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Shoppers rate Acura, Land Rover, Saturn dealers tops

By MATT NAUMAN
MediaNews

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SAN JOSE — In an innovative study that evaluates how well car shoppers — not buyers — are treated in showrooms, Acura, Land Rover and Saturn dealers came out on top.

Brands such as Volkswagen, BMW, Dodge and Lexus also did well. Toyota and Honda ranked about average for the auto industry, while Ford, Chevy, Mazda and Scion were below average.

Evaluating the experiences of car shoppers is important, the study's founder said, because 75 percent to 90 percent of car shoppers don't buy a new car or truck the same day they visit a dealership.

Most surveys of customer satisfaction, including the well-known annual studies from J.D. Power & Associates, focus on car buyers, said Fran O'Hagan, whose Pied Piper Management in Pacific Grove released its first auto-industry Prospect Satisfaction Index last week.

"Very few industries or businesses devote much time to tomorrow's buyers," said O'Hagan, a former executive with Indian Motorcycle in Gilroy and a 15-year veteran of the auto industry with BMW, Land Rover and others.

In all, 21 brands ranked above average, four were at the industry average and 12 were below average. Like early J.D. Power studies, the Pied Piper report ranked those brands only at or above average. The below-average nameplates were listed alphabetically.

Power, based in Westlake Village and now owned by McGraw-Hill, has been researching how satisfied car buyers are with brands, dealers and vehicles for decades. It now does

studies on everything from mobile phones to new homes, and in places from Germany to Thailand as well as in the United States.

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In its most recent Sales Satisfaction Index, released in November, Jaguar, Cadillac, Lincoln and Porsche topped the study that measured factors including the sales staff, dealership facility and car-buying process.

In comparison, Pied Piper is an upstart. But O'Hagan believes he has found a niche. He

envisioned the automotive Prospect Satisfaction Index as an annual study. He has already conducted similar research on motorcycle and recreational vehicle dealers, where Harley-Davidson and Monaco came out on top, respectively.

He spent several years refining a process that adds empirical research to mystery-shopper interviews.

As a marketer, O'Hagan said he views mystery shoppers, anonymous people assigned to shop at a retail facility, "very, very positively." Yet, there's a caveat, he said. "The very nature of mystery shopping is hiring fake shoppers."

And, sometimes, those fake shoppers act or react differently than real ones. An example, he said, is that mystery shoppers tend to grade whether they're greeted and how nicely very highly. Regular shoppers don't care as much, he said.

"In contrast, when a shopper wanted help, and a dealer provided help in a professional manner — whether it's a particular model they're looking at or 'Where is the Coke machine?' — that's 10 times more important to a real shopper," he said.

So he and his staff separated the auto-industry sales process into a list of 223 different factors and researched their importance with real car shoppers at dealerships throughout the country.

They then sent in hired mystery shoppers to the same locations, to compare their responses to the responses from the real car shoppers, and used the findings to narrow down the sales process factors into a 55-item survey. This approach allowed Pied Piper to use its mystery shoppers solely to gather data and measure facts instead of relying on their opinions.

Ultimately, for this year's study, shoppers visited 1,592 dealerships to get representative samples for all 37 auto brands.

Acura's strong point was its consistency across the board, O'Hagan said. Land Rover dealers did a good job of showcasing product features. Saturn's sales staffs were the most likely to offer a test drive. Lexus salespeople — 98 percent of the time — asked for contact information.

One conclusion he reached was that "the perception and the reality about the car business in the United States is still pretty far apart," he said. Most still think of car dealers as pushy, as overselling products. "Our figures show that it's four times as likely for an auto shopper to be under-sold, in our characterization, as it is to be oversold," he said.

Also, he said, improvements in the auto industry's sales process are easy to quantify. Salespeople offered test drives 89 percent of the time. They asked for contact information 83 percent of the time. And they asked for the sale 75 percent of the time.

Yet, only in 51 percent of cases did those same salespeople present a compelling reason to buy a product from their specific dealership, he said.

While Pied Piper conducts its surveys independently, it licenses its results to automakers and big dealer groups, O'Hagan said. J.D. Power does the same thing.

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