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BMW breaks away from pack with online retail option

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RMW's 225ve

By FORREST CARDAMENIS

German automaker BMW is disrupting automotive retail by taking its online ventures to new heights.



Over Thanksgiving weekend Nov. 27-29, BMW launched an end-to-end car-purchasing capability on its Web site. Although the growth of online shopping is hard to miss, automobiles are widely believed by many to be the one product that would always require an in-person transaction.

"Industry research indicates that nearly half of all buyers would consider buying a vehicle online; with the integration of the BMW Genius via live chat and retailer messaging function customers are still able to get the personalised support and guidance they would have if they were to visit a retailer," said Gavin Ward, BMW media relations manager for BMW.

"In this way the industry research is no different to many other sectors in which we are seeing customers increasingly embracing online purchasing," he said. "We believe that by introducing BMW Retail Online, we are simply providing the customers the another route to purchasing their chosen vehicle and therefore complementing the Retailer as they are still the trusted point of contact."

Ahead of the curve

BMW boasts that with its online retail option, consumers can now purchase a vehicle in less than 10 minutes. The model specification, financing, payment and handover can all be arranged online.

Those who are cautious about buying an automobile without driving it first can also arrange a test drive. Those with questions, meanwhile, can contact sales executives through email or via live chat during the purchase process.



BMW online retail

The process will be modeled after the showroom's BMW Genius experience and will be offered between 8 a.m and 10 p.m. Purchasing a vehicle entirely online is a radical idea to many, so it is important for the brand to maintain human contact to lend familiarity to the process and alleviate nervousness.

"We are the first car manufacturer to offer a digital sales solution for the entire product range and the full end-to-end buying or leasing process online," said Ian Robertson, member of BMW's board for sales and marketing in a statement. "Now, the customer can do it all from the comfort of their home.

"The integration of the BMW Genius via live chat and retailer messaging functions where the customer is able to get personalized support in real time, makes this system unique and a new benchmark for the automotive industry," he said.



BMW retail configurator

Online purchasing has clearly been in the cards for the automotive sector for some time. Ninety-seven percent of purchasers research vehicles online first, and they average only 1.4 visits to a retailer before purchasing, compared to four visits in 1998.

Research also shows that half of buyers would consider buying online. Additionally, the online retail option was tested at nine United Kingdom retailers, with success rates convincing 95 percent of dealerships to partake.

A "Find your BMW" tool helps consumers find the right vehicle with four questions to determine the right fit. The online purchase process also includes a configurator for determining upholstery, color, optional equipment and enhancements or, in conjunction with the questions answered earlier, proposals for pre-built cars that can be delivered faster.



BMW online retail

Also included are a finance calculator and the integration of national offers, an independent valuation for the buyer's current vehicle for trade-in purposes and an opportunity to chat with a salesperson before a credit check and purchase.

Pushing the envelope with regards to online retail positions BMW as a leader and trend-setter among automakers. BMW loyalists who might be looking to purchase the latest edition of their favorite model can now do that more easily than ever, and the convenience it offers consumers and customizability it allows the brand to showoff naturally could also create positive word-of-mouth in the long run.

Out in front

BMW has a history of staying in front on digital trends and selling techniques.

For example, in October the automaker used mobile streaming application Periscope to have fans "choose their own destination."

BMW recently turned to Periscope to launch its M2 model, and now the automaker has then the platform to debut its first-ever live-action adventure, #X1WhatsNext. The adventure allowed enthusiasts to control movements and decisions via Periscope live voting throughout the day on Oct. 28 (see story).



BMW5

In addition to courting engagement and making itself visible, more directed selling techniques have shown visible improvements at some dealerships.

This September, BMW saw a surge in mobile traffic at one Washington location thanks to a digital advertising platform.

PureCars employed its SmartAdvertising solution, which utilized geo-targeting, location-based bid adjustments, mobile-specific advertisement scheduling and other forms of mobile boosting to turn customers toward the BMW dealership. Thanks to the campaign, the store was regularly at the top of search results and experienced an increase in clicks by almost 66 percent, a 60 percent jump in impressions and an improvement of almost 4 percent in the click-through rate of mobile ads (see story).

"BMW Retail Online simply provides customers with another convenient way of interacting with the brand," Mr. Ward said. "Customers can choose live chat, phone or email to communicate with a BMW Genius in exactly the same manner as they would face-to-face. Furthermore, customers can arrange a test drive via the website with the car delivered to them at their convenience.

"The entire process is designed in order that the customer can choose the option best for them," he said.

Final Take

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