



## Creating opportunity with Digital Retailing

Digital retailing continues to gain momentum, offering the convenient, flexible, transparent, and efficient shopping and buying experiences that consumers expect while enabling dealers to reach customers when and where they choose to buy. Integrating F&I with your digital retailing strategy presents a total solution that can help you cast a wider net, increase sales revenue, and generate even greater profit.

### How does integrating F&I in digital retailing create more sales opportunities?

Offering additional flexibility and control in the process also lends to customers being more comfortable with the decision to purchase. In fact, dealership customer satisfaction scores increase when consumers are able to shop for and purchase vehicles in whatever manner they are most comfortable.

Often the focus of digital retailing is on vehicle selection, trade-in, and obtaining financing. While these are critical steps in the customer journey, it is important not to forget about the role that F&I plays, even in a digital environment. Customers should be able to view the F&I products that are eligible for their vehicle purchase, research each product and see real-time pricing. Ensuring that customers are aware of and understand the F&I products available to them while also providing an accurate cost is a driving factor in boosting F&I adoption digitally.

### Evaluating your Digital Retailing solution

Car buyers do not always follow the same steps on the path to purchase. Your digital retailing solution should offer the flexibility that allows them to take as many steps as they are comfortable with digitally, integrating tools that gradually engage and encourage customers to progress further.

The foundation of this process should be built on providing customers with the core tools necessary to structure their purchase, including:

- **Inventory:** Finding the right vehicle is paramount in engaging customers digitally. Providing customers with the ability to search in-stock and in-transit inventory, while also allowing filter functionality to find vehicles with desired features/options will drive the initial engagement with digital retailing.
- **Trade-in Tools:** Many car buyers will have a vehicle to trade in as part of their purchase and getting a value on their trade is critical. Car buyers expect to receive an accurate valuation or even an offer to purchase their vehicle. Most digital retailing applications will allow for the integration of a variety of trade-in platforms. Make sure to select a tool that provides valuations that are in line with what you might offer to a customer physically in your showroom to avoid giving your digital shoppers an incorrect value.
- **Financing:** Car buyers that engage with digital tools expect to receive rapid responses to their inquiries and this extends into applying for financing. This step may create anxiety for a customer and providing instant approval (dependent on credit) is essential to keep the deal progressing. The financing portion of your digital retailing application should include easy applications, instant approvals, and lender submission.
- **F&I Products:** Customers should be able to view which F&I products are eligible for their vehicle purchase, have the opportunity to research more about each product (brochures and videos at a minimum), and see real-time pricing. Ensuring that customers are aware and understand the F&I products available to them while also providing an accurate cost is a driving factor in boosting F&I adoption digitally.
- **Payment Calculation:** For customers financing their vehicle purchase, the monthly payment may be a driving force in the selection of vehicle, acceptance of trade-in offers, and addition of F&I products. Providing payment transparency throughout the structuring of the deal will allow customers to see which vehicles fit into their budget, observe how financing terms (such as term) impact their payment; and determine which F&I products may enhance their ownership experience within their payment thresholds.



- **Contracting:** Once a customer has progressed through all of the above, the deal may be structured, but it is still not finished. This is where your process will need to determine what options the customer will be presented in finishing their deal. Consider whether you want to offer vehicle delivery, limit delivery to in-showroom with all paperwork completed remotely, or only allow the customer to finalize the deal in-store. Factors such as staffing, flexibility of technology, and regulatory limitations will help drive what options you may make available to your customers. When selecting a digital retailing provider (or changing process with an existing provider) make sure to catalog what options are available through the technology and whether they align with your desired process.

- **Communication:** The final point is not necessarily a step in the customer digital retailing journey, but rather a consideration that applies throughout the process. A strong digital retailing strategy needs to integrate communication throughout every step of the journey. Customers may need assistance in navigating the technology, clarification in an aspect of the deal, or may want to negotiate. This means that customers need the ability to contact your team through the channel that they feel most comfortable with (live chat, text messaging, email, phone, video conference, or in-person) at any point in the process.

Beyond customer driven communication, a strong digital retailing strategy will also prioritize transparent and frequent communication from your dealership to the customer to avoid any ambiguity around how a digital deal is structured at your store.

Another communication point to consider is around providing upfront marketing content around your digital retailing process. This could be in the form of videos or text that explains the process step by step to better educate the customer going into the process of what to expect along the way. Customer-driven communication strategies will help the customer better understand the process, push for deeper engagement, and ultimately, sell more vehicles.

Dealerships that offer better integration of online and in-store processes along with F&I protection products offer an end-to-end solution that presents more opportunities to sell. Zurich can help you evaluate your digital retail presence and develop a winning digital retailing strategy.