AUTOMOTIVE: DIGITAL SALES

We are transforming the car sales process with our digital solutions, from quotes to the signing of contracts.

ENGINEERING

WHAT ARE WE DISCUSSING?

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in Simone Dolce

With over 15 years of experience in the automotive sector, Simone has held various consulting, advisory, management and sales roles in Europe, North and South America, and China. His consulting experience with major automotive manufacturers has allowed Simone to gain an in-depth understanding of industrial and commercial processes, including optimisation and acceleration of their transformation into new business models. Today, he is active in the development and strengthening of the Automotive Division's portfolio, and is responsible for creating new digital services and products to support the digital transformation. Simone also holds the role of Delivery Manager for automotive projects in the Sales & Aftersales and Regulation fields.

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in Marco Sturniolo

Marco has over 10 years of experience in the automotive sector. He has held roles in Management Consulting, Advisory, Project & Program Management in Europe and North America. The experience in consulting for major automotive manufacturers has given Marco the opportunity to consolidate a significant knowledge of industrial and commercial processes and to manage important Business Process Reengineering and System Modernization projects (replatforming, digital transformation and cloud migration). In Engineering Marco is involved in the development and strengthening of the Portfolio of the Automotive Division and also holds the role of Program Manager for automotive projects in the Sales & Aftersales and Regulation fields

1 OUR VISION OF THE MARKET

The global auto market is slowly coming out of lockdown after taking the worst losses since World War II.
The factory production lines have restarted and the dealers have reopened their showrooms, seeing a modest rebound effect due to the demand that was on hold for months. This situation is a result of the crisis in the automotive market that was strongly amplified by Covid-19.

The crisis led to a drop in demand, caused by a decline in the consumer confidence index and indecision with regard to car purchases, combined with the expectation of state incentives to reverse the purchasing trends.

In the coming months, state subsidies may be able to mitigate the effects of Covid-19, but they will certainly not be able to address all the challenges faced by the industry.

On one hand, **manufacturers are called to rise to the challenge of innovating their product range** to respond to a market that expects electrification and connectivity, while simultaneously disposing of the unsold stock that has remained at the dealerships due to the lockdown.

On the other hand, dealers are called to rethink their sales strategies, identifying enablers that can promote innovation and create new profit channels.

According to trade associations, 56% of car dealers in Italy believe that customers are looking for online **quotes, negotiations and purchases,** with a major push towards the digitalisation of the entire sales process through the use of e-Commerce tools.

The digital customer experience therefore plays a fundamental role in the sale of a car: customers who express purchase intentions prefer to minimise their visits to the showroom, instead using digital channels to interact with sellers. This phenomenon has influenced the **adoption of new technology** and training for salespeople on the use of said tools and the associated remote sales methods.

The Engineering Automotive Division has been working with manufacturers, national sales companies, dealer groups and suppliers of the mobility services ecosystem for years, and is therefore able to provide reliable solutions rapidly. Building on this experience, we have created **a solution to allow you to digitalise the entire vehicle sales process,** supporting sellers and customers from the quote and negotiation phases through to the purchase of a vehicle, all completely remotely.

This solution integrates recognition, certificate issuance, digital consent collection, digital signature and electronic storage tools into the sales process, providing all the necessary means to manage every phase in accordance with the requirements of the current regulations regarding the purchase and sale of cars.

2 THE TRADITIONAL SALES PROCESS

The traditional process is built around the customer's physical presence in the showroom and **the use of handwritten signatures and paper documents** to manage the sale, and therefore requires new approaches and tools to be managed on a fully or partially remote basis.

The process is typically made up of the following steps:

1. **First contact management and lead creation**

2. **Car configuration and creation of a paper quote**

3. **Collection of privacy consent and signature of the paper quote.**

The customer realises their intention to purchase and returns to the dealership to finalise the purchase of the vehicle, triggering the next steps in the process:

4. **Preparation and printing of the paper contract**

5. **Signing of the paper contract and collection of privacy consent**

6. **Filing of the signed paper documents.**

Digital signatures and regulations

Cars are registered movable property. Like the sale of any movable property, the sale of motor vehicles is finalised by means of agreement between the parties, and the written form is therefore not an essential procedural requirement, and nor is the intervention of any particular public body.

The written form, with the relevant authentication, is required for the sole purpose of registration in the Italian Public Vehicle Register (Pubblico Registro Automobilistico), which is intended to settle potential conflicts between multiple assignees from the same seller.

The digitalisation of the sales process requires the digitalisation of the customer and seller signatures, and it is therefore necessary to understand the various regulatory factors at play.

Handwritten signature	Digital signature	Equivalence
Identifies the signatory and affirms the will of the signatory in relation to the content of the signed document (non-repudiation)	A digital signature must refer to a single subject and to the document or set of documents to which it is affixed or associated	**Yes**
The signature can be accompanied by stamps and seals, where required	The affixing of a digital signature replaces the need for seals, stamps and marks of any kind for any purpose required by current regulations	**Yes**
Certifies the integrity of the document	Where appropriate, it guarantees the inalterability of the signed document under penalty of invalidation of the signature	**Yes**

A digital signature is therefore recognised as being equal to a handwritten signature. The documents that are fully valid if signed with a digital signature include:

– declarations (for example, anti-money laundering)

– contracts for the purchase of movable goods, including registered goods

– privacy consent

– restrictive covenants.

The different types of digital signatures are characterised by their increasing levels of identification and security.

	SIMPLE (SES) Electronic Signature	ADVANCED (AdES) Electronic Signature	QUALIFIED (QES) Electronic Signature
• Electronic data that is attached to or logically associated with other electronic data and used by the signatory to sign	X		
• Only connected to the signatory • Suitable for identifying the signatory • Created using data to ensure a highly secure electronic signature under the signatory's sole control • Connected to the signed data in order to allow for the identification of any subsequent changes to such data		X	X
• Created on a qualified signature creation device • Based on a qualified digital certificate • Carries the same legal weight as a handwritten signature			X

3 DIGITAL DEALER PLATFORM FOR DIGITAL SALES

In addition to facilitating post-Covid-19 social distancing by reducing or cancelling visits to dealerships, the Digital Transformation of the sales process also offers increased efficiency, drastically reducing the use of paper documentation for collecting signatures and consent and the consequent burdens of physical storage and filing.

The first step towards **digitalising the traditional process** targets the paper documents used by sellers and customers, replacing them with equivalent digital formats.

That's where the **Digital Dealer Platform (DDP)** comes in: this B2B platform was developed by Engineering for the Automotive market, designed to support dealers throughout the Digital Transformation process. By integrating the dealer's own ecosystem of data and processes, the platform can offer an overview of their business (for example, the complexity of managing many brands) and provide innovative services through its various modules:

– **DDA - Accelerator:** a data integration system for the various sources. It is an enabler for the other platform modules

– **DDB - Business Decision Assistant:** a platform to manage and monitor the entire business by way of an easy-to-read interface

– **DDC - Customer App:** the point of contact between the dealer and the customer, allowing for direct and effective communication

– **DDU - Used Vehicle:** a portal to manage used vehicles, from appraisals to the sale of the vehicles

– **DDS - Signature:** a family of specialised paperless services for digital document management

– **DDD - Digidoc:** una famiglia di servizi paperless specifici per la gestione digitale della documentazione

– **DatoCerto:** a Blockchain platform for the notarisation of information

The last three modules (DDS, DDD and DatoCerto), offered as Software as a Service (SaaS) by the Engineering Data Centre or via a public cloud, are used to digitalise signatures and consent and for the electronic storage of contracts.

The digital sales process at the dealership

The digitalisation of the sales process in the showroom should optimise and facilitate management without adding additional steps to the traditional process.

1. **First contact management and lead creation**

2. **Car configuration and creation of a digital quote:** the offer created by the seller is shared with the customer by sending a digital file to their email address to collect their signatures and privacy consent

3. **Privacy consent collection and signature of the digital quote:**the customer receives an email with an access link to the DDP platform and has the choice between installing a Progressive Web App (PWA) on their device or continuing in traditional mode.

The customer can then view the quote on their device and fill in the privacy consent, giving it the ok in **Simple Electronic Signature (SES)** mode.

Having made their decision, the customer returns to the dealership to finalise the purchase of the vehicle, triggering the next steps in the digital process:

4. **Preparation and printing of the digital contract:** the seller prepares the digital contract to be submitted to the customer. The document generated by the dealer's B2B platform must be prepared with the necessary tags for the qualified signature and privacy consent. The contract is shared in a digital format, sending a link to the customer for signing

5. **Signing of the digital contract and collection of privacy consent:** the customer uses the access link to the DDP platform to view the contract on their device, complete the privacy consent and then request the OTP (One Time Password) for the digital signature.

   The contract may require multiple customer signatures, which can be managed using a single OTP thanks to the DDP.

   The customer enters the OTP code received via SMS in the dedicated space, successfully completing the signature process.

   At the end of the operation, the contract is rendered immutable and sent to the customer's email address, while the seller's copy is automatically sent to the electronic storage

6. **Storage of signed digital documents:** the DDP platform provides electronic storage for signed contracts, allowing for the certified online display of digital documents in compliance with all legal provisions and AgID regulations.The platform allows access to be tracked and guarantees the confidentiality of passwords in compliance with the regulations on electronic data processing. Finally, it eliminates the risk of data loss and service interruption by way of the main proprietary Data Centre, which uses a highly reliable enterprise storage system, and the secondary Data Centre for disaster recovery.

The quality and security of the data are guaranteed by Engineering, but the ownership and title of the information will always be held exclusively by the dealer, and possibly shared with the manufacturer's B2B system.

The data is also certified on a persistence system **(DDP: DigiDOC electronic storage)** and notarised on a Blockchain **(DDP: DatoCerto)**, offering the manufacturer the chance to create a hub for storing the privacy consent collected by the dealer and other systems (e.g. CRM).

The **Progressive Web App (PWA)** offered by the DDP platform is set apart by the following qualities:

– **Responsive:** adapts to various screen sizes: desktop, mobile, tablet, and other sizes that may become available in future

– **Secure:** uses the HTTPS protocol to prevent the connection from exposing information or allowing the contents to be altered

– **Searchable:** identified as an "application" and indexed by search engines

– **Easy access:** easy to reactivate thanks to tools such as web notifications

– **Installable:** allows the user to "save" the app with an icon on their device screen (home screen) without having to deal with the all the steps and issues associated with the app store, behaving as a native app

– **Linkable:** easily shareable via the URL without a complex installation process

– **Offline:** can be used even without an internet connection.

The online digital sales process

The sale, which takes place completely remotely, does not require the customer to go to the dealership, making the process more agile and feasible at any time. In order to complete the purchase, there is just one additional step: the online recognition of the customer and the issue of the certificate.

This is a preliminary step for privacy consent collection and the digital signature of the contract, and is required by current legislation to protect the customer and the data provided. Let's see how this operation is integrated into the process:

1. **First contact management and lead creation**

2. **Car configuration and creation of a digital quote**

3. **Privacy consent collection and signature of the digital quote**

4. **Recognition and certificate issuance:** the seller uses the DDP - Digital Dealer Platform to carry out the recognition operation, which consists of a video call with the customer and concludes with the issue of the qualified signature certificate (which requires the interview to be recorded). The video interview is initiated by the seller, who will send an email to the customer via the DDP to start the video call. The interview can be carried out from desktop or mobile using a brandable, secure and AgID certified channel for the sharing of personal data, and generally includes these steps:

   – customer uploads of scans or photographs of the required documents

   – start of video recording (required to prove the customer's identity by signature)

   – customer interview, carried out using a list of preset questions

   – issue of the qualified electronic signature certificate and sending the certificate to the customer for information purposes.

5. **Preparation and printing of the digital contract**

6. **Signing of the digital contract and collection of privacy consent**

7. **Storage of the signed digital documents.**

4 WHAT ARE THE BENEFITS FOR THE INDUSTRY?

The transformation of the sales process has been underway for several years, as reflected by the reduction in visits to dealerships and customers' increased independent access to information using online tools.

A totally online sales model—in which the customer independently places their vehicle order and the car is delivered to their home—requires a series of intermediate steps such as remote negotiation, digital signatures and electronic document storage. The Covid-19 crisis accelerated the adoption of these steps, but this acceleration has brought benefits that go far beyond the need for social distancing:

– **online negotiation** allows the customer to access multiple sellers, allowing them to identify the best offer for their desired vehicle in a short time

– **the digitalisation of documents and automated archiving** drastically reduce the back-office costs for dealerships

– **the digital collection** of consent and its notarisation through a Blockchain allows for more structured privacy management in compliance with the GDPR requirements

– **online sales** can influence customer habits and increase their willingness to buy by offering an experience that is very similar to the most well-known marketplaces, where products and services are combined to create custom offers to draw in the buyer.

Thanks to our sector skills, also represented by our dedicated platform, the DDP - Digital Dealer Platform, we help our customers to achieve these benefits, thus enabling the digitalisation of the car sales process.
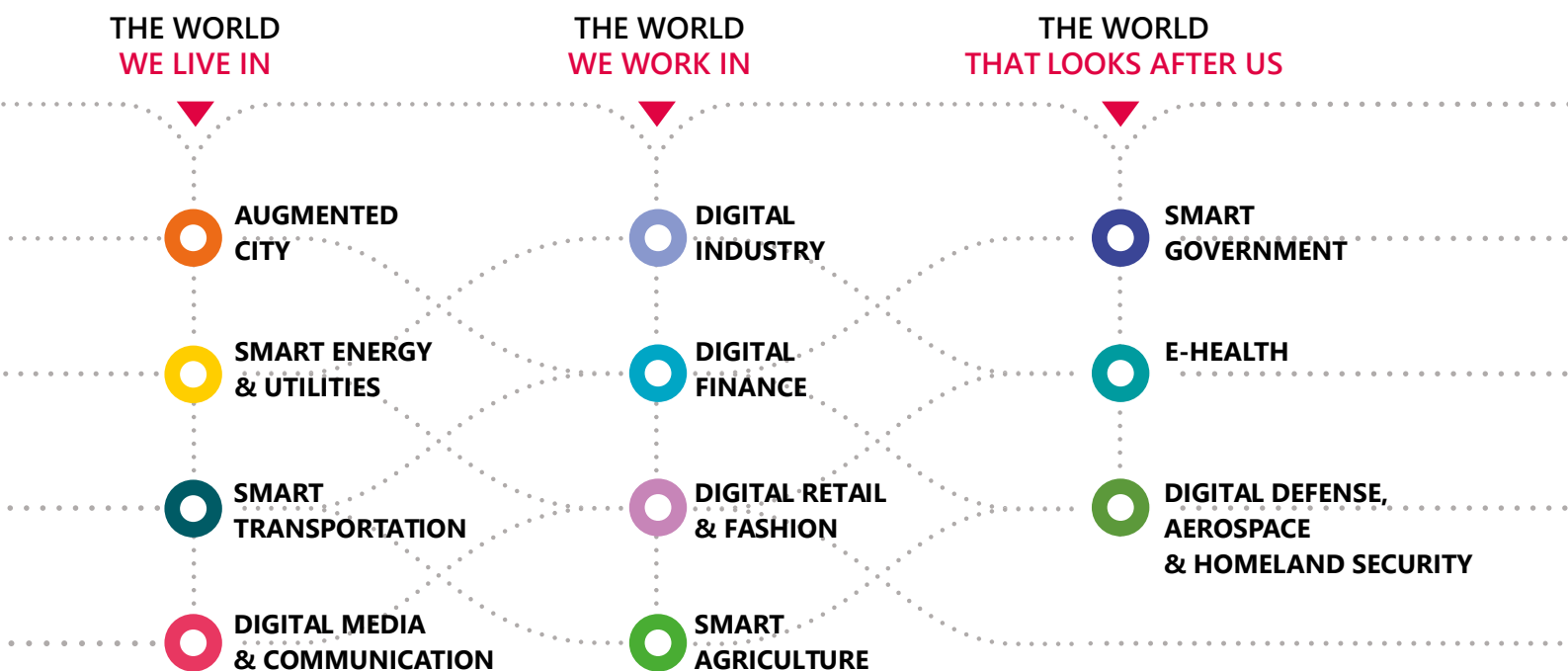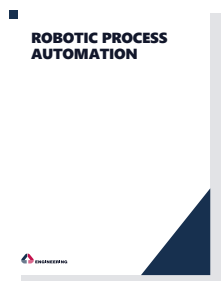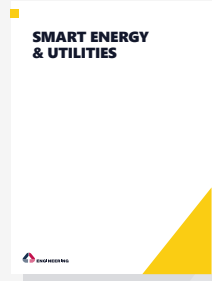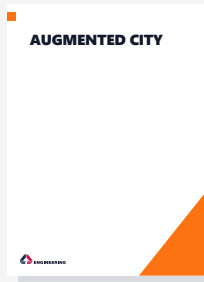
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For more than 40 years Engineering has been one of the main actors in the digital transformation of both public and private companies and organisations, with an innovative range of services for the main market segments.

With approximately 11,600 professionals in 40+ locations (in Italy, Belgium, Germany, Mexico, Norway, Serbia, Spain, Switzerland, Sweden, Argentina, Brazil, and the USA), the Engineering Group designs, develops, and manages innovative solutions for the areas of business where digitalisation generates major change, such as Digital Finance, Smart Government & E-Health, Augmented Cities, Digital Industry, Smart Energy & Utilities, and Digital Media & Communication. In the course of 2020, Engineering has supported its partners in the continuation and protection of their businesses and key processes, assisting in the design of their 'New Normal' and the mapping of new digital ecosystems. With its activities and projects, the Group is helping to modernise the world in which we live and work, combining specialist skills in the final frontier of technologies, technological infrastructures organised in a unique hybrid multi-cloud model, and the ability to interpret new business models. With important investments in R&D, Engineering plays a leading role in research, coordinating national and international projects with a team of 450 researchers and data scientists and a network of scientific and academic partners throughout Europe. One of the Group's strategic assets is the expertise of its employees, whose development is promoted by a dedicated multi-disciplinary training school that provided more than 15,000 training days over the last year.

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SMART TRANSPORTATION	DIGITAL RETAIL & FASHION	DIGITAL DEFENSE, AEROSPACE & HOMELAND SECURITY
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ENGINEERING THE NEW NORMAL

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