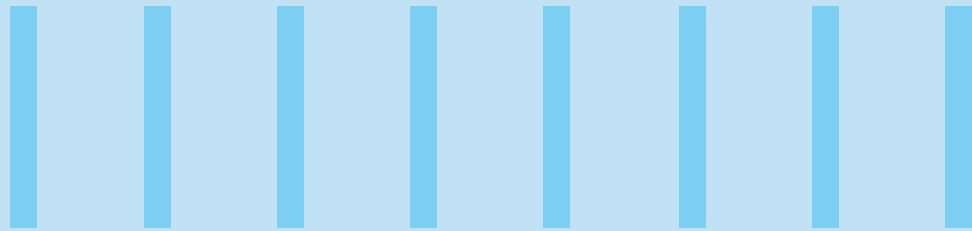




## SHOPPING FOR A CAR GOES DIGITAL WITH IMMERSIVE CX



Technology is transforming the global automotive industry across the value chain right from product research and development to after-sales service. Customer engagement with automotive original equipment manufacturers (OEMs), dealers and service partners has increasingly turned digital, too.

Now, digital is going one step further and changing the age-old processes of selling cars. Digital tools and techniques are enabling OEMs and their dealers to provide immersive buying experiences to customers.

## Key drivers

For digital transformation to succeed, it must deliver value to all the stakeholders in the automotive industry, namely, OEMs, dealers and customers. The main drivers for digital adoption across these three groups are:

- **Auto OEMs** – Manufacturers constantly want to increase their customer base by ensuring proper reach, i.e., the right message should reach the right prospect at the right time through the right channel. Further, to improve brand awareness and mind share, OEMs must be regularly engaged with their customers and prospects.
- **Dealerships** – Dealer sales processes can become more effective through digital tools and platforms that improve conversion rates and reduce sales cycle time. Digital and immersive interfaces minimize the need for displaying all vehicles within showrooms, allowing dealers to save real estate and inventory costs.
- **Customers** – Digital tools give customers access to relevant and timely product information, helping prospective buyers progress through the purchase journey. Moreover, they offer personalized buying experiences and customization options for their desired vehicle as well as after-sales service.

## Digital trends and solutions

Leveraging some of the technological innovations available today, OEMs and dealers are exploring ways to engage with customers and offer a more interactive and immersive purchase experience. Here are some popular trends:

- **Omni-channel presence** – The ubiquity of mobile phones and social media has made brand presence across different online channels crucial. A customer looking to buy a car will most likely begin his search on a digital channel before visiting a dealership. Research has shown that a single customer can have more than 900 digital interactions during his car buying journey. Hence, it is important for auto OEMs and dealers to integrate customer interactions across all digital as well as traditional channels. While digital channels can include brand websites, video sharing sites, mobile apps, social media platforms and emails, traditional channels can be car showrooms, print and television. Such integration is vital to provide a seamless customer experience.
- **E-commerce** – In the past, e-commerce was mostly used as a channel to directly sell car accessories and spare parts. Today, some OEMs like Tesla and BMW are using online channels to sell vehicles. Customers can browse various models and variants on the manufacturer's website. They can select the vehicle of their choice, add accessories, select a service/warranty plan, book the car, access financing options, and even pay online. Frost & Sullivan predicts that the revenue from global online car sales will reach 6 million by 2025.
- **Sales mobility** – In order to make the sales process more efficient, dealers are equipping their sales consultants with mobile-based solutions. Each agent can instantly access information like product catalogues, pricing, service packages, warranty, product comparison, and more on their mobiles and tablets. This gives them current and relevant information at their fingertips, enabling them to successfully close a deal with online as well as offline customers.
- **Digital wall** – With the aim of providing an immersive car configuration experience, dealerships are implementing 'digital walls' where customers can configure various aspects of their car and see how the final product looks. They can select the model, variant and color of their choice, which is displayed on a large digital screen. The simulation allows them to add/remove accessories as they wish, giving them a 360o view of the car's exterior and interior.

- Virtual test drive – The test drive is perhaps the most crucial element of the customer buying journey. Today, dealers are using virtual reality (VR) to transform this into a unique and delightful experience for prospective buyers. Through a VR headset, customers can position themselves in the driver's seat, configure the cabin as they prefer and view the interiors of the car. They can even select their driving and road conditions, for example, a night drive through the city or driving in the rain through the country-side. A virtual test drive helps the prospective buyer better understand the vehicle and make an informed buying decision. Audi was one of the early adopters of VR at dealerships, enabling them to provide a unique test drive experience to their customers.
- Virtual showroom – Technologies like augmented reality (AR) and VR are helping traditional dealer showrooms go digital, thereby eliminating the need for large inventory and vast showroom space. Auto OEMs are experimenting with virtual showrooms or 'experience centers' where the customer can 'see' and experience the car without actually having to sit in one. With the help of an AR/VR headset, customers can go around the virtual car, open its door, sit inside, and get a feel of the dashboard and seat upholstery. Luxury auto OEMs like Mercedes Benz and BMW have been leveraging AR/VR to offer premium brand experiences in their showrooms.
- Shared mobility – Vehicle ownership models are undergoing a paradigm shift thanks to the increasing popularity of ride sharing, ride hailing and car sharing. Even as this shift impacts vehicle sales, it opens up new revenue models. Quick to realize this, many auto OEMs are devising mobile solutions that tap into this opportunity. Volvo, one of the early players in this space, pioneered this with their 'Care by Volvo' subscription offering. Using a digital platform, customers can select and configure a car, opt for the desired service/warranty/insurance packages and subscribe to a Volvo car on a monthly basis.



## Conclusion

As customers get used to digital buying experiences, their expectations of service excellence from OEMs and dealers rise, too. Today's customers want immersive and interactive buying journeys, and this begins with digital transformation. Thus, auto OEMs and dealers must keep pace with innovation, digitalize key sales touch points, enable customer centricity, and enhance the buying experience. This will improve customer experience and brand loyalty while helping manufacturers increase revenue and stay ahead of competition.



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