

DEALERS

# Some Car Dealers Good, Some Not-So-Hot at Handling Internet Leads

Infiniti dealerships rank No.1 in study's Internet lead responsiveness.

Don't "blow off web customers because you got busy," advises Pied Piper CEO Fran O'Hagan.

Steve Finlay | Mar 07, 2022



Virtually all car dealers know it's worthwhile to promptly field Internet customer inquiries, says Fran O'Hagan, CEO of consulting firm Pied Piper.

But that doesn't mean all dealers are quick enough on the draw, as evidenced by the 2022 Pied Piper PSI Internet Lead Effectiveness Study. It measures by-brand responsiveness to mystery-shopping

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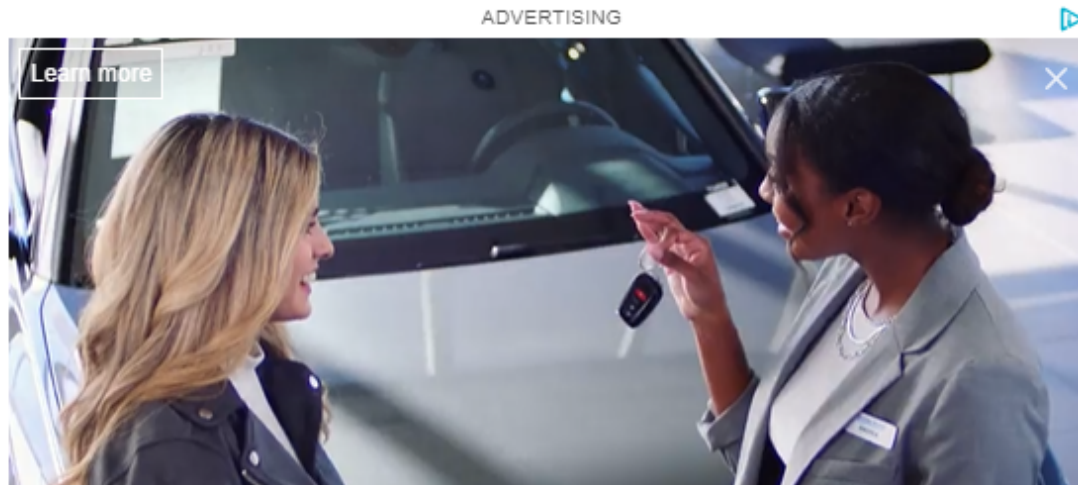
Internet leads sent to dealer websites.

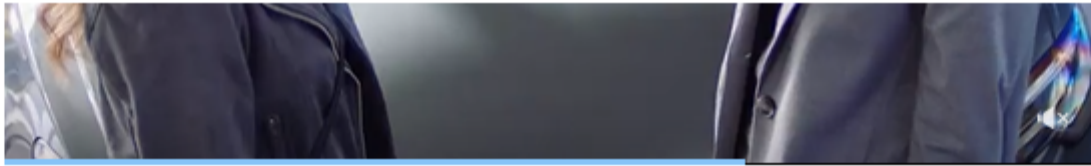
“I don’t think there is a car dealer out there who says, ‘No, it’s not important to respond to Internet customers,’” O’Hagan (***pictured, below left***) tells Wards. “All think it’s important, but not all dealerships are able to do it.”

That’s because it’s easy to get consumed by in-store activities. For many dealership personnel, “you go into work, and suddenly your hair is on fire” dealing with this and that, including a hot prospect sitting across from you, he says.



Everyday duties can delay responding to Internet leads, unless the dealership has a business development center designated to handle phone calls and emails. “If there’s a BDC, there is no excuse for a delayed response,” O’Hagan says. “It’s their *job*.”





Sluggish online responses – or worse, no responses at all – hurt business. In an age when so many car shoppers initiate contact with a dealer via the Internet, a non-response is tantamount to a lost sale, O'Hagan says.

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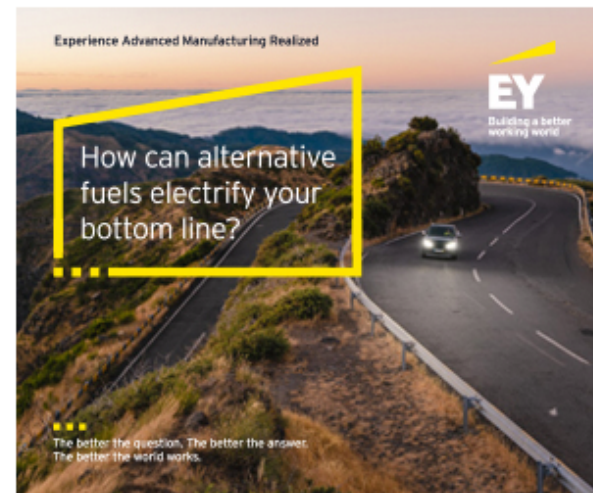
“It shouldn’t be permissible to blow off web customers because you got busy,” O’Hagan says.

In the annual effectiveness study that dates to 2011, Pied Piper mystery shoppers submitted inquiries to 3,628 dealer websites. They posed specific questions about vehicles in stock, but never ventured into the likes of asking, “What’s the best price?” They gave contact names, email addresses and phone numbers.

Monterey, CA-based Pied Piper then evaluated how dealerships responded within 24 hours by email, telephone and text.

For the second straight year, Infiniti dealerships scored highest overall, although Nissan’s luxury brand declined four index points from last year. Rival luxury nameplates Cadillac and Lexus surged, placing No.2 and No.3, respectively.

Mazda (No.4) and Subaru (No.5) ranked highest among mainstream brands. ***(See chart below for all brand rankings.)***



Twelve brands went up in the standings from 2021 to 2022. Fifteen dropped.

“Most dealers had less inventory in 2021, but dealer treatment of sales prospects was still critical, as it determines not only sales today but also the dealership’s success tomorrow,”

says O'Hagan.

“Dealers who respond quickly, personally and completely to website customer inquiries on average sell 50% more vehicles to the same quantity of website customers as opposed to dealers who fail to respond.”

Twenty measurements factor into the scoring on a scale topping out at 100.

On a bell curve, 26% of dealerships nationwide scored above 80 (providing a quick and thorough personal response), while 35% scored below 40 (failing to personally respond to website customers).

In a detected trend, “more dealers are using text messages and emails to answer web customers’ specific questions, while making fewer phone calls,” O’Hagan says. “However, we have found that the only way to reach customers effectively is to use both email and phone, not just one or the other.”

The back-and-forth fluidity of a phone conversation tops email as a form of communication, he notes.

Sometimes, dealers’ non-responses aren’t their fault. Customer spam filters are a dealership’s enemy, O’Hagan says, citing various cases of a legitimate email unwittingly finding its way into internet nether land.

Emails landed in a customer’s junk-mail folder

more than 25% of the time for Alfa Romeo, Fiat and Mitsubishi dealers.

Conversely, faring best in avoiding spam filtering of legitimate emails were Porsche, Jaguar, Land Rover, Volkswagen, Ford and Volvo dealers.

It's hard to fully figure out the inner workings of various spam filters, says O'Hagan.

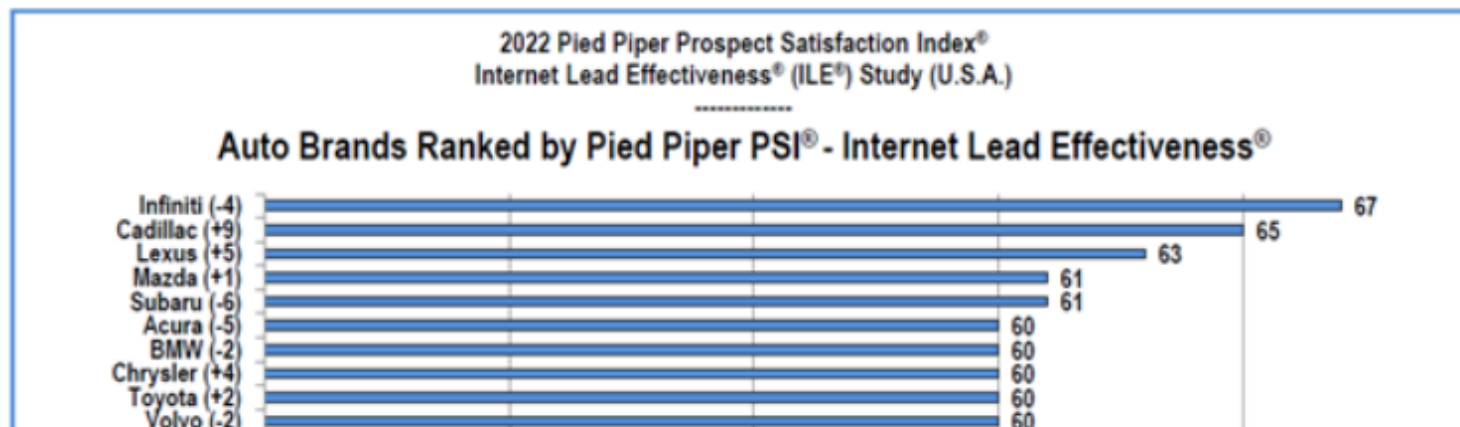
Of 3,628 dealerships contacted, 218 (about one in 20) failed to respond at all to Pied Piper inquiries.

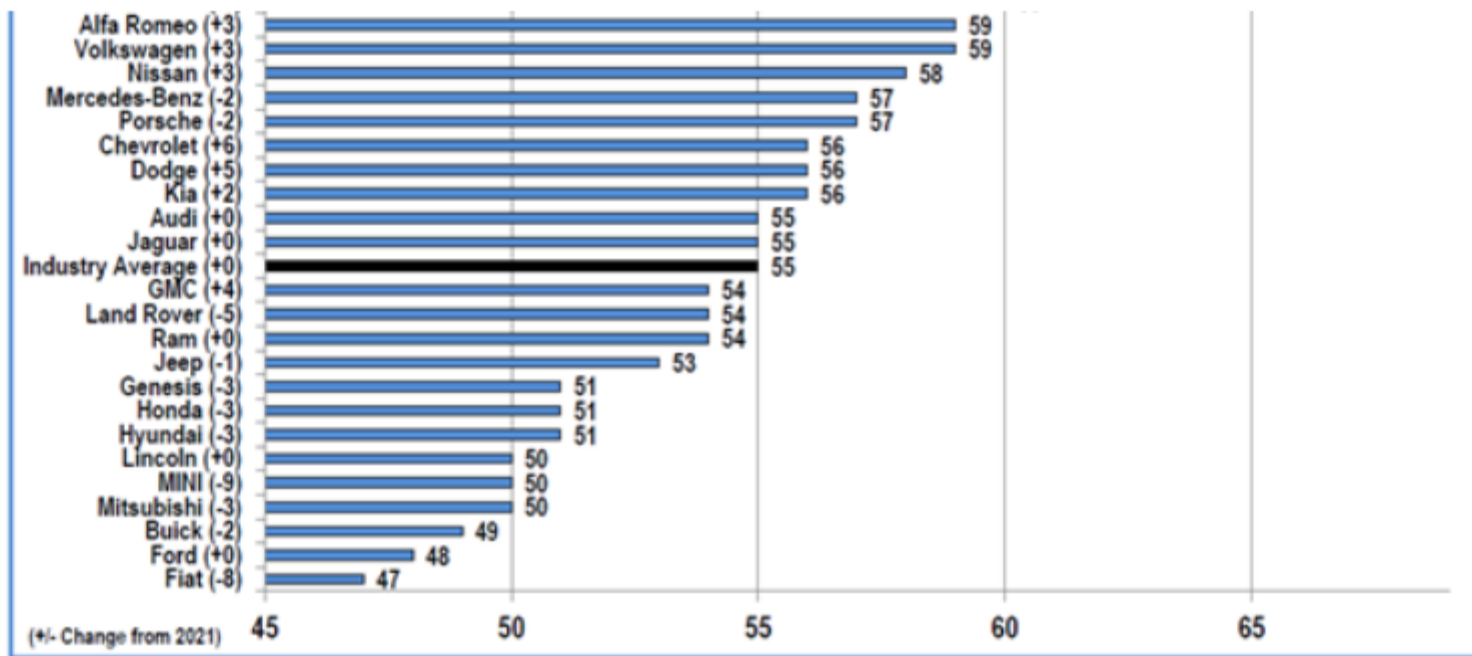
Dealerships owned by national chains did well as quick responders. There's a reason for that: "If you work for them, and you don't respond, they'll fire you," O'Hagan says.

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Source: 2022 Pied Piper PSI® Internet Lead Effectiveness® Study (USA) - Scale 0 to 100

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