

AUTOMOTIVE

Ultra-luxury automakers severely lacking in digital capabilities: L2

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2017 Mercedes SL Roadster

By BRIELLE JAEKEL

A new report from L2 is showing that between standard luxury and ultra-luxury auto brands, there is a substantial gap in digital offerings with the latter falling increasingly behind.

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L2's **Auto 2017 Digital IQ Index** shows that higher end luxury automakers such as Ferrari are continuing to focus on traditional media, neglecting offerings such as search and email. While these brands do particularly well on social, the lack of multichannel strategy can see these brands falling to those that do better.

"We were surprised by how the performance gap between the luxury brands (Mercedes) and ultra-luxury cohort (Ferrari) persists," said Colin Gilbert, vice president of research and client services at L2. "While content from automakers at the higher end price point resonates well on social media platforms, their tactical efforts around search, email and other targeting efforts are nascent to non-existent.

"By relying heavily on traditional media and their historical brand equity, more nimble brands like Tesla are positioning themselves to dominate select laggards in digital," he said.

Digital vs traditional

One in three auto brands have made content more shoppable by updating their UI/UX on their Web sites.

L2 has determined that organic demand will become scarce as well as low incentives. Online shopping and custom support via third party platforms will be imperative moving forward.

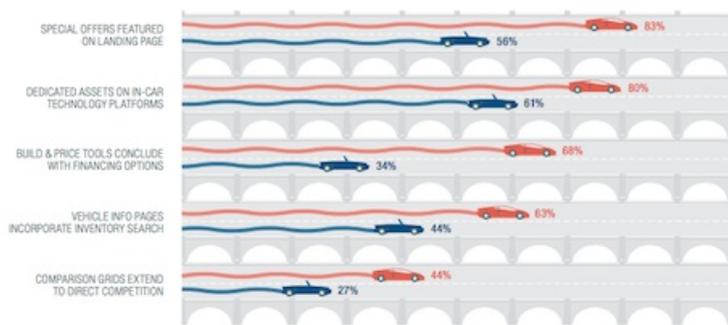


Chart courtesy of L2

Currently, consumers who are shopping for a vehicle will only visit about two dealerships. This makes online offerings highly important.

Daimler AG is doing extremely well with digital offerings, making it second in L2's ranking with a digital IQ of 135.

BMW follows at a ranking of seven and IQ of 130.

While Cadillac, Porsche, Lexus and Tesla have all ranked within the top 20, the top tier priced brands hold the bottom of the list. Aston Martin comes in at 35, Bentley at 37, Maserati at 39, Rolls-Royce at 40, McLaren at 41 and Bugatti at 42.

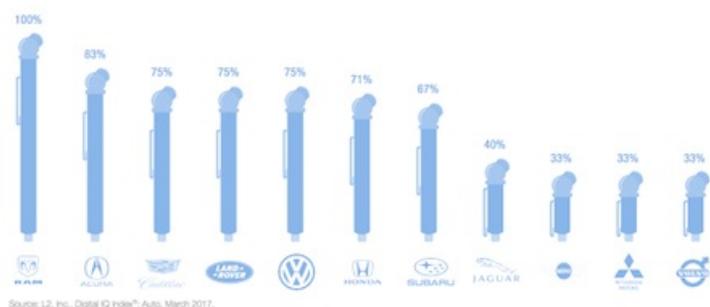


Chart courtesy of L2

Porsche showed off its digital prowess recently by building a stronger community around its brand and love for its vehicles with a new twist on the automotive magazine.

The 9:11 Magazine by Porsche is the automaker's video version of a magazine. The online hub created by Porsche acts a digital magazine with various docu-style videos for all things related to the automaker ([see more](#)).

Additional insight

Luxury automotive manufacturers have the ability to increase returning loyal customers by implementing a form of text message updates when servicing vehicles.

Another report from J.D. Power showed that 55 percent of consumers said they would definitely return when contacted through phone calls from personnel regarding service on their vehicles. However that percentage increases to 67 when customers are able to receive text updates on their vehicle service ([see more](#)).

"The key takeaway from the auto report is how these benchmarks illustrate the extent to which the digital landscape changes in the short span of a year," Mr. Gilbert said. "Beyond the reshuffling we see in the ranking, L2 observed that more than one in three brand sites upgraded site features, 'tier 1' paid media continues to cannibalize the visibility of regional and local dealer affiliates and brands have begun rolling out the third generation of their mobile connectivity apps."