

How Hyundai changed course to improve the customer journey

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With online browsing up—and store visits down—how do marketers steer customers in their direction? Hyundai Motor America’s Chief Marketing Officer Dean Evans shares a roadmap.

These days, customers don’t just drive our cars, they also drive our decision-making. During my 25-plus years in the auto industry, I’ve seen the buying experience change drastically. Thanks to mobile and other new technologies, today’s consumers are not only more demanding than ever, they’re also research-obsessed. Their purchase journey no longer starts when they walk through the door—it’s instantaneous.

In the past, the average car buyer used to visit five dealerships.¹ Now, that number has dropped to two.² Seeing this shift, we knew we needed to connect with our customers in the moments they turned to digital to do their research, or there was little chance we’d get them into our dealerships. This is critical, because while car sales today start online, more than 95% of purchases still happen at the dealership.³ That meant rethinking our strategy to close the gap between online and offline.

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We partnered closely with our agency, Innocean, to gain a holistic understanding of our customers so that we can better meet their needs, and measure the impact of being truly assistive to them. Here are three lessons we've learned about being there for today's omnichannel, digitally empowered consumer.

Meet your customers at every point in their journey

Given the huge amounts of data generated online, brands are in the unique position of understanding intent better than ever, and delivering what a customer needs in the exact moment they need it. Regardless of whether someone is buying a car or a prom dress, they turn to search—increasingly on mobile—to help make decisions and take action. That makes search an essential tool for really understanding what consumers want at every relevant touchpoint in a customer's journey.

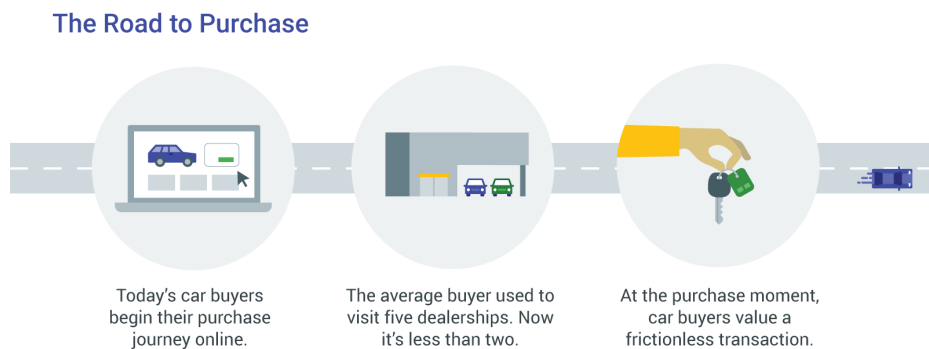
Let's say one customer wants to compare crossover SUV models and another is interested in inventory of a specific Hyundai car. Serving the same content to both customers is not an option. Customers today demand personalization. For the former, we'd take them to a landing page that showcases how our cars compare to others on key features such as list price, interiors, and built-in technologies. For the latter, we'd direct them to the websites of the dealerships nearby that have the car they are looking for.

Harness insights to remove friction

To drive growth today, we need to look at the shopping experience as a whole, not as a series of online and offline interactions—our customers don't differentiate between shopping online and shopping in person, so neither should we. But bringing together online and offline isn't just about

winning at mobile search, then pointing customers to the dealership. It's about offering the most seamless, frictionless shopping experience—from initial search to test-drive to purchase.

Taking a close look at the customer journey allowed us to identify—and remove—points of tension in a program we just launched called Hyundai Shopper Assurance. For example, our research shows consumers spend a lot of time online trying to find the right price for a car. So, in addition to offering the MSRP, our dealers will now display that price minus any incentives and dealer discounts. Our intent is to own that price conversation rather than have customers trawl third-party websites, or physically go to the dealer to get a price—saving them many extra steps. We also discovered that consumers struggled to find time to test-drive a car, but test-drives significantly increase the likelihood of purchase. So we trialed an online program that brought test-drives to consumers, either at their home, office, or local hangout spot. It was a huge success, with 90% of customers saying it was the deciding factor that got them to a dealership.⁴ We are now bringing that flexibility to customers across our entire dealer network.



Sources: McKinsey Advanced Industries, "Innovating automotive retail", Feb. 2014, United States.
Google/TNS, Auto Shopper Study, 2016, United States. Consumer Barometer n=526.

Another point of tension for our customers arose during the purchase moment at the dealership. At this stage, they've generally decided the car they want—style, features, and extras—but because of channel silos, they had to go through all those details again at the dealership. Not anymore. We've embedded a digital retail solution in our dealers' sites to seamlessly connect customer data across channels. Buyers have the option to perform as much of the transaction as they want online: choose the vehicle they're interested in, drill all the way down to the transaction price, apply for financing, then save and send to the dealer. When they come into the dealership, there's no need to repeat the same information or fill out new paperwork, allowing them to get behind the wheel faster. It also avoids the awkwardness of negotiating a price, which we know many of our customers don't enjoy.

Measure business impact, not channel metrics

It's critical to set KPIs that are going to drive broad business goals. That's why measuring the same business metrics across all teams and channels is essential. We use tools like Google Store Visits for YouTube and search, Google Store Sales for search, as well as track demand generation actions, such as phone calls, vehicle detail page visits, and quote requests. We can assign value to each action and work out the impact of our marketing on broader business goals, like revenue.

For us, store visits and sales are the most important KPIs. We can track, for example, how a digital campaign impacts the number of store visits, and how many are converting into sales. This information is so much more important to us than, say, tracking a single click or engagement with an ad.

By doing this, we also learn how to better solve customer needs so we can drive growth, rather than optimize for individual channels or legacy KPIs. For example, if store visits are not converting into sales, we need to look

at the in-person customer service we are providing. If we're generating a large number of phone call leads but not translating that to sales, we can explore problems there.

Focusing on how each channel contributes to overall business goals helps us increase accountability and remove ambiguity into what's working and what's not.

Whether online, offline, or both, our marketing efforts today are focused on making the customer's journey as smooth as possible—helping shoppers arrive at their purchase destination with ease and efficiency.

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Sources

- 1 McKinsey Advanced Industries, "Innovating automotive retail", Feb. 2014, United States.
- 2 Google/TNS, Auto Shopper Study, 2016, United States. Consumer Barometer n=526.
- 3-4 Hyundai Motor America Internal Data