



How Car Dealerships Can Create the Best Customer Experience



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Introduction

The car buying process hasn't exactly been known for its seamless, quick and enjoyable experience. In fact, based on an online Harris Poll survey, 87% of American adults dislike something about the process of purchasing a vehicle at a traditional car dealership. But when pandemic lockdowns closed showroom floors, car dealers had to pivot and bring more of their business online.

After having been forced to embrace online alternatives, the reality is that more and more people are becoming accustomed to making purchases online. Only 54% of consumers aged 18 to 35 still want in-person transactions, according to an automotive researcher at Deloitte. These numbers are an indication of what's to come for the auto retail industry, as Gen-Z and millennial consumers become the largest purchasing groups. In fact, in 2020, millennials made up the largest age group of car buyers, accounting for 32% of total new-car sales, according to the market research firm J.D. Power. Additionally, millennials were almost twice as likely to purchase cars entirely online, in comparison with boomers.

That's why forward-thinking auto companies and dealerships are continuing to digitize their business and provide more services online. But there are some aspects of the car buying process that a portion of consumers still prefer to do in-person (namely, test drives). Here's how to strike the perfect balance between digital and in-person offerings to create the best car buying experience for your customers.





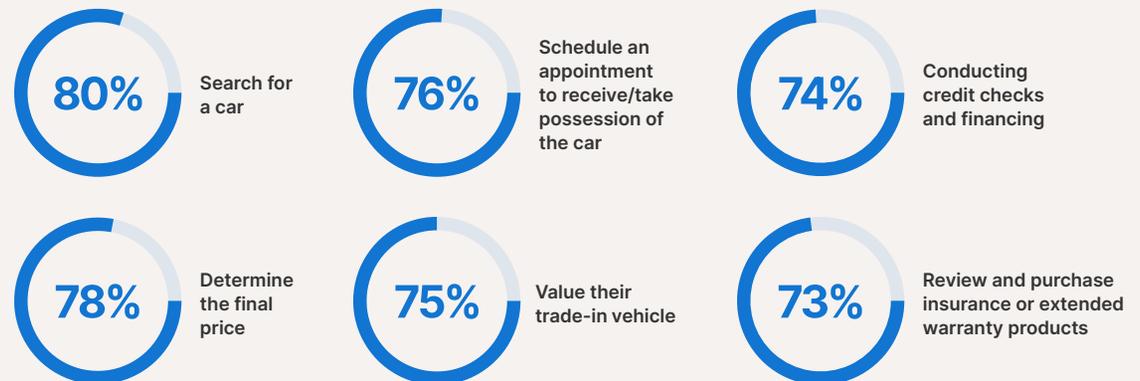
“From research to test drives to transactions, **digitizing the car buying process** should be a priority for auto companies.”



How to improve with digital

Most car buying experiences start with either necessity or curiosity — consumers need to replace the car they’ve been driving for way too long, or they’ve done the number-crunching and are curious about a vehicle upgrade. In the old car-buying world, buyers might begin by crowdsourcing suggestions from friends and family and then visiting a dealership. But in today’s auto landscape, consumers want all the tools at their fingertips that will help them save time and money during the vehicle purchasing process. From research to test drives to transactions, digitizing the car buying process should be a priority for auto companies.

According to a Harris Poll that sampled more than 2,000 recent car buyers, these are the parts of the process they’d most like to do online instead of in-person:



There is a tremendous opportunity in each part of the purchasing process for car dealerships to meet their customers where they are — online. From investing in interactive and informative content to supporting digital negotiations and online funding/purchasing (enabled by eSigning and online notarization), these are some of the ways that auto retailers can improve the customer experience.



How auto companies can support the digital car buying process

1. Interactive resources

Provide interactive and visually appealing online resources for consumers that will carry them through each step of their research journey. This includes content specific to those who have an idea of the type of car they want to purchase, as well as to those who will need more information to come to that decision.



2. Virtual showrooms

Invest in technology that brings showrooms to consumers — wherever they are. This allows car buyers to see everything a dealership has to offer, without having to ever step foot in one.

3. Virtual test drives/drop-off test drives

There are two avenues for servicing test drives. Some auto companies have turned to virtual reality to allow customers to get the look and feel of driving a prospective car. But most consumers still prefer to physically test drive a car before making such a large purchase. Drop-off test drives have become a popular answer to this concern, where consumers can choose when and where a car will be dropped off for them to take a spin. Some companies will even let consumers use a car for a few days to really get a sense of how it rides before they make a final decision.





4. Online financing

Financing is a significant part of the car sales process, and offering online financing can differentiate your dealership from the competition. Most people are comfortable with completing financial transactions online, so being able to service or facilitate digital loans can streamline the purchase process and create a better customer experience.

5. Online sales contract signing and notarizations

Digitizing the sales contract by allowing buyers to eSign documents makes contract signing easier for everyone. It means there are less mistakes or missed signatures (and if there are, you can just resend the digital contract without the buyer having to come back to the dealership), and digital documents are easier and more secure to store than stacks of paper with sensitive information. For notarizing bills of sale and car title, using an online notarization platform like Notarize will give clients the convenience and time savings they're looking for in a digital buying experience.

6. Car drop-off

The last step of the buying process naturally ends with the consumer getting their car. Auto companies should invest in a drop-off service, similar to those used for drop-off test drives, where the buyer can schedule a time and place that's most convenient for them to get their new vehicle.





No two consumers are the same

While the trajectory indicates that online will be the future of car buying, for now, auto companies need to consider all customer journeys: those who still want to do the entire process in person, those who want to do it all online, and those who prefer a hybrid of the two. In any case, car dealers need to have the technology in place to serve customers who want to make a car purchase from the comfort of their own home, or who want the only physical part of the process to be the test drive.

This is a period of great change in the auto industry. Dealerships need to pivot based on customer expectations and position themselves for the future of auto sales, which will be rooted in technology. The digital investments that dealerships make now are paramount to their success in obtaining and *retaining* loyal customers.





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