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## Frictionless service call processes can enhance customer loyalty, study finds

Research firm Pied Piper conducted a study of the largest auto groups to determine which did a good job booking service appointments.

Ken Wysocky

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A fair number of fixed ops departments nationwide turn away customers every day by failing to do something very simple and elemental: efficiently handle phone calls and book service appointments.

In fact, according to a survey performed by Pied Piper Management Co., an

average of 1 out of every 9 "secret shoppers" — or around 11 percent — who called 1,739 auto dealerships hung up without booking an appointment. Those stores were owned by 17 of the largest dealership groups in the U.S.

The big takeaway? One of the easiest ways to build customer loyalty starts with an easy and efficient process for handling phone calls, said Fran O'Hagan, founder and owner of Pied Piper in Monterey, Calif. The company helps retailers improve their sales and service processes and performance through what it calls "fact-based mystery shopping."

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## What's your number?

Group 1 Automotive was the highest-scoring dealership group in terms of service call effectiveness. The groups were rated on a scale of 0 to 100.

Group 1 Automotive	65
Berkshire Hathaway Automotive	63
Ken Garff Automotive Group	62
Ken Ganley Automotive Group	61
Hendrick Automotive Group	61
Herb Chambers Cos.	61
Morgan Auto Group	61
Serra Automotive	59
Sonic Automotive	59
Victory Automotive Group	59
<b>Average</b>	<b>58</b>
Greenway Automotive	57
AutoNation	56
Asbury Automotive Group	54
Penske Automotive Group	54
West Herr Automotive Group	54
Lithia Motors	52
Napleton Automotive Group	51

Source: 2023 Pied Piper Service Telephone Effectiveness Study • Created with [Datawrapper](#)

"Customers who find difficult vote with their feet by moving to another dealership or independent shop, or even postponing service," O'Hagan told *Automotive News*. "The auto industry has long focused on the experience of customers who bring their vehicle in for service but not on what really happens leading up to the appointment.

"This study fills that gap by factually measuring whether specific sales processes and best practices are happening or not. Customers want simplicity — a frictionless process."

## Mystery shoppers made call

Pied Piper's Service Telephone Effectiveness Study was performed from January to May. Mystery shoppers posing as customers called each of the participating dealerships to schedule a service appointment.

Dealerships were rated on a score from 0 to 100, based on 39 weighted efficiency and quality data points that indicate how easy it is to set up an appointment for a specific day and time. Efficiency measurements generated 62 percent of a dealership's score while quality measurements determined the remaining 38 percent.

The data points focused on criteria such as the elapsed time

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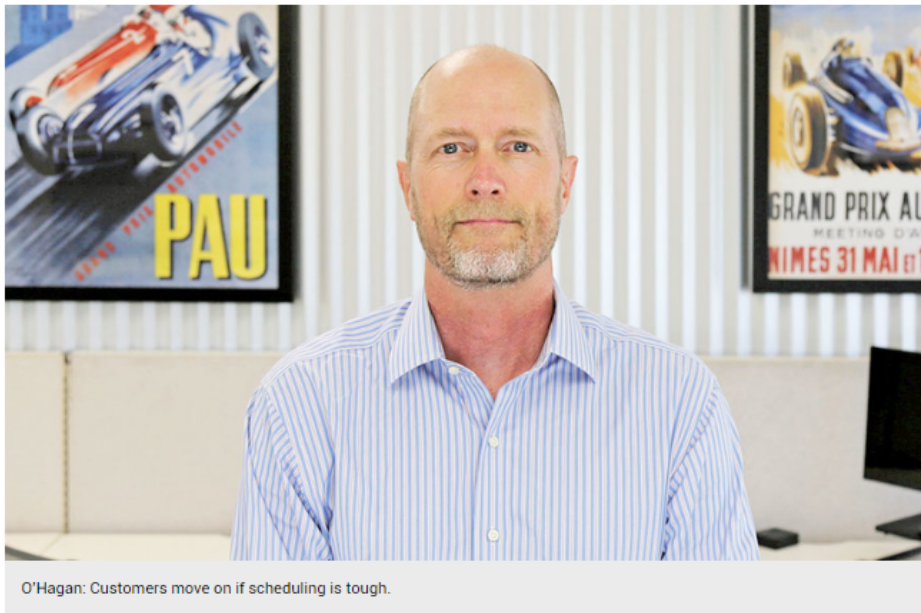
before mystery shoppers could [talk to a service adviser](#); whether they were asked if they were experiencing issues other than what they were calling about; how many days they had to wait to get the first available appointment and whether they were told [how long the service could take](#); and whether they were given a cost estimate or offered alternative transportation while their vehicle was being repaired, O'Hagan said.

"We did research and determined the top 39 behaviors that lead to service loyalty," he explained.

### **Mixed results**

Pied Piper has been helping companies evaluate how effectively they handle calls for service appointments for years. But the company only could offer clients its best guesses about the most important things employees should focus on when they answer service calls.

"We felt it was time to apply some data science to the service experience and factually measure whether dealerships were following specific sales processes and best practices that lead to customer loyalty," O'Hagan said.



O'Hagan: Customers move on if scheduling is tough.

"There was a big blind spot when it came to finding out about the customer experience," he said. "No one had ever applied analytics to the service side of the business ... and if you're not measuring the process with something like [the study], the only people who know whether processes work or not are the customers."

About 13 percent of dealerships included in the study achieved scores higher than 80, which means they're doing just about everything well. But 20 percent of the dealerships scored below 40, which means they either didn't provide an easy scheduling process or they drove the customer away, he said.



"If a dealership scores under 40, something is drastically wrong," O'Hagan said. "Maybe they have a serious staffing problem that forces them to constantly put people on hold for more than two minutes or, even worse, the caller gets lost in a phone tree with no way out, gets a busy signal when transferred to a service adviser or gets a voicemail that says the mailbox is full.

"It's shocking how often things like this happen."

Group 1 Automotive posted the highest average score — 65 — across all of its participating dealerships; 27 percent of the nearly 151 stores scored higher than 80. Berkshire Hathaway Automotive (81 stores) ranked second with an average score of 63, and Ken Garff Automotive Group (66 rooftops) was third with an average score of 62. Four other dealership groups followed right behind, with average scores of 61: Ken Ganley Automotive Group (51 stores), Hendrick Automotive Group (three dealerships), Herb Chambers Cos. (60 stores) and Morgan Auto Group (62 dealerships).

When ranked by brand, the three highest-scoring were Acura, Lexus and Toyota.

The bottom three were Land Rover, Hyundai and Jeep, according to the study.

"The results tell me that some dealerships did a great job of interacting with customers who tried to schedule service, while others did not and clearly need to improve," O'Hagan said. "What we know from defining and measuring auto dealer processes for quite a while is that all dealers need to pay close attention — measure and track data."

What surprised O'Hagan most about the survey results? The wide gap between dealerships, he said.

"We might assume that all of these large, successful companies would operate very similarly," he said. "But there are some big differences."

O'Hagan said employees can build customer loyalty by injecting some pertinent talking points that reinforce the caller made a good choice by opting to come to the dealership. For example, they could talk about positives such as the availability of loaner vehicles or Uber or shuttle rides. Perhaps the dealership offers free vehicle pickup and delivery, is a family-owned business or has certified master technicians.

"It works like magic — those same points are what those customers then regurgitate to other people," O'Hagan said. "It's worth taking the trouble to reinforce all the positive reasons to patronize your dealership."

### 'Higher expectations'

On the other hand, employees should avoid asking for detailed information that extends phone calls and frustrates customers. A good example: asking a customer for the VIN — something that can be done much more easily once they arrive at the dealership for service.

"Asking for detailed information like that shows you don't value a customer's time," he said. "Again, it's critical to make the process as frictionless as possible. Two-thirds of our scoring system is tied to that.

"The Amazon-ification of consumers has led to higher expectations for everything."

Putting customers on hold when they call isn't a deal breaker — unless it's more than two minutes. "After that, smoke starts coming out of the callers' ears," he said. "If it's less time than that, they don't even remember if they were on hold."

There's good news for dealerships that struggle with service phone calls: They can earn a minimum score of 73 by merely ensuring a customer can speak to a service adviser within a minute and can get a service appointment scheduled within a week.

"And 73 is a higher average score than any of the auto groups achieved in the survey," O'Hagan pointed out. "You can score very well just by doing the basics.

"It's all about showing customers that you value them and their time."

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