

THE FUTURE OF AUTOMOTIVE SALES

VIDEO TRANSCRIPT

The automotive industry is in the middle of a perfect storm. Car sales are declining worldwide.

At the same time, CASE, the four megatrends of the auto industry, are transforming the whole sector: connectivity, autonomous driving, sharing economy and electrification. Every single one of these trends is powerful, but their combination is profoundly disruptive.

At the forefront of these technological changes, new players are entering the market. In China alone, more than 140 new carmakers have launched in the past few years.

In our study “The Future of Automotive Sales”, we are looking at how these market developments affect automotive sales strategies and ultimately business models.

Our data shows that one out of five young customers are no longer satisfied with the traditional sales model.

At the same time, increasing urbanization is profoundly changing mobility. 54% of young, urban customer already use car sharing – a number that is likely to increase.

Today, most cars are still bought at the dealership. But we see that customers are visiting dealers less often before making the purchase.

That is because customers today start their sales journey online. 58% of young customers use third-party platforms to gather information on models, specs, and get transparent price information.

Established OEMs need to act quickly if they

do not want to miss out on the growing online business. In our study up to 47% of customers report they would like to buy their next car online.

Digital giants like Netflix, Amazon, Booking.com are setting new standards in terms of customer experience.

Customers are used to transparent prices, one-click shopping and fast delivery across online and offline channels – and they expect the automotive industry to offer the same!

The new players in the industry are thriving because they are building extremely customer-focused business and sales models.

For our study “The Future of Automotive Sales”, I interviewed many of these newcomers. Sixt is offering customers one single platform to satisfy many mobility needs. Rockar is aiming to empower customers with omni-channel retail.

And the EV-startup Canoo is about to eliminate the need to purchase a car by offering monthly subscriptions. These players have one thing in common: They are not selling cars, but mobility.

Established OEMs and dealers need to reinvent their business and sales models too! But given their complex legacy systems and traditional sales model, this pivot is not easily accomplished.

The Future of Automotive Sales is customer-centric. With their large, physical retail network, established OEMs have a substantial advantage over newcomers.

One interesting option is the “agent-model”, that Accenture has successfully helped large



automotive clients implement. This sales model enables OEMs to fully integrate independent dealerships into an omni-channel sales network.

According to our estimation, entire cost of sales can be reduced by 8-15%, creating annual savings of more than 1 billion dollars for a mid-sized region.

In the long-run customer centricity is vital for the transition from selling cars to selling mobility.

In the future, we will see exciting new business and sales models build around subscription, shared mobility, and platform economies.

Those who revolutionize the customer interface will thrive. It's time to change. Now.

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