



# DATA CONNECTIVITY & ORCHESTRATION

FOR AUTOMOTIVE DEALERSHIPS

DECEMBER 2021



# Introduction

Every technological revolution has a transition period. If you think about when cars were first invented, they shared the road with horses and buggies. It wasn't until the end of this transformational period, in the 1950s, that buggies and horses disappeared and cars were the primary way of private transportation<sup>1</sup>. Similarly, think about when digital music was replacing analog music. The face of music production completely changed, but there was a short overlap when both co-existed.



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**Eventually, there is a point of no return and the leading technology takes precedence.**

Emerging technologies in automotive are no different, and we've witnessed this in the past. When you think back to the time when dealerships were first migrating their stores to websites, it took some time for all dealers to move inventory online, let alone invest in mobile-friendly websites.

Now we're at our next technological revolution: we have reached a point where previously human-managed, manual digital marketing is being replaced by tech-driven, smart marketing that operates by connecting data sources and orchestrating campaigns accordingly.

## What is data connectivity?

Data connectivity is the process of taking siloed, disjointed data and connecting it together into one organized, cohesive system. This keeps modern businesses productive and in-line with customer expectations today. When your data is connected, you can leverage machine learning, artificial intelligence, and predictive analytics to make data-driven decisions for marketing, sales, and other departments.

<https://blogs.microsoft.com/today-in-tech/day-horse-lost-job/>

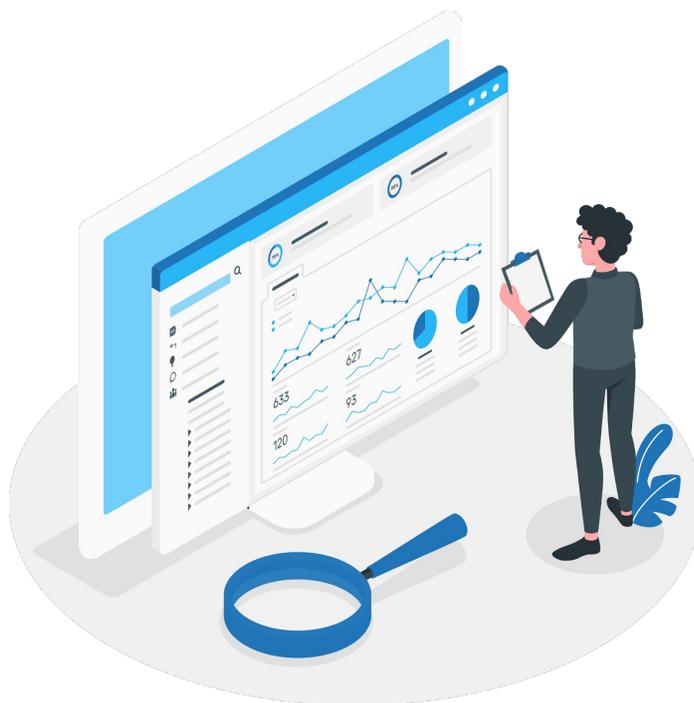


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**We've moved into the era of data connectivity & orchestration.**



## The pathway to data connectivity & orchestration

Before data connectivity & orchestration emerged, single function apps and softwares were the only way to do marketing. Businesses would invest in CRMs, email marketing platforms, ad-tech, etc. and then download and re-upload lists manually to create the closest thing to personalized marketing possible.

But around 2007, when Pardot<sup>2</sup>— among others— emerged into the market, they introduced the concept of connected, automated marketing and eliminated the need for best-in-class single function apps. Shortly following this, Hubspot made a splash and introduced inbound marketing with all the accompanying technology needed to build a full-funnel marketing campaign to drive more business. By 2015, companies like Pardot, Hubspot, and Salesforce changed the face of martech.

And as the tech ecosystem grew even more, we continued to see the emergence of micro-services and data coordination systems like Kubernetes and Docker that focus on connecting data from numerous sensors all over the internet. There are endless examples from mainstream businesses that prove its path to automotive digital is coming soon.

<sup>2</sup> <https://www.pardot.com/about-pardot/>

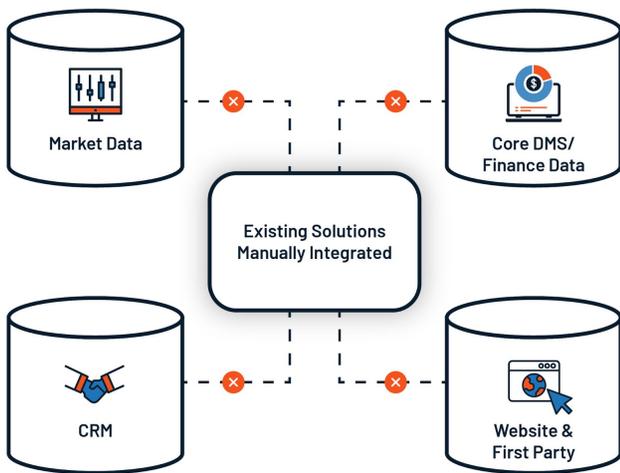


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# The challenges for automotive

Automotive is plagued by several challenges when it comes to achieving the level of data connectivity and orchestration that a modern marketing stack requires. For one, the industry is still using “best-in-class” single function apps instead of coordinated marketing platforms. It’s common for a dealership to use different vendors/technologies for their chat, trade-in, website, and SEM strategy, for example. This makes it extremely difficult to connect the data and leverage it for a stronger customer journey. The shift that Parado and Hubspot introduced to businesses outside of automotive will soon make its mark in automotive and we’ll start seeing the shift from single tech apps to the platform approach.

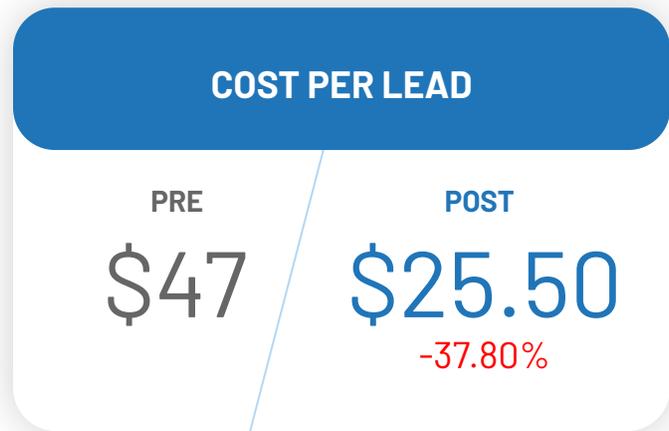
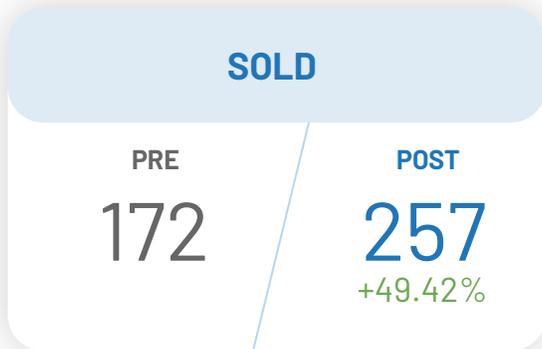


Another challenge for automotive is that the datasets are not standardized, making it more difficult to share and connect data across platforms. And in the off-chance there is a rest API (application programming interface), it’s usually poorly configured, making it challenging for technologies to actually leverage the APIs for data sharing and connectivity.

## The future of data connectivity & orchestration for automotive

All challenges considered, there is an imminent future for data connectivity and orchestration in the automotive industry. Dealerships that have started this shift are seeing massive impacts on their customer journeys, making it easier for them to compete with giants like Carvana and Vroom that would otherwise pose a threat to their business.

The data shows that not only does this shift impact the customer experience, but it also makes the dealership more cost efficient— consolidating vendors and investing in automated platforms can cut costs and reduce over the top CPLs (cost per leads) that otherwise would be the only way dealerships were able to compete.



\*AutoLeadStar Index

## Getting started

Here are three things to consider as your dealership considers investing in a true platform approach that connects all data and orchestrates smart marketing campaigns accordingly:

### Map all data silos

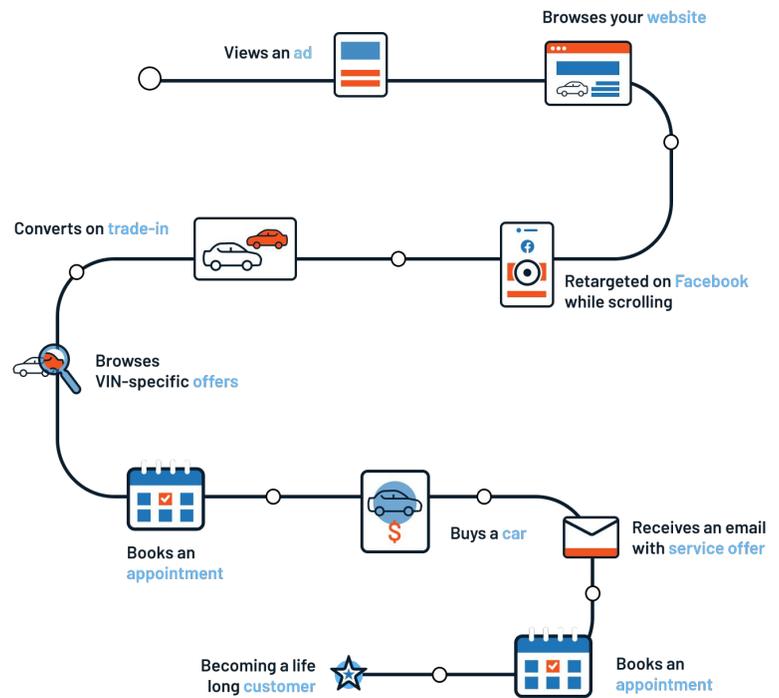
Map out all your customer touchpoints and data sources into one spreadsheet or document. This makes it crystal clear to understand where and how you're communicating to your customers and how that data is then fed back to your dealership. Once you have this mapped out, you can understand what is extremely siloed and what needs to be connected.

### Find a data hub

There are a couple softwares that do this well— find them. Invest in technology that connects your systems and customer touch points so you can create seamless experiences. This part of the process will also probably involve consolidating vendors. Ever have a lead from a chat that also converted on a trade in? Were you able to see one solid customer journey, or two journeys for the same lead? That's what we're talking about here: consolidate.

## Execution engine

Data orchestration is only half the equation. Once you have connected data, it's critical you can execute and take action based on insights. For example, are your ads reflecting information from your CRM? Are your email follow-ups based on website activity? Making sure your marketing machine is leveraging the orchestrated data will be key to success in 2022.



## The rise of customer data & experience platform (CDXP)

As dealerships dig deeper into data connectivity and orchestration, it's becoming clear that there is an imminent need for CDXP in automotive. A CDXP is a customer data & experience platform with a mission to consolidate all customer data and leverage it to create seamless omni-channel marketing journeys. We've witnessed the impact of this emerging technology outside of automotive and predict this to be the biggest trend for dealerships in 2022 as data connectivity and orchestration continues to be a priority for the industry.

## Conclusion

As we leave the transition period and enter a point of no return, dealerships will have no choice but to invest in platforms that can connect their data sources— inventory, incentives, CRM, DMS, and first party data— and automate marketing campaigns for a seamless customer experience. This will be the only way that dealerships will be able to compete against Tesla's stellar user experience and Carvana's market share.



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