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Trade Policy: Issues, Challenges and Solutions

Style Stages Virtual Listings

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DEALERS

Car Dealers Get Better at Responding to Digital Shoppers

“Getting dealers to respond at all is no longer an issue,” O’Hagan says. “Now, it’s the quality of responses.”

Toyota tops the 2020 Pied Piper Internet Lead Effectiveness Benchmarking Study.

Steven Finlay | Mar 10, 2020



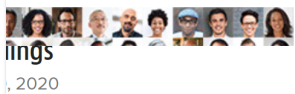
A decade or so ago, the smartphone was relatively new, and many dealerships had separate Internet department to handle that part of the business.

Today, nearly all consumers first use their phone’s varied functions (including but certainly not limited to making a call) to research and shop vehicles before visiting a dealership in person.

ENGAGE



“The norm today is to whip out the phone and start shopping, which is amazing when you think about it, Fran O’Hagan, President & CEO of Pied Piper consulting firm, tells Wards.



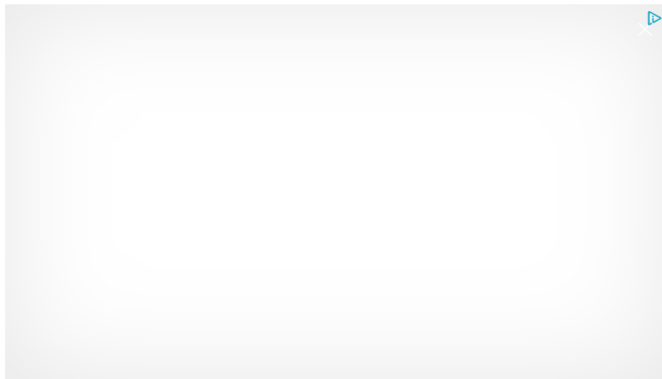
And few dealerships today maintain designated Internet departments. That's because digital retailing has become too pervasive to pigeonhole like that.

Piped Piper conducts an annual mystery-shopping survey to determine how well dealerships, by brand, handle digital leads.



The 2020 Pied Piper Internet Lead Effectiveness Benchmarking Study also includes how well dealers do with digital chat and text channels of communication. *(O'Hagan, left)*

Mystery shoppers submitted inquiries through the individual websites of 5,063 dealerships, asking a specific question and providing a customer name, e-mail address and local telephone number.



The consultancy then ranked how dealerships or their business development centers responded by email, telephone and text message within 24 hours.

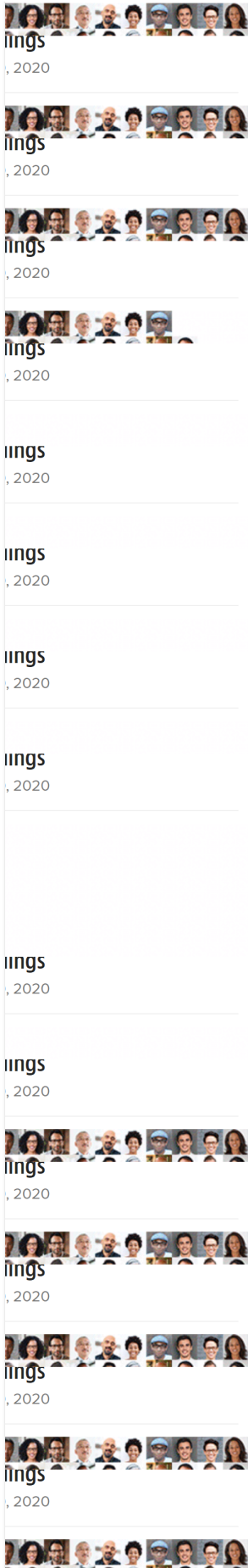
Toyota dealerships scored highest, followed by Cadillac, Mini and Subaru.

Brands improving the most from 2019 to 2020 were Dodge, Chrysler, Ram, Alfa Romeo and Lincoln. Cadillac showed the greatest improvement over the past five years. **(The full ranking is below.)**

"If you are shopping for a Toyota, you're more likely to have your question answered," O'Hagan says. "If you are shopping for Chevrolet, you are more likely to get a form response, often two of them, that pretend to be personal replies but fail to address the customer's inquiry."

The overall good industry news today compared with when Pied Piper started doing its annual Internet survey 10 years ago: "Getting dealers to respond at all is





no longer an issue,” O’Hagan says. “Now, it’s the quality of responses.”



The mystery-shopping questions submitted to dealerships ranged from whether special financing is available to a specific inquiry about a vehicle in stock, such as trim levels. “We don’t ask price questions,” O’Hagan says.

Industrywide, the biggest changes over the past year were the following:

- More use of dealer text messages: a 23% increase.
- Fewer no response of any type: now only 3% of the time.
- More emailed answers to questions: a 14% increase.
- More personal emails sent quickly (under an hour): a 22% increase.
- Fewer poor scores for Internet lead effectiveness: a 37% decrease.

The most basic measurement is whether a customer received an email, text message or phone call of any type in response to their question, though not necessarily answering it.

Industrywide 97% of the customers received a response of some type within 24 hours, O’Hagan says.

But a more meaningful measurement is whether a dealership within 24 hours e-mailed or texted an answer to a customer inquiry, he adds.

Porsche, Jaguar and MINI dealerships were the most likely to do that, hours e-mailed or texted an answer to a customer inquiry, he adds.

Porsche, Jaguar and MINI dealerships were the most likely to do that, averaging more than 60% of the time.

There is still much variability in how brands and their dealerships use texting.

Subaru and Acura dealers on average texted an answer to the customer’s question more than 10% of the time, but dealers for 13 different brands texted answers less than 1% of the time.

Because of the laconic nature of texting, “answers should be short and sweet,” O’Hagan advises.

The following are examples of how responses to customer web inquiries vary.

How often did the brand’s dealerships phone the customer

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within one hour?

More than 63% of the time on average: Genesis, Nissan, Cadillac, Lincoln, Subaru.

Less than 45% of the time on average: Jaguar, Porsche, Volvo, Buick, Fiat.

How often did the brand's dealerships send a personal e-mail response within an hour?

More than 63% of the time on average: Lincoln, Mini, Jaguar, Toyota, Honda.

Less than 45% of the time on average: Chevrolet, Buick, GMC.



For dealerships with live chat, how often did they respond to customers within 30 seconds?

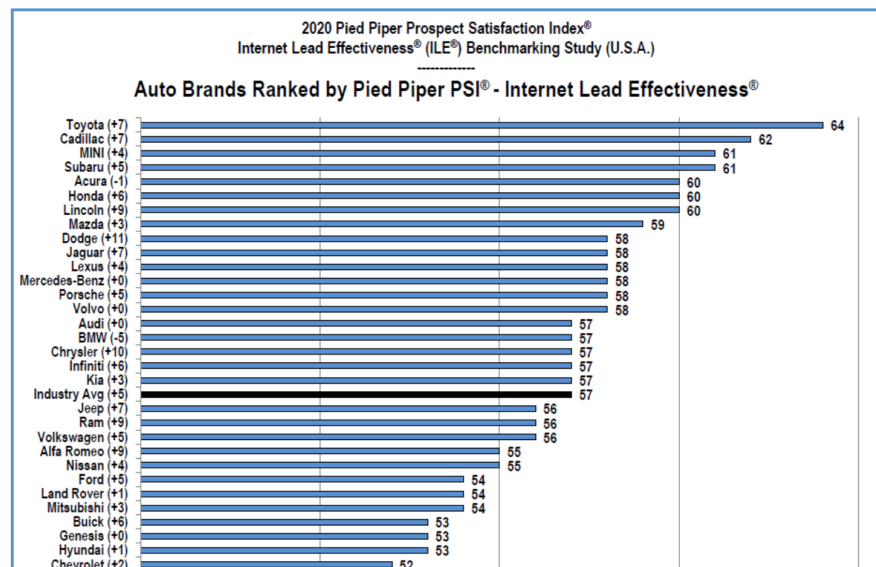
More than 70% of the time on average: Porsche, Nissan, GMC, Mini.

Less than 50% of the time on average: Genesis, Fiat, Alfa Romeo.

How often did the brand's dealerships send a text message to the customer?

More than 60% of the time on average: Ford, Subaru, Ram, Kia.

Less than 25% of the time on average: Porsche, Mini, Genesis, Land Rover.



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