

Study: Dealerships respond better to Internet leads

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LOS ANGELES — Car dealerships are doing better at responding to Internet leads, but the quality of the responses still leaves something to be desired, according to a new study.

Mystery-shopping consultant Pied Piper Management Co. found that most of the 11,353 dealerships it submitted Internet inquiries to in the past year now use customer relationship management software. And although the software usually automatically responds immediately to an e-mail inquiry, what happens after that can make all the difference.

Fran O'Hagan, CEO of the Monterey, Calif., company, says a quick-response Internet business development department — one that replies in person — is key to converting inquiries into sales.

"The reason you are seeing this huge improvement is that there is a pot of gold at the end of the rainbow," he said. "With most programs, improvement usually happens incrementally. Not so with how you handle Internet leads. This re-

Following the leads

Pied Piper's latest Prospect Satisfaction Index ranks the effectiveness of dealerships by brand in responding to Internet leads. Dealerships are scored on a 100-point scale. Here are brands with the highest and lowest scores.*

TOP 5 BRANDS	SCORE	CHANGE FROM 2012	BOTTOM 6 BRANDS	SCORE	CHANGE FROM 2012
Porsche	62	+11	GMC	50	+1
Nissan	61	+5	Mercedes-Benz	50	-2
Audi	60	+19	Smart	50	-2
Dodge	60	+4	Mini	46	-10
Jeep	60	+3	Mitsubishi	41	-5
Industry avg.	56	+2	Scion	38	-1

*The survey of 11,353 dealerships began in April 2012 and was completed this month. Scores consolidate 3 measurements: time to respond, type of response (auto responder, personal e-mail, personal phone call) and quality of information in the answer.

sults in huge changes, right away."

But Pied Piper's 2013 Prospect Satisfaction Index, which ranks the Internet lead effectiveness of dealerships by brand, found that many car salespeople still fail to address consumers' questions about vehicles.

Overall, dealerships are ignoring fewer customers. Two years ago, 12 percent of e-mail queries to dealerships went unanswered; that has dropped to 7 percent. And the rate

of responses to specific questions via e-mail has improved, from 19 percent two years ago to 44 percent in the latest survey.

But that means that more than half of dealerships still fail to give quality responses via e-mail. Mini, Volvo and BMW salespeople were twice as likely to reply with an answer to a specific customer question as salespeople from Lincoln, Kia or Land Rover dealerships, ac-

cording to Pied Piper.

On top of that, nearly half of the stores failed to make a telephone call to the prospective customer.

"It's tempting when you have a CRM system to send an auto-responder saying someone will be in touch soon," O'Hagan said. "But then the salesman sends the e-mail equivalent of a form letter. The actual behavior by the salesperson has improved dramatically ... but the performance still isn't great."

And customers have become more impatient with dealerships, he said. A few years ago, waiting four hours for a response wouldn't affect the dealership's chance of winning the business. Now customers want to hear back within 30 minutes or are likely to take their business elsewhere. That's bad news for the one-in-four dealerships that still take more than 24 hours to respond.

Porsche, Nissan and Audi took the top three places in this year's survey. Audi improved the most of any brand, jumping from well-below average last year. Also, process improvements at Chrysler Group

resulted in Dodge and Jeep tying for third place, with Chrysler placing sixth — after being near the bottom just two years ago.

Two years ago, Honda and Toyota topped the survey. Now they are in the middle of the pack, although their scores and responses are nearly the same. Overall, 30 of 33 brands scored above the industry's average score from two years ago.

"Honda's and Toyota's dealer networks are pretty good, but the other companies have skyrocketed up," O'Hagan said. For instance, Toyota has consistently had a strong telephone response rate of around 60 percent. But Dodge has improved from 24 percent, to 41 percent, to 57 percent, over the past three surveys.

Meanwhile, lack of responsiveness hurt results for Mercedes-Benz and Scion. Nearly one in seven queries to Mercedes dealers went unanswered.

Although Scion vehicles are part of Toyota's showrooms, the leads are processed differently, O'Hagan said. Nearly one in three online inquiries received no response, which was key to Scion's dead-last finish. **AN**