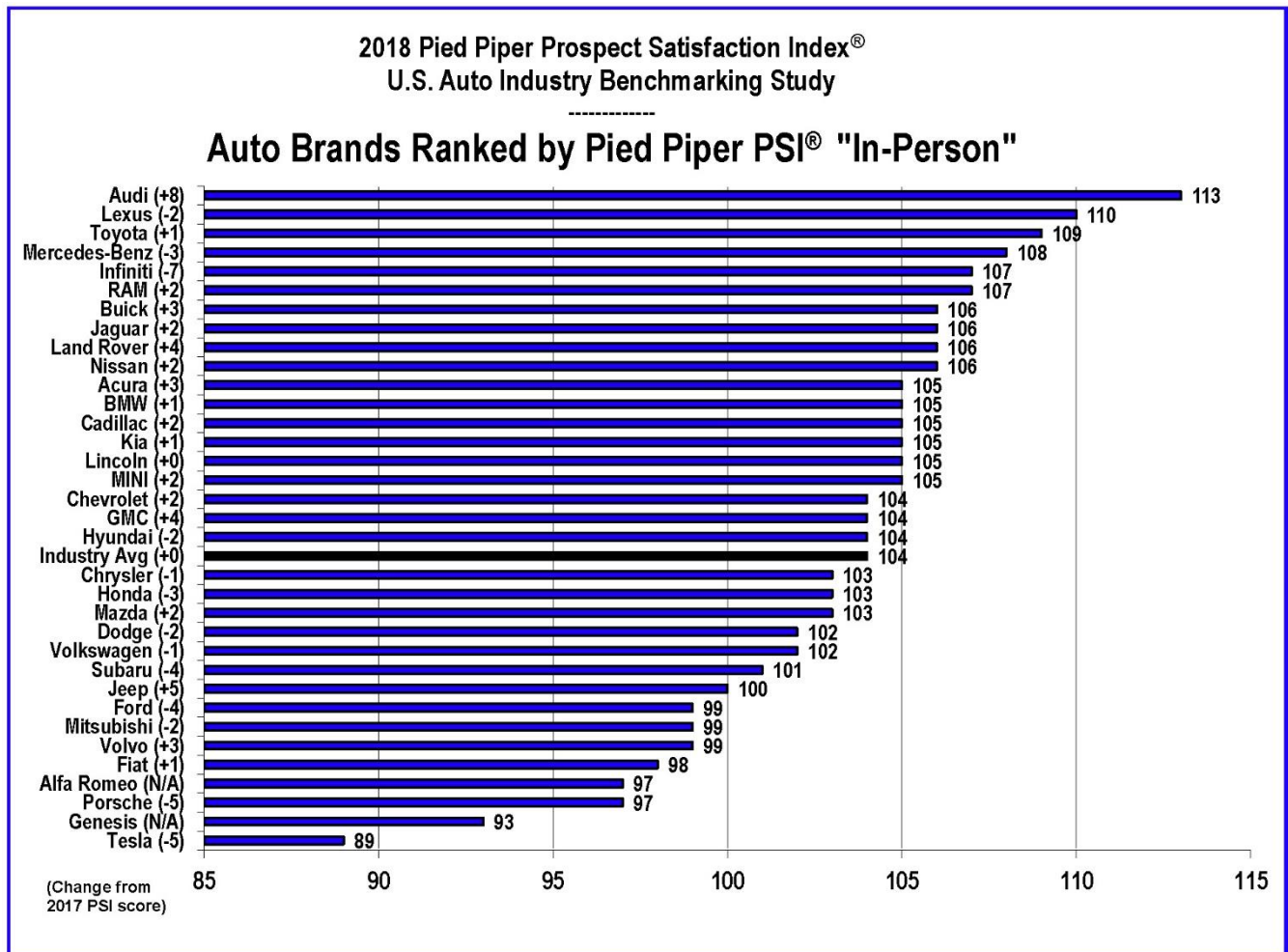




AUDI DEALERS RANKED HIGHEST
BY 2018 PIED PIPER PROSPECT SATISFACTION INDEX® (PSI®)
12th Annual U.S. Industry Benchmarking Study Measured
Treatment of In-Person Car-Shoppers

MONTEREY, CALIFORNIA – July 9, 2018 – For the first time, Volkswagen Group’s Audi brand dealerships ranked highest in the newly released 2018 Pied Piper Prospect Satisfaction Index® (PSI®) U.S. Auto Industry Benchmarking Study. The study measured treatment of car-shoppers who visited 3,466 dealerships throughout the country. Study rankings by brand were determined by the Pied Piper PSI process, which ties “mystery shopping” measurement and scoring to industry sales success. From a customer’s perspective, top scoring brands and dealerships on average are considered “more helpful.”



Source: 2018 Pied Piper Prospect Satisfaction Index® U.S. Auto Industry Benchmarking Study

www.piedpiperpsi.com

Compared to salespeople for all other brands, Audi salespeople were most likely on average to ask customers questions to determine how a vehicle would be used. Audi salespeople were also among the most likely on average to provide a “walkaround demonstration” showcasing vehicle features and benefits, to mention features that distinguish a vehicle from the competition, to ask follow-up questions to better understand customer needs, and to provide reasons why customers should buy from their specific dealership.

Dealerships selling Lexus were ranked second, followed by Toyota, Mercedes-Benz, Infiniti and RAM. Brands which improved the most from year to year were Audi, Jeep and GMC. Brands suffering the greatest declines were Infiniti, Tesla and Porsche. A total of 19 brands improved or remained the same from 2017 to 2018, while 15 brands declined.

Seven brands have improved their PSI performance in each of the past three years: Buick, Chevrolet, Jaguar, Kia, Land Rover, Mazda and RAM. Five brands have consistently scored above the industry average for each of the past three years: Audi, Infiniti, Lexus, Mercedes-Benz and Toyota.

Specific sales behaviors vary considerably from dealership to dealership, and also from brand to brand, including the following examples selected from the 50+ different PSI measurements:

- Ask if customer visited dealer website. The most effective salespeople determine what a customer has already learned about vehicles in the dealership's inventory. Dealers selling Tesla, MINI, Infiniti and Land Rover asked customers if they had already visited the dealership website more than 40% of the time on average. Dealers selling Kia, Volkswagen, RAM and Genesis asked about website visits less than 25% of the time on average.
- Salesperson had to get "best price" from management. When given a choice, customers prefer to work with a single person at a dealership, rather than obvious back and forth negotiation with an unknown manager. Salespeople selling Nissan, Chevrolet, Dodge, Honda and Kia had to check with their manager before providing a "best price" more than 50% of the time. Salespeople selling Porsche, Tesla, Alfa Romeo and Land Rover checked with their manager less than 30% of the time on average.
- Involve customer with visual aids. A test drive is the ultimate way to "involve" a customer, but showing a customer multimedia material or a product cutaway are also effective and memorable ways to demonstrate unique features and benefits. Dealers selling Tesla, Honda and Mercedes-Benz used visual aids such as websites, iPads, product cutaways, etc. more than 50% of the time on average. Dealers selling Fiat, Kia, GMC and Dodge used visual aids less than 30% of the time on average.
- Give reasons to buy – Service Convenience. A customer's time is a valuable commodity, and smart manufacturers and dealers are using service convenience solutions (such as mobile "come-to-you" service or service pick-up and delivery) as a reason to purchase. Dealers selling Lincoln, MINI, Cadillac, Land Rover and Lexus mentioned service convenience solutions more than 30% of the time on average. Dealers selling Volkswagen, Mazda, RAM and Alfa Romeo mentioned service convenience solutions less than 15% of the time on average.
- Suggest going through the numbers or writing up a deal. Four out of five customers say "no" when asked for the sale, but the most successful dealerships require that their salespeople ignore that history of rejection, and give the next customer a chance to say "yes." Dealers selling Chevrolet, Chrysler and Nissan suggested going through the numbers or writing up a deal more than 80% of the time on average. Dealers selling Tesla, Mitsubishi, Land Rover, Volkswagen and Genesis suggested going through the numbers or writing up a deal less than 67% on average.

"Many challenges faced by dealerships are difficult to improve quickly," said Fran O'Hagan, President and CEO of Pied Piper Management Company LLC. "But how their sales team sells is something that a dealership can change immediately." Pied Piper has found that while top performing dealerships may use slightly different sales processes, what they all have in common is commitment for their salespeople to consistently follow the dealership's sales process.

The 2018 Pied Piper PSI U.S. Auto Industry Study measured treatment of car-shoppers who visited dealerships in-person and was conducted between July 2017 and June 2018 using 3,466 hired anonymous "mystery shoppers" at dealerships located throughout the U.S. Examples of other recent Pied Piper PSI studies are the 2018 "PSI for UTVs" study, in which BRP's Can-Am brand UTV dealerships were ranked first, and the 2018 Pied Piper PSI Internet Lead Effectiveness® (ILE®) Benchmarking Study (U.S. Auto Industry), in which the Mercedes-Benz

dealer network was ranked first. Complete Pied Piper PSI industry study results are provided to vehicle manufacturers and national dealer groups. Manufacturers, national dealer groups and individual dealerships also order PSI evaluations as a tool to improve the sales effectiveness of their dealerships. For more information about the Pied Piper Prospect Satisfaction Index, and the proprietary PSI process, go to www.piedpiperpsi.com.

About Pied Piper Management Company, LLC

Monterey, California company Pied Piper Management Company, LLC was founded in 2003 to help brands and manufacturers improve the performance of their retail networks. Go to www.piedpipermc.com.

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