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## SMART SPENDING

# Whodathunkit? Auto Dealerships Realize Responding to Customer E-mails Helps to Sell Cars

By Brad Tuttle | March 14, 2013 | [Add a Comment](#)

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For a while, some car dealerships have seemed somewhat ambivalent about e-mail inquiries from consumers. Sure, they represented potential sales leads. But it was assumed that online shoppers were even less serious about buying than on-site looky-loos. How commissions are usually doled out to dealership staffers further complicates matters. Nonetheless, because modern-day consumers demand info via the Web—and more importantly, because answering Internet inquiries quickly and accurately boosts sales—dealerships have been dramatically improving how they handle online shoppers.

In a new mystery shopper study conducted by [Pied Piper Management](#), nearly half of auto dealerships (48%) responded to online inquiries in an impressive 30 minutes or less. Two years ago, it took an hour for the same percentage of inquiries to get responses from dealerships.

The reason for speeding up the response time is obvious. “Doing well in that area pays off in incremental sales,” Fran O’Hagan, president of Pied Piper, told [WardsAuto](#). “The entire industry has improved because of that.”

“The reason you are seeing this huge improvement is that there is a pot of gold at the end of the rainbow,” O’Hagan said to [Automotive News](#). “With most programs, improvement usually happens incrementally. Not so with how you handle Internet leads. This results in huge changes, right away.”

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Not long ago, the way some dealerships handled online inquiries was downright embarrassing. According to *Automotive News*, in 2011, the Pied Piper report indicated that 80% of the dealerships of one luxury brand received grades of D or F in terms of how they responded (or didn't) to Internet leads. "A dealer can tell if his salesmen are ignoring walk-in customers," O'Hagan explained at the time. "But he has no idea if they aren't responding to Internet queries."

In the new Pied Piper study, 30 of 33 auto brands scored above the 2011 industry average. Still, there's plenty of room for improvement. Nearly 25% of Pied Piper's mystery shoppers' e-mails received no responses within 24 hours of being sent. That's roughly the same ratio as last year. Around 7% of e-mails received no responses whatsoever.

That's better than in 2011, when 12% of electronic messages were ignored, but still: There's no good reason to provide no response at all. The study notes that 79% of the first dealership responses were simply automated messages, requiring no human effort.

Most importantly, there has been a vast improvement in responses that involve actual human time and thought, the study states:

In 2011, customers received not just a response, but an answer to their specific question within 24 hours only 19% of the time, compared to 44% of the time in 2013. Salespeople attempted to follow-up by telephone 48% of the time in 2011, compared to 56% of the time in 2013. However, salespeople in 2013 attempted to make a dealership visit appointment only 16% of the time on average, compared to 23% of the time in 2011.

The decrease in attempts to bring customers into the dealership is especially interesting. The trend seems to indicate that dealerships are realizing that shoppers are reaching out online specifically because they'd rather not visit the showroom and feel the pressure of a face-to-face sales pitch. In which case: Being asked to come into the dealership is annoying.

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Mostly, what the study's data show is that dealers are opening up their eyes to the fact that in order to sell cars they need to be where the shoppers are—and the shoppers are online. At an [Edmunds.com panel discussion](#) held last summer, auto dealers estimated that somewhere between 80% and 95% of their customers do some form of online car-buying research. "We can't treat them like they're silly or like they're not in the game," one Chrysler dealer said, "because they get frustrated and they get upset and they go to somebody else and buy a car."

Chrysler, it turns out, showed solid ratings gains in the Pied Piper Internet Lead Effectiveness index, with Dodge, Jeep, and Chrysler ranking #4, #5, and #6 respectively. Porsche, Nissan, and Audi held the top three scores overall, while Mini, Mitsubishi, and Scion had the lowest rankings. Surprisingly, luxury brands Mercedes and BMW were near the bottom of the rankings.



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