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## WARD'S Blogs: Steve Finlay

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### Contributor



[Steve Finlay](#) Steve Finlay has covered the automotive retail industry for decades, and is respected for his deep knowledge of virtually every topic that matters to dealers: Internet, F&I...[more](#)

## Don't Blame CRM System for Internet Ineffectiveness

**M** [Steve Finlay](#) April 1st, 2011

If auto dealerships respond slowly to Internet sales leads, don't blame customer-relationship management software, says Fran O'Hagan.

He is CEO of Piped Piper, a consultancy that does an annual study using mystery shoppers to gauge Internet lead effectiveness of dealerships by vehicle brand.

CRM systems help dealerships track and manage leads. But the systems only are as good as the people using them – if they use them at all.

"CRM is great" and does what it is supposed to do, O'Hagan says. When Internet mystery shoppers encounter a problem, "it isn't a problem with the CRM systems. The dealership process is broken."

Common shortcomings are slow or no responses to Internet leads and customer e-inquiries, according to the study. Also scoring low is failing to answer specific questions.

Overall, Lexus dealers scored highest (61%) in Internet lead effectiveness; Saab dealers, lowest (38%). The industry average is 50%, indicating room for improvement, O'Hagan says.

He cites "dramatically different" customer treatment online compared with in-person.

"When we break out the auto-industry average results into simple letter grades, we find that 65% of in-person mystery shops are either 'A' or 'B' grade, while only 16% earn a 'D' or 'F.'"

"In comparison, only 17% of Internet mystery shops earn an 'A' or 'B' grade, while 60% perform at a 'D' or 'F' level."

Ironically, about 80% of car consumers use the Internet to research and shop for cars.

Many experts foresee a time when car buyers do virtually everything on line. CRM providers are gearing up for that. But they hesitate to say when it will come.

It likely won't arrive with a flourish, says John Holt, senior vice president of ADP's Digital Marketing Group. "It will be like the tide coming in. There will be no 'ah-ha' moment."

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Steve Finlay, editor of Ward's Dealer Business, blogs about automotive retailing, commenting on news impacting the business of selling vehicles.

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April 2011

M	T	W	T	F	S	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

« Mar

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