

Carro driving digital push for automobile sector

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IN an era where Singaporeans can't get enough of online shopping, the automobile industry has managed to fight off the trend of digitalisation.

But Covid-19 could bring about a change and Carro, an automotive marketplace for pre-owned cars, is one of the companies driving the initiative of going digital.

It recently launched a contactless car purchase service that enables Singaporeans to buy pre-owned vehicles without any face-to-face interaction.

Carro's service is aimed at giving both buyers and sellers a safer option to trade used cars, in response to changes in customer behaviour caused by the Covid-19 pandemic.

Aaron Tan, CEO and founder of Carro, told *The Business Times*: "Just a day or two before the start of the Circuit Breaker, we saw an increase in calls, which showed a demand for cars."

"We then realised that because of the rules in place restricting contact, we could digitalise the whole process and make it seamless for a customer especially if the Covid situation persists and people are not able to meet."

Mr Tan explained that the buying process starts with a customer going onto the Carro platform and choosing a vehicle. Once a customer's details are keyed in, viewing options are then arranged via a phone call for potential viewing or test drives. After confirmation, the customer is sent a unique pin-code, which is then used to access the keys to the car.

To address any buyers' remorse due to the lack of test drives, Carro offers a three-day return policy. In addition, the company provides a 30-day wear and tear guarantee, which gives customers access to the company's after-sales workshop facilities, which cover maintenance wear and tear.

Added Mr Tan: "There is consumer demand to buy cars in this newer way



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and that is directly a cause of new buying behaviour where they don't necessarily see the need to be face to face with a salesman. This is less important for the younger demographic.

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Even Carousell, a platform better known for lower priced used items is moving towards online sales of capital items like cars. It recently announced the launch of its New Cars category and Digital Showroom Experience in Singapore.

Each listing has been designed to

simulate a digital showroom viewing with enhanced features including a streamlined introduction, images, videos, icons for standout features, car specifications and a live chat function that connects users directly to authorised dealers in real-time.

Sanjay Shivkumar, head of Autos at Carousell, said: "Our users have grown with us over the years, crossing various milestones in their lives and gaining greater purchasing power. We've continually looked at meeting their evolving needs, for example, with higher value verticals, which include autos."

"Social distancing and movement restrictions have completely changed the car-buying journey for consumers."

"This is the moment for the autos industry to adapt and evolve, so we've accelerated the launch of our New Cars category and digital show-

room experience as an impetus for the ecosystem." Speaking to *BT*, Mr Sanjay added: "In general, the new norm is that people are more trusting online and we see digitalisation as an opportunity."

Still some road blocks

Automotive platform and home-grown business Motorist's chief executive, Damian Sia, however, believes that while the needle has moved, the traditional dealership probably isn't going anywhere.

He said: "Based on my experience, I think majority of buyers still want to feel the car, test-drive the vehicle and feel the stability and acceleration before deciding about the purchase."

"For a fully-online car sales future, I think a lot has to change and evolve in the industry. The trust needs to be built and the dealers need to be ready

for returns if the customer buys the car and is not satisfied. Are we ready for that kind of a future?"

Likewise, sgCarMart's general manager Vincent Tan feels that while the pandemic and increased digitalisation has led to a change in the way interaction is done, it is not possible to purchase a vehicle without leaving your home. The vehicle trading portal garners a strong visitor count of a whopping 2.6 million visitors a month.

"From a buying perspective, it is not possible to convince yourself without receiving a personal touch", he explained, "Yes, interaction has changed because now you can communicate with car dealers through different channels like Whatsapp and Facebook messenger but from a sales perspective, that is just to get the lead - beyond that, for car sales, you need to do it in person."



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