

Internet lead response linked to dealer success

By Megan Lampinen

The Internet offers dealers a chance to shine in terms of customer service, but not everyone is using the platform as they could. Responding quickly and efficiently to online questions from customers can do much to improve brand perception; getting it wrong could cause serious setbacks.

The Pied Piper Prospect Satisfaction Index Internet Lead Effectiveness Benchmarking Study measures the responsiveness of US dealerships representing all major brands, gathering data through 'mystery shopping' to compile a score for the dealerships. It looks at 19 factors, including the speed of responses and whether dealerships answer questions at all. The latest study was fielded between September 2014 and March 2015 and covered 13,637 dealerships.

Automotive World spoke to Fran O'Hagan, President and Chief Executive of Pied Piper Management Company, on some of the findings and the implications for industry players.

The study has now been conducted for five years, and has consistently shown room for improvement. In the 2015 study, every 12th customer (8%) did not receive any response to an Internet query. This level has not improved over the past five years. However, some changes have emerged during that time. "Industry wide, dealerships are more likely now to attempt follow-up contact by telephone and less likely to attempt to schedule an appointment by email," observed O'Hagan. In the latest study, dealerships showed a moderate 1-point overall gain in the industry average when it came to Internet responsiveness, compared to last year.

Why is responding promptly so important? "The reason we measure

what we measure is that we've tied it to sales. We've tied it to dealership success," said O'Hagan.

Brand performance

Compared to last year, 17 out of 33 brands saw their scores decline. While the latest study didn't contain any big surprises, O'Hagan added: "It is important to note that it is possible for individual manufacturers to substantially improve the performance of their dealer network simply by focusing attention on how Internet leads are handled. Infiniti, Mini and Mitsubishi led the industry for improvement this year, and all three manufacturers actively focused attention on individual dealership performance." Infiniti, which saw the largest gain, boosted its score by eight points. Although Mini and Mitsubishi are showing steps in the right direction, they both remain below the industry average score of 57.

In terms of an overall brand leader, Lexus took the crown for the second

consecutive year. It was followed by Porsche and Fiat. Dodge took fourth place, the only domestic brand to crack the top 10. "Almost half of the top ten brands this year were non-luxury brands. However, there appears to be an advantage to dealer networks with a greater percentage of exclusive dealerships," observed O'Hagan. "Of the top ten brands, the average percentage of exclusive dealerships is 62%; among the bottom ten brands, only 30% of the dealerships on average are exclusive."

On the other end of the scale, Buick, Land Rover and Volvo saw the largest declines in performance. In overall rankings, GM brands have remained consistently below the industry average. This year, GMC, Buick, Cadillac and Chevrolet all fell into the bottom seven spots. "There is no easy fix to improve and maintain customer Internet lead performance," added O'Hagan. "Instead, top performance requires a solid process that is followed relentlessly. Manufacturers or individual dealerships which fail to pay attention day after day find that because Internet performance can be invisible it can also be ignored."

As for future developments in terms of Internet responsiveness, O'Hagan isn't expecting anything drastic. He commented: "If the past five years are any indication, we should expect slow improvement."

