

# World Wide Web revitalises the used car salesman

*The online car sales business is set to boom as service providers realise the size of the market in Australia and its willingness to shop on the Internet*

**Y**ou can sell practically anything on the Internet, so why not cars? Traditionally, new cars are sold through distribution networks which own or have a stake in car dealerships. In Australia, major distribution players, R R Donnelley among them, control the large volume relationships with manufacturers and at the retail sales level.

Distributors are also the ones who place orders for new vehicles from the manufacturers so they have ready access to databases and information about what make and model is available, when and from where. They will never agree to sales going through a conduit which bypasses them and the profit margins they have carved out for themselves. They are comfortable with the position they hold between the retailer and the manufacturer. Online sales are a threat to distributors because the link would be between manufacturer and customer or retailer and customer, almost certainly bypassing the distribution "middle man".

So sales of new cars online are rather dependent on getting the distribution networks online, or at least in a partnership deal with an online service provider. Ninemsn's CarPoint site has already worked this one out, sourcing its database of cars from R R Donnelley which either owns or has exclusive distribution relationships with many car dealers nationwide. Fairfax uses its own database of classified newspaper advertising and a host of "approved" dealers from which to source its online car sales website, Drive.com.au.

The CarPoint site is split into several sections: new cars, used cars, prices and reviews, finance and insurance, a virtual showroom and a power search facility. You can't physically buy a car online but you can get as much detail as is possible to aid you in making the decision and be directed to a dealer where your car is ready at an agreed price.

The new car section enables users to get a free quote for a particular make and model of new car. The list is exhaustive, from the popular Toyotas, Holdens and Fords to the more exclusive Maserati, Alfa Romeo, Bentley and Ferrari models that most people can only imagine owning.

The user requests a fixed price quote on a chosen vehicle. The email goes to a CarPoint authorised dealer who has agreed to follow "strict rules" when responding to enquiries though there is no way of enforcing these rules save to take the dealer off the list for poor performance. The rules require online enquiries to be handled by sales consultants; the dealer must make all reasonable efforts to process the enquiry within 48 hours; respond to follow-up questions within 48 hours; a dealer who responds with a price is obliged to inform the customer of whether the requested car is available; the dealer must complete as much paperwork as possible before the customer decides to collect the

vehicle; ensure consistent quality in handling leads; and work to obtain and improve upon pre-defined levels of customer satisfaction.

The disadvantage to all this is that until you place your query, you don't know who the dealer is. It could be the last one you visited in your locale and one with whom you were unhappy.

CarPoint's used car marketplace offers used cars from two sections, CarPoint or Unique Cars. For both, you select according to region in Australia, make and model but while CarPoint cars are dealer sold, Unique cars are taken straight from Donnelley's classified listings.

At last count, there were more than 5,000 used cars available on CarPoint.

Other services include a price or review service where you search using criteria including car make, model or price range and the search engine provides a quote as a guide. Finance and insurance is also on offer via ANZ Loans. You can download an application form, request a repayment calculation or just ask for information to be sent to your home or business address. A virtual showroom is essentially the same kind of offering the manufacturers provide on their websites - CarPoint was highlighting Mazda's MX5 sportscar recently - and a power search facility enables users to enter their criteria straightaway and get an immediate listing of what is available across CarPoint.

Fairfax's Drive.com.au site offers a similar service, sourcing its used cars from the classified pages of the *Sydney Morning Herald*, *Sun-Herald* and *The Age*. Like CarPoint, users can find information on new and used cars, download motor-sport and other car news, check car

finance, and also take advantage of a section called Smart Driver which includes a list of auto services, car tips, a vehicle registration calculator and an up-to-date market value for a requested make and model of car, using values from Glass's Guide, commonly only available to those working in the car industry.

Drive.com.au regularly has in excess of 10,000 listings of used cars which users can search for via a dealer or by particular specifications.

"Secondhand cars sales are a growing part of online business. They account for a big chunk of the online classified market," says Alan Jones, senior producer at Yahoo! Australia & New Zealand. "Fairfax, for example, uses Glass's Guide to tell customers what their car is worth then offers a deal whereby they can advertise their car online and also in the classified sections of its newspapers."

A number of independent online car guides also exist to push second-hand car sales. Sites like Carsales.com.au work with a number of independent dealerships to get a no obligation quote for the car advertised online in which a customer is interested in. Carsales.com.au has almost 300 dealer points around Australia.

Car auctions are yet to take off in Australia but Yahoo!'s Jones think they will be very big in future. "There is a huge market here for classic Australian cars so it follows that there will be a huge market online. The service we offer users doesn't charge them anything to list their products. The sale of online advertising is the revenue earner at the moment."

Banner ads such as the Motor Accident Authority advertising greenslips, FAI car insurance, and BMW's list of used cars can be found on several of the online car sales sites. For the time being, this is

the sole source of revenue

Most car manufacturers have their own website which is used for marketing purposes not as an online sales medium. Mazda, BMW, Ford, Holden and many others have transferred the contents of their glossy product brochures online to what is effectively a virtual showroom. Users can select particular specifications for their virtual models and see the car of their dreams in their chosen colour, with a specific engine size, upholstery detail, in two, three, four or five door models, with or without spoiler, tinted windows and alloy wheels. The manufacturers' sites also usually give an email address and contact details for a local dealer in an area convenient to the online customer.

Most online pundits think that the only thing to change regarding manufacturers online presence will see them becoming a source of referrals for car dealerships, with each manufacturer opting for an

individual relationship with a particular dealer, hence offering customers a quasi approval rating for a particular dealer in their locale.

Then there are the car part sites for companies such as Autobarn. It doesn't offer online sales but direct users to the nearest Autobarn store. Rarespares.net.au is another site offering car parts for sale but not online.

You can, however, buy brake disc pads and rotors from an Australian website with the catchy url, [www.discpads.com](http://www.discpads.com). This delivers car parts using similar mechanisms employed by other Internet shopping sites such as Amazon.com: you fill the online shopping cart with your purchases, press send and the latest "best quality disc pads and rotors for your car, van or truck all at the right price" will be delivered to your front door.

Karen Winton



## A selection of new and used car websites

**Alfa Romeo** - [www.alfaromeo.com.au](http://www.alfaromeo.com.au)

**Audi** - [www.audi.com.au](http://www.audi.com.au)

**BMW** - [www.bmw.com.au](http://www.bmw.com.au)

**Ford** - [www.ford.com.au](http://www.ford.com.au)

**Holden** - [www.holden.com.au](http://www.holden.com.au)

**Mazda** - [www.mazda.com.au](http://www.mazda.com.au)

**Volkswagen** - [www.volkswagen.com.au](http://www.volkswagen.com.au)

**CarPoint** - <http://carpoint.ninemsn.com.au>

**Fairfax** - <http://www.drive.com.au>

**Car Sales** - [www.carsales.com.au](http://www.carsales.com.au)

**Autobarn** - [www.autobarn.com.au](http://www.autobarn.com.au)

**Disc Pads** - [www.discpads.com](http://www.discpads.com)

**Rare Spares** - [www.rarespares.net.au](http://www.rarespares.net.au)