

From the Portland Business Journal:

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Oregon entrepreneur aims to change car buying

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The Coronavirus pandemic is completely upending traditional ways of doing business, and that's especially true when it comes to the car buying experience. A new startup with Oregon roots and expansion plans has developed a solution that reimagines the car buying experience in a way that accounts for social distancing. I spoke to Carzato's CEO, Javier Ruiz, who resides in McMinnville, to learn more.

Carzato's software brings the vehicle purchasing process into the digital realm. Adhering to social distancing mandates, consumers can handle 100 percent of the process online, with dealerships either delivering vehicles straight to the buyer's driveway or scheduling curbside pickups and trade-ins.

"We call it the Online Retail Experience, but it's actually just the new car buying experience," said Ruiz.

To Ruiz, expanding car buying outside the walls of the brick-and-mortar dealership is not only intuitive, it's a move that is long overdue. In fact, the idea for ORE was



CARZATO
Javier Ruiz, CEO of Carzato

born out of his own less-than-enjoyable experience finding a new set of wheels.

“The impetus was I spent five hours at a dealership getting paperwork done to purchase a new car,” he said.

Ruiz’s team started building the Carzato software in 2018, before Covid-19 made in-person car buying more difficult. Ruiz teamed with Tom Laymac, head of global digital marketing at Fiat Chrysler Automobiles, to integrate Carzato’s experience into the Alfa Romeo website as a beta test.

It has since rolled out with the auto company’s other brands Chrysler, Dodge, Jeep and Ram. To date, 1,000 dealers have opted into using the product.

“Before the world fell apart with Covid-19, we were running above 130,000 retail units sold per month. In April, we reduced our target to about 50 percent of that,” said Laymac. “Then we launched ORE and quickly began exceeding our revised daily retail targets to the point that we ended up finishing the month at the highest retail market share we’ve seen in many years.”

With the success of this pilot, Carzato is in hiring mode. Carzato has some employees in California, Michigan and Florida, and they plan to grow their presence in Oregon.

“We are planning on expanding our office and personnel in Portland, including development resources as well as administrative staff, and there are a lot of high-qualified candidates in this market,” said Ruiz.

During the pandemic, many industries have had to quickly spool up ways to go online and meet customers where they are. Some of these moves are temporary, while others might stick around for the long run. Laymac and Ruiz are convinced that the Online Retail Experience is here to stay and could be the preferred car buying method.

“Covid-19 just accelerated something that should have happened years ago,” said Laymac.