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Tesla Salespeople Would Make Great Museum Curators

by Steve Finlay in Retail Front

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I ask Fran O'Hagan for a point of clarification after he says he would have been impressed if his consulting firm's study showed Tesla dealerships were consistent "regardless of whether I believe they're doing the right thing."

Wait? Does that mean he might think it is wrong for Tesla to bypass the traditional franchised dealership system and instead run its own stores? A lot of state dealer associations think it's wrong. They cite various state franchise laws as they fight the legality of Tesla's factory-outlet setup.

But O'Hagan, president of Pied Piper Management which did an annual mysteryshopping analysis of dealership sales effectiveness by brand, says he wasn't weighing in on whether upstart Tesla should or shouldn't sell its electric cars through franchised dealers like other brands do.

"We're Switzerland," he says, referring to the neutrality of that nation. "When I say I'd be impressed if Tesla dealerships were all doing the same thing, right or wrong, I'm referring to there being at least a consistency to the sales process."

But there isn't, according to the latest Pied Piper Prospect Satisfaction Index. For the first

time, it included 50 Tesla dealerships in states where the automaker is permitted to sell factory-direct. In other states, tough dealer-franchise laws prevent that.

Tesla dealership staffers on average did a couple of things right but enough wrong to finish dead last in the index ranking. Tesla scored 86. The industry average is 100. Mercedes-Benz topped the list with 110, followed by Infiniti (108), Lexus (105) and Cadillac, Hyundai, Smart and Toyota in a 4-way tie for fourth with 104.

Some individual Tesla salespeople made all the right moves, such as demonstrating product knowledge, engaging with customers, offering a test drive, giving compelling reasons to buy and pointing out features distinct from the competition.

But those showroom standouts were rarities. "We found huge variations with Tesla stores," O'Hagan says. "There were examples of brilliant salespeople doing everything perfectly."

And then there was everyone else, a legion of workers that hasn't mastered the fine art of car salesmanship.

Tesla scored low mainly because too many dealership staffers acted like museum curators, O'Hagan says. "They were friendly, knowledgeable and answered questions, but they didn't find out what is important to the buyer and they stopped short of asking for the sale."

That's fine for conducting gallery tours at the Metropolitan Museum of Art. But the stuff there isn't for sale. Dealership cars are.

One mystery shopper's field report describes an encounter with a Tesla salesman:

"He didn't really ask any questions about me. The majority of the conversation was me asking him questions and trying to keep the conversation going while he provided answers. He didn't get into specifics or attempt to get me to buy a vehicle. He was just answering questions."

Ironically, Tesla led all brands in following up with customers after their store visits. "That's great behavior, but if you stop short of selling the car in the first place, following up seems contradictory," O'Hagan says.

The study spotlights other contrasts. For example, Lincoln dealership salespeople were among the least likely to approach a customer and say: "Can I help you?" On the other hand, sister-brand Ford salespeople were among the most likely to do that.

The question may seem like one of those innocuous little things humans say to each other to get the ball rolling, like asking how someone is doing.

But at a dealership, a seemingly harmless "Can I help you?" typically triggers the deadly response of "I'm just looking."

An open-ended starter question is much better, O'Hagan says. "We measure it. Salespeople who don't say, 'Can I help you?' are more successful. They might instead say, $^{\circ}$ I saw you pull up in a Ford F-350 dualie, do you tow? That builds rapport. The answer to that is never $^{\circ}$ I'm just looking."

There's a right and wrong way to sell cars whether a brand runs its own stores or uses the franchise system, he says. "What we consider right is what the math says turns shoppers into buyers."