



Digital Car Retailing

25 November 2020

Alexander Prinssen

eBay key facts

183m

Active buyers

1.5bn

Live listings

\$90bn

GMV

514m

Global app downloads

25M

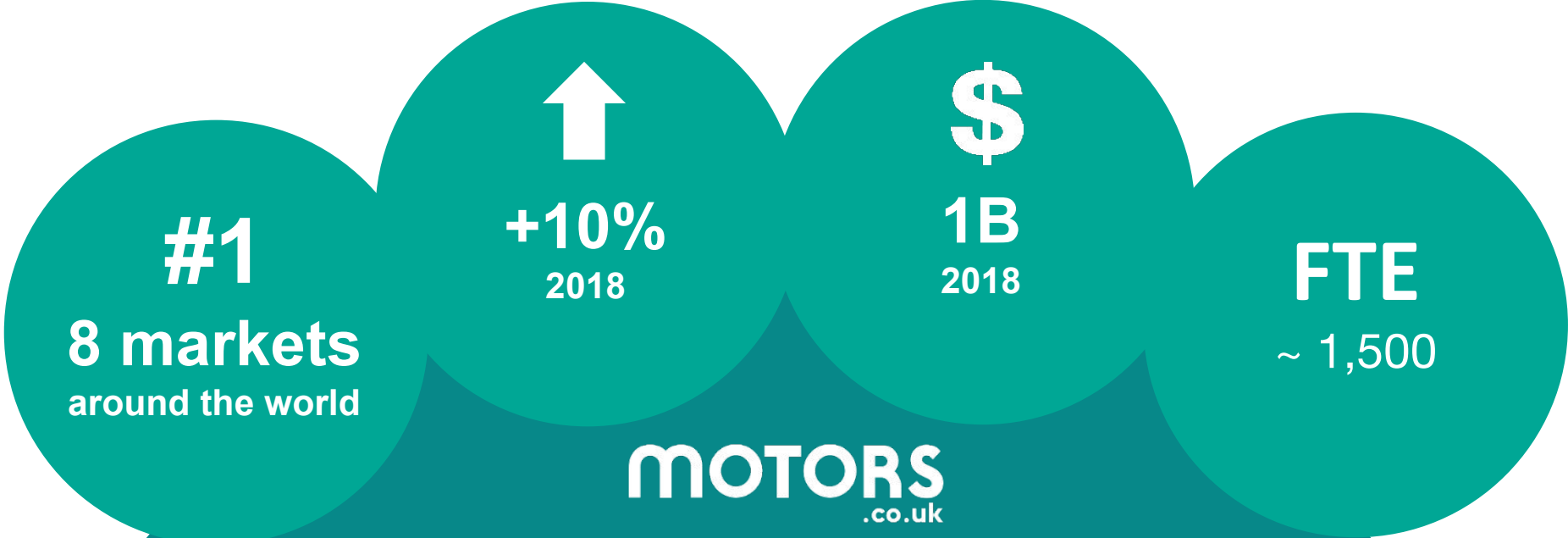
Sellers

\$168m

Most expensive item sold



EBAY CLASSIFIEDS GROUP



MOTORS
.co.uk

➤ Marktplaats

kijiji

Gumtree

ebay

Kleinanzeigen

mobile.de

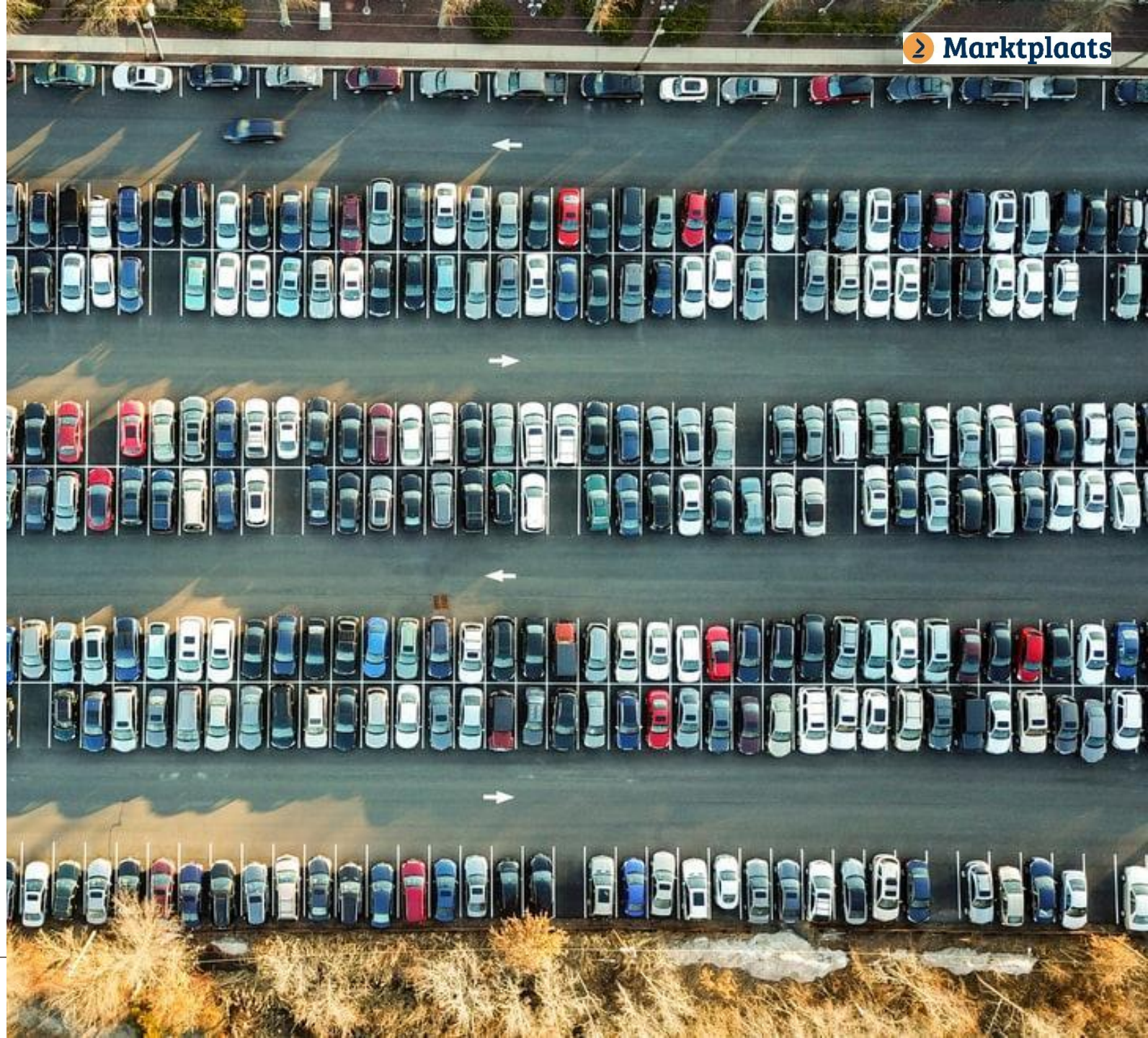
vivanuncios

@dehands

dba

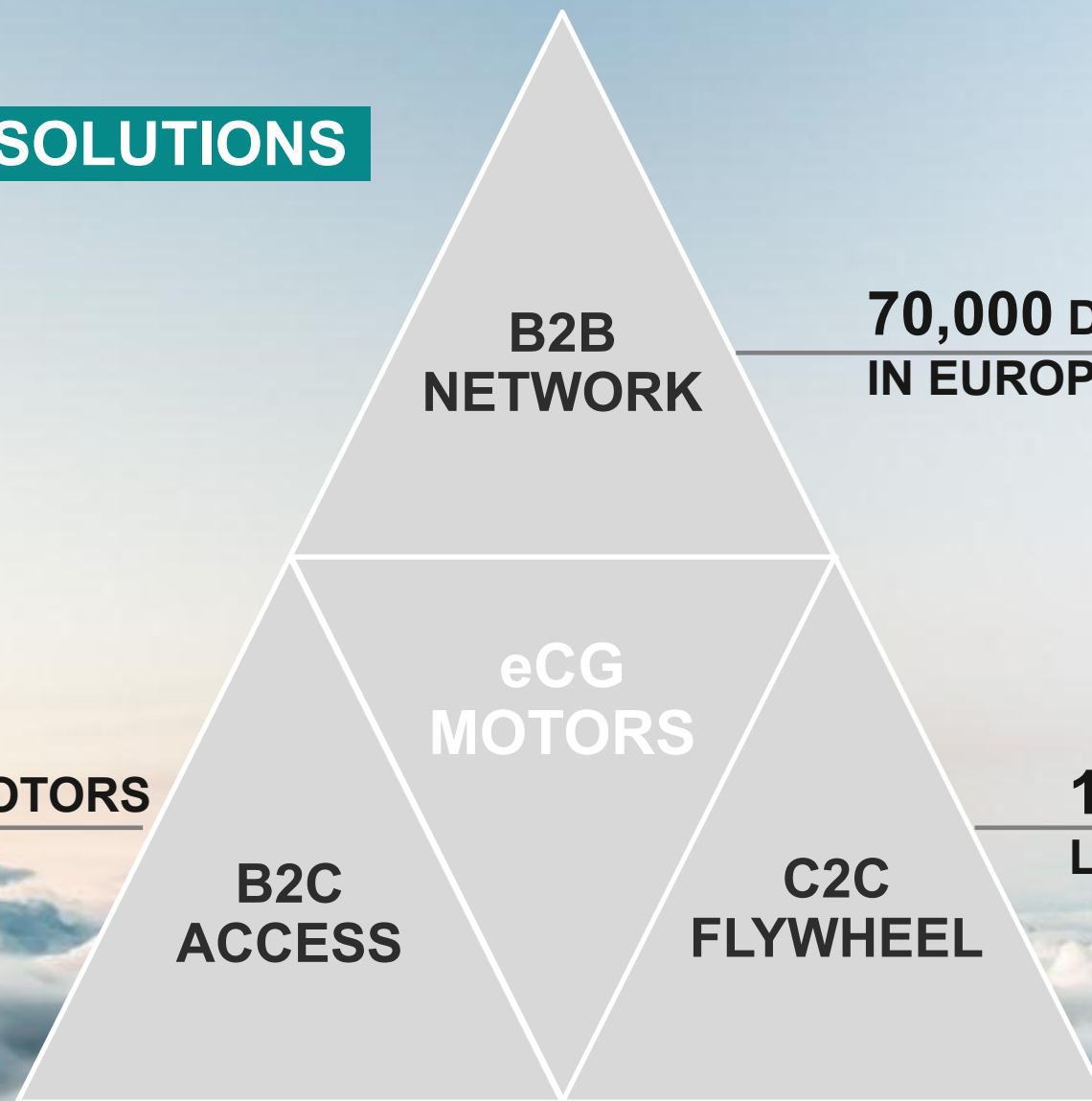
Bilbasen

**MOTORS IS BY FAR
MOST IMPORTANT
CATEGORY WITH
20+ YEARS OF
EXPERIENCE**



ONE PARTNER

MANY POWERFUL SOLUTIONS



**70,000 DEALERS
IN EUROPE**

**398M VISITS FOR MOTORS
EVERY MONTH**

**1.95M C2C/ 3M B2C
LISTINGS**

OUR HIGH-LEVEL VIEW ON

THE REMARKETING INDUSTRY AND ITS SALES CHANNELS

TRADITIONAL B2B CHANNEL HIGH LEVEL OF SATURATION

- B2B approach summing up to >90% of market
- Cost-efficient, however lower sales proceeds
- Future/ MaaS proof?

NEW CHANNELS ACCESS TO NEW AUDIENCE

- B2C and C2C on the rise & offering potential to tap into new target groups
- B2C alone expected to grow to 25-30% of the total remarketing volume
- But: Reaching diverse audiences comes with increased complexity

REVERSED REMARKETING C2B

- Sourcing channel for dealers
- Helping consumers achieving higher selling prices
- Matching supply and demand

CUSTOMER GROUPS PRECISE TARGETING

- Cost per click
- Full digital marketing channel mix
- Providing access to all relevant social media channels
- Increased visibility & reach

RETHINKING THE STRUCTURAL REMARKETING APPROACH OFFERS SUBSTANTIAL OPPORTUNITIES

WHAT IS DIGITAL RETAILING, ANYWAY?

**‘Is it a platform? A process? A series of processes?
Everyone has a different opinion’**

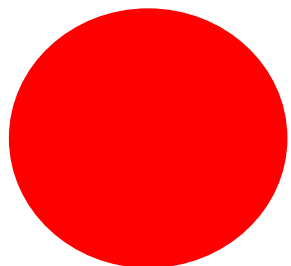
- Digital retailing is defined differently by different dealers, OEMs and technology providers
- Ultimately, it’s buying a car completely online: from initiating the deal, to finance, to delivery to home or office, or pickup at the dealership
- In some cases, digital retailing goes even further, offering insurance, registration, roadside assistance, service options and more.

We think a more useful definition is ‘Using digital tools to eliminate pain points in the automotive sales transaction.’ Few people currently want to complete the entire transaction online; most would love to complete parts of the transaction online.

Car buying and seller journey

This shift to digital dramatically changed the car buying process

Past

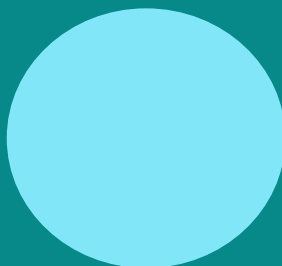


Promotion

Limited information enabling browsing and for people to narrow down the cars and dealers to see

5.0

Present



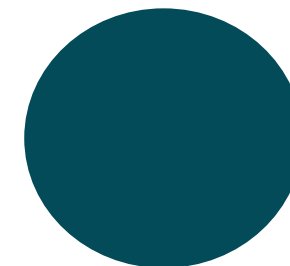
Marketplace

Able to do full research of the car, the dealer and finance packages available and choose the car to purchase

2

Dealership Visits per Sale

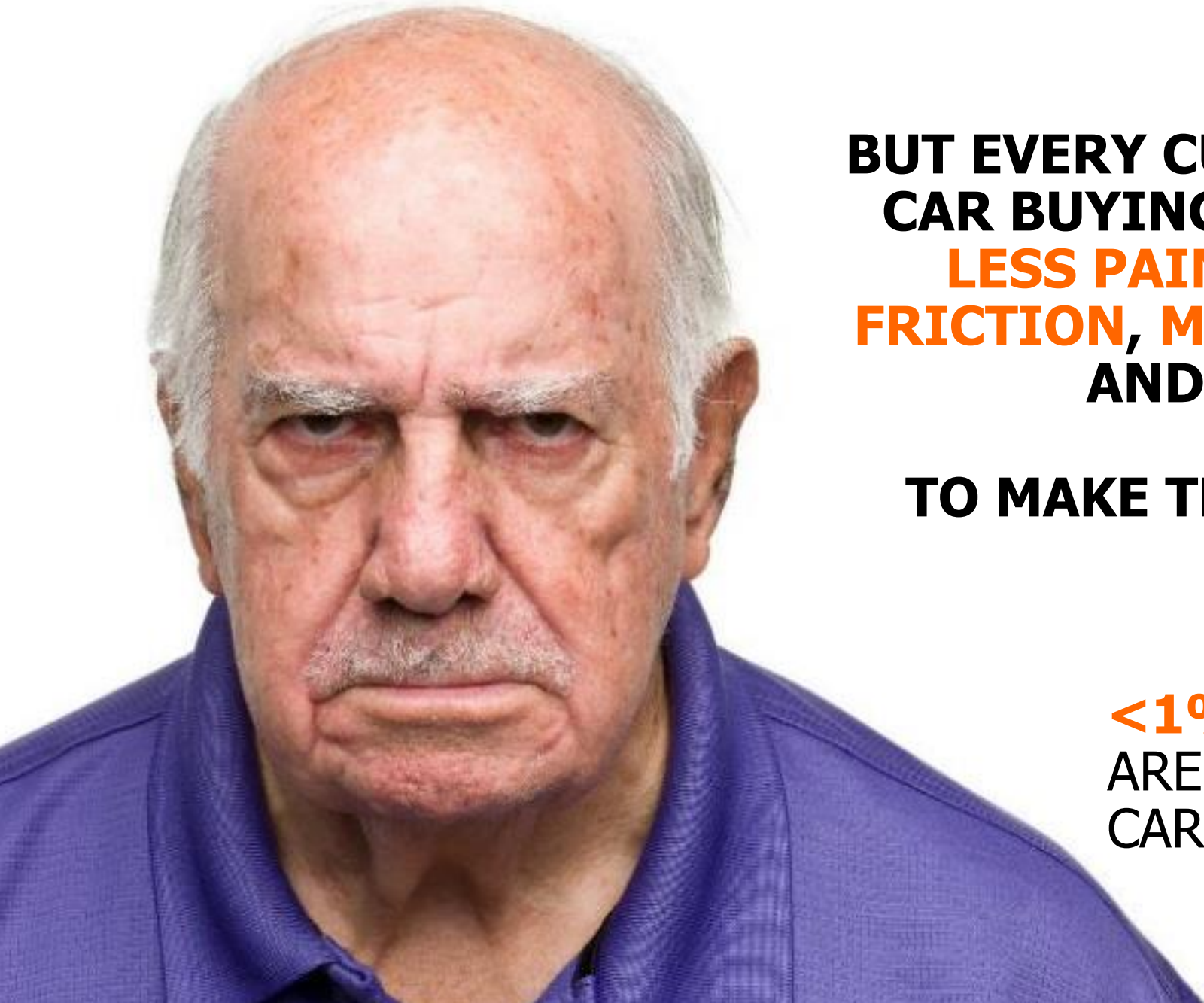
Future



Online Sales

All the information and capability needed to research and buy a car online

0.5?



**BUT EVERY CUSTOMERS WANTS A
CAR BUYING PROCESS THAT IS
LESS PAINFUL, WITH LESS
FRICTION, MORE PERSONALIZED
AND MORE FUN.**

TO MAKE THIS GUY GO AWAY

<1%
ARE HAPPY WITH THE
CAR BUYING PROCESS*

4 or 5

Is the number of jobs people **think** need to be done when buying a car

23

Is the **actual** number of jobs to be done when buying a car



CHANCE!

WHAT ARE THE REAL CONSUMERS PAIN POINTS?

PAIN POINT #1

EVALUATION OF THE CAR, PRICE & DEALER

**56% FEEL
THEY ARE
POORLY
INFORMED**





**TRANSPARENCY:
PART OF OUR COMPANY'S DNA**

54,000,000

Vehicle posts on MOTOR-TALK

1,100,000

Dealer reviews on mobile.de

140

Criteria for price evaluation on mobile.de

**RATHER A
BURDEN AND
NOT FUN
FOR 35%**



PAIN POINT #2

ARRANGEMENT OF THE TEST DRIVE

INCREASE TRUST IN CAR

- **WITH SUPER CONVENIENT 7 DAY RETURN POLICY**



YOU CAN'T BUY THE WRONG CAR.

Didn't get exactly what you were looking for? No worries. Our 7-day return policy protects you from buyer's remorse.

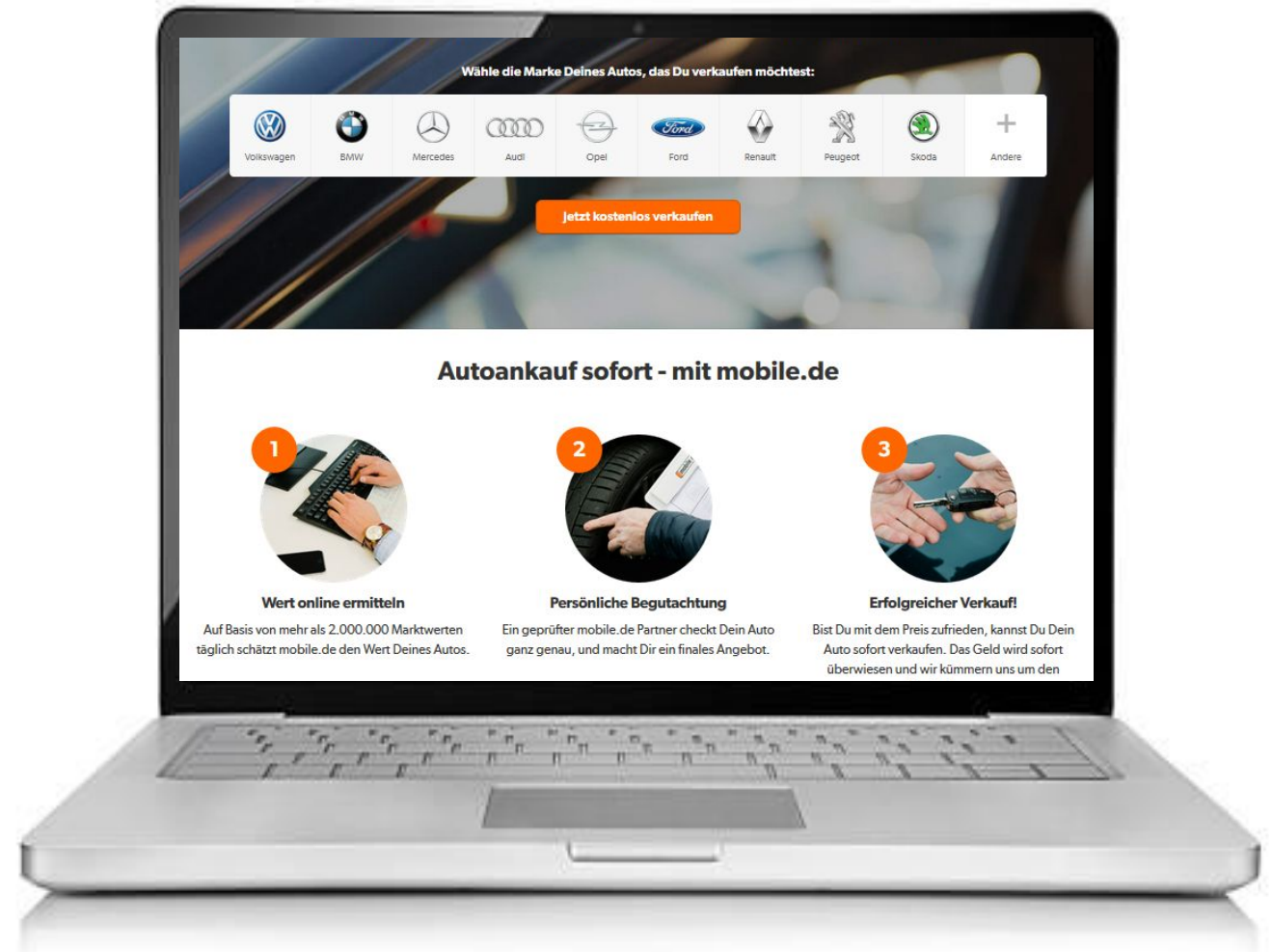


PAIN POINT #3

SELLING OF THE OLD CAR

**33% THINK
SELLING
IS VERY
BOTHERSOME**

- Fast and convenient way for consumers to sell old car
- Attractive sourcing opportunity for dealers – and opportunity for additional business
- More than 300,000 car evaluations in Germany per month



AMONG THE
TOP 3 PAIN
POINTS

PAIN POINT #4

PRICE NEGOTIATION





UP-FRONT
HAGGLE
Free
PRICES

**NEW PRICING
MODEL**
Set prices instead
of a negotiation
marathon

EVERY 4TH
CONSUMER
SAYS ITS TOO
COMPLICATED

PAIN POINT #5

FINANCING & INSURANCE



A large teal percentage '30%' is centered on a white background. A teal arc above the percentage indicates that 30% of the circle is filled, representing the statistic.

30%

of **used** cars bought
on finance

A large teal percentage '88%' is centered on a white background. A teal circle around the percentage indicates that 88% of the circle is filled, representing the statistic.

88%

of **new** cars bought
on finance

KEY TAKEAWAYS

- 1) Covid-19 lockdowns accelerated digital retailing significantly
- 2) Digital retail is becoming imperative for auto dealers and marketplaces. Within five years, in developed markets, as many as 80% of all car deals will integrate some digital retail elements
- 3) So far, margins with digital retail appear to be equal or better than traditional deals. The opportunity to use digital retail to drive efficiency is also significant
- 4) Digital retail will often handle only parts of the sale, but can radically improve buyer engagement and satisfaction
- 5) Marketplaces are supporting dealers in digital retail, not competing against them, and can help dealers execute effectively
- 6) Marketplaces may offer their own digital retail tools, but will also integrate external products

LET'S SIMPLIFY THE
CAR-BUYING PROCESS
TOGETHER. WITH A FRUITFUL
COLLABORATION.



THANK YOU!

