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DEALERS

# Sales Leads Caught in the Web

“Industrywide performance improved substantially,” Pied Piper’s Fran O’Hagan says of responsiveness to customers’ online inquiries.

Dealer success depends on lead response time.

Steve Finlay | Apr 01, 2024



A mystery-shopping survey says auto dealerships are getting better – and faster – at responding to online customer inquiries.

In this year’s Pied Piper Internet Lead Effectiveness Study, 34% of dealerships scored above 80 (providing a quick and thorough personal response). Twenty-one percent scored below 40, with the worst markdown transgression being a failure to respond at all.



Industrywide average performance increased four points to a score of 62 (on a 0-100 scale). That’s the highest average score measured in the 14 years the consultancy has tracked dealer responses to digital inquiries. ***(See chart below for this year’s complete ranking.)***

Infiniti dealerships ranked highest, followed by Volkswagen, Cadillac, Subaru and Polestar.

“Industrywide performance improved substantially, led by greater use of texting, quicker response by telephone and a greater likeliness of replying to customers using multiple channels,” Pied Piper President and CEO Fran O’Hagan (*pictured below, left*) tells WardsAuto.



**Here’s how the survey works:**

Pied Piper submitted mystery-shopper customer inquiries through the individual websites of 3,957 dealerships. The submissions ask specific questions and provide a customer name, email address and local telephone number.

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An advertisement for 'Secure Your Demo'. The ad features a repeating image of two men in a meeting. On the left, a man in a light blue shirt and dark jacket is smiling and looking towards the other man. On the right, a man in a dark jacket and light shirt is holding a tablet and looking at the first man. The background is a blurred office setting. To the right of the image is a blue arrow graphic pointing to the right, containing the text 'Secure Your Demo' in white. The entire ad is set against a dark blue background with a white border at the top.



The firm then evaluated how the dealerships responded over the next 24 hours.

Questions ranged from asking if a particular vehicle was in stock to whether one had Apple CarPlay.

“We don’t ask what’s the best deal, although customers ask that all the time,” O’Hagan says. “We’re easy graders. All a dealership has to do is get back soon and answer the question.”

What’s behind the improved scores? A couple of things, according to O’Hagan.

Some digital response tools dealers use today were introduced or improved in reaction to COVID’s challenges. “The technology is better and easier to use,” he says.

But quick dealer-response times fell off during the parts-shortage-related inventory dearth that lasted throughout 2022 and only started to abate late last year.

It was a seller’s market. “There were two customers for every car,” O’Hagan says. That led to no sense of urgency to answer online inquiries about what’s in stock.

But now, with inventories replenishing, the market is more competitive.

“This year is a more challenging business environment for dealers, and many have responded by improving their interaction with online customers,” O’Hagan says. “Salespeople are rolling up

their sleeves and selling cars again rather than serving as order-takers.”

How well a dealership handles a digital inquiry directly affects whether a customer will ultimately visit a store, he adds.

Brands with the greatest improvement were Dodge, Genesis, Honda, Kia and Infiniti. All of them upped their scores by more than six points since last year’s study.

The performance of seven brands declined: Chevrolet, Acura, Hyundai, Jaguar, Cadillac, Fiat and Rivian.

Stores that are part of major dealer groups typically score better than ones that aren’t, the study indicates.

“An automaker may encourage its dealers to handle Internet leads effectively, but dealer groups have more sway there because the groups own the stores,” O’Hagan says.

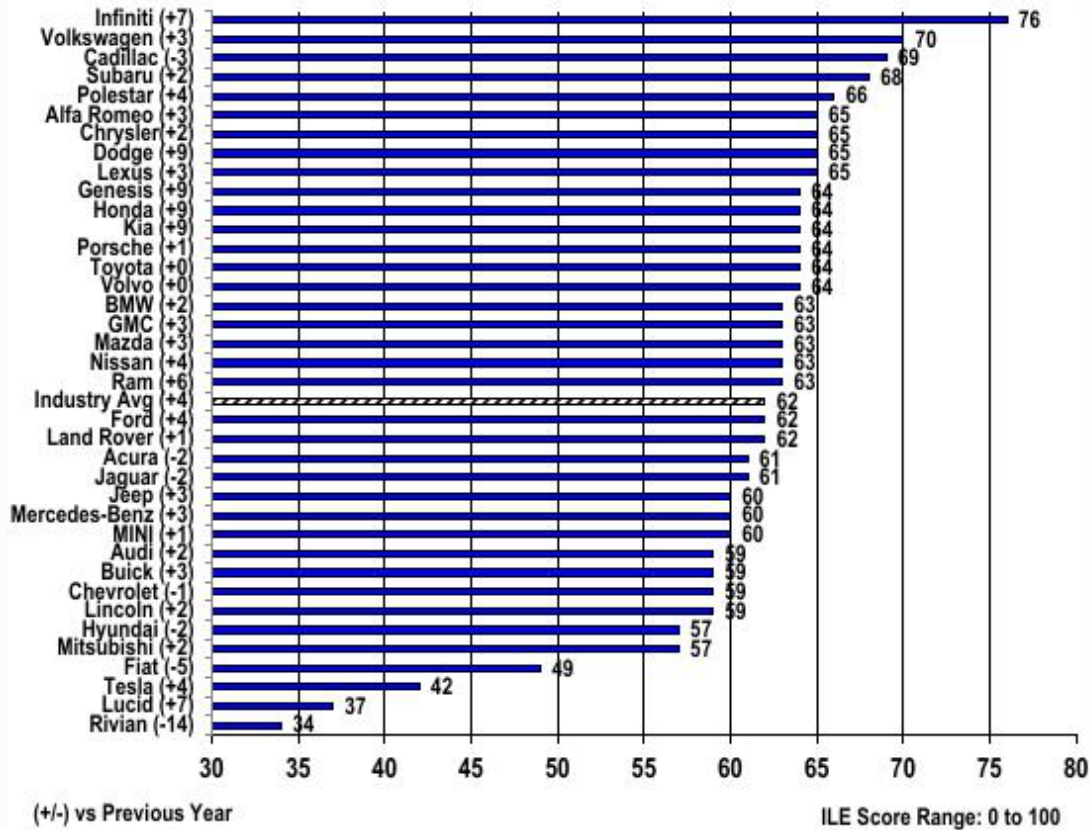
The annual survey stresses the importance of the human factor in digital auto retailing. Consequently, automated general responses earn no points.

O’Hagan doesn’t scorn the probability that artificial intelligence eventually may field customers’ detailed questions.

“That would be wonderful, and we’d give full credit for it,” he says. “From a customer point of view, it’s a thumbs-up.”

2024 Pied Piper Prospect Satisfaction Index®  
 Internet Lead Effectiveness® (ILE®) Study (U.S.A.)

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 Auto Brands Ranked by Pied Piper PSI® - Internet Lead Effectiveness®



Source: 2024 Pied Piper Auto Industry Internet Lead Effectiveness Study (USA)

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