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By **Bengt Halvorson**  
Deputy Editor  
July 11th, 2011



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## Study: Understaffed Dealerships Souring The Sales Experience?

As U.S. auto sales gradually rebound, it would seem that dealerships and showroom salespeople would be eager than ever to let the good times roll once again. But could some brands be slowing their sales recovery due to understaffed dealerships that aren't making every effort to inform shoppers about the vehicle, get them in it, be straightforward, and complete the sale?

It's a question that automakers might find worth looking into. According to a major study from Pied Piper, a California sales and marketing company that also runs programs to improve dealership performance, a number of dealerships aren't performing as well as they could—or as well as they were—when it comes to the basics required to sell vehicles.

Across the board, in fact, Pied Piper noticed a decline in dealership sales performance from 2010 to 2011—as measured by its annual Prospect Satisfaction Index (PSI)—in a startling two-thirds of the 58 categories measured. For instance, dealerships were less likely to show specific vehicle features



Cadillac dealership

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relevant to the shopper, or those unique from the competition, and less likely to mention maintenance programs.

### Mystery shoppers: Salespeople not as helpful

The survey is unique as it actually hires 3,524 [mystery shoppers](#), who were sent to dealerships and recorded how they were treated, compiling those results toward a gauge of how each brand's franchises treat shoppers.

As a number of reports have pointed out in recent months, the dealership ranks for some brands (especially GM and [Chrysler](#)) have been so significantly cut that individual stores are selling more than they were pre-recession; and in other cases, high-volume dealerships are still making do with significantly reduced sales staff.

"Not all auto brands have struggled during this recession, but reduction in dealership staffing has been common," said Fran O'Hagan, Pied Piper's CEO. Even as the market has improved, dealerships have been too hesitant to spend more hiring and training their sales forces, which instead have been pocketing more sales among fewer people.

### Mercedes-Benz again on top, Ram looking smart

One brand that isn't simply moving them through is [Mercedes-Benz](#). It placed at the top of the PSI study for the third consecutive year, but even it was down three points. [Jaguar](#), [Lexus](#), [Acura](#) and [Infiniti](#) rounded out the top five, while [Ram](#) and [Toyota](#) were the only two mainstream brands to make the top ten.



2011 Mercedes-Benz GLK350 4Matic

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[Chrysler's](#) breakout of [Ram trucks](#)—including the [2011 Ram 1500](#)—as a separate brand, while it puzzled some customers, as well as some of those who follow the industry, is looking like a success story from a sales and marketing standpoint. [Ram](#) finished eighth place overall among brands in the 2011 PSI and was the top-placing non-luxury brand.

[Toyota](#) dealerships also weathered the storm surrounding its [accelerator-related recalls](#) last year—which stacked over existing economic woes—extremely well. According to Pied Piper, [Toyota](#) stores performed better on most counts, and this year they were 18 percent more likely to glean factors preventing purchase and 12 percent more likely to provide compelling reasons to buy from their dealership.



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"The experience buying both a Toyota and Honda has improved dramatically since 2007," summed O'Hagan, who called stores selling these brands some of the most process-oriented in the business. "It's not the wild west with individual salespeople doing whatever they like; the dealerships have a defined sales process and the salespeople follow it."

## Ford loses some fizz in the showroom

While you're likely to get a better sales experience at Ford and Lincoln dealerships compared to just a few years ago, both brands' sales experiences slumped as of late. According to O'Hagan, the improvement up to 2010 was driven by product and excitement over a revitalized Ford, while the downswing of the past year was because of lower staffing at dealerships, not because of a discontinued Mercury and refocused Lincoln.



vintage Ford badge

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Overall, Ford salespeople were 21 percent less likely to "address specific features and benefits of interest to the car-shopper" in 2011, versus in 2010, and they were 15 percent less likely to "discuss features unique from the competition."

Mitsubishi and Suzuki pull a distant last place in the PSI rankings, with Smart just ahead.

Above that, the competition gets a little

tighter, with Scion, Saab, Dodge, Chrysler, Lincoln, Jeep, and GMC rounding out the bottom ten.

The results are quite different than those of one other major survey that evaluates the sales experience: J.D. Power's Sales Satisfaction Index (SSI). While Pied Pier uses mystery shoppers, J.D. Power which asks recent vehicle purchasers (though with a much larger sample size) about their experience after several months of ownership.

[Pied Piper]