of traditional customer survey tools. Those channels are brimming with unsolicited, real-time insights, including performance feedback. Harness technology to aggregate that data, analyze it to uncover actionable insights and funnel those insights to all customer-facing employees so that improvements can be made quickly.

2

## Own the Online Customer Journey

One way to own the customer journey online is to meet customers where they are – on Google and on social media. Dealerships need to publish and maintain accurate and compelling data on their Google Business Profile listings and respond to reviews across single or multiple locations. Dealer groups should also create a strategy for how they'll manage multiple Profiles for departments like sales, service and parts.

3

## Be Responsive – Through Digital

By relying on rapid-response tools like text and chat to respond to customer queries, automotive companies and dealer groups can prove they are embracing digital transformation. According to a recent Reputation study, 41% of consumers expect a response within an hour when they message a dealership either through social media or direct messaging tools.

4

## Turn the Service Lane into a CX Advantage

Post-sales service and parts **account for about half a dealership's profits** — upstarts have not figured out how to tap into service and parts profitably. Dealerships need to listen to the feedback people are leaving about the services they provide, then capitalize on Google Business Profiles to improve visibility for parts and service by publishing separate profile listings.

5

## Humanize Dealerships

Car buying hasn't gone *completely* online — leaders should lean into the human touch. Use social media, Google Business Profiles, the website, messaging tools, and every other possible touchpoint to make shoppers familiar with sales teams. Empower the sales team to use social media to talk about the dealership and their commitment to customers. Everyone at the Dealership is a brand ambassador.

Reputation is changing the way automotive brands gather and act on customer feedback to drive decision-making and enhance Customer Experience (CX) programs. Reputation's interaction-to-action platform translates vast amounts of solicited and unsolicited feedback data into prescriptive insights that OEMs, dealer groups, and individuals rooftops use to learn from and improve operations. Visit [reputation.com](https://reputation.com) to learn more.