



Automotive OEMs Gear Up To Hit E-commerce Highway

Consumers have begun to trust online providers for everything - from ordering movies to ordering groceries; from buying insurance to travel bookings. Digital and

online transactions have become everyday events. Thus, it is time to see how automotive OEMs can take advantage of the growing wave of e-commerce.

Time to tap new opportunities

Last summer, my friend Jane, who was all set to make a road trip, asked me where she could find a quick replacement for her car's air filter. Jane, like many others who have a wanderlust, has such frequent needs for car spares and parts. Who can forget the times when we had to relentlessly pursue dealers to obtain spares on time before we hit the gas?

Jane, of course, can go online, research the spares, compare them and negotiate prices. But it won't be easy. The number of automotive OEMs and dealers who are online are few and far between. Chances are she will end up with non-genuine spares from independent players. In the

supplier/OEM-dealer-customer value chain, it is the automotive OEM and the dealers who are hurt the most when customers go online and unwittingly order non-genuine parts. Here is an opportunity waiting to be tapped. Both the automotive OEMs and dealers can win by reaching new customers and markets. And customers will win because they will get genuine spares at competitive prices with all the ease that comes with online shopping. For this to become a reality, automotive OEMs need to have an online platform where customers can browse spares and order them directly with confidence.

The upside of e-commerce

Today's digital e-commerce platforms provide comprehensive information in one place along with online assistance to guide customers in making the right choices. DIY videos posted on the platform assist customers change simple parts themselves without having to seek out jobbers for the task. Overall, buying processes are simplified and decision-making timelines are shrunk. The platforms have tremendous appeal for customers like Jane. They enhance the buying experience and improve brand awareness, sales efficiency and add to the customer's Life Time Value. "Auto OEMs are banking heavily on digital channels to generate leads and nudge out competition. It is

anticipated that about 70% of marketing and advertising budget for OEMs and dealerships will be in digital. E-commerce is, thus, becoming the key to reach new markets and acquire richer customer information. Online car sales is now the new mantra of automotive retail," said Michael Braun, Vertical Head for Wipro's Automotive division. There is an invisible upside for OEMs and dealers: the online platforms capture substantial information on accessories, spares parts, understanding customer preferences for vehicle models, service centers, etc. This information can be leveraged for effective CRM, upselling and in strengthening loyalty and customer retention strategies.

Simplicity – the new road to success

A few days ago, I met Jane over a cup of coffee when she happened to mention that she was considering upgrading her car. This is the kind of opportunity OEMs and dealers are looking for. Information culled from online platforms can tip them off on Jane's needs.

Scores of car owners like Jane are looking for new cars, reliable after

But Jane—and others like her—are not fully aware of the potential of online platforms. They need to see they have product options to choose from, that they can decide on the dealer they want, track their orders directly and provide online feedback without tiring visits to dealerships.

In addition, customers like Jane are cautious. They fear online transactions may not be safe, they may not receive the order on time or may not receive it at all. There are chances they may not like the

sales service, and want to bring down the cost of ownership of their cars. They can do this with confidence on the OEM's online e-commerce platform where cars can be bought, where low-cost spares and services are available and where value-added transactions such as insurance, curbside assistance, loans and buy backs can be completed from the comfort of a couch.

product or returning them may be difficult.

Today's e-commerce platforms are looking to be buyer oriented. They guide customers to visit the nearest dealership in emergencies. They can pay cash on delivery or make partial payment for large items. Product return policies are in place, return labels are sent with the product and a "return only" mail carrier is suggested. "Priority mail" is assigned to ship exchanged parts to buyers.

Stakes worth every penny

Online e-commerce platforms help OEMs and dealers reach remote, untapped markets and run their existing businesses more efficiently. As more buyers browse e-commerce sites, sales are improved without having to set up expensive brick-and-mortar showrooms and the sites can be scaled up effortlessly without having to make huge investments.

I narrated to Jane, what an auto parts OEM was actually doing on the ground. The OEM wanted to bridge the gap between themselves and customers across geographies, increase sales and beat competition. An IT service provider conceptualized and developed an e-commerce platform for them. The platform improved online customer experience, reduced lead

time to customers and enabled them to build communities with end customers. Sales shot up and brand loyalty improved.

The OEM story appeared to have helped Jane because by the time I was leaving the coffee shop, she was browsing for car dealers!

OEMs and dealers are learning that e-commerce platforms for car, spares and service sales, value-added services, online customer feedback and customer communities can help carve out their own success stories. And the today's digital technologies can do this quickly and efficiently for them.



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About the authors

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