

NEW STUDY:

EV Shopper Confusion Carries On

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Caught in the Web

Top dealership performers respond to web leads in 30 minutes or less.

Steve Finlay | Oct 05, 2023

"The days of a customer strolling into a dealership without having done anything online beforehand are over," O'Hagan says.



Mystery shoppers found large car dealership groups overall outperformed smaller counterpart stores in internet lead responsiveness, according to a new study.

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Napleton Auto Group ranked highest among 17 national groups evaluated in the 2023 Pied Piper Internet Lead Effectiveness Study.

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Drawing from mystery shopping data, the consultancy measures the handling of internet leads coming through dealership websites.

Tied for second were Penske Automotive Group and Herb Chambers Auto Group.

Compared to typical auto industry performance, 15 of the 17 dealer groups scored higher than the auto-retailing industry average (*see chart below*).

“This year the top performing dealer groups were three times more likely to respond to website customers within 30 minutes, compared to the typical auto dealer,” Pied Piper CEO Fran O’Hagan tells Wards, noting that auto responses don’t count.

It’s the second year the consultancy has specifically ranked dealership groups. Pied Piper’s dealership internet lead effectiveness study in general dates to 2011.

“The days of a customer strolling into a dealership without having done anything online beforehand are over,” O’Hagan says.

The study’s most-improved group from 2022 to 2023 was Utah-based Ken Garff Automotive. Its average score jumped from 48 to 74, placing it among the top five.

Pied Piper submitted mystery-shopper customer inquiries through the individual websites of 1,614 group-owned dealerships, asking a specific question about a vehicle in inventory and providing a customer name, email address and phone number.

The company then evaluated how the dealerships responded by email, telephone and text message over the next 24 hours. All dealerships in each of the 17 dealer groups were evaluated.

Scoring ranged from zero (although no group did *that* poorly) to 100.

Pied Piper measured 20 different quality and speed of response measurements.



Dealerships that score above 80 provide a quick and thorough personal response by email and phone, and often text, too.

In contrast, dealerships scoring below 40 failed to respond personally to their website customers.

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For top-scorer Illinois-based Napleton, 80% of its multi-state dealerships scored over 80, while 9% scored under 40.

In contrast, the overall auto-retailing industry measurement showed only 30% of dealerships scored over 80 while 29% scored under 40.

High scoring doesn't just earn bragging rights. It also garners higher sales, O'Hagan contends.

"The math is simple," he says. "On average, dealerships that score over 80 sell 50% more vehicles to the same quantity of website customers, compared to dealerships that score under 40."

He surmises groups performed as well as they did because "there are people working for them that oversee individual aspects of dealership operations" such as just sales or just F&I rather than working under a consolidated system.

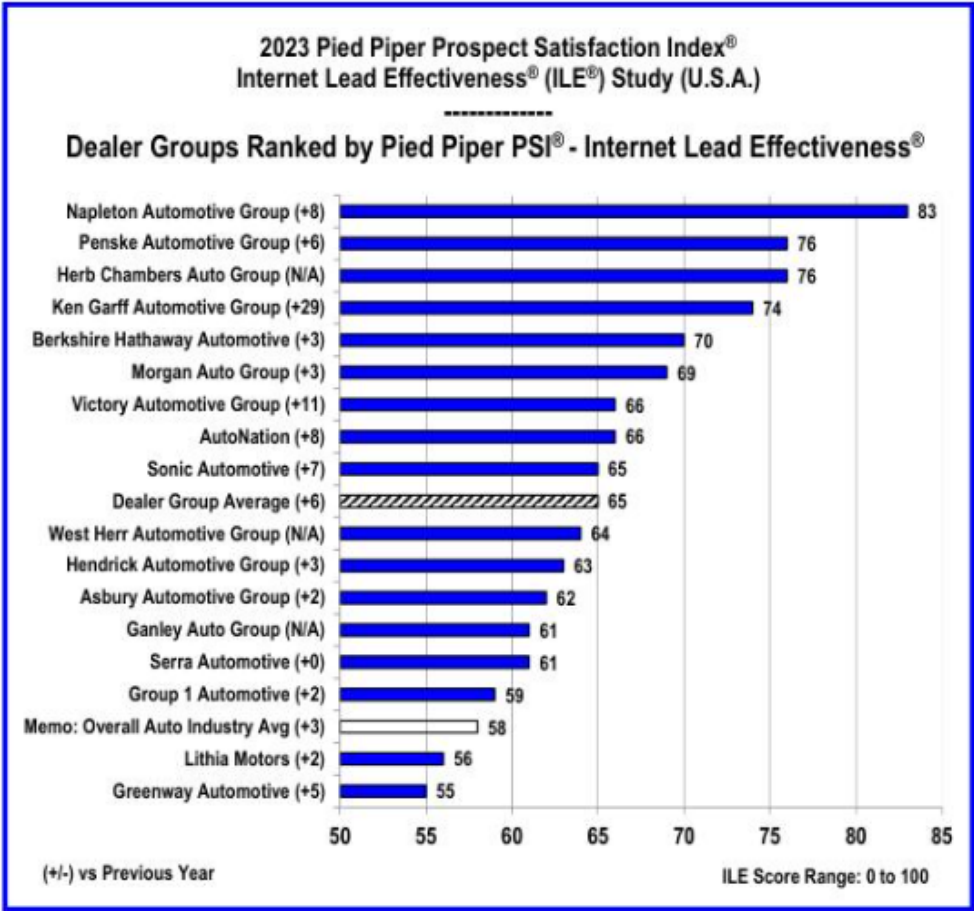
That's essentially true of non-group dealerships but the groups seem more systematic about it, he adds.

Ironically, when megadealer groups – especially the publicly traded ones – began their consolidation movement in the 1990s, skeptics questioned whether such a business mode could succeed compared to individually owned and operated dealerships.

Specifically, answering a customer's online question is essential, but so too is following up with a phone call, O'Hagan says.

"There remains the power of the phone. It allows for a better back-and-forth

conversation than does email or texting. If a customer knows a salesperson is trying to be helpful, that's the most emotional part."



Source: 2023 Pied Piper Auto Industry Internet Lead Effectiveness Study (USA)

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