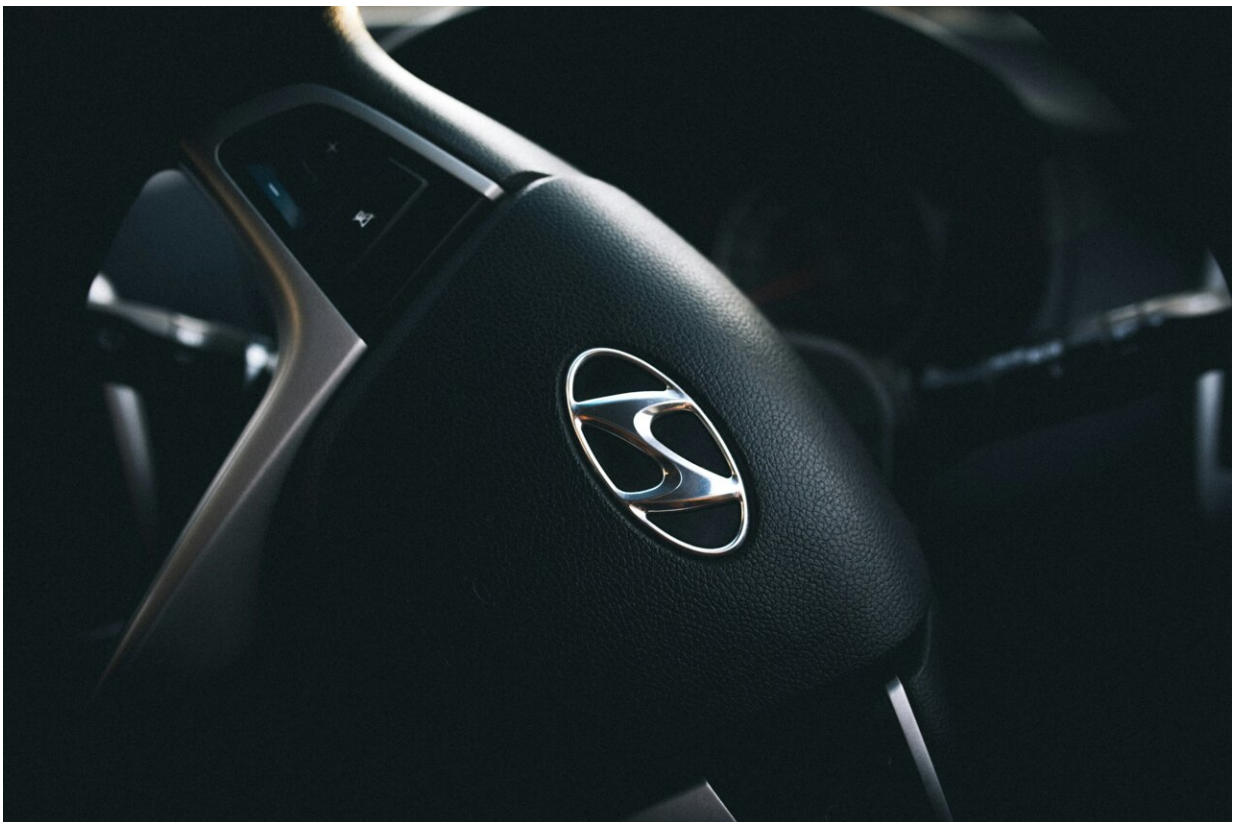


In the market for a car? Soon you'll be able to buy a Hyundai on Amazon, and only a Hyundai

January 26 2024, by Vivek Astvansh



Credit: Unsplash/CC0 Public Domain

This is the year you can finally buy a car on Amazon. Well, one kind. Eventually.

On Nov. 16, 2023, at the Los Angeles Auto Show, Amazon and Hyundai [made a big announcement](#): Starting [sometime in 2024](#), a new pilot program would let shoppers not only browse Hyundai cars on Amazon.com but pay for them, too.

As a [professor of marketing](#), I followed this story closely. "Customers will be able to buy new vehicles directly on Amazon," an executive for the online retail giant said during the announcement, [drawing cheers](#) from the audience.

But that framing may be just a tiny bit too simplistic, I feel. The real story is more complex—and more interesting.

A visit to the digital showroom

It's still not yet possible for a regular person to buy a car on Amazon—I know, because I've tried. Amazon and Hyundai have not publicly announced the date the pilot will start, and they haven't responded to my inquiries.

But in the meantime, you can still go some way toward getting your new hybrid via the online store.

Since 2018, [Hyundai has operated an "electronic showroom"](#) on Amazon, which lets shoppers browse cars—and almost, but not quite, buy them.

Right now, if you open Amazon.com and search "Hyundai," you'll see Hyundai's webpage on Amazon.com as the first search result. You may click on this webpage, enter your ZIP code, and see new Hyundais that are for sale at nearby participating dealers.

The current system lets you select model, trim and color, choose between

financing and leasing, and estimate a monthly payment.

But as of this date—Jan. 26, 2024—you can't actually check out with a car in your cart. Instead, once you've chosen the car you want, Amazon will direct you to a local dealer so you can choose financing/leasing and pay for the car at the dealership.

What's more, Amazon says that pricing details on the site are for illustration, and that "final pricing details are determined at Hyundai dealership." In other words, Amazon provides car buyers with information, but it doesn't let them actually buy a car.

As I explain below, adding the ability to check out would be a big deal. And that's what Amazon has said it's about to do.

But wait: Why can't I buy a car on Amazon already? I can buy everything else, right?

In the U.S., states [generally require](#) legacy automakers to sell their cars through franchised dealers. Some states have allowed makers of electric vehicles, such as Tesla, to sell directly to consumers.

To comply with the franchise dealership laws, Amazon can't list vehicles for sale the way it lists, say, books or socks. Instead, it needs to partner with dealers.

So, Amazon's plan is to expand its digital Hyundai showroom to include [18 Hyundai dealers in five states](#). That will allow nearby buyers to not only browse their current inventory but also pay for a new vehicle.

That is, while a buyer will pay for a vehicle and choose financing or leasing options at Amazon, a local dealer will be the seller of record, with Amazon serving as a [sales channel](#).

By honoring franchise laws while spreading awareness of dealers' inventory and providing shoppers a convenient way to buy [new vehicles](#), Amazon has been remarkably clever.

How 2024 will change how we buy cars—a little

So, if reports are to be believed, at some point in 2024, Amazon will let customers check out a Hyundai just like they check out a bottle of shampoo.

This could make a lot of people happy. It would tap into a growing segment of buyers who trust Amazon, prefer to complete paperwork online and don't want to haggle with a dealer. It could also draw more buyers to participating dealers, boosting their sales.

But I'm skeptical that this "prime" opportunity will transform things, at least at first.

To start, Amazon will sell only new Hyundais. Buyers who want to compare a Hyundai with a rival model will be out of luck. Amazon also won't sell used vehicles or allow trade-ins. That means a lot of consumer demand would be left unmet.

Auto dealers might also hesitate to work with Amazon. For one thing, they would miss the chance to form relationships with buyers—and the opportunity to upsell them.

But either way, it may not be long before you can add toiletries, kitchen supplies and a new Hyundai to your Amazon cart.

This article is republished from [The Conversation](#) under a Creative Commons license. Read the [original article](#).

Provided by The Conversation

Citation: In the market for a car? Soon you'll be able to buy a Hyundai on Amazon, and only a Hyundai (2024, January 26) retrieved 8 May 2024 from

<https://techxplore.com/news/2024-01-car-youll-buy-hyundai-amazon.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.