

Digital Retail Mall Pop-up Showrooms

Finally, a transparent car sales process where the customer is in control

What is the solution, and where can it work?

We created Digital Retail to allow customers to **browse, try and buy** their next car through an intuitive kiosk/showroom-based application, in a relaxed, non-pressure environment. The kiosk/showroom allows customers to control the pace and to make decisions that they are comfortable with.

Who is the system suited to?

The system works for all car brands, regardless of market segment. The technology is fully branded to the relevant manufacturer, with the level of transactional functionality tailored to the requirements of the franchise. Leads can be sent directly to CRM platforms, or alternatively to dealers, the brand or any 3rd party. Below are some examples of brands we have worked with.



Vehicle display kiosks/showrooms are perfectly suited to shopping malls and other high footfall locations such as airports and rail stations. Research proves that customers in these locations actively embrace product displays and retail experiences while brands are exposed to millions of potential customers. This is simply not possible via a traditional dealer network model.



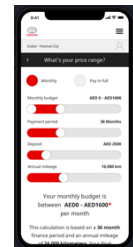
All locations encourage a captive audience with spare time to fill, to explore the product and to complete their test drive booking or purchase journey.

Shopping mall parking areas are easily transformed into test drive reception centres. Customers make their booking via the kiosk/showroom and collect the demonstrator vehicle in the car park within minutes. A real-time calendar and confirmed booking for each test drive vehicle ensures greater customer commitment.



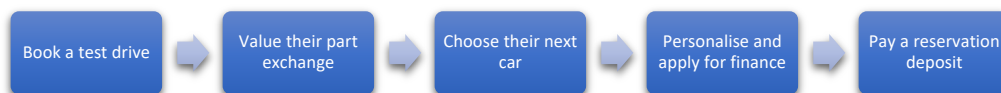
The intuitive car search encourages customers to browse actual stock and where finance functionality is displayed, they can refine by monthly budget and even apply for finance without needing to engage with a salesperson.

Our omni-channel approach allows customers to pause and continue their journey on any device, at any time, reinforcing the transparent approach of the customer being in control.



Volkswagen Group also provides customers with a no-haggle part exchange valuation, unaccompanied test drives and online deposit payment, in a true self-serve car retail process.

Customers can



All without any input from a dealership or salesperson

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Why is this change required?

The traditional car buying process is inherently flawed. Franchise models dictate that cars should be sold from large, expensive showrooms, often out-of-town and away from residential areas. Customers are lured into the showroom to face off to a salesperson who controls the overall transaction and pressurises the customer into buying the car they wish to sell them. Significant marketing efforts and budgets are spent to entice customers into dealers' showrooms and costly tactical offers are often used to gain a purchase commitment.



It is therefore not surprising that average dealer visits have dropped from 5 to 1.2 in recent years. Customers simply do not like the traditional process and are keen to transact in other ways which give them control.

What do we know? (#)

- Customers are time poor
- Brand loyalty is diminishing
- 99% dislike the traditional purchase process
- Dealership visits have fallen considerably
- Tactical marketing costs have increased significantly
- Customers expect transparency and convenience
- Female purchasers up by 21%, and instrumental in 78% of all purchase decisions
- Test drives sell cars
- Customer satisfaction and social proofing drives purchase and repurchase decisions



Why should brands invest in large dealerships away from where customers spend their leisure time, and then spend massive amounts of money to persuade them to visit the dealership? Profitability is squeezed and customers are frustrated before the process even starts.

The importance of the test drive

Convenience and transparency help the customer to make decisions more quickly, and to develop a positive impression of the brand, which they are more likely to share with their peers. 88% of customers want to test drive a car before they buy, but this needs to fit in with their busy lifestyle, otherwise it becomes another point of frustration.

Offering test drives away from the high-pressure dealership sales environment is therefore a key differentiator and high converter.



Example of results, for Volkswagen Group

- Profitability from standing start within 10 months
- Top 10 sales volumes across UK dealer network
- Network-leading captive finance penetration
- Retained profit is higher - customers pay fixed price with no haggling
- Network-leading customer satisfaction ratings for sales experience
- 90% conquest customers, with many previously only buying used cars
- Complementary upsell is higher - accessories priced as an incremental monthly increase
- 60 million+ people walked into or past Volkswagen Group stores in 2019