



Digital Automobile Sales

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Abstract

Digital automobile sales refer to the process of buying and selling vehicles online. This process includes everything from browsing available vehicles to financing options to purchasing and delivering the vehicle. Digital automobile sales have become increasingly popular in recent years due to the convenience and ease of the process, as well as the ability to access a wider range of vehicles than what may be available at local dealerships. The shift towards digital sales has also been accelerated by the COVID-19 pandemic, which has made in-person car shopping more difficult. To facilitate digital sales, many automotive companies have developed online platforms or mobile apps where customers can view and purchase vehicles, and some have also introduced virtual test drives and online financing options. The growth of digital automobile sales is expected to continue in the future, with more consumers preferring the convenience of online shopping and automotive companies investing in digital sales channels.

One of the main advantages of digital automobile sales is the ability to browse and compare vehicles online, with detailed descriptions, photos, and even virtual reality tours. Customers can also access financing options, trade-in evaluations, and other services through digital platforms, simplifying the purchasing process and reducing the need for physical visits to dealerships.



of vehicle buyers use digital as a source of information. In fact, twice as many start their research online versus at a dealer.

Think with Google

Google/comScore, U.S., "Automotive Shopper Study," n=3,165 consumers 18+ who purchased a vehicle in the past three months, Jan. 2017.

2. Introduction

The automotive industry has been undergoing significant changes in recent years. The rise of digital technology has led to new trends and shifts in the way people buy cars. One of the most noticeable changes is the emergence of digital automobile sales. Digital automobile sales refer to the process of buying cars through digital channels such as online platforms, mobile applications, and virtual showrooms. This trend has gained momentum in recent years as consumers are increasingly turning to digital channels for their purchasing needs. This paper explores the trend of digital automobile sales and its impact on the automotive industry. With digital technologies changing the way cars are designed, manufactured, sold, and serviced, in recent years, online sales and marketing of vehicles have become increasingly popular as consumers are turning to digital channels to research and purchase cars.

Many websites (Cardekho.com, Mahindra First Choice, etc.) are the finest examples of this because, in the Indian market, not every company notices that the main buyer or influencer is his son or daughter because parents believe that they know more about this as the latest generation and also because of the joint family system in India.

Many companies are working towards this method of Digitally sales of automobiles and services at their home at customer convenience timing

3. Methodology

Here is a table that lists the Average Margins offered to Car Dealers in India by some of the Automakers in an order of maximum to minimum:

<i>Original Equipment Manufacturer (OEM)</i>	<i>Average Dealer Margin</i>
MG Motors	5.22%
Maruti Suzuki	5.07%

Kia Motors	4.43%
Hyundai	4.38%
Mahindra	3.75%
Tata Motors	3.74%
Honda	3.41%
Toyota	2.32%

- Toyota Fortuner costs Rs. 50,00,000, %2.32=1,16,000 in dealer commission, and the company profit is approximately Rs. 50,00 per unit.
- There is a possibility that if car companies can follow this courier delivery firm model to directly deliver from their plant and warehouse, this will cost less on a large scale and they can also directly connect with customers.
- This model can convert a small warehouse into a customer experience center, and their website can provide in real time the current location of a new vehicle, its selected image with photos, and the A.R. &V.R. experience as well.
- An Indian Cost Delivery Example that Helps to Understand the Method
- On average, they charge anywhere between Rs. 30-90 per 500g. These charges include express delivery, packaging, labeling, manifestation, and delivery charges.
- If we directly tie up with a company in bulk, it will reduce the price per kg according to negotiation and modes of transport.

❖ Photo Credit Self From

❖ Phone Of Delhivery Co. truck While On WORK



3.1 There are numerous issues that have led to the decision to abandon the current vehicle sales model. which are combined with the company model and multi-model dealer management.

1.Conflicts with customers

2.Dealers are competing with each other for the same brand.

3. not able to provide a good experience
4. Low efficiency at ground level
5. false information just to sell the vehicle.
6. Charging extra on vehicles in a marriage session for white color, even on vehicles that have more bookings, etc.

How a company can grow and earn more from sources if it follows Digital Automobile Sales

- They can tie up with a delivery company in bulk at a reduced cost compared to dealers.
- Insurance commissions, direct to company accounts
- Perfect feedback directly from the customer
- OEMs at sales also trust what a good original is using.
- Service cost reduced
- Global exposure at one stand
- improve the quality standard
- multi-modes of earning
- Catch the early paradigm shift in the market
- Help with a sales prediction
- Improve sales service because we know that in electric or fuel-cell vehicles, less maintenance is required, which means fewer parts and OEM.
- Customer perception
- Second-hand car market affection
- reduction in price and increase in quality as market segments
- They can share their logistics to earn more from each other.
- First come, first served can reduce conflicts.
- Better showroom and service management

Trends:

Digital automobile sales are on the rise, with online channels becoming an important part of the sales process. According to a report by McKinsey & Company, online vehicle sales are expected to reach 6% of global sales by 2025, up from 1% in 2017. The COVID-19 pandemic has accelerated this trend, with many dealerships shifting their sales efforts online in response to lockdowns and social distancing measures.

- R.O.B.O. Model
- Researching online and buying offline are also on trend.
- In the current environment, the target is now between the ages of 10 and 45.
- Connecting Car Technology
- After Sales Service Earning
 - (Example: Tesla earns from many sides after sales, like owning a charging station, a canteen in the station, apps, data, a presence in the market that creates hype, vehicle service, etc.)
- OLA ELECTRIC Growth Has Created a History of Direct Delivery of Vehicles to Customers and Service Door-to-Door, Causing Huge Growth

Challenges:

Despite the growth of online sales, there are still many challenges that need to be addressed. One of the main challenges is the need to provide a seamless customer experience across multiple channels, including online and

offline channels. Customers expect a consistent experience, regardless of the channel they use, and dealerships need to ensure that their digital and physical channels are integrated and work together seamlessly.

Another challenge is the need to build trust with customers in the online sales process. Customers are more likely to purchase a vehicle from a dealership they trust, and building this trust can be more challenging in an online environment. Dealerships need to be transparent and provide customers with the information they need to make informed purchasing decisions.

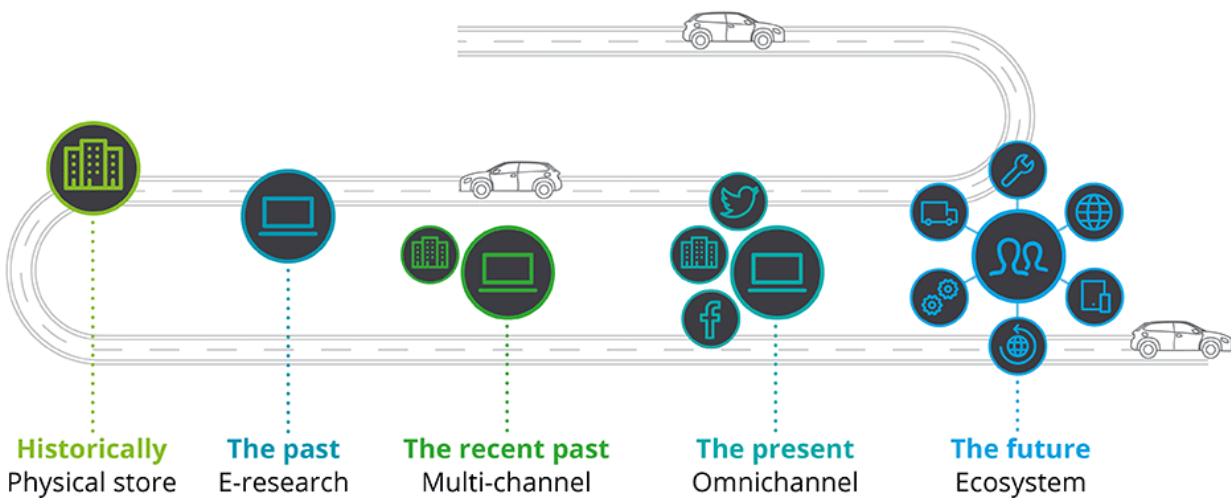
Opportunities:

Digital automobile sales provide many opportunities for dealerships to improve the customer experience and increase sales. One of the main opportunities is the ability to provide a more personalized and convenient experience for customers. Digital technologies, such as virtual showrooms and online customization tools, allow customers to explore and customize vehicles in a more immersive and interactive way.

Another opportunity is the ability to reach a wider audience. Online channels enable dealerships to reach customers who may not be able to visit a physical dealership, such as those in remote or rural areas. Online channels also enable dealerships to reach customers who are increasingly turning to digital channels to research and purchase cars.

○ The past, present, and future of automotive sales

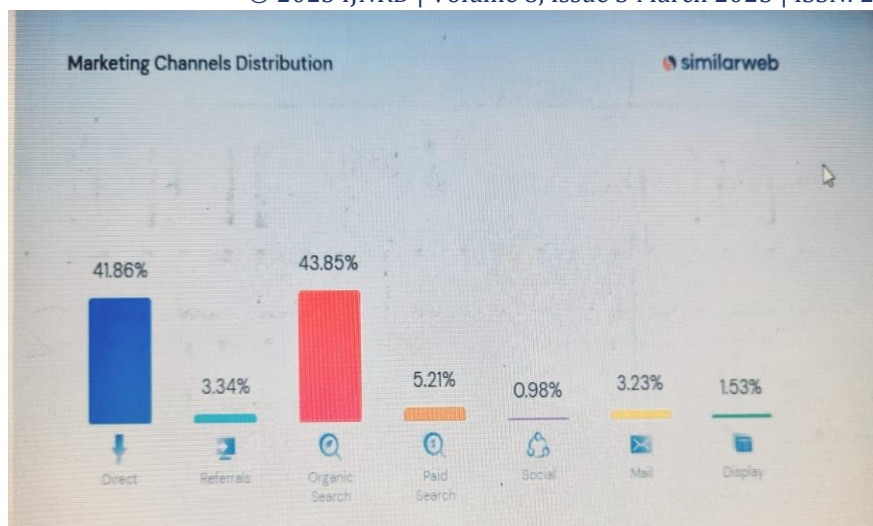
➤ Source Deloitte



This report is published by a Firm which clearly indicates that the market is going to change which followed that old model which causing many bookings online.

✓ The top traffic source to mahindra.com is Organic Search traffic, driving 43.85% of desktop visits last month, and Direct is the 2nd with 41.86% of traffic.

✓ If we considered Mahindra their main reason for this growth was an online presence with customers and a website



Conclusion:

Digital automobile sales are on the rise, with online channels becoming an important part of the sales process. While there are still many challenges to overcome, such as the need to provide a seamless customer experience and build trust with customers, there are also many opportunities for dealerships to improve the customer experience and increase sales. As the automotive industry continues to undergo a digital transformation, dealerships that embrace digital technologies and provide a seamless omnichannel experience will be well-positioned to succeed.

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