LEANSUMMITS

Online car selling platform

A top U.S internet car selling platform company wanted us to help with their roadmap and execution plan to prepare for the shift in online car buying behavior of car buyers in the United States.

This company sees the fast moving trend of shoppers purchasing their new and used cars from out of state dealerships. This online car selling aggregator wanted to enable auto transportation feature when they send the purchase leads to dealerships.

The client did not have any transportation assets. They would have to rely on transportation logistics infrastructure that currently exists.

The Challenge

Our aggregator client required a mechanism to reliably quote a price that the dealer and the vehicle transport business handling the shipment would accept. This transportation cost should be factored into the car's sale price. Dealers should therefore be able to offer automobile shipping at the same price. Dealers should then be able to book auto transportation using the transporter that is included in the lead from the aggregator when the consumer buys the car. The cost of auto transportation fluctuated at a considerably greater rate than the cost of a car. As a result, the offered price was only valid for a limited time.

Since aggregators moved a large number of dealership inventory, the solution needs to scale and the transporter of the vehicles should be able to handle large quantities of vehicle shipments.

In addition, the user experience for the car buyer should be easy and seamless.

The Strategy

The following strategy is developed for execution. The focus was on building an integrated solution that can be deployed at scale.

- Build a solution that integrates all the pieces of car buying including, financing, lease/buy, car price, title, insurance, tax, with auto transport cost. Identify a real-time quoting and booking system for auto transport and perform end-to-end integration. Make sure the customer is quoted with an accurate price while quote expiry and requoting is managed properly.

- Scaling must be addressed from a technology perspective as well as on the logistics end.

- Finally, a scalable pricing model needs to be developed that addresses the needs of aggregators, dealers and logistics operators

The Execution

An end to end solution that is optimized for online buyer experience was developed with the following key functionalities:

- API integration between the aggregator's customer-facing commerce site and the dealership transportation portal

- Provided a mechanism for the consumer to acquire real-time transportation prices at the moment of quoting the car price

- The aggregator to dealership interface is modified to address the transportation add-on

- When the dealership was ready to book the customer's car, it reconnected to the portal to place the auto transport service order

- Dealerships have a portal from which they can track their shipments

- Invoices and payments are set up between dealerships and transportation companies.

- Dealers are able to work with any transportation company of choice, which allows for significant scale

- In case of returns, a solution for returns was built into the system

The Results

The implementation was highly successful and achieved the following results.

- Online car selling companies added a new revenue stream on their existing platform without significant investment

- Dealerships are able to move cars much faster out of their lots because of the national coverage for sales

- Transportation logistics companies got benefited by the new inflow of shipping orders. Oftentimes this are lucrative moves as customers are willing to pay for the cars they love to buy

- Dealerships sold more automobiles and lowered repo expenses

- This became a win for online car buyer, online car seller, dealerships and transportation logistics companies