

# [Evaluation of auto nation express' marketing strategy](https://assignbuster.com/evaluation-of-auto-nation-express-marketing-strategy/)

Evaluation of Auto Nation Express’ Marketing Strategy

Situation and Questions:

Suppose you are external marketing consultants for Auto Nation. You’ve been hired to assess the effectiveness of Auto Nation Express and its marketing site and how well it helps facilitate the marketing exchange process (sell cars) by providing a great customer experience.

Answer the following:

1. Strategy:

Auto Nation is one of the largest automotive retailers in the United States operating in four different segments: new vehicles, used vehicles, parts and services, and finance and insurance. The use of internet technology to drive sales has been developing since accelerating rapidly over the past few years to include mobile phone applications. Auto Nation Express designed its website with the intent of providing the auto industry’s best customer experience.

Moreover, The AutoNation Express offers prices that includes discounts, manufacturer incentives and rebates all the same time. This makes for a highly competitive price based rapid sales movement.

With this strategy, Auto Nation Express modernizes the shopping experience for car buyers by taking all the price negotiating out the process. “ Now structures a strategy called “ 5 & Drive,” which allows the consumer to quickly select a vehicle, negotiate price, value a trade-in vehicle, and arrange paper-signing and vehicle delivery.” (Miller, 2015)

This program has transformed the long-hated traditional car buying experience- and the consume can be in and out of the dealership’s door in 30 minutes. Therefore, the time a customer spends in the dealership buying a car, and finalizing the transaction with a finance insurance manager or a single point sales associate, is greatly reduced.

Furthermore, through the Express Program, Auto Nation customers will be able to research prices that reflect current market values and put a deposit on a car. Later, the company will offer online bids for trade- ins and organize auto loans.

Moreover, “ this program along with other digitization initiatives have contributed to roughly 20% of Auto Nation’s business”. (Seekingalpha, 2016). In general, technological advances have contributed to more knowledgeable and demanding consumers, and Auto Nation has focused their efforts on satisfying the ever-growing demands of a technology knowledge population.

With the growth of the Express Program, Auto Nation has reduced its spending in third- party websites such as auto trader or Edmunds. As Auto Nation’s digital store front continues to grow over the next several years, Auto Nation should be able to reduce the fees that they spend on third- party sites significantly.

The Express Program also helps collaboration effort between information technology and marketing departments within Auto Nation. All the above specified confirms how the development and introduction of the Express Program has helped to fulfill Auto Nation’s strategy by providing great customer experience.

1. Benefits

The website allows the company to engage existing and potential customers through the entire sales process, from presale, sale, to after-sale support. This allows Autonation to streamline personnel staffing, so less manpower is required to meet customer needs. This affects the company’s bottom-line in a positive way due to the significant cost savings and efficiency. That could be achieved from this investment in scalable technology as opposed to growing the workforce and all the cost associated with it. However, the website gives AutoNation an extra boost of versatility. The consumer has accessibility to a very wide scope of products and services, new products and inventory are available right away nationwide.

The competitive advantage of AutoNation is that it creates a significant platform online which expands to various cities across the US through their franchise system. This in turn leads AutoNation has inventory more than its competitors helping the consumers to get the car of their needs or dream without a limitation instock. Using the strong population growth in Florida, Texas and elsewhere, they provide an operating system through their website that easily support the demand.

Communication tools is delivered on their website to targeted and specific audiences. For instance, women and the community are targeted via the Drive Pink campaign, tracking and measuring immediate responses to better filter feedback instead of a traditional marketing research with questionnaires and surveys. This mass media or commerce sale is a great tactic tool used to help boost the sales. Instead of Investing in additional psychical locations to house inventory and reach potential customers, AutoNation Express creates a “ 1-stop-shop” of all the company’s inventory, an additional capital expenditure savings for the company.

The website hosts a blog and posts events to help create a sense of community. By driving engagement, it encourages a lot of repeat buyers or business and dialog with company representatives. This effectively allows Autonation to “ get out in front” of potential issues by handling complaints and also capture the goodwill of its customers, ensuring brand loyalty and growth.

Another major strength of AutoNation Express is their performance in their marketing campaign. It is very focused on creating a personal experience where the clients feel recognized, acknowledge and heard, in this experience for every way a sale or service could be executed, in a timely manner. The client saves time and the company gets an instant potential consumer interested and or ready to buy a car. Auto Nation gives the consumer some control in a sense, because feedback is supported and welcomed online; this tactic sometimes risky, can allow the company to build trust and permit the consumers to discuss and contribute to AutoNation program loyalty, which will generate revenue in the long term. AutoNation Express took the car buying experience to the next level by making it hassle free to shop online.

The last but not least benefit for AutoNation is “ meeting their customers where they are. Customers are increasingly pressed for time due to various demands in their lives. The consumer has access to a test drive at his or her convenience. This tactic permits AutoNation to manage and organize the work force available. More and more people are getting accustomed to shopping online as technology becomes easily accessible. This allows the company to be more targeted in their marketing and advertising spending as well as gathering lots of actionable data about customer habits and behaviors.

1. Drawbacks

AutoNation Express is helpful to the driving class when it comes to offering a wide selection of cars. It is a platform that unites sellers and buyers in a great market of different types of vehicles. The website has become a good resource for the public because of the information it provides. The managers of the website use tactics which keep it relevant at all times. However, the website does have some specific drawbacks that disqualify it as being 100% trustworthy.

Drawbacks include; financial constraints, price sensitivity, product ordered may be damaged, and maintaining the success of the website may prove to be ineffective. Additionally, there is a lack of business secrecy on the internet and a website is susceptible to cyber-attack by malicious people.

Financial constraint comes as a result of website maintenance. For instance, a firm which hosts the website must be paid for their services whether it generates revenues or not. The prices of products are exposed online, which gives competitors a signal to adjust their prices accordingly (Stassen, 2017). A recall because of defects, can end up tarnishing the brand the website displays. The effectiveness of website maintenance as it does not add any value to the website directly. Any firm which displays, or makes its business known, compromises its secrecy, as all the information is available online (Zettelmeyer & Merkley, 2017). In fact, having an online business makes one susceptible to cyber-attack.

In conclusion, the AutoNation Express marketing site has drawbacks as aforementioned. Albeit, they are minimal and can be adjusted with a strong strategy formulation. The website ought to come up with strategies that minimize these drawbacks so as to improve its efficiency and effectiveness.

1. Actions

AutoNation has a very strong and complete website already; therefore, finding four actions AutoNation executives could take to make sure their company website reaches its full potential was difficult. Nevertheless, there is always room for improvements for what is already established! There is a ‘ CLICK TO CHAT’ icon in the top right hand corner of the website. This feature was difficult to spot. The first recommendation would be to make the live chat icon more visible to potential buyers within the first 10 seconds on the site. This will show the viewers that any questions can easily be answered instead of searching the site. There are only two languages from which to select from, English and Spanish.

There should be more options. Although they are the most common languages used here in the U. S there could always be people whose first language is something else. French, German, and Creole would be some additional options which would benefit their sales.

Other competitors have the option of 360-degree angle views. This gives the viewer a way to rotate the view of the vehicle so they can see it from every angle and give the client the impression of actually being there. It also gives a more professional look than just pictures of the vehicle on the lot.

Pop-up-ad asking for their zip code can highlight local offers, dealerships and inventory. This would make it more personalized and easy for the potential buyer.

While reviewing their social media (Instagram, Facebook, YouTube and Twitter), it was not very impressive and could be improved. Millennials would be more attracted to the brand if they had a better social media platform. They could do this by being more active and posting different content. They could even use social media influencers and celebrities to bring attention to their brand.

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