

Trend

/trend/

a general direction in which something is developing or changing.

Trend definition document #5

Ever-evolving
consumer
expectations
and the buyer
behaviour revolution

COX AUTOMOTIVE





Craig Mailey
Chief Strategy Officer,
International
Cox Automotive

[linkedin.com/in/craigmailey/](https://www.linkedin.com/in/craigmailey/)

Craig has spent more than 30 years working in the automotive sector, including two decades with Cox Automotive brands. In his international role, Craig continues to lead the way in developing strategies to anticipate and respond to industry trends.

Foreword: Introducing the Cox Automotive trend definition documents

There is no doubt that global events of 2020 and 2021 left a lasting mark on the automotive sector, causing organisations to pivot business models, upgrade supply chains, and review routes to market. However, while some behaviours may have been accelerated, much of these changes form part of bigger trends that were already being felt across the automotive ecosystem.

From increased automation and connectivity to the push for cleaner and greener motoring; digitisation of sales channels, through to empowered customers calling the shots, there is rising demand for flexibility and agility. The approaches which will deliver success for automotive manufacturers, fleets and retailers tomorrow are not the same as we've seen in the past.

In an era of significant volatility, uncertainty, complexity and ambiguity (VUCA – to coin a military and management acronym!), it isn't enough to sit back and watch what happens. As a global organisation, with businesses operating across the entire vehicle lifecycle, Cox Automotive has a significant role to play in identifying trends, challenges and opportunities which the sector will face over the coming years.

The automotive sector has a key role to play in the journey to zero emissions, with governments and legislators creating both push and pull forces on the industry. This will fundamentally change how we buy, sell, own and use vehicles. This short series of [trend definition documents](#), alongside our annual [Insight Report](#), is one way in which we are supporting partners and customers to set their strategy for success.

While we cannot and will not provide all the answers, this short series of automotive trend definition documents set out what we mean when talking about the biggest global issues of the day, and seek to help our customers navigate the complex path ahead of us. Over the coming pages, we explore one of these trends. We hope you'll then investigate the wider series (you can find them all here) and let us know what you think via our events and social channels.

Definition

/dɛfɪˈnɪʃ(ə)n/

the act of defining a word, phrase, etc.

Ever-evolving consumer expectations and **the buyer behaviour revolution**

Consumer expectations are changing. COVID-19 has dramatically accelerated a change in habits and requirements. Consumers expect a seamless experience across the channels they choose: one that's fast, personalised, effortless and transparent. Vehicles must be visible through search, and it must be straightforward to connect all stages of the customer journey, including trading in a part-exchange and arranging funding. To create this seamless end-to-end experience, connecting data and touchpoints is vital.

At Cox Automotive, we are focused on several key areas within this trend:

- Impact of changing retail models
- Managing market data and intelligence to support consumer search and vehicle visibility
- Developing tools and technologies to help retailers surface the right vehicles to consumers at the right times
- Connecting different stages of the customer journey
- Anticipating and responding to future buyer behaviour trends
- Understanding the impacts of EVs on the consumer buyer journey

Evolve

/I'vɒlv/

to develop or cause to develop gradually.

What do we mean by consumer expectations and buyer behaviour?

It was often said customers would make an average of seven visits to physical dealerships before making a purchase decision. Now, that number could be as low as one. The global pandemic has dramatically accelerated a trend towards the online customer journey. Most dealerships have invested in digitising at least part of their sales process, from simple listings to allowing vehicle customisation, offering finance calculators to managing part-exchanges.

Data and intelligence from across the globe suggests customers are increasingly looking for seamless integration between the different stages of their vehicle ownership or usership experience, as well as the choice and flexibility to make decisions about whether they interact online or in person. Self-serve apps and online functionality are giving consumers more choice, while potentially creating more complexity for fleets, manufacturers and dealers managing the supply chain.

With consumer expectations for more flexible ownership and usership models, including flexi-rent, short-term leasing, subscription, and more, there is a requirement for the automotive sector to develop the right tools and technologies to surface vehicles to drivers at the right time. Vehicle searches often take place outside of traditional dealership working hours, with 24/7 response expected for impatient customers who move on to other options if they don't hear back promptly.

Behaviour

/bɪˈheɪvjə/

the action, reaction, or functioning of a system, under normal or specified circumstances.

What comes next for consumer engagement?

While consumers are becoming more empowered, there is a balance to strike for manufacturers, fleets and dealers around introducing technology for technology's sake, and investing in tools which will support the customer journey. Some manufacturers are predicting a quarter of new sales will be fully online by 2025, while studies suggest most consumers want to complete at least one stage of their next vehicle purchase online. While weighted towards younger buyers, the percentage of these digital-savvy drivers will grow over the next decade.

There are opportunities for manufacturers, dealers and lease groups to implement tools which ensure greater data sharing in the back-end, and a more transparent and streamlined customer experience at the front. Being able to transact online is not new – manufacturers have been offering this option for at least five years in some markets. However, the consumer expectation for this to be mainstream rather than a novelty means the reality needs to back up the promise.

Not every buyer will go digital-only, but brands need to consider how to develop strategies which are digital-first. With consumers expecting 24/7 engagement, seamless integration across the entire customer journey, and choice in how and when they interact, automotive businesses will need to consider their role in creating that customer experience. The linear car buying journey is over; and this is having an impact on new retail and business models.

Engagement

/ɪnˈɡeɪdʒmənt, ɛnˈɡeɪdʒmənt

the action of engaging or being engaged.
“Britain’s continued engagement in open trading”

Areas of focus

This trend - ever-evolving consumer expectations and the buyer behaviour revolution – is stimulating and influencing a wide variety of micro-trends and areas of focus.

These include /



What does this mean in practice?

Consumers may interact with 20+ physical and digital touch points before making their purchase. Research from Google in the UK suggests that almost two-thirds of consumers expect more online purchase options in the future, and a similar number would consider ordering their next car online and having it delivered to their home. Studies in other global markets show a comparable trend towards online purchase, with 90% of buyers in Canada already relying on online research.

At the base level, consumers want to see the vehicle, ask questions, customise within the specifications, access finance options and perhaps even sign documents online. For some drivers, it is also important to link the part-exchange to the online journey. Solutions like the self-serve damage reporting and inspection app from Cox Automotive business [RMS Automotive](#), allow drivers to take control of the valuation of their outgoing vehicle, while [eVA Valuations & Appraisals](#) addresses the need for omnichannel part-exchange functionality.

Finance and funding options are supported by omnichannel e-commerce and finance software provider [Codeweavers](#), which sits alongside fellow Cox Automotive brand, [Modix](#). Both brands come together to offer customers an end-to-end digital retail solution.

The role of the dealer is set to evolve, with manufacturers taking more responsibility for the online customer journey. Showrooms, therefore, need to offer something that can't be found online, including test drive and vehicle handovers. To meet consumer expectations, customer experience must be seamless, integrated, and consistent. The linking of data and intelligence across physical and digital interactions will become more important than ever.

Practice

/'praktis/

the actual application or use of an idea, belief, or method, as opposed to theories relating to it.

Resources and further reading

Now you've read our view, you may want to explore some further resources. We've found the following papers and articles valuable and insightful:

To read more about the customer journey in automotive, visit:

- Cox Automotive: [As the car-buying process moves online, satisfaction jumps to an all-time high](#)
- Automotive World: [The linear car journey is over](#)
- Phvntom: [How digital is changing the automotive customer experience](#)
- Merckle Inc: [How ecommerce is changing the automotive customer experience](#)
- IBM: [How a data driven customer experience puts automakers in the driver's seat](#)
- ZD Net: [The automotive industry must embrace a digital first customer experience strategy](#)
- Think With Google: [With car shoppers more willing to buy online, auto marketers must bridge the divide](#)

Reading

/ˈriː.dɪŋ/

the action or skill of reading.



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More insight from Cox Automotive Europe

Cox Automotive has the broadest, deepest, most complete view of the entire automotive ecosystem. Using our data and expertise, we regularly publish meaningful and helpful insight outputs to help customers and other stakeholders stay abreast of the latest industry trends and topics.

/ Our annual Insight Report

Our annual Insight Report - published in partnership with Grant Thornton – brings together expert opinion from across the automotive industry, alongside our own data and analysis to provide a robust picture of the factors set to have the biggest impact over the coming year.

[View the Insight Report here](#)

/ AutoFocus

AutoFocus is a quarterly digital magazine that aims to share a fresh perspective on the latest new and used car market activity alongside timely and digestible analysis of the hot topics influencing our customers' decision making.

[Read the latest issue here](#)

/ The Fuel/hub

The Fuel/hub on the Cox Automotive Europe website aggregates fresh insight, knowledge and thought leadership content from our product brands, in addition to original Cox Automotive analysis and opinion.

[Visit Fuel/hub here](#)

If you'd like to understand more about Cox Automotive, our insights or solutions, please [contact us](#) and we'll be in touch to arrange a conversation.

Insight

/'insAIt/

a chance to understand something or learn more about it.

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