

Digitise your business model

The crucial role of finance

Introduction

COVID-19 is accelerating the shift from physical retailing to e-commerce, which is now happening at a faster pace than previous forecasts and this trend will impact new and used vehicle sales.

The transition to online shopping is a one way street according to research published in April 2020 by Kantar, assessing consumer activity in the UK, France, and Germany. Whilst online spending during the crisis was largely restricted to essential items such as groceries, the findings identified that 80% of consumers intend to use online shopping options for non-essential products moving forward. Dealers are not immune from this online momentum and need to adapt.

- The share of people who undertake 50% or more of their total purchases online grown by between 25-80% since the virus has developed.
- 6 in 10 consumers intend to continue buying as much online once the pandemic has passed as they do now.

Source: <https://www.essentialretail.com/news/covid-19-shift-ecommerce/>

On a positive note, the survey indicates that retailers can bounce back from the crisis by refocussing to an online model.

Getting better at online

The need for dealers to be lean and keep costs down means that for many dealers, spending more on online marketing alone may not be a viable option. As well as the costs of going online, dealers need to be mindful that they are not missing out on creating a relationship with the customer, or losing income to digital platforms that all too often charge dealers for leads and then seek to cross-sell services to the customer in competition with that dealer.



Leverage the link between car buying and finance

Ahead of the re-opening of showrooms after the first national lockdown, a prominent CEO of one of the UK's leading motor retail groups pointed to the 80% finance penetration his business had achieved during lockdown across new and used car sales.

Customers very commonly need finance to change car; linking the two online is a natural step that engages the customer more deeply and support the need for social distancing.

Tip 1 - Select a dealer-friendly online marketplace with no marketing fees

Findandfundmycar.com is the place where dealer stock and dealer finance come together to create an straightforward frictionless buying experience. The whole purchase and dealer financing process can take place 24/7.

Customers can:

- **Arrange their finance or get a decision in principle** - the trends show that an increasing percentage of people are now doing just that;
- **Source a car insurance quote**
- **Very soon be able to part-exchange and access home delivery options**

Cost to dealers - £0. Competition to the dealer for finance - zero.



**find and fund
mycar.com**



Tip 2 - Provide a full finance experience on your website

Established, proven, effective and used by over 1200 dealers, Quote & Propose is a smart online application that dealers can add to their website. It does exactly what the name suggests, and a little more.

Customers visiting a dealer site can:

- Discover finance and establish the product option that suits them
- Develop a pricing model that they can afford
- Create their proposal and submit it

In an era where people prefer to control their finances themselves online, it works perfectly and again is available 24/7.

Once an underwriting decision has been made, the customer and dealer are informed online and the dealer can email the customer digital documentation to close the sale.

Cost to dealers - £0.

Tip 3 - Self-Serve

A derivative of Quote & Propose, Self-Serve is a financing option that dealers can use in the showroom. Recognising customers' increasing preference for control, this intuitive application can sit in the showroom on a desktop or tablet and even be emailed to the customer.

A straightforward financing process allows customers to self-serve their financing needs themselves without what for some can be an uncomfortable sharing of personal and financial information.

Cost to dealers - £0.

Tip 4 - MotoClick

Dealers can speed up the car delivery and payment process with the MotoClick electronic signature tool. Once the customer clicks their signature and any required supporting evidence is verified, the deal is paid out straight away.

Cost to dealers - £0.

Tip 5 - Love your online brand

As well as using MotoNovo's growing online toolkit to enhance your e-commerce model and address marketing costs, we encourage you to develop your dealership's online persona.

When it comes to used car buying, today's online customer takes time to research their potential car and dealer. For many, car buying is not just about costs, so what are you doing to bring your showroom experience to life online? Look out for our Love Your Online Brand guide.

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