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The OSF Digital 2022 U.S. Automotive Dealership Ecommerce Benchmark Study

Exclusive insights to help automotive dealers optimize websites for higher sales

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Executive Summary

The global automotive industry is projected to grow to just under nine trillion U.S. dollars by 2030. It is also anticipated that new vehicle sales will account for about 38% of this value[1], despite the pandemic's effect on supply chain issues.

The global pandemic accelerated the digitalization of the auto buying journey beyond the trend that was already in progress. U.S. dealerships must provide a compelling digital buying journey to deliver what modern customers want, given that 95% of vehicle buyers use digital sources of information[2] and 83% of consumers want to shop online to save time before buying a car.

Disruptors like Carvana, the fastest-growing online used car dealer in the United States, created multi-storey car vending machines, joining Vroom and CarSaver (Walmart) to compete with traditional auto dealerships. In addition to the adoption of plug-in electric vehicles supported by the American federal government, this online disruption took electric vehicle sales to 2M+ by mid-2021.[3]

64%
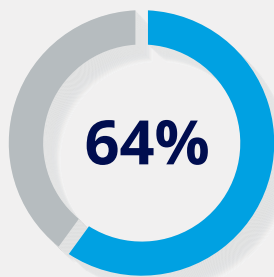
Percentage of shoppers who watch online videos to inform their car purchase say ecommerce features like 360-degree video would convince them to buy a car without a test drive.

Source: Google Kantar TNS

5%
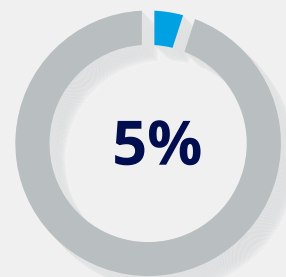
Percentage of websites included in The OSF Digital 2022 U.S. Automotive Dealership Benchmark Study who demonstrated a 360-degree capability.

[1] Statista, "Global Automotive Industry Revenue Between 2017 and 2030" https://bit.ly/3E42NPR
[2] Digital Marketing Institute, "How Digital is Changing the Car Buying Experience" https://bit.ly/3dxncC8
[3] Electrek, "The Number of US Electric Vehicles Grows from 16k to 2 Million in 10 Years" https://bit.ly/3pHpVhK

With automotive consumers visiting an average of 4.2 websites in their purchasing process on multiple devices throughout their buying journey, it is imperative dealerships adopt a digital first approach to sales and ensure their web presence and search engine optimization are leveraged at all times.[4] More than 60% of auto consumers reported visiting a dealership or dealer website after watching a video of a vehicle they were considering.[5]

The digital-first momentum will continue to grow and is the purpose behind The OSF Digital 2022 U.S. Automotive Dealership Ecommerce Benchmark Study. This study reveals the competitive effect of ecommerce capabilities on top automotive dealerships' websites and examines its power to fuel sales revenue. The research addresses the presence of website functionalities and the ease of finding capabilities in the top 150 United States dealership groups in 2021 using secret shopper observational methodology, offering dealerships the opportunity for an exclusive look at their ecommerce performance.

4.2
WEBSITES
average number of websites auto consumers interact with during a digital buying journey

Source: Cox Automotive

The study researched more than 635 data points of U.S. car dealerships in-depth, offering a robust view of the U.S. automotive retail market. The research verified 19 key capabilities on each website, mirroring a consumer's experience of buying a new car.

[4.] Cox Automotive, "2019 Car Buyer Journey" https://bit.ly/31Jo0kK
[5.] Ipsos/Google, "U.S. Digital's Influence on In-Market Auto Consideration Study" https://bit.ly/31x2ZtL

Ten key findings for the U.S. dealership market include:

1. The prevalence of website capabilities impacts auto sales at dealerships and the ease of finding those web capabilities.

2. The top driver of sales among the dealerships' website functionalities is the ability to search vehicles close to me to see if a particular dealership has a car in inventory, yet 79% of 488 dealerships don't offer this capability.

3. Consistency of the websites' functionality among dealerships within a dealership group was among the top key drivers of new retail units sold.

4. Only 5.5% of all dealerships had a 360-degree viewer feature, which consumers want most.

5. Barely 7% of all dealerships allowed consumers to pre-order a customized car.

6. Forty percent of dealerships had 13 to 14 capabilities out of 19 capabilities measured.

7. Twenty-six percent of dealerships lacked seven to eight capabilities.

8. There weren't any dealerships surveyed that had all 19 ecommerce capabilities.

9. Email is almost twice as preferred over telephone, text or chat to ask questions of dealers.

10. The West doubled the ecommerce capability of the Southeast and the Southwest, leading the wave of automotive digital transformation.

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The study demonstrates that aligning and optimizing website capabilities will significantly increase dealership car sales and make shopping easier for consumers. To be a leader in the digital first strategy, dealerships must gain the advantage of maximizing their website capabilities or risk losing to competition.

5.5%

of all dealerships had a 360-degree viewer feature, which consumers want the most, but was the least common capability among dealerships

Lack of IT support is a common obstacle for dealerships. With a growth mindset, dealerships can find an ecommerce implementation partner to use simple out-of-the-box ecommerce solutions with a managed service option to ensure they don't miss out or drain their resources.

79%

of dealers did not allow the user to search for vehicles close to them

As dealerships rethink what a modern-day sales experience should include, the right ecommerce platform can unify data, simplify the product discovery journey, and offer self-service features to resell a car, schedule a test drive or make a dealership visit. High website functionality and ease of use are competitive advantages and the top way to gain more market share in 2022.

Methodology

The OSF Digital 2022 U.S. Automotive Dealership Ecommerce Benchmark Study utilized a secret shopper observational methodology reviewing 488 individual auto dealership websites among the top 150 U.S. dealership groups named by *Automotive News Magazine* in 2020, in addition to research on each leading 150 U.S. dealership.

The purpose was to understand the presence of capabilities/functionalities and the ease of finding these functionalities for the consumer.

U.S. Auto Regions Studied

- West
- Midwest
- Southeast
- Northeast
- Southwest
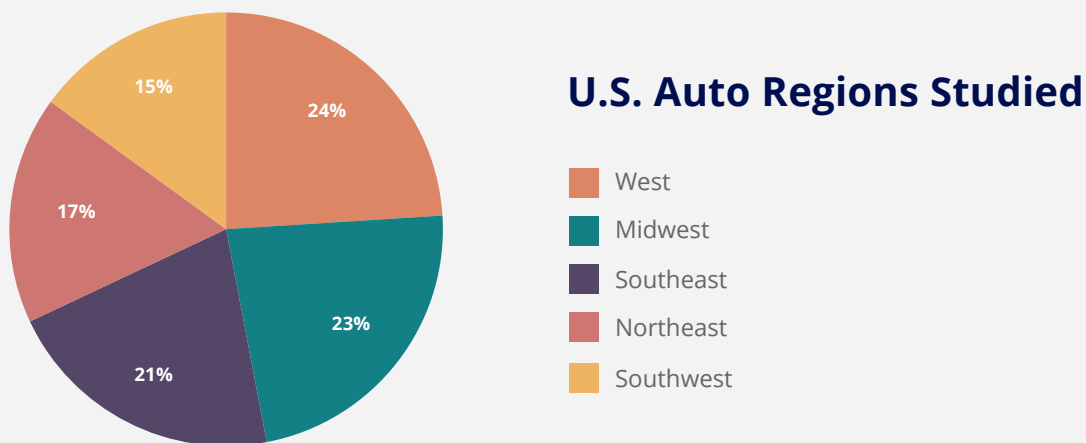
Figure 1: Auto regions included in the comprehensive ecommerce study

The research aimed for broad geographical coverage of the United States for all five regions, defined as Midwest, Northeast, Southeast, Southwest, and West and data was collected between July 27, 2021, and August 17, 2021, and the research reflects the offerings the dealerships in the study demonstrated on their websites. In effect, this is what a consumer's experience would be during their buying journey.

The research verified 19 capabilities across 488 auto dealership websites, just as a consumer would shop online for a new vehicle. Surprisingly, three out of 150 dealership groups' websites were down during our research dates, translating into lost revenue. This lack of availability reduced our coverage to 147 dealership groups' websites and 488 individual dealership websites.

Each capability was rated on a scale of 0 to 5, where 1 was "very hard to find" and 5 was "very easy to find," with 0 indicating an absence of a capability. The study measured the presence and ease of finding each capability, mirroring the experience of a consumer looking to purchase a new car.

The research also evaluated total dealership groups (n=147) on a three-point scale where group websites were defined as completely consistent (3), websites are different (2), and websites are entirely different (1). The overall average consistency score was 2.2 out of 3.

The OSF Digital 2022 U.S. Automotive Dealership Ecommerce Benchmark Study collected 635 data points for the United States dealership market. Some core data is provided in the various charts throughout the report.

The following capabilities were measured:

1 Is there a 360-degree viewer of the vehicle (not static images)?

2 Is there a marketplace where I can get aftermarket parts, related goods?

3 Can I search vehicles close to me to see if a dealership has my car in inventory?

4 Can I search dealership locations near me to find a vehicle I want in a pool of dealerships?

5 Is there a guided vehicle finder asking me preferences about the type of driving I do?

6 Is there a guided vehicle finder collecting answers to find new and used vehicles for me?

7 Can I reserve a car (with a credit card deposit)?

8 Can I make a wish list of cars I like to be saved?

9 Can I book a dealership visit to see the vehicle?

10 Can I book a test drive?

11 Can I buy a car online without coming to the dealership?

12 Is there a chatbot to answer my questions?

13 Can I pre-order a customized vehicle?

14 Can I buy a maintenance/service package online?

15 Can I request a quote from a dealership?

16 Is the dealership offering to buy my used car?

17 Is there an email option to ask a specific dealership about questions?

18 Is there a telephone option to ask a specific dealership about questions?

19 Is there a text message option to ask a specific dealership about questions?

If you are a dealership and would like to know if your organization was part of this research, we would be pleased to share your results with your senior management team. Kindly call us directly or complete an OSF Digital request form. Contact OSF Digital directly with further questions.

Key Findings Using Customer Insights for Dealerships to Make Confident Decisions

Ecommerce Website Consistency Scores

The OSF Digital 2022 U.S. Automotive Dealership Ecommerce Benchmark Study found the consistency of auto dealership groups websites' functionality was a key component for success, as consistency is a top key driver of new retail units sold. The more consistent websites are among the dealership group, the easier it is for consumers to navigate them and potentially buy a car.

Auto Dealership Groups with the Most Consistent Websites by Region (n=31)

■ Dealership Groups with Completely Consistent Websites (n=31)
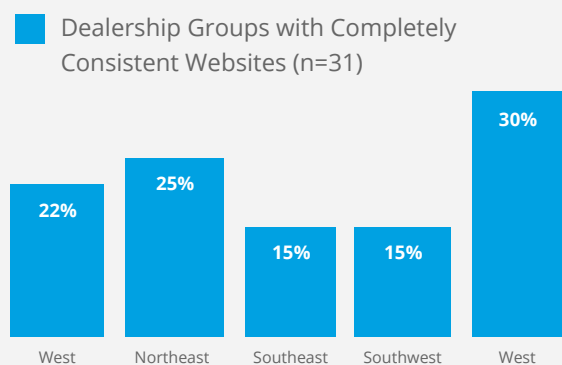
Figure 2: Regional rankings of consistency in ecommerce capabilities for consumers

The study found most dealership groups—75% of the manufacturers had the same website functionality, but functionality varied among different manufacturers. Only 21% of dealership groups had entirely consistent websites within their dealerships regardless of the manufacturer, which is the most efficient for both automotive dealership groups and consumers. And 79% of dealerships lack the critical driver of sales—search functionality that allows consumers to find out if a particular dealer has the car they want in inventory.

The OSF Digital 2022 U.S. Automotive Dealership Ecommerce Benchmark Study ranks auto ecommerce capabilities and provides critical insights on how auto dealerships can optimize their websites for more sales.

Top Ecommerce Capabilities

Average Number of Ecommerce Capabilities of Dealerships per Region (out of 19)
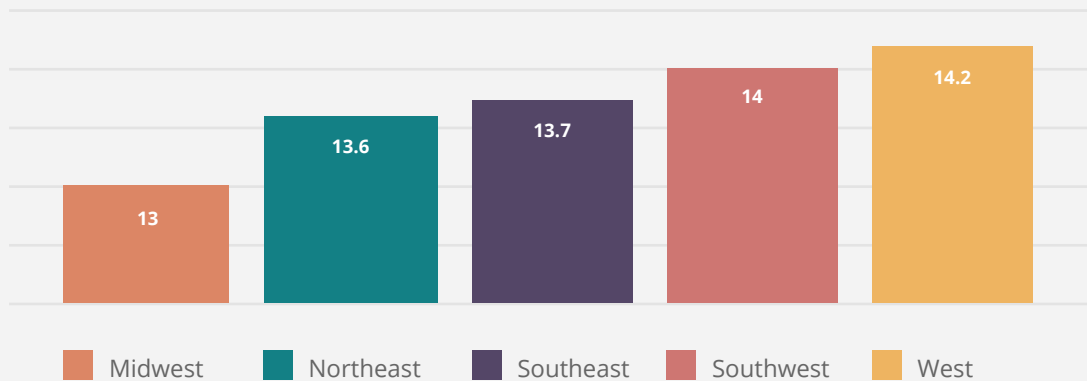
Figure 3: Average ecommerce capabilities of dealerships per region

Overall, dealership websites are doing well with functionality that asks consumers questions about their type of driving in a new vehicle, including the number of passengers, price range, and cost per month. This functionality extends to asking consumers questions and finding new and used vehicles to fit their needs. Additionally, having a marketplace where consumers can purchase aftermarket parts, related goods, oil filters, and branded items also ranks well.

Find out more about setting up your own auto online marketplace, and why the right time is now.

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Top ratings were given on dealership consistency, and regionally the West is doing better than the other regions—in some cases, twice as well as the Southeast and Southwest. While the West had the lowest number of dealerships, it had the highest numbers of website capabilities at 14.2 out of 19, barely edging out the Southwest region.

Ecommerce Non-Capabilities

The OSF Digital 2022 U.S. Automotive Dealership Ecommerce Benchmark Study found 26% lacked seven to eight capabilities and 40% lacked five to six capabilities, and only 40% had 13 to 14 capabilities. No dealership website had all 19 functionalities, and the average percentage of all capabilities was 71%, or 13.6 out of 19.

When checking the individual functionalities on the dealership websites, only 5% of websites include a "360-degree viewer" feature, with the Southeast having the highest incidence. The 360-degree viewer was the least common capability overall, and the second least common was the ability to pre-order a customized vehicle.

Most Common Auto Dealership Ecommerce Capabilities (n=488)

• Marketplace (100%)

• Guided vehicle finder for new/used vehicles asking for buying criteria (100%)

• Guided vehicle finder asking questions to match preferences to both for new and used vehicles (100%)

• Book a test drive (99%)

• Ability to buy service package online (98%)

• Request quote from dealership (97.5%)

21%

of dealership groups had entirely consistent Website across dealers.

Overall, weaknesses include an inability to pre-order a customized vehicle and a failure to deliver a 360-degree viewer of a vehicle where a consumer can rotate the car to see all angles. Additionally, 79% of dealerships lacked the critical driver of sales: the ability to search vehicles 'close to me', showing if a particular dealer has a car in its inventory.

Key Driver of Ecommerce Capabilities that Increase Auto Sales

The driver analysis of new vehicles sold resulted in interesting outcomes. The automotive website ecommerce functionalities that correlated strongly with sales were the capabilities that provide the convenience of shopping and future service of the vehicle to the consumer, such as "show me a dealer close to me that has my car in inventory," "book a dealership visit to see a vehicle," "reserve vehicle," and "find a dealer near me."

Interestingly, asking the dealership a question via email had a significantly stronger correlation than asking questions by phone, text message, or even chat. This score means email is the communication most impactful for sales.

Least Common Auto Dealership Ecommerce Capabilities (n=488)

• 360-degree viewer of vehicle where consumer can rotate car to see all angles (5.5%)

• Pre-order customized vehicle (6.6%)

• Vehicles close to me search for inventory (20.9%)

• Book a dealership visit to see vehicle (38.5%)

• Search by dealership location to find vehicle in pool of dealerships (49%)

• Reserve vehicle - may charge credit card for deposit (51.2%)

The dealership group consistency score was the seventh key driver with a high correlation to sales. However, the ability to "buy a car online without coming to the dealership" was not a driver of sales as people want to experience the car before they buy it.

Ease of Finding Ecommerce Capabilities Index

The research indicates that the Ease of Finding Index of ecommerce capability relative to key drivers demonstrates how easy it is for a consumer to find a specific functionality on a dealership's website.

Top 10 Driver Analysis of New Vehicles Sold by Ecommerce Capability

1. Can I search vehicles close to me to see if a particular dealership has a car in inventory?
2. Can I book a dealership visit to see a vehicle?
3. Can I reserve a vehicle (with a credit card deposit)?
4. Can I ask a specific dealer a question about a car via email?
5. Can I search by dealership location to find a vehicle in a pool of dealerships, dealer near me?
6. Is the dealership offering to buy my used car?
7. How consistent is the site? (Dealership group consistency score)
8. Is there a Marketplace to buy aftermarket parts, goods?
9. Is there a guided vehicle finder asking preference questions?
10. Is there an option to ask a specific dealer a question about a car via phone?

While the functionality might be present, they may give up and move to a competitor's website if it's difficult for consumers to find.

Email is the most impactful communication with prospects for sales.

Ideally, the functionalities that correlate strongly with sales (booking a test drive, buying a vehicle without coming to the dealership) should be easy to find for a consumer on a dealership website.

The study compared the presence of website functionality to its ease of finding and found a consistent relationship when the functionality was present; however, gaps exist, with the most significant gap being the ability to ask a question to a dealership via email.

Below is the comprehensive list of capabilities dealerships can use to improve sales using The OSF Digital 2022 U.S. Automotive Dealership Ecommerce Benchmark Study Ease of Finding Index. Summary Average Index: Not found 0%; Very hard to find 20%; Hard to find 40%; Not sure 60%; Easy to find 80%; Very easy to find 100%

The OSF Digital 2022 U.S. Automotive Dealership Ecommerce Benchmark Study Ease of Finding Index (out of 100%)

Can I pre-order a customized vehicle?	5.0%
Can I use a 360-degree viewer of the vehicle, rotating the car to see all angles? (Not stationary pictures)	5.4%
Can I search vehicles near me and find out if a particular dealer has my car in its inventory?	15.4%
Can I book a dealership visit to see a vehicle?	27.3%
Can I reserve a vehicle? (may charge a credit card for deposit)	37.6%
Can I search for a dealer near me and by dealership location (find a vehicle I want in a pool of dealerships)?	39.6%
Is there an option to ask a specific dealership a question about a car/truck using a text message on a cell phone?	56.8%
Can I create a wish list of cars I like?	63.9%
Is there an option to ask a specific dealership a question about a car/truck via email?	64.8%
Can I buy a vehicle online without coming to the dealership?	71.1%
Is the dealership offering to buy my used car?	74.8%
Can I request a quote from a dealership?	76.1%
Can I purchase maintenance/service packages online?	77.4%
Can I book a test drive?	80.5%
Is there an option to ask a specific dealership a question about a car/truck via telephone?	83.8%
Is there an option to use a chatbot to answer questions?	84.0%
Can I buy aftermarket parts, related goods, oil, filters, tires, logoed clothes at a marketplace?	84.2%
Can I use a guided vehicle finder if I answer questions (like how much can I spend monthly) - will it ONLY find new vehicles... or will it search USED cars too?	89.1%

Figure 4: The OSF Digital 2022 U.S. Automotive Dealership Ecommerce Benchmark Study Ease of Finding Index

Key Drivers Comparing the Presence of Each Ecommerce Capability and the Ease of Finding Index

When key drivers, the presence of each capability, and the ease of finding each capability on a dealership website are all aligned, dealerships will produce the most efficient and profitable website for the dealer and the dealership group.

Largest Gaps between Dealership Ecommerce Capability Presence and Ease of Finding Index
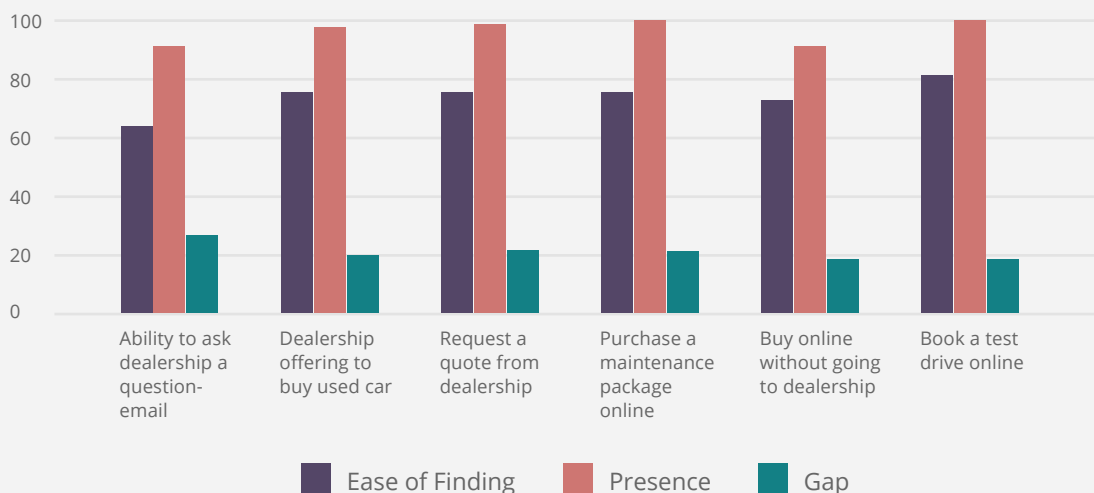
Figure 5: Largest gaps between ecommerce capability presence and Ease of Finding Index

The top key driver of sales among the dealerships' website functionalities is "vehicle close to me: show me if a particular dealer has my auto in inventory," yet 79% of 488 dealerships don't offer this capability. Additionally, this function is relatively hard to find on websites—an area dealerships can quickly improve on.

A similar situation was identified for several other vital drivers. The second top driver, "book a dealership visit to see a vehicle," was offered only by 39% of dealerships' websites, and its Ease of Finding Index was a mere 27.

"Reserve vehicle" was the third top driver, offered by 51% of dealerships' websites, and its Ease of Finding Index was only 37.

The fourth key driver was the "option to ask specific dealership questions about a car by email," which 91% of the dealerships offered, and its Ease of Finding Index was 65.

The fifth key driver was "search by dealership location for the vehicle I want at a dealership near me," which 49% of dealerships' websites offered, and its Ease of Finding Index was only 40.

The key driver for auto dealership sales is the "show me if a dealer has my particular auto in inventory" yet 79% do not offer it to customers yet.

Ecommerce Capabilities and Consistency Analysis

Top 10 Dealerships:

Strengths: Among the top ten dealers, which account for 37% (1,189,414) of all units sold (3,241,078), half were ranked as 3, having entirely consistent websites, where all websites look and function the same regardless of the manufacturer. The dealership consistency score was ranked seven on the top 10 driver analysis of new vehicles sold by ecommerce capability.

Weaknesses: Among the top 10 dealers, the other half could optimize their websites for significant improvement and market share. For instance, 40% of the top 10 had websites ranking 2, meaning manufacturer websites had the same functionality, but manufacturers had different websites. And one top 10 dealer group was rated 1, meaning sites were completely different, and even the same manufacturer websites had different functionality. Blank space in the chart below means there is no presence in that region(found by this research).

Top 10 U.S. Dealerships based on units sold ranked by website consistency	Units Sold	# of dealers-hips	Midwest	Northeast	Southeast	Southwest	West
1. AutoNation Inc.	249,654	235	3		3	3	3
2. Penske Automotive Group Inc.	178,437	260	2	2	2	2	2
3. Lithia Motors Inc.	171,168	209	3	3		3	3
4. Group 1 Automotive Inc.	140,221	184	2	2	2		2
5. Hendrick Automotive Group	102,761	94			3	3	
6. Asbury Automotive Group Inc.	95,165	91	3		3	3	
7. Sonic Automotive Inc	93,281	100			3	3	3
8. Larry H. Miller Dealerships	61,097	64				2	2
9. Ken Garff Automotive Group	53,687	50				2	
10. David Wilson Automotive Group	43,943	18					1

Figure 6: Top 10 U.S. dealerships based on units sold ranked by ecommerce consistency observed between July 27, 2021, and August 17, 2021.

Opportunities for Growth: With half of the top 10 dealers with inconsistent website capabilities, there is market share to be gained in the top 10 list simply by optimizing website performance to improve the kind of capabilities consumers need.

Optimizing websites will offer dealerships a way to serve customers better, gather information from multiple places, provide an end-to-end view of the customer, and enhance relationships with distributors. Top dealerships will want to continue modernizing their physical and digital sales process through capabilities that improve the customer experience.

Midwest includes Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

Strengths: Out of 117 dealerships, the Midwest shows 52.1% have a range of 13 to 18 capabilities out of 19. The Midwest scores well on the guided vehicle finder, which consumers love.

Weaknesses: Close to half of Midwest dealerships, 47.9%, have a range of only 6 to 12 capabilities. Midwest scored the lowest average capabilities (13.0) compared to other regions.

Midwest Dealerships

52%
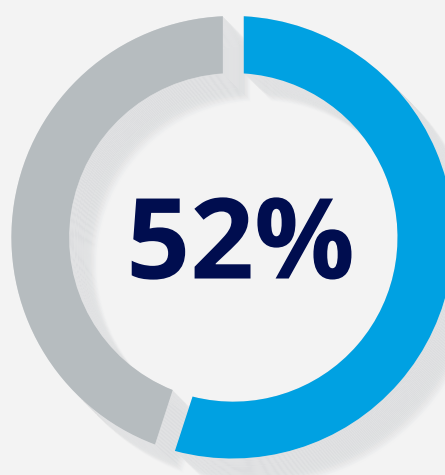
Figure 7: Midwest dealership percentage of ecommerce capabilities

Opportunities for Growth: Among the Midwest dealerships, 47.9% have 6 to 12 capabilities, the lowest group ranked. Adding the ability to host a 360-degree viewer of the vehicle and the ability to pre-order a customized vehicle will be quick wins. With an ecommerce digital transformation, more dealerships can improve their ability to engage consumers more. Midwest can look at the top capability index for their region to understand what to focus on.

Using the Ease of Finding Index Capabilities (out of 100%), the top five capabilities Midwest can focus on to improve sales include the ability to:

1. Pre-order a customized vehicle (2.1)
2. Have a 360-degree view of the vehicle (6.0)
3. show vehicles close to me, offering a consumer if a particular dealer has an auto in its inventory (10.6)
4. Book a dealership visit to see a car (14)
5. Reserve a vehicle (27.2)

Summary Average Index: (Not found 0%; Very hard to find 20%; Hard to find 40%; Not sure 60%; Easy to find 80%; Very easy to find 100%)

Northeast Dealerships

76%
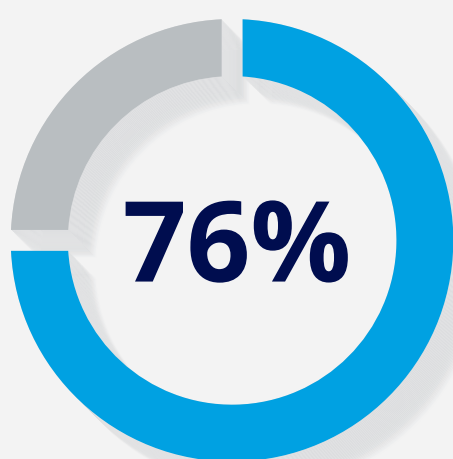
Figure 8: Northeast dealership percentage of ecommerce capabilities

Northeast includes Connecticut, Delaware, Maine, Massachusetts, Maryland, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

Strengths: Out of 101 dealerships, the Northeast shows 76.3% have a range of 13 to 18 capabilities out of 19. The Northeast uses the guided vehicle finder, which consumers want to use.

Weaknesses: Close to a quarter of Northeast dealerships (23.7%) have a range of only 6 to 12 capabilities. The Northeast scored the second-lowest average capabilities (13.6) compared to other regions.

The Northeast has the region's lowest score, offering a 360-degree view of vehicles, which could quickly improve sales.

Opportunities for Growth: With continued optimization and focus on delivering what consumers want most, more Northeast dealerships can improve their ability to serve digital customers better. The Northeast group can look at the top capability index to understand what to focus on first.

Using the Ease of Finding Index Capabilities table (out of 100%), the top five capabilities Midwest can focus on to improve sales include the ability to:

1. Have a 360-degree view of the vehicle (2.2)
2. Pre-order a customized vehicle (8.9)
3. Show vehicles close to me, offering a consumer if a particular dealer has an auto in its inventory (13.7)
4. Book a dealership visit to see a car (19.8)
5. Reserve a vehicle (27.9)

Summary Average Index: (Not found 0%; Very hard to find 20%; Hard to find 40%; Not sure 60%; Easy to find 80%; Very easy to find 100%)

Southeast includes: Alabama, Florida, Georgia, Arkansas, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee

Strengths: Out of 112 dealerships, the Southeast shows 73.3% have a range of capabilities from 13 to 18 out of 19. The Southeast has the highest regional ranking of the guided vehicle finder, which consumers want to use.

Weaknesses: Close to a quarter of Southeast dealerships (26.7%) have a range of only 6 to 12 capabilities.

Southeast Dealerships

73%
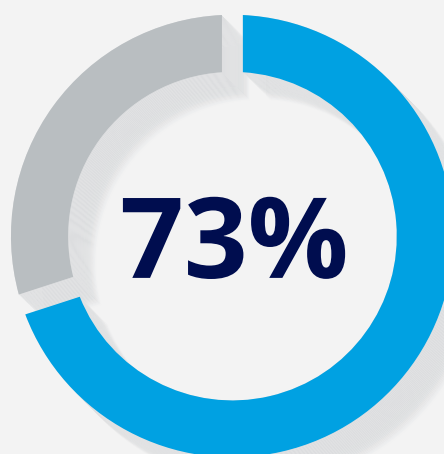
Figure 9: Southeast dealership percentage of ecommerce capabilities

Compared to other regions, the Southeast is ranked middle for average capabilities at 13.7. Offering a 360-degree view of vehicles could quickly improve sales.

Opportunities for Growth: When considering how to close the gap for the Southeast, this region doesn't have to stretch too far to start gaining market share. When ease of use is considered in an overall digital transformation, dealerships can increase sales. The Southeast group can look at the top capability index to understand what to focus on first.

Using the Ease of Index Capabilities table (out of 100%), the top five capabilities Southeast can focus on to improve sales include the ability to:

1. Pre-order a customized vehicle (2.1)
2. Have a 360-degree view of the vehicle (6.3)
3. Show vehicles close to me, offering a consumer if a particular dealer has an auto in its inventory (15.9)
4. Book a dealership visit to see a car (32.1)
5. Search by dealership location to find the vehicle a consumer wants in a pool of dealerships near them (41.6)

Summary Average Index: (Not found 0%; Very hard to find 20%; Hard to find 40%; Not sure 60%; Easy to find 80%; Very easy to find 100%)

Southwest Dealerships

80%
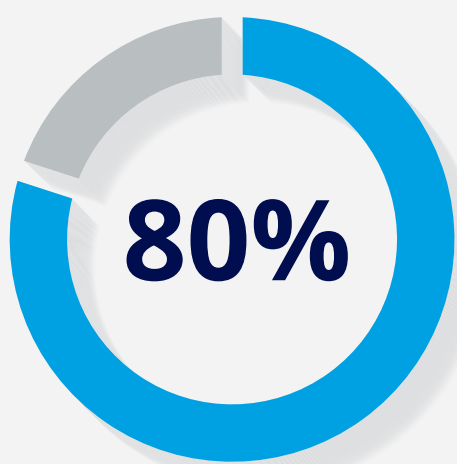
Figure 10: Southwest dealership percentage of ecommerce capabilities

Southwest includes parts of Arizona, New Mexico, Colorado, Nevada, Oklahoma, Texas, and Utah.

Strengths: Out of 86 dealerships, Southwest shows 80.2% have a range of capabilities from 13 to 18 out of 19. The Southwest is the second-highest average capabilities group at 14.0 compared to other regions. Southwest has the highest ranking of using a chatbox to answer questions and does well with their guided vehicle finder.

Weaknesses: Among the Southwest dealership group, 19.8% have a range of only 6 to 12 capabilities.

Southwest has the highest percentage of regional websites that offer a 360-degree view of vehicles but offering this one feature could quickly improve sales. Adding the ability to pre-order a customized vehicle will also be a quick win.

Opportunities for Growth: The Southwest can gain traction by delivering what consumers want the most with a digital-first approach to optimizing websites. Southwest needs to focus on the types of capabilities that matter to increase sales. The Southwest group can look at the top capability index to understand what to focus on first.

Using the Ease of Index Capabilities table (out of 100%), the top five capabilities Southwest can focus on to improve sales include the ability to:

1. Pre-order a customized vehicle (7.2)
2. Have a 360-degree view of the vehicle (9.3)
3. Show vehicles close to me, offering a consumer if a particular dealer has an auto in its inventory (16.3)
4. Book a dealership visit to see a car (32.1)
5. Search by dealership location to find the vehicle a consumer wants in a pool of dealerships near them (36.5)

Summary Average Index: (Not found 0%; Very hard to find 20%; Hard to find 40%; Not sure 60%; Easy to find 80%; Very easy to find 100%)

West includes Alaska, parts of Arizona, California, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

Strengths: Out of 72 dealerships, the West shows 79.2% have a range of capabilities from 13 to 18 out of 19. The West is the only region without any dealership scoring 6 to 10 capabilities. The West is the highest-scoring of all regions in the top range of 17 to 18 capabilities, scoring more than seven times higher than the Northeast.

West Dealerships

79%
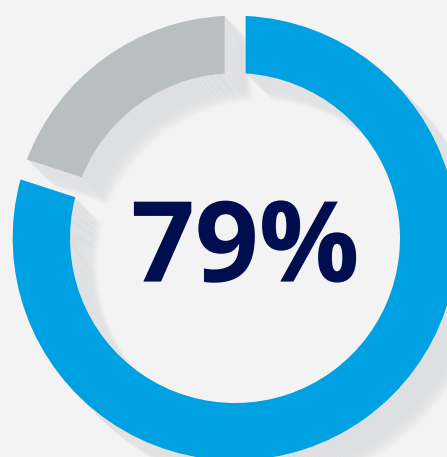
Figure 11: West dealership percentage of ecommerce capabilities

Weaknesses: The West has 69.5% of dealerships that could improve the consistency of their website capabilities. They also have 20.8% that could enhance the number of capabilities they provide.

Opportunities for Growth: The West has the lowest percentage of regional websites that offer a 360-degree view of vehicles, which could quickly improve sales. Adding the ability to pre-order a customized vehicle will also be a quick win.

Using the Ease of Index Capabilities table (out of 100%), the top five capabilities Southwest can focus on to improve sales include the ability to:

1. Have a 360-degree view of the vehicle (2.8)
2. Pre-order a customized vehicle (6.1)
3. Show vehicles close to me, offering a consumer if a particular dealer has an auto in its inventory (23.9)
4. Search by dealership location to find the vehicle a consumer wants in a pool of dealerships near them (43.1)
5. Book a dealership visit to see a car (46.4)

Summary Average Index: (Not found 0%; Very hard to find 20%; Hard to find 40%; Not sure 60%; Easy to find 80%; Very easy to find 100%)

Modernizing Traditional and Online Car Buying Processes to Serve Customers Better

Prospect Research
Before a prospect visits your dealership, they research multiple online sources about suitable vehicles and financing arrangements.

Short List Creation
The prospect will develop a short list of vehicles, and dealership based on reputation from online reviews and word of mouth reputation.

Price Negotiation
The prospect, salesperson, and the sales manager negotiate a purchase price, down payments, and monthly financing through their bank of finance company. This can be a time consuming, contentious process.

Test Drives
The prospect test drives every vehicle on their short list at least once unless convinced along the way to hone in one vehicle.

Online shortcut for pricing, credit, insurance, and optional services.

Trade-In Evaluation
The prospect's trade-in vehicle may be assessed based in its age, mileage, and resale value.

Credit and Insurance Arrangements
Depending on whether the prospect is arranging their own financing, leasing, or applying for a finance company aligned with the dealership, a credit application may be filled out. Insurance coverages are arranged.

Extended Warranty and Aftermarket Discussions
The F&I Manager discusses various options like extended warranty, satellite radio, rust and fabric protection.

Customer Reviews
Many new or used car buyers will share their customer experience reviews with friends, or on 3rd party review websites.

Vehicle Licensing and Delivery
Once the vehicle is cleaned, licensed and inspected, it is delivered with pride.

Figure 12: Traditional and online car buying process diagram

The OSF Digital 2022 U.S. Automotive Dealership Ecommerce Benchmark Study demonstrates an effective website for dealerships is critical to sales growth. A dealership website serves as a significant portal of information for consumers to evaluate during their selection process, helping them narrow their considerations and identify key vehicle features and benefits.

Well-designed aspects of website appearance, navigation, and speed enhance a shopper's ability to locate content, ultimately driving traffic to showrooms.

These aspects will continue to be necessary for dealerships to win in the overall strategy of reaching customers across multiple device types, including tablets and smartphones.

Car buyers want consistency and speed. Dealerships can now eliminate many consumer pain points they've heard for decades. A dealership that has a portal to bring data together in one place to streamline the process will serve customers better and faster.
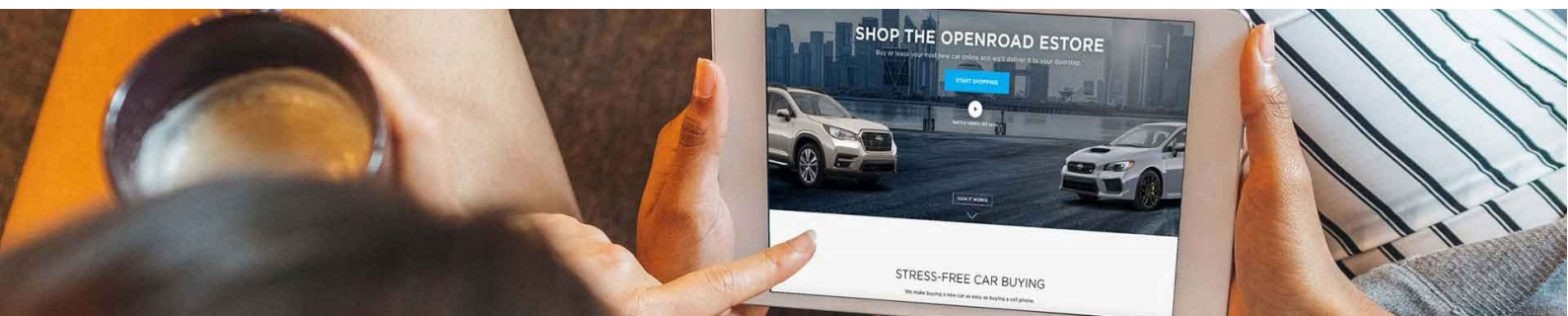
Dealerships should prioritize modernizing the sales process from physical to digital through an ecommerce solution that improves customer experience to keep driving sales and impressing customers.

The J.D. Power 2021 U.S. Manufacturer Website Evaluation Study shows that 45% of consumers express comfort with buying a car online, demanding dealerships evolve their websites to become more sophisticated to meet shopper expectations better.[6]

"The digital retail space continuously evolves, but the pandemic forced many manufacturers to speed up the process," says Jon Sundberg, senior manager of digital solutions at J.D. Power. "This new world of online vehicle purchasing is constantly evolving."[7]

Giving car buyers the digital tools they need to complete their research online saves both the customer and dealership significant time, shortening the transaction times in half and eliminating traditional complaints.

With time savings and test drives as top priorities, consumers want options like searching and booking a test drive at their fingertips. Easing the road to the sale by eliminating long waits and hand-offs to various people at the dealership can lead to higher customer satisfaction and, ultimately, more time to sell.

When dealerships focus on a small set of functionalities that provide value, allowing customers to arrange their financing and choose from a range of warranty and service products, the power is back in the consumer's hands.

Presenting finance online is a way to boost car buyers' satisfaction if a manufacturer or dealers' calculation tools can help reduce sticker shock and anxiety. With new channels and new tools, dealerships can evolve to meet the needs of modern-day car buyers.

[6] Forbes, "J.D. Power Study Finds More Consumers Looking at Digital Car Buying," https://bit.ly/31TyZl3
[7] Forbes, "J.D. Power Study Finds More Consumers Looking at Digital Car Buying," https://bit.ly/31TyZl3

Most consumers research online—95%—before choosing their car or truck.[8]

Meet them online—right from the start. Any dealership that finds itself as a physical-sales centric dealership vs. a digital-first dealership is simply at risk of losing consumers to dealers who are aggressively pursuing online efforts. Dealerships should meet consumers where they are, so when consumers are ready to test drive the car of their dreams, the online experience maps seamlessly into a dealership.

Southeast Dealerships

95%
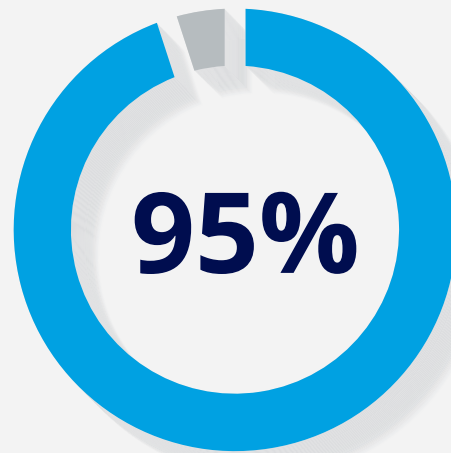
Figure 13: Percentage of vehicle buyers who use digital sources of information in their buying journey

Most car dealerships do not have the appropriate IT resources or digital sophistication to create a sound ecommerce purchasing/reservation experience based on The OSF Digital 2022 U.S. Automotive Dealership Ecommerce Benchmark Study findings. To address this issue, dealerships should consider two steps to close the gap:

Dealerships need to meet consumers where they are, so when consumers are ready to test drive a car/truck, the online experience maps to their Dealership.

[8.] Digital Marketing Institute, "How Digital is Changing the Car Buying Experience" https://bit.ly/3dxncC8

Step 1: Dealerships should partner with a trusted ecommerce provider which specializes in ecommerce digital transformations.

Dealerships should find a specialized ecommerce implementation partner that is credible with proven commerce experience. Check what awards or industry recognition a prospective vendor has earned in integrating commerce clouds. For instance, has the leading CRM system like Salesforce certified their solutions? How many certified cloud professionals are on their team, and what is the length and depth of their commerce experience?

Dealerships will want to find a vendor who understands multi-cloud commerce with a 360-degree customer view aim and is comfortable working with service, marketing, community, commerce, sales, and experience clouds. Clouds like these represent infrastructure services, platforms, and software services that store, manage and process data over the internet.

Dealerships will also want to look for how deep a software implementation partner's experience is, as they will want a partner with deep knowledge instead of a broad scope. Deep understanding translates into faster implementation times, so ask to look at the timelines of some of your potential partner's recent projects.

Finally, look for a vendor that has long-term potential. A fast one-time implementation may be cost-effective in the short run but painfully expensive over the long haul. Look for an implementation partner with a holistic approach to help support you during volatile shifts in business.

Step 2: Dealerships should choose a reliable pre-packaged or custom ecommerce solution to create or optimize a digital-first strategy helping to engage consumers and address website consistency gaps to drive sales and gain market share.

Some dealerships will want to find an easy-to-understand, pre-packaged ecommerce solution for used vehicle dealership groups and off-lease vehicle companies to be successful. The focus here is swift deployment and managed service capabilities to speed up effective time-to-market for dealerships.

Sophisticated dealers selling new cars or both new and used cars may need to start with a pre-packaged ecommerce solution but move toward a deeper discussion about a customized solution that would best fit their needs.

Dealerships may want to consider an optimized beginner package of software that includes an out-of-the-box solution so that implementation and managed services can get the dealership up and operating as fast as possible, bypassing any lengthy learning curves. A growth path beyond this point would want to be considered as the dealership gains experience and learns how modifications and customizations can benefit their unique dealership.

In some situations, large auto dealership groups may need a more advanced custom branding solution that would bring together multiple commerce, marketing, sales, and community clouds, for instance.

When a dealership works with an ecommerce implementation partner, the partner can help manage the setup, system, and operation so dealerships won't lose time learning about the platform and how it works. This partnership allows dealerships to go live on a website so time isn't wasted or leads aren't lost, taking the technological complexity out and adding the functionality consumers want.

Future State

Today consumers use their vehicles for all purposes; in the future, they will choose an optimal mobility solution for each specific purpose.

Today: one vehicle for every trip purpose
Avg. share of annual driving time.

→

2030: a solution for each specific purpose*

* Only showing automobile based mobility, alternative options like walking, biking and public transportation are also included in optimal mobility solutions

Source: McKinsey

Figure 14: Changes in mobility behavior

When considering the potential for industry transformation, dealerships should first understand changing consumer preferences and behavior. The disruptive technology-driven trends can fundamentally change the relationship between the consumer and the automobile.

Disruptive technologies will continue to revolutionize the automotive industry. Whether it is connected cars, which link vehicles and smart transport systems with each other, or predictive analytics embedded in sensors that collect car data, the future of car manufacturing is evolving rapidly, and the technology that dealerships use to sell cars and cars themselves will change too.

Major trends like **connectivity, electrification, telematics, and shared mobility** will transform the automotive ecosystem. OEMs and Tier 1 companies will adopt new business models as they brainstorm ways to adjust their product strategy to trending industry demands. Data from vehicles will accelerate digital transformation for the entire industry.
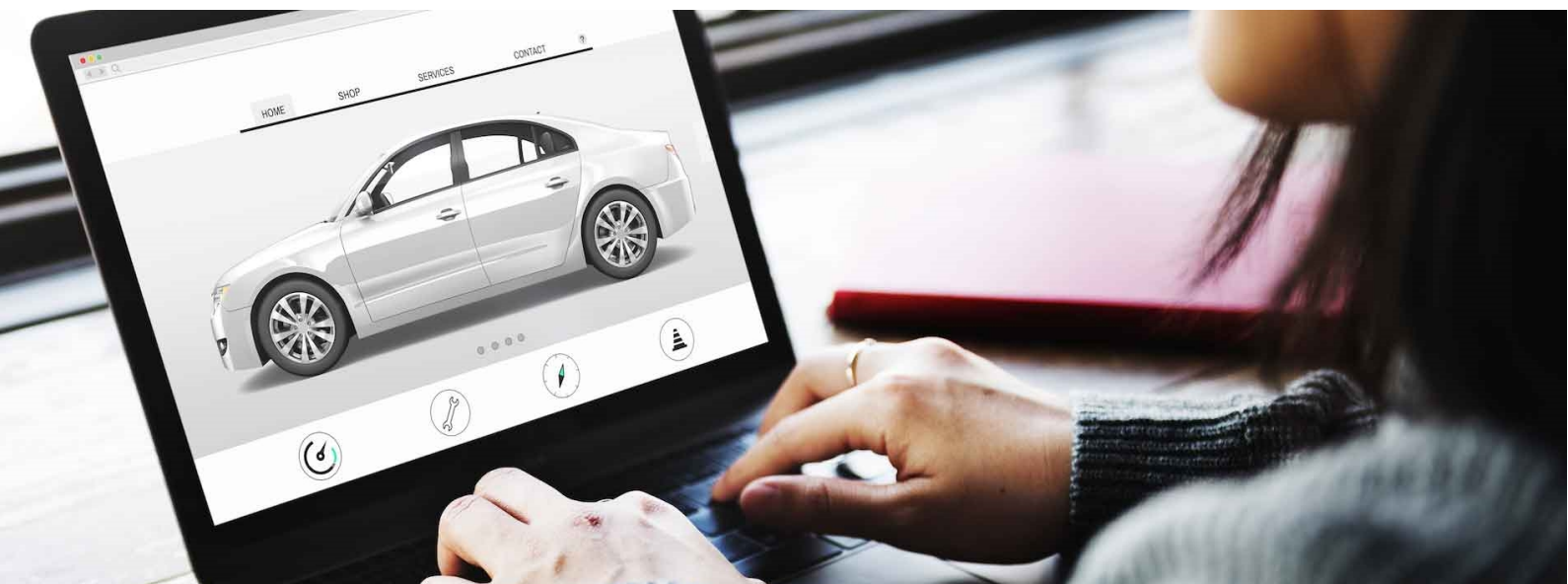
Consumer preferences, tightening regulation, and technological breakthroughs add to a fundamental shift in individual mobility behavior. Individuals increasingly use multiple modes of transportation to complete their journey, and goods and services are increasingly delivered to (rather than fetched by) consumers. As a result, the traditional business car sales model will complement a range of diverse on-demand mobility solutions, especially in dense urban environments that proactively discourage private car use. [9]

[9.] McKinsey & Co. "Automotive Revolution – Perspective Towards 2030" https://mck.co/3mgMSaR

Consumers today use their cars as "all-purpose" vehicles, no matter if commuting alone to work or taking the whole family to the beach. In the future, they may want the flexibility to choose the best solution for a specific purpose, on-demand and via their smartphones. We can already observe significant, early signs that the importance of private car ownership is declining, and shared mobility is increasing. In the U.S., for example, the share of young people (16 to 24 years) that hold a driver's license dropped from 76 percent in 2000 to 71 percent in 2013, while the number of car-sharing members in North America has grown by more than 30 percent annually over the last five years.[10]

And the change doesn't end there. Manufacturers will revolutionize the industry by creating **smart factories** using technology to improve their supply chain, resource utilization, and time to market to fuel sales efforts, resulting in faster production, lower warranty costs, better quality control, and seamless aftermarket services. As industries transform into digital smart factories, a new age of innovation will use machine learning, automation, and AI to deliver smarter, faster, better products. Dealer websites must be prepared to align to these changes and quickly adopt new methods to reach consumers.

Dealerships can count on **real-time vehicle telematics**, which allows monitoring a vehicle's location, movement, status, and behavior within a fleet. Using cloud-connected Internet of Things boxes on vehicles, telematic devices provide real-time insights on vehicle state, driver health, and transformation optimization.

Dealerships will also use a form of **smart inventory management**, which will also act as a catalyst for real-time information across the distribution, production, and warehouse center, which reduces the cost of inventory handling. Supply chains that can integrate a large amount of data and find insights to develop and optimize inventory management systems will add quality and depth to sensor information.

[10.] McKinsey & Co. "Automotive Revolution – Perspective Towards 2030" https://mck.co/3mgMSaR

Conclusion

The OSF Digital 2022 U.S. Automotive Dealership Ecommerce Benchmark Study reveals that consumers want to complete car research online to get direct visibility into inventory at specific dealers and across dealerships. Consumers want the convenience of requesting a meeting to get a quote or book a test drive, and they want access to marketplaces of related products to help streamline their busy lives. If dealerships won't provide these answers to consumers, it's as easy as a click to a competitor to shift the sale.

Dealerships need tactical, tangible, and pragmatic solutions to engage customers early in the research cycle and capture new clients by offering in-person meetings to book a test drive or get a quote. Dealerships also want analytics and marketing opportunities to re-engage consumers by using retargeting, email reminders, and abandoned cart techniques.

Both needs of consumers and dealerships can be met fast with a digital transformation that optimizes and upgrades website capabilities.

Get Up to Speed with Automotive Ecommerce Resources

Find Out Your Rank in The OSF Digital 2022 U.S. Automotive Dealership Ecommerce Benchmark Study

Was your auto dealership part of the OSF Digital benchmark study database? Now you can learn how you scored on the 19 ecommerce capability areas. If you are a senior executive at a dealership, click here, and we will be pleased to review if you were in the core research and share our findings of your automotive dealership group with you. Ask for a sneak peek at your competitors, too. To find out your score, contact us.

AUTOMOTIVE RESOURCE CENTER

Discover The OSF Digital Automotive Resource Center

The OSF Digital Automotive Resource Center is aimed to supply you with the necessary resources to build your ecommerce automotive business case to launch or implement a robust, agile solution to meet the needs of your current and future demands.

Read Our Fundamentals of Ecommerce for Auto Dealers Guide

If you are ready to modernize your sales efforts and offer your customers a simple, personalized, and engaging car purchase experience they crave, check out this essential ecommerce guide. Learn how to maximize business efficiency and profit margin, grow customer satisfaction, engagement, and loyalty, and find out what you need to do to stay competitive and ahead of the disruptive changes facing the industry today.

Fundamentals of E-commerce for Auto Dealers
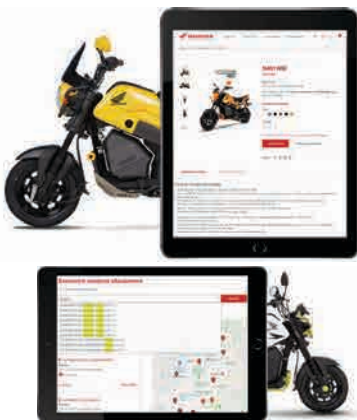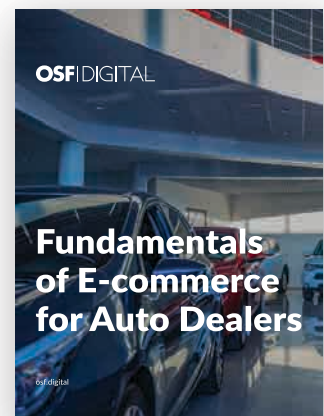
Fanalca Case Study Details How Technology Enabled Them to Sell Vehicles in Just Two Weeks

When COVID-19 hit, Fanalca faced a complete shutdown of its sales. But within two weeks, they were up, operating, and selling vehicles. How did they do it? They pivoted to meet the customer where they were buying – online. Their solutions partner provided the technology, know-how, and support to keep operating without missing a beat. Before they knew it, they were ahead of the pack competing on the digital landscape, bringing in that first online deal within a month. Find out how Fanalca did it.

Mercedes-Benz's Path to Becoming a More Customer-Centric Company

Learn how Mercedes-Benz partnered with Salesforce to become an even more customer-centric company and transform from a combustion era into an electric age. Find out what they are doing to leverage technology to deliver customer expectations efficiently, anticipate their needs, and provide the Mercedes experience in all touchpoints.

Automotive Ecommerce Solutions

Automotive
ACCELERATOR

Solving Digital Challenges with Automotive Accelerator

Developed by OSF Digital, the Automotive Accelerator is a custom branded ecommerce solution for new and used car dealerships and OEMs leveraging Salesforce Commerce Cloud, Experience, Marketing, and Sales clouds. Use Automotive Accelerator to launch an online car marketplace faster and at a lower price, benefiting from all the Salesforce Clouds' enhanced features, such as guided selling journeys and booking test drives and visits with the dealer, amongst others.

Discover how you can empower internal teams and offer more opportunities to customers and extend the capabilities of your Salesforce Commerce Cloud-based marketplace with OSF Digital's Automotive Accelerator, and you can:

Enable Internal Teams to:
• Manage a car dealer's catalog
• Create and manage a car dealer's profile
• Configure the guided vehicle search
• Enable a login space for car dealers
• View and manage a portal for car dealers

Enable a portal for your Car Dealers to:
• View and manage opportunities
• View potential buyers' details
• View reports

Offer Customers the Opportunity to:
• Register and log in on the marketplace
• View car inventory for each dealer
• Select ZIP codes
• Filter and select vehicles
• Use the guided vehicle search module
• View each car on its own product page
• Customize vehicles
• Request a quote
• Pre-order cars
• Book a visit or a test drive
• Receive confirmation emails
• Buy maintenance products from the shopping area

QuickStart AUTOMOTIVE

Quick Start Automotive—Fast and Affordable

Are you selling pre-owned leased vehicles or rental cars and want to sell direct to consumers quickly? Quick Start Automotive fills the gap between consumer needs and the traditional automotive sales model, simplifying the product discovery journey and offering self-service features to resell a car, schedule a test drive or make a dealership visit. Deliver a modern-day sales experience allowing customers to shop and purchase when and how they want and start selling online in just six weeks.

Features:

• View vehicles close to me
• Search by dealership location
• Guided vehicle finder
• Reserve vehicle
• Cars I like (Wish list)
• Car sales-specific UX
• UI optimized for auto
• Car recommendations

• View and handle reservation requests
• Payment provider for reservation requests
• View and handle test drive requests
• View and handle car visit requests
• Manage sales process
• Send email notifications
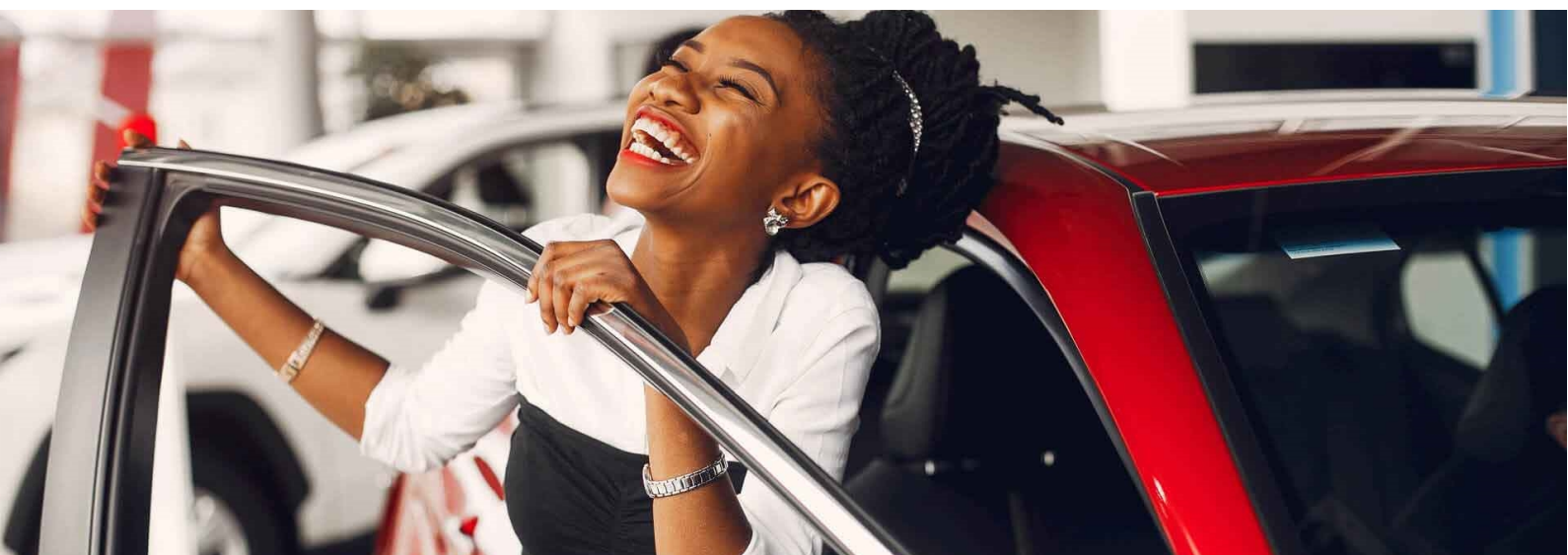
Why OSF Digital?

We know commerce, you know automotive - let's talk.

B2C Commerce	B2B Commerce	Consumer Goods	Retail

OSF Digital is a top digital transformation specialist and leading global commerce solutions company that makes it easy to support your IT needs so you can focus on what you do best.

OSF Digital is the only global partner to receive Salesforce Navigator Expert levels in four major ecommerce categories. Our proven automotive industry experience and expertise with all Salesforce Clouds allow us to implement your Salesforce Commerce solution quickly. We carefully adapt a solution to meet your needs and provide you with any support you require to accommodate future growth.

When working with OSF Digital, you can expect success as you've never experienced before. We stay true to our motto - Inspired by Technology, Driven by Success - and for more than 15 years, we have led brands to new levels of success in commerce technology. We are a Salesforce Platinum Partner and have extensive experience implementing Salesforce Commerce Cloud and delivering multi-cloud and omnichannel integrations, internationalization, and commerce optimization. We help automotive and auto parts brands overcome challenges in our world's rapidly changing digital environment.

For more insights, statistics, and discussions about The OSF Digital 2022 U.S. Automotive Dealership Ecommerce Benchmark Study and other valuable OSF Digital insights, visit the OSF Digital blog.

OSF DIGITAL BLOG ➔

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⑨ Customer Reviews

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Legend:

→ Online Process

⇠ Traditional Process

Resources

1. Statista, "Global Automotive Industry Revenue Between 2017 and 2030" https://bit.ly/3E42NPR

2. Digital Marketing Institute, "How Digital is Changing the Car Buying Experience" https://bit.ly/3dxncC8

3. Electrek, "The Number of US Electric Vehicles Grows from 16k to 2 Million in 10 Years" https://bit.ly/3pHpVhK

4. Cox Automotive, "2019 Car Buyer Journey" https://bit.ly/31Jo0kK

5. Ipsos/Google, "U.S. Digital's Influence on In-Market Auto Consideration Study" https://bit.ly/31x2ZtL

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10. McKinsey & Co. "Automotive Revolution – Perspective Towards 2030" https://mck.co/3mgMSaR

11. Clearly Research **CLEARLY RESEARCH** VISION THROUGH ANALYSIS

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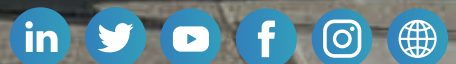
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