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Mercedes Dealers Ranked No. 1 In Retail Experience

by [Karl Greenberg](#), 10 minutes ago

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It looks like Mercedes-Benz' focus on retail, including giving sales staff at dealerships iPads and installing interactive video displays on showroom floors, has paid off. The brand's dealers have gotten the highest satisfaction index ranking for the third year in a row in the Pied Piper Prospect Satisfaction Index, which uses mystery shoppers to rank the retail experience.

The automaker has just opened a flagship dealership "laboratory" in Manhattan to test some of the above-mentioned retail innovations, pulling up stakes at its old showroom near the mouth of the Lincoln Tunnel and heading over to the East Side. The company two weeks ago held an opening bash for the five-story facility on East 54th Street.

The Pied Piper study, involving 3,524 paid, anonymous "mystery shoppers" in dealerships nationwide, suggests overall auto industry performance dropped from 2010 to 2011, after four years of gains.

The only gainers were Mini, Infiniti, Buick, Jeep and Scion dealerships. The firm says two-thirds of all of the parameters that go into determining ranking have declined.

The findings suggest that salespeople are less likely to mention maintenance programs and costs, less likely to address specific features and benefits relevant to the shopper, less likely to focus on three to five memorable features and benefits, and less likely to discuss features unique from the competition. What salespeople were more likely to do was offer a brochure, give compelling reasons why consumers should buy now, involve shoppers with visual aids, and determine factors preventing purchase.

Fran O'Hagan, CEO of Pied Piper Management Company LLC, notes that dealerships have been cutting sales staff. "Over the past year, the quantity of car buyers has rebounded, leading to higher sales spread among fewer salespeople, but also leading to deterioration in customer treatment."

Not surprisingly, luxury brands did better than mainstream brands because of higher profitability and higher salesperson commissions per transaction, which encourages salespeople to devote more time and effort to each prospective customer. But Toyota and Chrysler's Ram Truck division achieved sixth place rankings in a tie along with Cadillac and Land Rover.

Second place overall among the 35 brands ranked was Jaguar, followed by Lexus, Acura, Infiniti, Cadillac, Land Rover, Ram, Toyota, Audi, BMW, Buick, and Chevrolet. The brands with the lowest scoring dealerships in the study were, descending, GMC, Jeep, Lincoln, Chrysler, Dodge, Saab, Scion, Smart, Suzuki and Mitsubishi.

Pied Piper says Toyota salespeople were 48% more likely to introduce customers to dealership management, 18% more likely to determine factors preventing purchase and 12% more likely to provide compelling reasons to buy from their dealership.

The Ram brand offers a test case because many of the same people who sell Ram also sell Dodge. But they behave differently when they are selling the truck. For example, they were 21% more likely to mention the availability of financing options; compelling reasons to buy from their dealership; and 19% more likely to talk features and benefits than salespeople selling Dodge, per Pied Piper.



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