

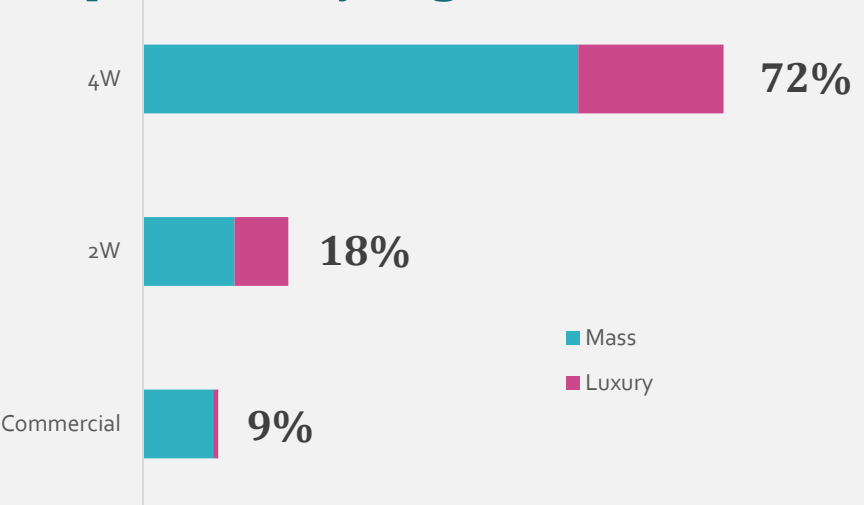
Automotive retail - Technology survey

Changing lanes with technology

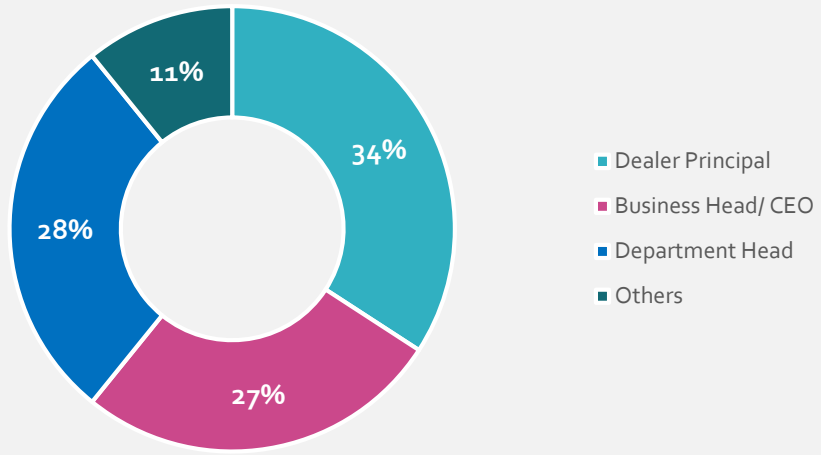
September 2020

From July 10 to August 15, Ambit Collective, surveyed more than 100 automotive retail professionals across vehicle segments to elicit opinion on the key technology interventions that may transform the way of doing business of automotive retail...

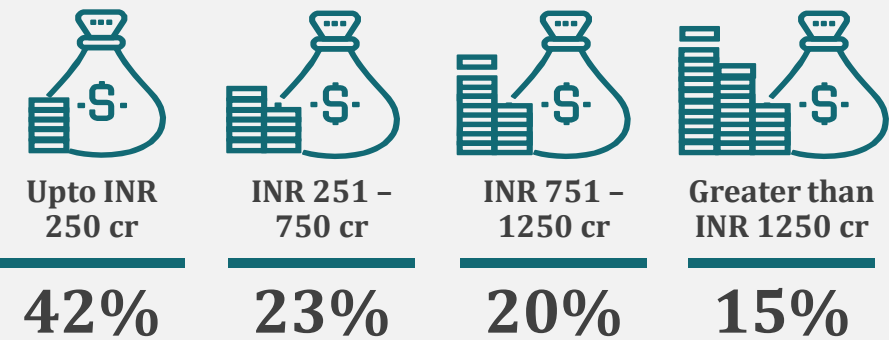
Respondents by segment



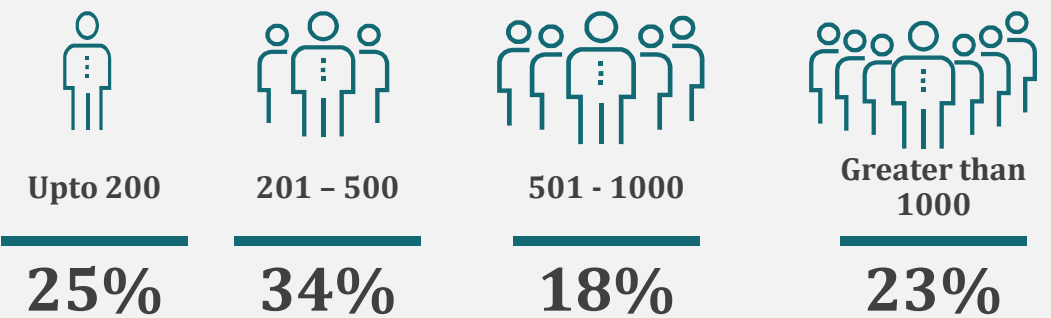
Respondents by role



Respondents by revenue



Respondents by dealership employee strength



Key takeaways of the survey...

Existing IT tools adequate to manage business, but need improvement to be future ready



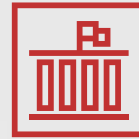
While majority respondents believe that current IT tools existing in the business currently support basic business requirements, but, given the shift in customer preferences post pandemic, **very few respondents believe that these tools will be sufficient to make them future ready and remain relevant**

Shift from 'Brick and Mortar' format to 'Online Marketplace'



While dealer owners, see 'Phygital' as the future of automotive retail, professional managers believe that **online is where the business will happen in the future**

Desired objectives from technology solutions : Operating efficiency and Transparency



As dealers believe that they would need to exercise **greater financial discipline, going forward, their expectation from Technology is also to enhance operational efficiency and transparency in business**

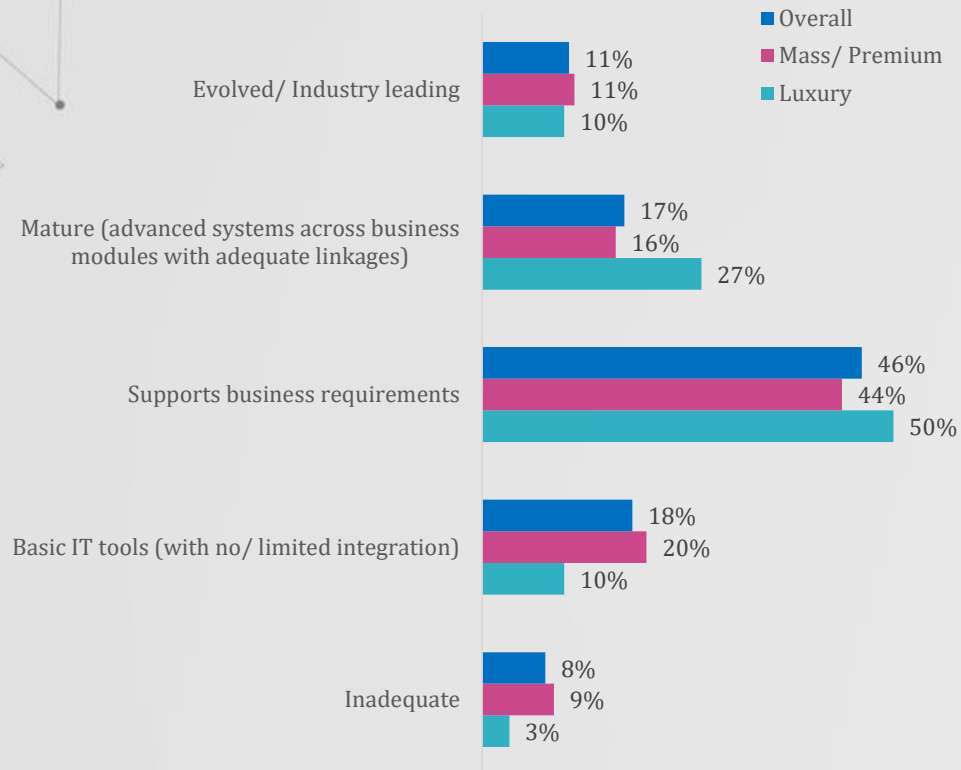
Technology solutions are in different stages across the automotive retail business value chain



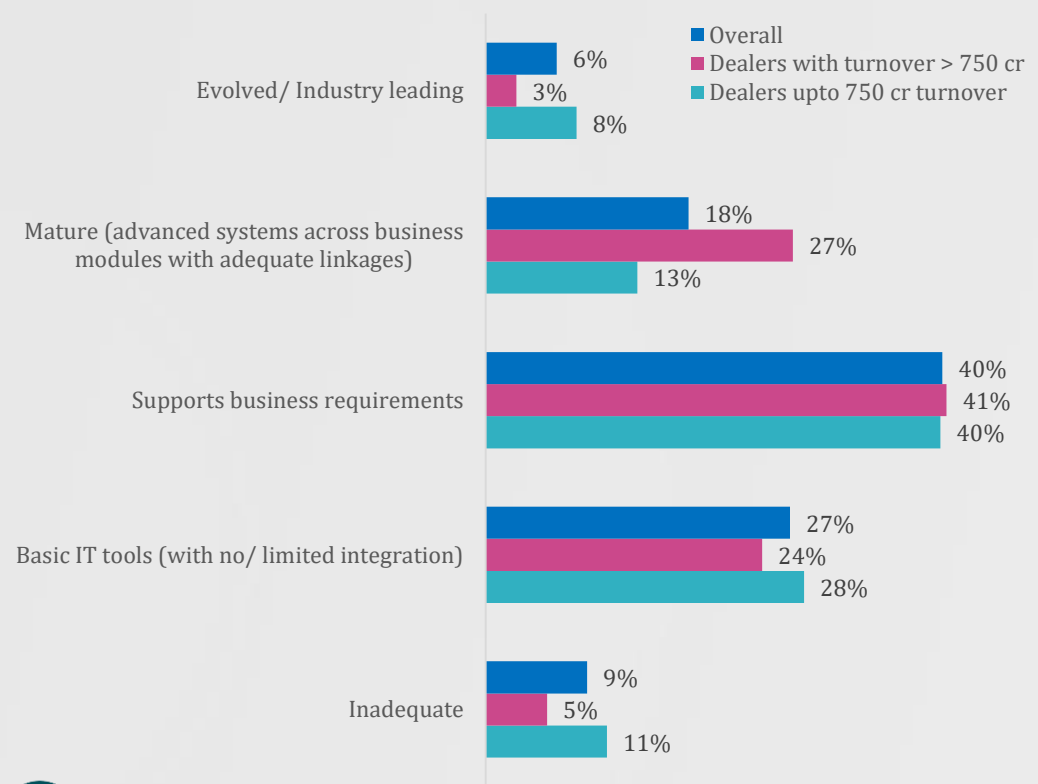
While majority dealers believe that available technology solutions adequately support the business,; however, IT systems are majorly considered **Elementary in nature for Used car sales and Marketing**

Understanding the current state of technology...

IT tools provided by OEM (including DMS)



IT tools implemented by dealers



3 in 4 respondents believe that current IT tools existing in the business currently support basic business requirements, but, given the shift in customer preferences post pandemic, **only 1 in 10 respondents believe that these tools will be sufficient to make them future ready and remain relevant**

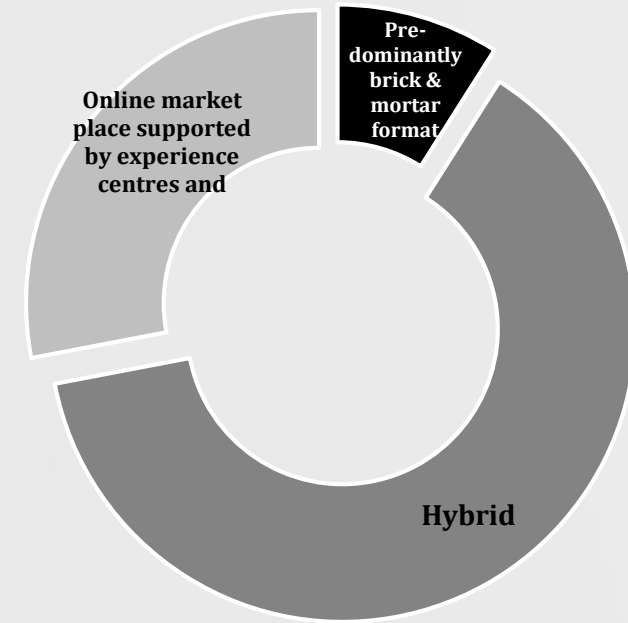
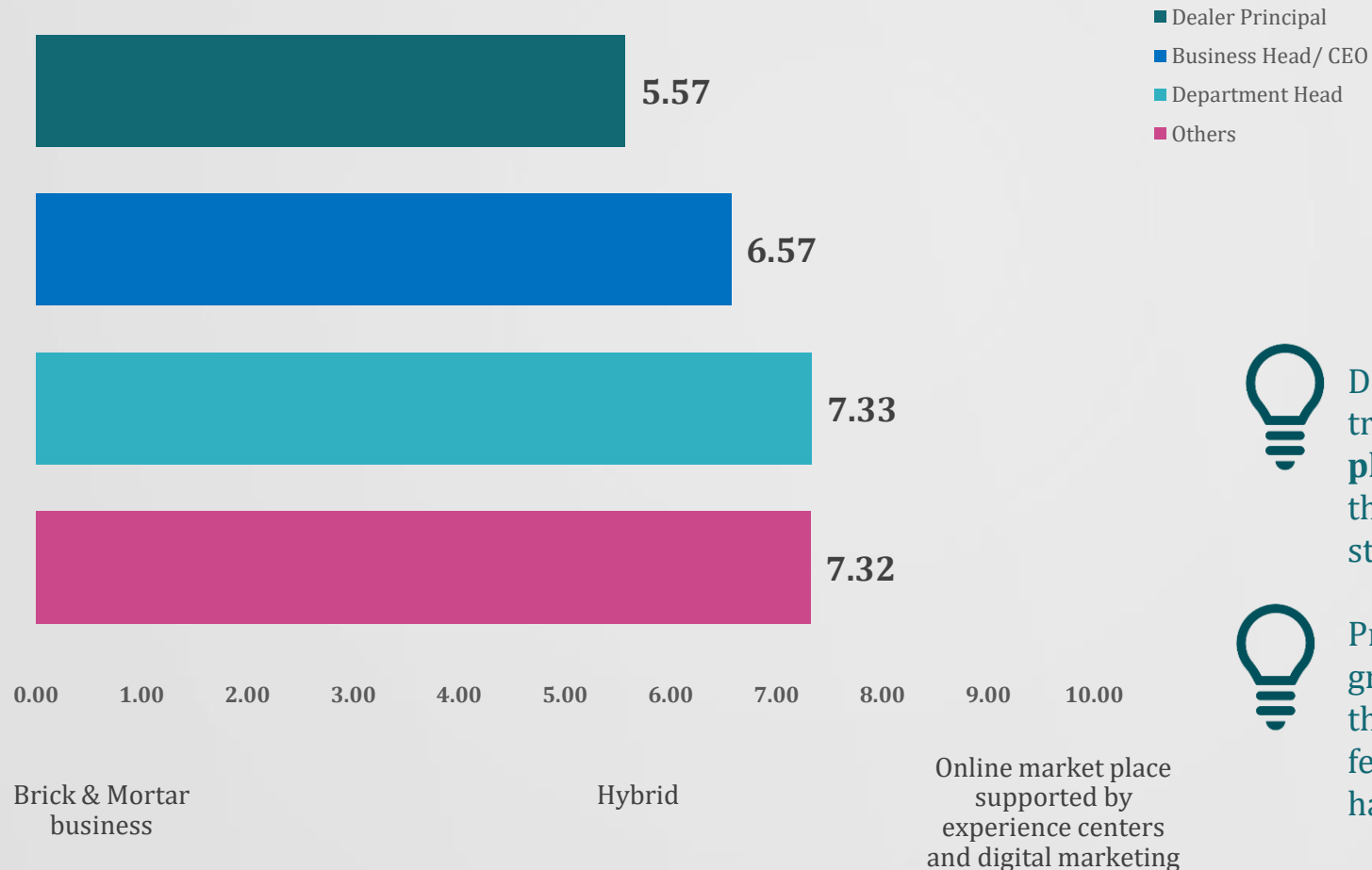


Dealers with higher turnover are satisfied with the current state of technology; however this trend reverses amongst the largest set of dealers (with turnover >1750 cr), which indicates **absence of technology solutions to cater to their needs**, given their scale of operations and complexity.

Future of 'Automotive Retail'

Shifting from 'Brick & Mortar business' to 'Online Marketplaces'

How respondents rated technology as **future of automotive retail** (on a scale of 0 to 10)



Dealer owners, given their investments in the traditional brick and mortar space, believe **phy-gital** is where the business will be done in the future; brick and mortar business is here to stay



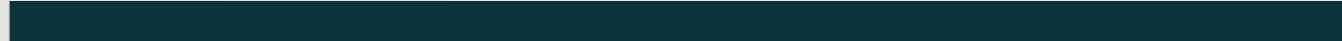
Professional managers and people on the ground who interact with consumers and are the first to gauge their preference and, any shift, feel that online is where the business will happen in the future

What objective is technology expected to meet?

Focus on efficiency and transparency while implementing a technology solution

How respondents ranked desired objective of **technology solutions**

Enhancing productivity, and efficiency



Enhancing customer experience



Optimizing your costs



Data Transparency and Analysis



Enhancing revenues

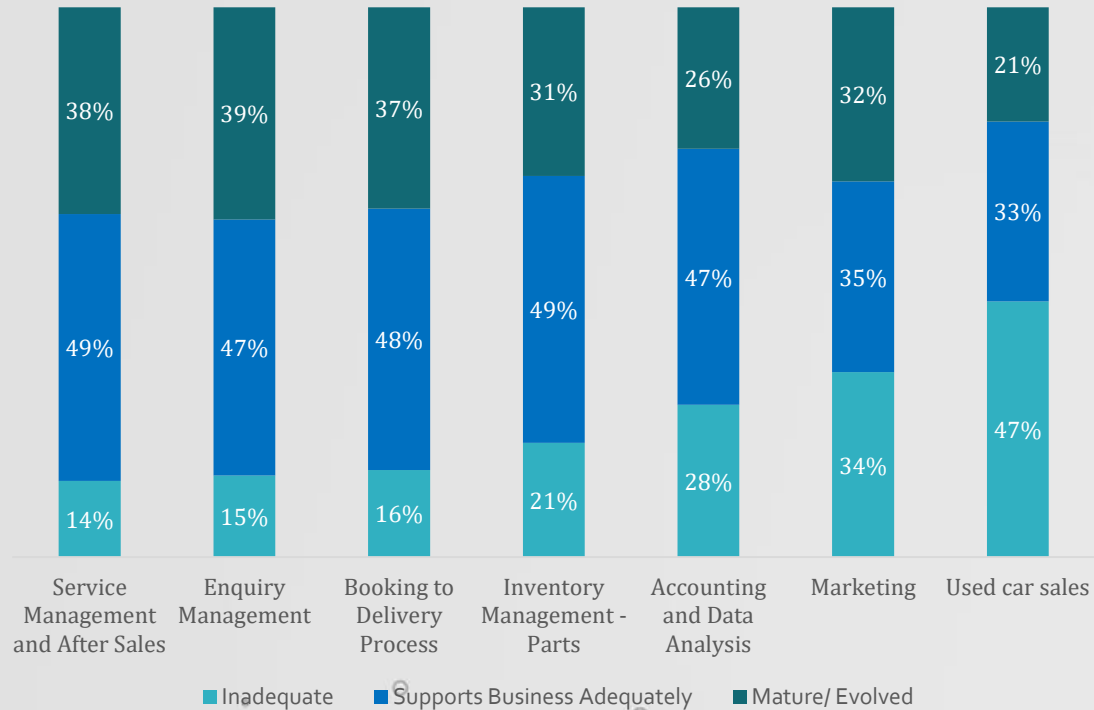


As the need arises to operate a tight ship*, focus on technology enablers for greater efficiency in operations is the primary objective of most dealers.

*Source: Dealer Sentiment Survey, May 2020

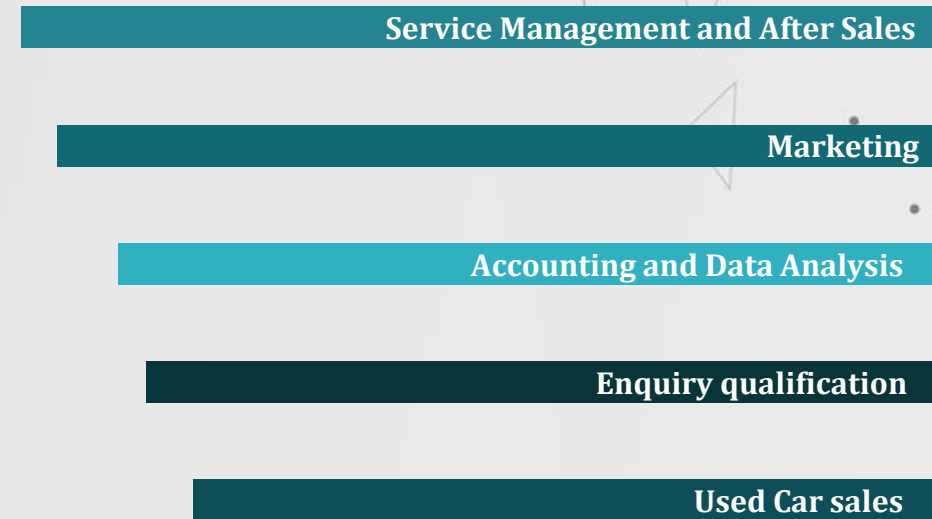
Current state and need for technology solutions

Business process wise current state analysis



While there is a consensus on the fact that available technology solutions currently support the business adequately,; however, IT systems are majorly considered Elementary for Used car sales and Marketing

Business process ranking for potential technology investments



Given the excessive reliance on Service Management and Marketing for sustenance post lockdown, respondents are open to investing further despite the general belief that current state of technology is adequate

Shaping future of automotive retail

Key technology interventions

Enhanced features on website to enable end to end 'Enquiry to Delivery' cycle



Interactive dealer website to assist customers in their **product research**, price discovery, requesting test drives and make bookings



Website which enables end to end vehicle Servicing cycle



Use of data analytics for lead qualification

(through data analytics on prospect data on defined parameters to assess chances of lead conversion as per historical data trends)



Real time financial analysis and cost driver information (for greater financial discipline)



Real time tracking of used car and new car inventory (along with allocation status)



Virtual presence tools to aid in customer interactions with sales consultants



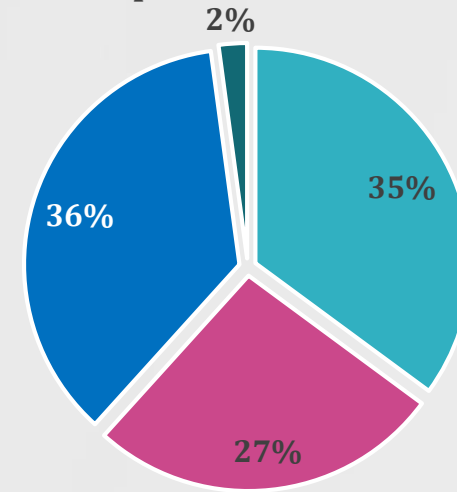
Real time monitoring of vehicle inflow and outflow at workshop (using automated number plate recognition technology) and reconciliation with open Repair Orders



Enhancing focus on hyper-targeted digital marketing



Timeframe for implementation



■ Within 6 months ■ 6 months to 1 year
■ 1 year to 3 years ■ More than 3 years

Authors



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Gaurav is an experienced consultant with ~17 years of professional experience in leading multiple advisory engagements for companies across the automotive ecosystem in and outside India.

Prior to starting Ambit Collective, Gaurav was responsible for building out the Automotive Retail practice for PwC in India through business and solution development.



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Rohan is an intern with the Research team of Ambit Collective. Given his deep interest in technology & automotive sector, Rohan spearheaded the survey involving assisting with survey design, roll out and reporting.

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