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Is It Possible To Turn More Shoppers Into Buyers?

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I hope that your dealership already tracks closing rates to measure how effectively your sales process turns shoppers into customers. But what about all the shoppers—eight out of ten of them on average—who don't buy when they visit your dealership? Let's call them 'prospects'. They are the ones who visit your dealership, but don't make a purchase that same day. What makes some of these prospects return to buy, while others do not return, or even bad-mouth your dealership to their friends?

Sometimes dealerships and salespeople are so focused on customers who buy that they neglect the prospects: The customers who have not yet bought. Let's call it a problem of alignment, or more accurately, misalignment.

Let the owner, whose goal is for the prospect to buy, interact with the customers. If they don't buy, the owner hopes they leave thinking good thoughts about the dealership. He knows then that the prospect will not only return, but will also tell his or her friends about the positive experience.

On the other hand, what is a salesperson's attitude toward someone who is "just looking around?" Many times, the salesperson sizes up the prospect to determine whether they will generate a commission that helps them pay next month's rent. If not, some salespeople begin looking for another prospect who will. It is a case of misalignment between the long-term goals and attitudes of many owners and the short-term goals and attitudes of many salespeople.

What is most important for turning a prospect into a customer? Facilities? Inventory? Without question, it is a dealership's sales process in general; to be more specific, it is the behavior of the salespeople. Do your salespeople automatically gather contact information and then follow up after a prospect visits? Do they remember to give prospects reasons to buy from this dealership rather than another one? Do they always remember to mention product features unique to your dealership or special financing and leasing? Do they always ask for the sale? Many do not. The only way we have found to encourage a sales team to consistently follow a prescribed sales process is to continually measure how prospects are being treated by the sales team.

The Pied Piper Prospect Satisfaction Index (www.piedpiperpsi.com) is one source for dealers who wish to see how their sales process effectiveness stacks-up against the national average for other same brand dealerships. Dealers are able to order anonymous shopper evaluations online, and the dealer provides benchmarking results for more than 50 key aspects of the automotive sales process through an easy-to-use Web application.

How much improvement is possible? One national motor vehicle brand found that only 21 percent of their dealerships hit their nationwide prospect satisfaction target of 92 percent. After one year of measuring prospect satisfaction, posting the results, and rewarding superior salesperson scores, 60 percent of their dealerships consistently hit the 92 percent target, and their national retail sales market share hit an all-time record.

We found that salespeople from the most successful dealerships were 25 to 60 percent more likely than salespeople from less successful dealerships to give compelling reasons to buy now, to uncover factors preventing the purchase, or to ask the prospects follow-up questions.

Only 51 percent of auto salespeople provide prospects with compelling reasons for doing business with their dealership—instead they only sell the product. For specific dealerships, we have seen that percentage climb to 100 percent after implementation of a program to drive up prospect satisfaction and sales effectiveness.

Considering the expense and energy spent driving showroom traffic through advertising or events, it is vital to understand what happens between when the prospect walks through the door and when they decide to buy or not to buy, whether to visit your dealership again, and whether or not they recommend your dealership to their friends. To maximize prospect satisfaction, it should be measured and tracked. Remember. If you measure it, it will change.

Fran O'Hagan founded Pied Piper Management Company, LLC in 2003 to help clients align their brands, products and distribution network to drive more prospects to purchase. He can be reached at fohagan@piedpiperpmc.com or visit www.piedpiperpmc.com for more information.