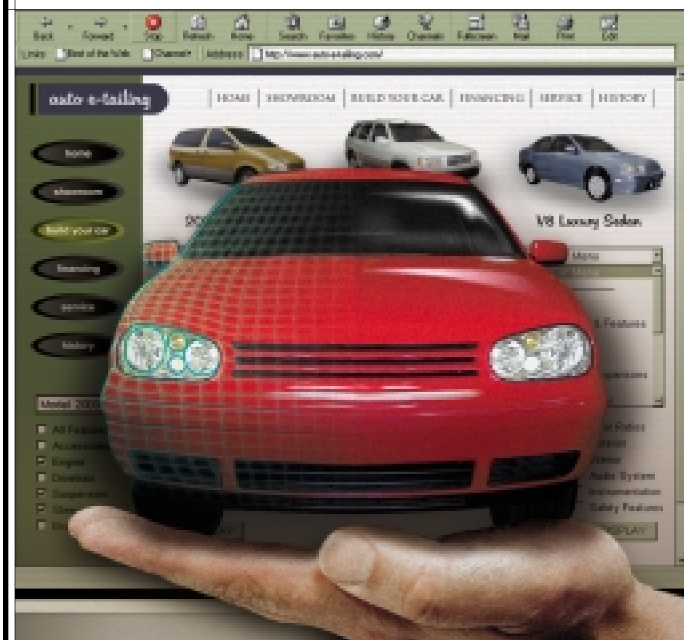
E-tailing Strategies for Automakers and Dealers

A White Paper on E-business Solutions



ATKEARNEY

Introduction

In just a few short years, the Internet has put its mark on industries across the board, and the automotive industry is no exception. The Internet is transforming long-established practices of cultivating customers, and selling and servicing vehicles at an incredible pace. Activities in automotive retailing that traditionally took place in physical dealerships — direct marketing, shopping comparisons — are increasingly being conducted in the virtual domain, while other activities such as regional test-drive pools are occurring remotely in a distributed fashion.

Initiated largely by online buying services that cater to the customer, e-business is steadily — and rapidly — evolving in sophistication and complexity. Today, prospective auto buyers use it primarily to find comparative information on products, dealers and prices; but more and more, they are turning to the Internet for everything, including financing auto sales and closing deals online.

While many automakers and dealers alike acknowledge that fundamental changes are underway, relatively few have yet to strategically position themselves for the new automotive retailing environment. They will not be able to wait much longer. Increasingly, it will be necessary to forge strategic alliances that link manufacturers, dealers, online buying services and other intermediaries. Also critical to success will be the ability to develop new models that create and solidify customer relationship across physical, virtual and distributed domains. If they leave these new relationships to chance, some stakeholders — in particular, automakers with weak brand-loyalty as well as smaller, unaffiliated dealers — will be particularly vulnerable.

On the positive side, the Internet will provide great opportunities to create value for those stakeholders that are able to harness its power. Vehicle manufacturers that already enjoy strong brand loyalty will use relationship marketing to consolidate their hold on customers over the entire vehicle life cycle. Dealers that take advantage of the Internet will increase their scale and reach, ensuring that they survive the inevitable consolidation and the emergence of hybrid (physical and virtual) retail channels. Moreover, initiatives designed to reduce order-to-delivery cycle times will pay off in increased customer satisfaction and smaller inventories.

The ultimate, and in fact the only certain, beneficiary of the changes underway in automotive retailing will be the customer. And it’s easy to see why: The Internet greatly improves convenience, and shopping and transaction choices; it provides a wealth of hard, transparent information for decision making; and, as a result, it shifts much more control of the shopping process to the customer.

This white paper describes the key trends and developments of the new retail landscape. It describes the strategic implications for stakeholders who are preparing for the automotive retail revolution. Finally, it presents a six-step strategic framework for vehicle makers that plan to leverage the opportunities and manage the challenges presented by the Internet.

KEY TRENDS AND DEVELOPMENTS

The online customer is here

Much of the U.S. customer base is already wired for, and is rapidly embracing, e-business. According to market-research firm R.L. Polk, more than 26 million U.S. households are already online, and this figure is expected to double by 2003.

As customers become more comfortable with online shopping, the applications to automotive retailing — particularly for new vehicles — will explode. Today, automotive customers use the Internet primarily for comparison shopping: to find information on different makes and models, locate dealers and compare prices. A July 1998 R.L. Polk survey found that almost 20 percent of all new-vehicle buyers shopped the Internet, with significantly higher percentages for European and Asian makes *(see figure 1)*. In the high-tech literate population of San Francisco and Oakland, California, Internet shopping for new vehicles was twice as high (40 percent); this provides an early indicator of where the rest of the United States, and other countries, is headed.

According to Forrester Research, in 1998 customers used the Internet to help select two million new cars and light trucks, and find dealers and pricing for 800,000 of those vehicles *(see figure 2)*. These penetration rates will rise four- to five-fold by 2003, when customers are expected to use the Internet to help select almost eight million new vehicles (or about half the U.S. market's annual sales) and find dealers and pricing online for over five million units. Significantly, customers are projected to finance 1.2 million of those vehicles online and close sales on the Internet for almost 500,000 units.

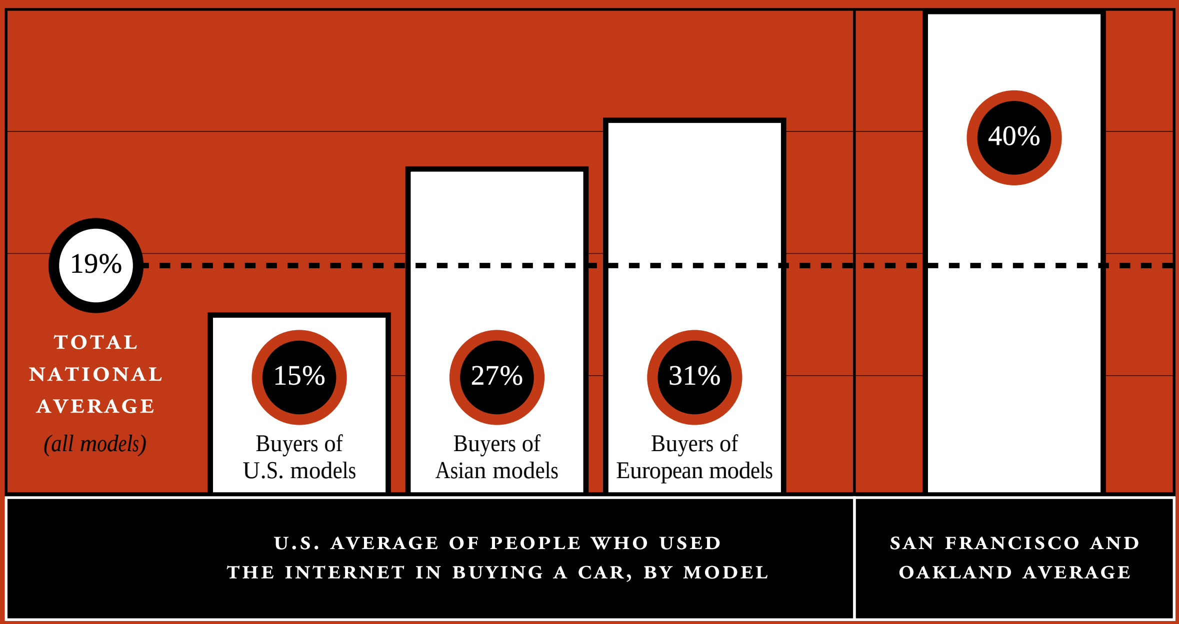
Automakers leverage the Internet

Automakers are finding the Internet very powerful in direct marketing and in helping to build large databases of customer prospects, as illustrated by the following examples:

- In a 1995 pilot program designed to promote the Plymouth brand, Chrysler used a website, a toll-free number and Internet-based kiosks to better tailor product availability to customers' preferences. In this test, purchase considerations doubled on key lines and sales increased 20 to 40 percent, while distribution costs showed the potential to be reduced US$800 to US$1,500 per unit on an ongoing basis.
- The Honda CR-V Sneak Preview website promotion was launched in 1996, a year before the vehicle came on market, and attracted 100,000 visitors. An American Honda Motor executive characterized the program as "out-performing anything we've ever done in the way of direct marketing."
- BMW's 1997 Cyberdrive promotion raised traffic to its website by two-thirds, to 250,000 hits per day. An impressive 70 percent of visitors filled out the guest register, doubling BMW's prospective customer database.
- More recently, Mercedes-Benz created a very sophisticated program for its MY2000 S-Class preview, in which luxury car buyers were targeted and — based on their expressed interests in the various aspects of the car, such as technical and luxury features — were directed to websites tailored to their interests.

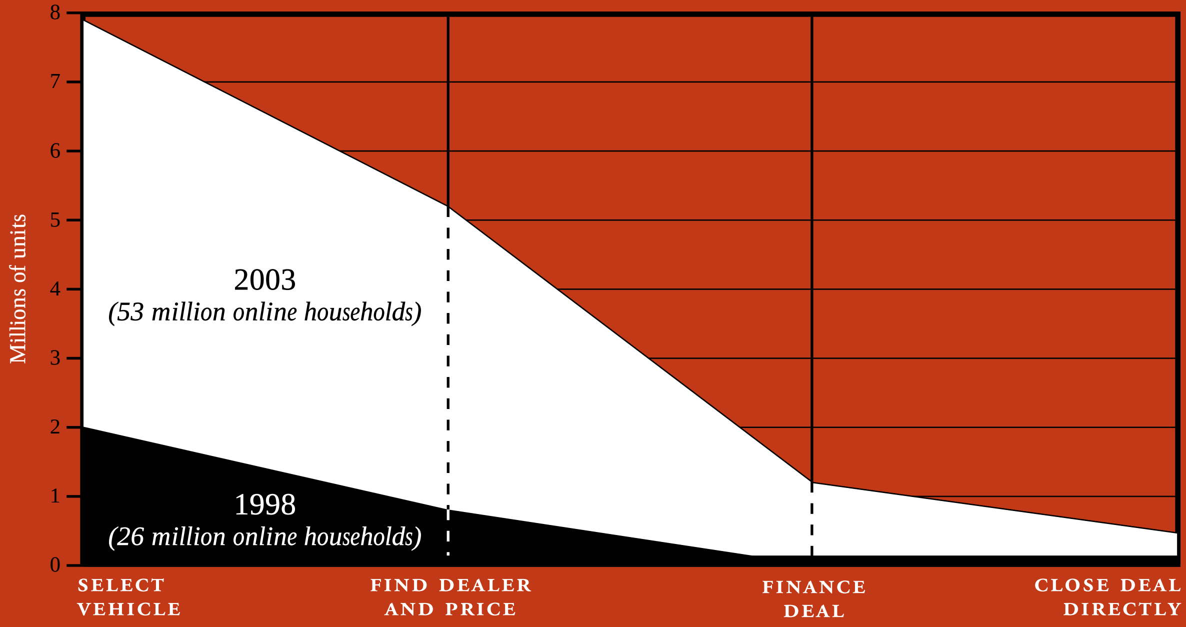
Because customers self-select their responses, the quality of the databases that vehicle manufacturers have been able to develop through online campaigns like these — particularly with respect to purchase intent — has been significantly

Figure 1: Percent of new vehicle buyers who shopped the Internet (July 1998)



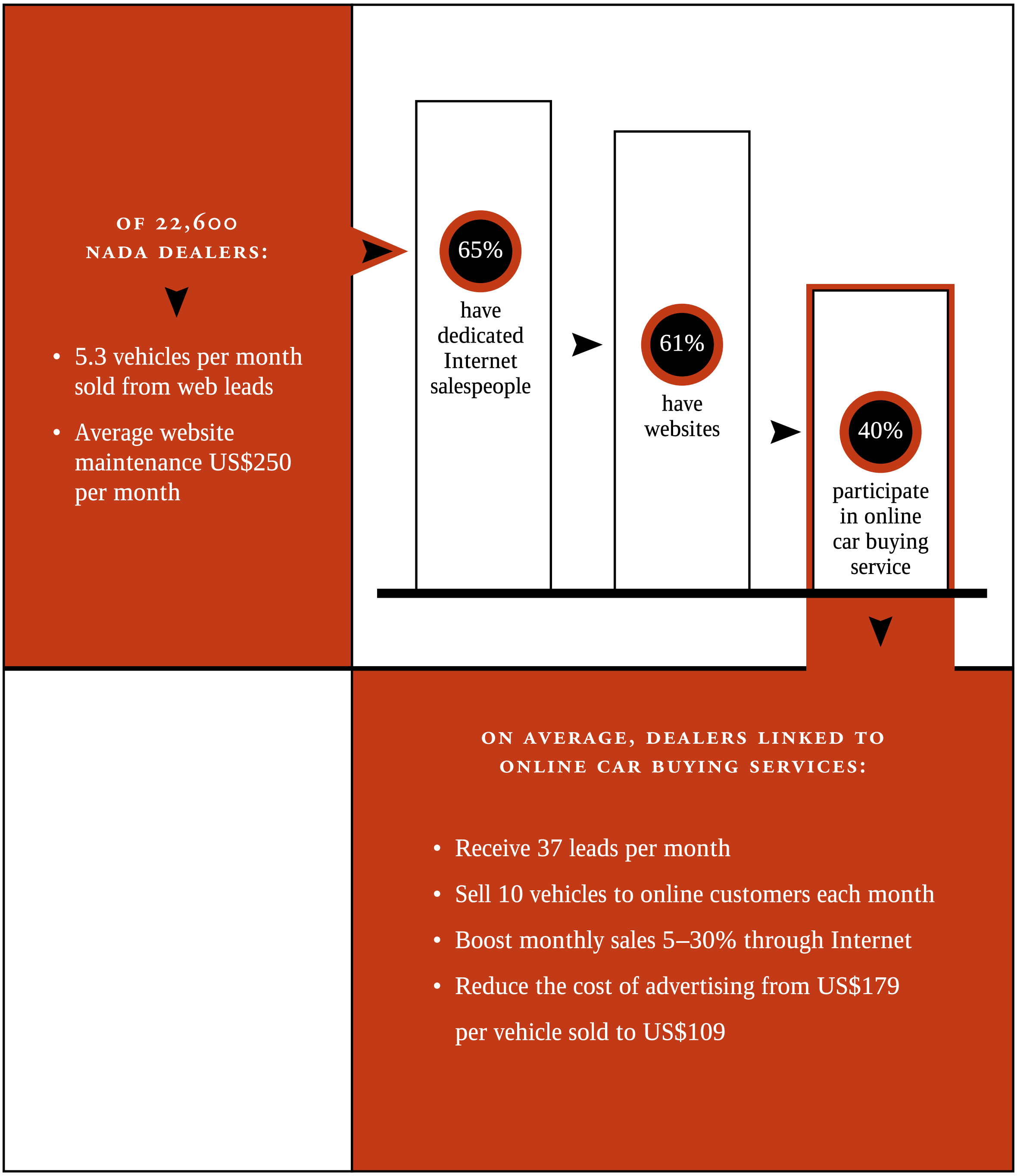
Source: R.L. Polk

Figure 2: U.S. online new vehicle transactions (1998 estimated and 2003 projected)



Source: Forrester Research

Figure 3: Car dealers embrace e-business



NADA = National Automobile Dealers Association
Source: NADA, Forrester Research, J.D. Power and Associates

higher than those created through unsolicited direct-mail promotions.

Encouraged by this early promise, many automakers have embarked on developing and implementing more comprehensive e-business strategies that extend their traditional informational websites and direct marketing approaches toward building relationship marketing and actual online transaction capabilities.

Dealers rethink their expertise

Dealers are enthusiastically embracing e-business. In 1998, two-thirds (61 percent) of 22,600 NADA (National Automobile Dealers Association) member dealers had websites, 65 percent employed dedicated Internet salespeople, and 40 percent participated in one or more online car buying service *(see figure 3)*. On average, each dealer reported selling just over five vehicles from Web leads per month, with relatively low website maintenance costs (US$250 per month). The Internet is proving to be a highly cost-effective marketing and sales tool, with reported dealer marketing costs per vehicle averaging US$109 per online unit sold, versus US$179 per unit for traditional advertising.

Dealers linked to online buying services perform significantly better, selling an average of 10 vehicles per month to online customers. Relative to the lead stream (an average of 37 leads per month), these dealers enjoy an online close rate of better than one in four, significantly better than the typical store close rate of one in five. They also report sales boosts ranging from 5 to 30 percent as the Internet expands their virtual market territory and addressable markets.

Buying services create new channel

Online vehicle buying services are emerging as an industry force to be reckoned with. Each of the largest online buying services attracts more than 500,000 visitors each month, and dealer referral rates run as high as one for every six visitors. The four largest services — Autobytel, Autoweb, Microsoft's CarPoint and Cars.com — already account for almost 5 percent of new vehicle sales, by some estimates. New formats continue to evolve. CarsDirect.com, for example, claims its online customers can buy and finance a vehicle within 20 minutes, and take delivery at their home or office within two days.

Currently, there are more than 50 such online buying services, although it's likely that the business will eventually shake out into a handful of viable businesses. At the present time, the online buying services' vision of themselves — and their outlook with respect to carmakers and dealers — varies widely, ranging from:

• Aggressively capturing and dominating the customer relationship, thereby reducing the traditional stakeholders in automotive retailing to secondary roles

• Building a cooperative symbiosis with the manufacturers, to

• Functioning in a passive, secondary capacity as one of several advertising and marketing suppliers

Time will tell which of these business propositions will prove the most successful.

NEW AUTOMOTIVE RETAILING LANDSCAPE

More consequential than the absolute number of Internet users is the market shift caused by the availability of vastly expanded information resources. These are fundamentally transforming automotive retailing. In fact, access to information foretells a future in which power and control of the vehicle buying process will shift even further toward customers and information intermediaries (infomediaries) and away from vehicle manufacturers and dealers.

For customers — whose time is increasingly scarce, who can access almost unlimited information via the Internet, and who have ever-rising expectations and requirements with respect to pricing, service and convenience — the future is bright. Vehicle manufacturers and dealers, on the other hand, will need to develop new channels and frameworks — possibly including brand management approaches differentiated by brand strength — to serve the needs and demands of these increasingly powerful and demanding customers. Fundamental changes are already evident and will continue to change and shape automotive retailing.

Underlying changes underway

According to research conducted jointly by A.T. Kearney and the Office for the Study of Automotive Transportation (OSAT) at the University of Michigan, dealers and carmakers are very much aware of these significant industry changes. As yet, however, very few dealers or carmakers are positioning themselves strategically to manage the unfamiliar, evolving challenges of the new competitive environment.

A.T. Kearney and OSAT presented a series of statements to 800 dealers and representatives of 22 vehicle manufacturers in 1998, asking them to describe the current market situation, and projecting forward 10 years to describe the prospective market situation in the year 2008. From this research we determined, among other findings, that four main trends will shape the new automotive retailing landscape:

- Customers will have easy access to limitless information
- Customers will exhibit a growing preference for electronic shopping
- Loyalty to car manufacturers and dealers will continue to decline
- The Internet will become the preeminent medium for advertising and communications, and more powerful than national advertising in generating showroom traffic

As a result of these trends, we believe that the automotive retailing landscape will be characterized by:

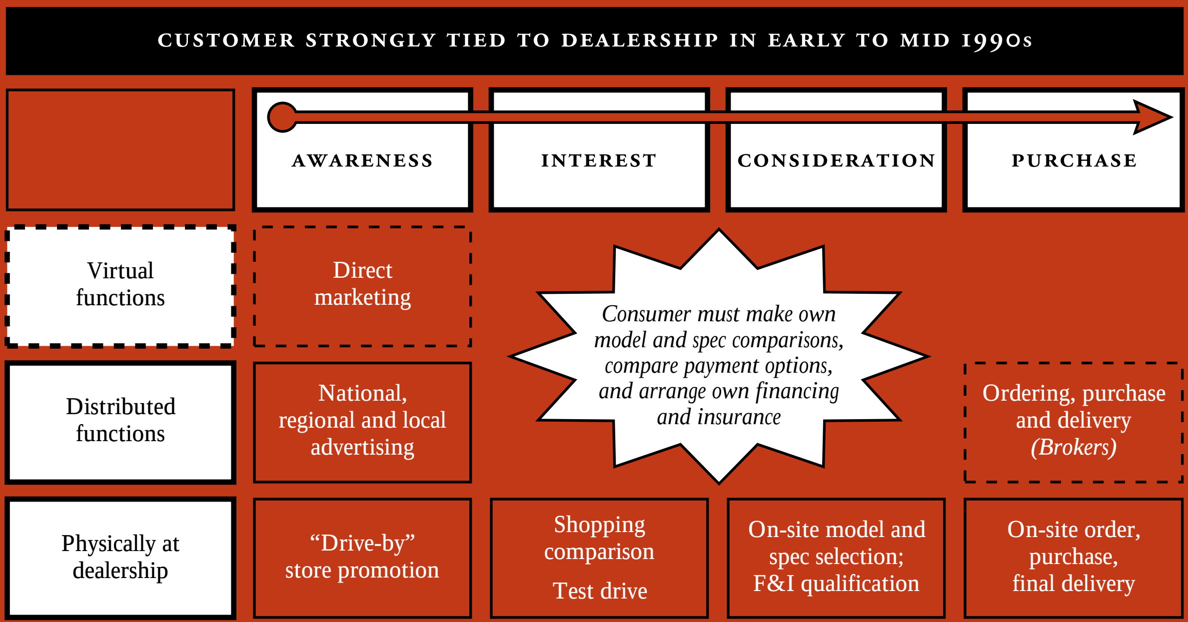
- Many more customer options for shopping and purchasing
- An evolution toward differentiated brand management approaches that favors strong brands
- Consolidation of traditional dealerships, and emergence of new vehicle retailing formats

Let us look at each of these characteristics in greater detail.

More customer options

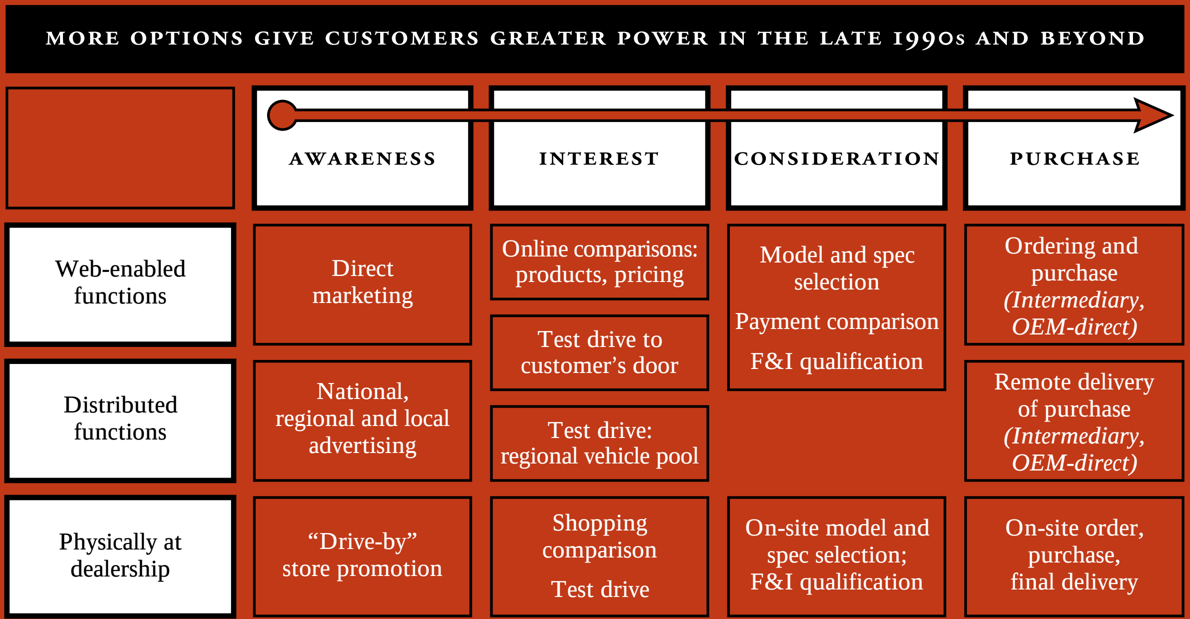
Through the early to mid-1990s, most activities relating to customer shopping (involving sequential stages of awareness, interest and consideration) as well as the actual purchase, occurred at the bricks-and-mortar dealership *(see figure 4)*. Awareness was generated by national, regional and local advertising, distributed through electronic and print media and billboards, as well as by "drive-by" store promotions. Comparison shopping and test-drives spurred the customer's interest. When customers moved on to consider two or three brands and models, they selected the model and

Figure 4: Early/mid 1990s — new vehicle shopping and sales



Note: Dashed lines mean function is in its infancy.

Figure 5: Late 1990s — new vehicle shopping shifts to web-enabled functions



Note: Options at the dealership have not changed. Web-based and distributed functions all provide greater options for the consumer.

specifications at the store, obtained pricing and payment terms, and often qualified for financing there as well. Finally, in the purchasing stage, customers placed their orders on-site, completed the paperwork and took delivery at the dealership, although in some cases, brokers took care of these steps. The only activity occurring in the "virtual" domain of the Internet was some fledgling direct marketing, designed to complement the predominant, hard-copy mail-based solicitation.

In this environment, customers had to physically visit several dealerships to gather information; compare models, specifications and payment options; and possibly arrange financing and insurance as well. Unless assisted by a broker, customers were vulnerable to dealers who engaged in aggressive selling practices because the information they received was incomplete and the processes much less transparent.

Today, however, the situation has completely changed. Technology and competitive pressure have created many more options for the customer that are web-enabled (take place virtually) or web-enhanced (take place at the dealerships but with the aid of electronic media) (*see figure 5 on page 7*). For example:

• Vehicle manufacturers can improve *awareness* by tailoring web-direct marketing to specific customer segments, and to better complement broadly directed national, regional and local advertising in addition to store-level promotions.

• Most carmakers provide online product and pricing comparisons these days, which are designed to generate *interest*. Appointments for test-drives can be arranged virtually; in the United Kingdom, Daihatsu even brings the test car to the prospective customer's door. Other carmakers — including Toyota in Japan and in the United States through its "Taste of Lexus" comparison ride-and-drive program — have created distributed regional test-vehicle pools, so that customers need not visit a dealership for test drives.

• Online buying services and other information intermediaries have sprung up to help customers with model, price and feature comparisons, as well as financing and insurance qualifications, so they can *consider* the purchase decision based on factual information. Customers no longer need to rely on incomplete information to make their final selections.

• Finally, customers can *purchase* new cars online and take delivery remotely, either through an intermediary (the value proposition envisaged by CarsDirect.com) or even directly from the carmaker (Volvo is experimenting with this in Sweden).

Depending on their individual comfort level with technology, customers will choose a unique path through the various channel options. Traditionalists and technophobes will continue to rely mainly on the dealers; technology-savvy customers will gravitate toward the virtual and distributed options. Regardless, with more choices and information, it is clear that the balance of power in automotive retailing has shifted in the customer's favor.

Evolution favors strong brands

As a result of the marketing possibilities introduced by the Internet, carmakers — and their competitive standings — will soon be divided based on perceived brand loyalty.

Brands with weak brand loyalty will become even more vulnerable. Because customers buy these vehicles primarily based on price, the increased availability of information will continue to drive down price realization. Eventually, these brands will become vulnerable to category management. When this happens, customers will specify their functional transportation needs and a large retailer — perhaps a multi-franchise dealer chain or an online buying service — will respond by offering the "sedan *du jour*," depending on which carmaker is offering the best deal.

Meanwhile, vehicle manufacturers with strong brands will be able to strengthen that loyalty even further by creating and sustaining an ongoing dialogue with their customers over the Web. Such carmakers can continually reinforce their customers' buy decisions, as well as cultivate brand mystique. Already, Mercedes-Benz and other luxury automakers have taken sophisticated steps in this direction with their direct-marketing campaigns.

Providing attractive products and superior customer service will continue to be essential to maintain superior brand loyalty. As long as automakers that command high loyalty can manage supply and demand, they can realize much better price and margins in this Internet-enabled environment, possibly including the ability to sustain no-haggle pricing. Finally, carmakers' initiatives to reduce vehicle order-to-delivery cycle times — including those of BMW, Cadillac and Toyota — can be fully leveraged for competitive advantage. Using the Internet, customers will be able to custom order a vehicle online and take delivery within days, further reinforcing satisfaction and loyalty.

Consolidation and new retailing formats

The Internet did not precipitate the consolidation of dealerships currently underway in the United States. However, by accentuating the divide between strong and weak brands, and between Internet-savvy and Internet-weak dealers, the Internet is adding momentum to the restructuring of traditional retailing channels and enabling the emergence of new retailing formats. While power shifts to customers and infomediaries, and the industry experiences an increasing oversupply of low brand-loyalty vehicles, various manufacturers are developing new distribution models to help them stay in control of their destiny. For example, following initial trials in the United Kingdom, Daewoo has set up company-owned stores in the United States with a one-price selling philosophy. Given the brand's newness, initial awareness and loyalty are very low. Daewoo's products would otherwise be subject to pricing pressure. This business model also could potentially allow Daewoo to sell cars directly online to customers.

Also, Ford is setting up the "Auto Collection" program with selected partner dealers. This project is designed to reduce retail points in overserved markets, and leverage the strength of Ford's core brands to attract traffic to the weaker brands in the portfolio, including Mazda. This strategy also includes the potential of upselling loyal customers to near-luxury and luxury brands including Lincoln, Volvo and Jaguar.

The retail environment in the future therefore offers many more choices for the customer, and will involve dealers, virtual sales and delivery channels, as well as hybrid variations.

Dealers will remain a fixture for the foreseeable future; however, the industry will see consolidation. The surviving dealerships will be larger, they will leverage the Internet to broaden their market reach, and they will either offer very competitive no-haggle pricing or will adopt much more sophisticated approaches to pricing to capture marginal incremental customers. In addition, there will be more variations of the traditional automotive dealership, including:

- Dedicated sales-only boutiques, such as Smart uses in Europe.
- Megastores such as the Ford Auto Collection, which are owned either by the vehicle manufacturer or in partnership with their dealers.
- "Category killer" dealerships where many brands are sold under one roof. Just as many brands of appliances can be purchased from Sears today, someday various brands of SUVs may be purchased from a "SUVs 'R' Us." There are already precedents for such one-stop shopping. Today, customers in large automalls that feature multiple franchises held under single ownership can find just about any brand and model of vehicle within a short walk or drive; at such malls, substantial amounts of business are cross-referred.

In addition, virtual sales and distribution channels — those that either stand-alone or tie in with dealers and hybrid stores — will become viable:

- The scope of business transactions on the Internet will continue to expand. Eventually, customers will order vehicles directly from selected vehicle manufacturers, for delivery either at a physical dealership or — in certain areas — to an address specified by the buyer.
- Brokers will also continue to serve as buying intermediaries for customers who lack the time or inclination to search for the best deal themselves.

IMPLICATIONS

The new automotive retailing landscape presents a number of difficult challenges for its principal stakeholders. Those that take steps now to develop strategies and manage these eventualities will survive and thrive. Those that do not take steps now, risk leaving control of their destinies in the hands of customers and other more aggressive stakeholders.

Vehicle manufacturers

Automakers have a clear need to define strategies and paths to build and retain control of the customer relationship that integrate all other intermediaries — dealers, company stores, online buying services, even the after-market service providers. Customer relationship management needs to occur in the traditional "physical" sense (involving the dealers), as well as in the "virtual" and "distributed" domains. However, balancing the need to meet customers' wishes for online car buying — even directly from the manufacturer — with the dealers' interests will require delicate maneuvering.

Moreover, approaches to brand management will become increasingly varied, according to customer loyalty. For brands that engender high levels of loyalty, the emphasis will be on building customer relationships, cultivating brand mystique, tailoring products and services to customers' life stages (such as pitching minivans to couples with young families, and more luxurious vehicles to "empty nesters"), and differentiating the product through service offerings. Conversely, brands that engender low levels of loyalty may face strategic decisions to collaborate with the eventual category managers, the "department stores" (so to speak) or "dot.coms" of automotive retailing to achieve the most advantageous positioning for their products. Some vehicle manufacturers might even move to direct online selling to reduce overhead and get their products out to customers at the lowest possible prices.

Finally, as more customers bid out their business to multiple dealers, price and margin realization will become thinner and thinner. This may eventually force manufacturers to set up a price floor with one-price selling. Also, to cut costs and improve customer responsiveness, carmakers will move toward customized, real-time production that shortens order-to-delivery cycle times.

Dealers

For those dealers that survive the necessary shakeout, marketing boundaries will inevitably blur. Physical territories will become much less meaningful as customers use the Internet to bid their business out, even to out-of-state or out of country dealers.

Pricing transparency has serious implications for dealers. Essentially, because customers can bid online for their business, the new car-buying process is evolving toward a series of mini-online auctions (as exemplified by Priceline.com). As margins continue to erode, pricing could eventually devolve to a state whereby the manufacturer will establish a floor price and the dealer is paid an order-taking, delivery, preparation and handling fee, with manufacturer holdbacks paid only to dealers that achieve high customer satisfaction. To remove costs, both dealers and manufacturers may increasingly shift toward inventory pooling.

The Internet will also begin cutting into the most profitable parts of a traditional "bundled" dealer's business, including financing and insurance agreements and used car sales (where online selling is better developed and where the carmakers are establishing direct sales channels). This will cause further pressure to increase scale of operations in order to survive.

As competitive pricing becomes less of a differentiating factor, superior customer handling—shopping and the initial purchase, as well as after-sale service and parts—will become the basis of defensible competitive advantage. In the new competitive order, profitability is not assured by a series of one-off transactions, but rather only when the dealer retains the customer over several vehicle purchasing and use cycles, accomplished through customer lifetime retention.

Finally, we should see stronger dealer affiliations—and perhaps even consolidations—under the most successful online buying services, since they will have the reputation for having access to the best competitive prices and delivering a higher level of customer satisfaction.

Online buying services

It will be necessary for the online buying services to clarify their philosophy with respect to the vehicle manufacturers and dealers—whether to be aggressive, passive or collaborative in terms of claiming the customer relationship. Only the most aggressive or constructively collaborative online buying services will likely survive the coming shakeout into a handful of viable services. The winners will be those that can find value-adding ways to lock in their dealer partners, or provide an alternative direct selling channel.

Capturing their "fair share of value creation" will increasingly be on the agenda of the online buying services. The costs of marketing and selling cars on the Internet are currently considerably cheaper than through traditional advertising and promotional channels. Online buying services will want more of the action and value generation, especially if the huge premiums paid with some recent IPOs are to be justified. This may be difficult to achieve, however, given competition and the fact that customers are used to receiving Internet content for free or for a nominal payment.

Finally, the online buying services that do capture the customer relationship will want to find ways of mining the value in these relationships. Some possibilities include building strategic partnerships for cross-selling (for example, selling upscale goods to luxury car buyers) and establishing virtual garages that track vehicles and help manage vehicle ownership.

DIAGNOSTIC

While there is no prescription for a universally accepted e-business strategy, we advise manufacturers intent on leveraging the opportunities and managing the challenges presented by the Internet to use the following six steps to develop and implement their e-business strategies (*see figure 6 on page 14*).

1. Define strategic objectives

Determine why. Why use the Internet? To acquire new customers, retain existing ones, or cross-sell or upsell customers on products? Until recently, most manufacturers' websites served up "brochure ware"—glorified electronic billboards that offered customers another medium for gathering information but did not offer a way to transact business. Today, websites must be designed with strategic and commercial objectives in mind.

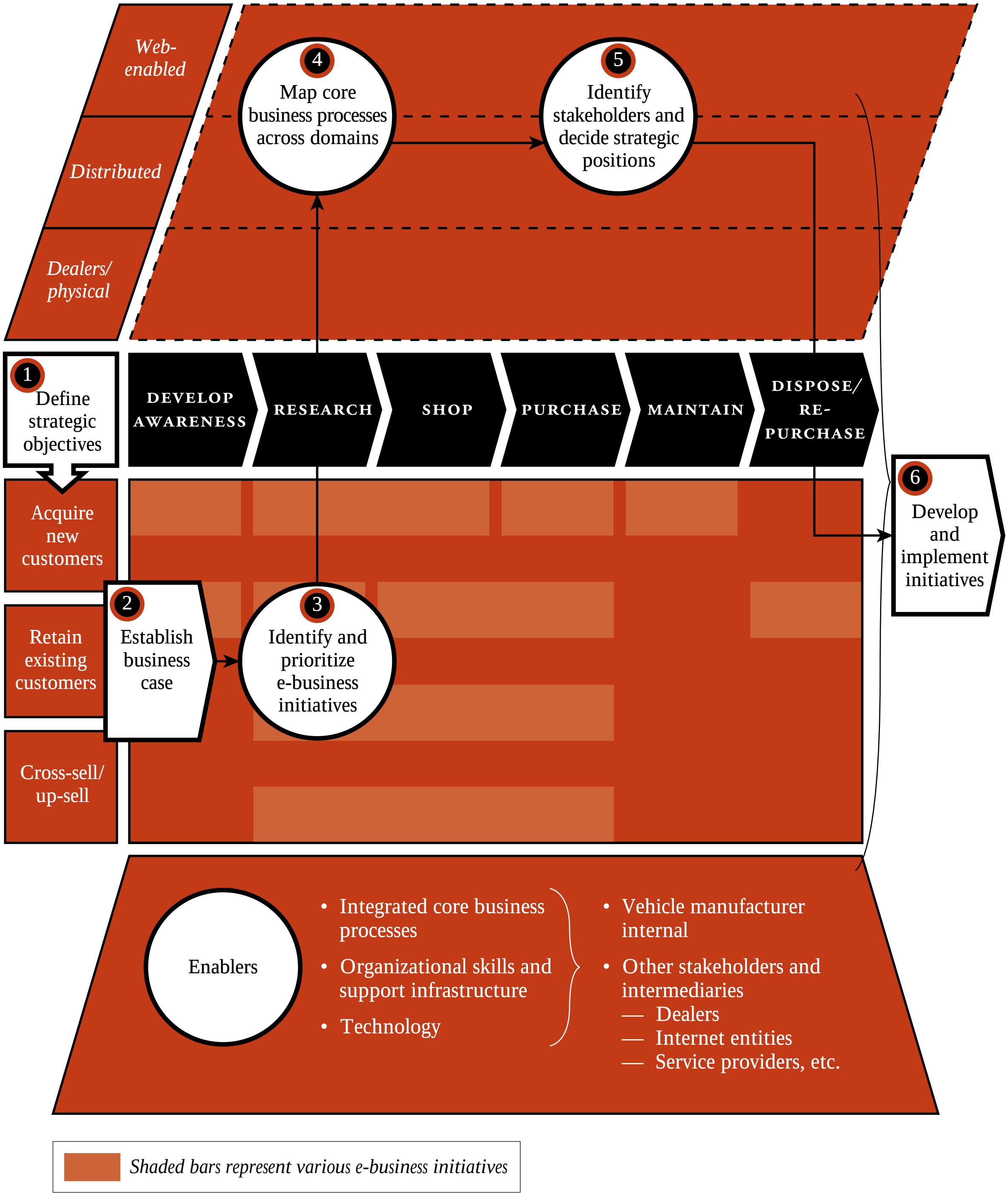
2. Establish business case

Frustrated by a slim payoff from web investments to date? This should come as no surprise given that many automotive websites simply replicate information readily available from other sources. To develop a successful e-business blueprint, begin by defining specific business objectives. This requires a combination of knowledge of the quantifiable payoff (for example, measurable ROI) and channel migration (following customers to their new preferred ways of transacting business). There are carmakers out there that are setting precedents, using the Web to generate strong, positive ROI. Mercedes-Benz, for example, has reallocated marketing funds—moving significant amounts from traditional media advertising to direct marketing, including using the Internet to communicate with current and prospective owners. This shift, along with other initiatives, has allowed Mercedes-Benz to boost prospective buyer consideration and owner loyalty, as well as reduce its unit marketing and promotion costs to the lowest among all luxury brands.

3. Identify and prioritize e-business initiatives

Once strategic objectives are determined—acquiring new customers, and boosting owner loyalty and cross-selling or upselling opportunities—it is time to focus on supporting and winning the customer. Customer support must traverse the entire vehicle life cycle, from developing awareness and shopping, to the purchase decision, on through maintenance and repair, and finally to the inevitable disposal or

Figure 6: Conceptual framework for vehicle manufacturer's e-business strategy



Source: A.T. Kearney

repurchase decision. Begin by defining a set of initiatives that integrate the online and physical distribution channels; prioritize and phase-in each initiative with the final goal of developing a working e-business blueprint. Ford, a leader in this area, already boasts many of the ingredients of a virtual business system. For example, Ford offered a pilot program, “Ford Pony Car Express,” in which customers could go to its website and purchase a Ford Mustang. Moreover, customers can visit Microsoft’s CarPoint website to order a Ford vehicle — this revolutionary collaboration between Ford and Microsoft is drawing interest from the other automakers.

4. Map core business processes across domains

There are three domains of business: virtual (or web-enabled), distributed and physical (this includes dealers). Developing initiatives within the e-business blueprint must begin with a clear understanding and definition of the core business process of each domain. The links across the initiatives must be flawlessly integrated so that the customers’ entire experience is seamless, regardless of which path the customer chooses.

5. Identify key stakeholders and decide strategic positions

With the core business processes defined, the next step is to identify key stakeholders — current and prospective — that operate within the three business domains. A decision must be made about whether the company’s objectives are best served by collaborating, competing or conceding that part of the business. Begin the decision-making process by creating strategic positions for the different groups of stakeholders. The stakeholders include both online players — Internet buying services, portals (such as Yahoo!), and infomediaries (Kelly Blue Book or www.kbb.com) — and traditional ones, which includes dealers, other manufacturers and automotive services companies.

6. Develop and implement initiatives

The final step in implementing an e-business strategy involves phasing in the initiatives over time, according to the planned blueprint. Decisions must be made about resource commitment, business process design and systems development. Also, discussions and negotiations must be initiated — as appropriate — with prospective strategic alliance partners. As with any business strategy, an e-business blueprint must be revisited periodically and fine-tuned or even radically modified as circumstances and stakeholder viability change. The guiding principle will always be business-case driven and holistic — remembering that business platforms must be extended and linked across multiple domains and that changes will affect all stakeholders.

Conclusion

Well-considered, strategic alliances that link online stakeholders with traditional stakeholders across the three domains — virtual, distributed and physical — will be critical to success in the new automotive retailing environment. Stakeholders intent on playing a competitive role in the new environment may want to begin asking a few questions:

- What combination of stakeholders — manufacturers, dealers, online buying services or other intermediaries — will organize themselves to create and maintain the virtual customer relationship?
- How will the stakeholders accomplish their objectives in a sustainable fashion?
- How will these strategies and approaches differ by brand strengths and the market positions of carmakers?
- Who will act the soonest? How significant are first-mover advantages? Who will succeed?

There will not be a "one-size-fits-all" method to integrate Internet technologies into automotive retailing. Instead, there are many possibilities and options. What works for a "high brand loyalty" carmaker may not work for a "low brand loyalty" one. But whatever happens, the customer is the ultimate beneficiary; with more choices, better information, added convenience, and greater control over the shopping and pricing processes — customers cannot lose.

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