

BMW, Honda dealers respond quickly to internet inquiries

Pied Piper's inaugural internet study finds 6 in 10 shoppers received no answer

BMW and Honda dealerships ranked highest in the 2016 Pied Piper PSI Internet Lead Effectiveness Motorcycle Industry Study, which measured how motorcycle dealerships responded to customer inquiries received through dealership websites. Study rankings by brand were determined by the Pied Piper PSI process, which ties mystery shopping measurement and scoring to dealership sales success.

Pied Piper sent customer inquiries through the individual websites of 1,757 motorcycle dealerships, asking a question about a vehicle in inventory and providing a contact name, email address and local telephone number. Pied Piper then evaluated how the dealerships responded over the next 24 hours. Nineteen different measurements generated a dealership's PSI-ILE score.

Motorcycle industry average performance has improved compared to previous years. For example, in 2008, Pied Piper found that motorcycle dealerships on average responded in any way within 24 hours only 30 percent of the time. Response increased to 72 percent of the time in 2013 and 89 percent of the time in 2016, as "auto responder" customer relationship management (CRM) software has become more common. CRM software is only the first step though, since acknowledging a customer inquiry with an automated response fails to answer customer questions. Despite acknowledging customer inquiries 89 percent of the time in 2016, motorcycle dealerships answered customer questions only 41 percent of the time.

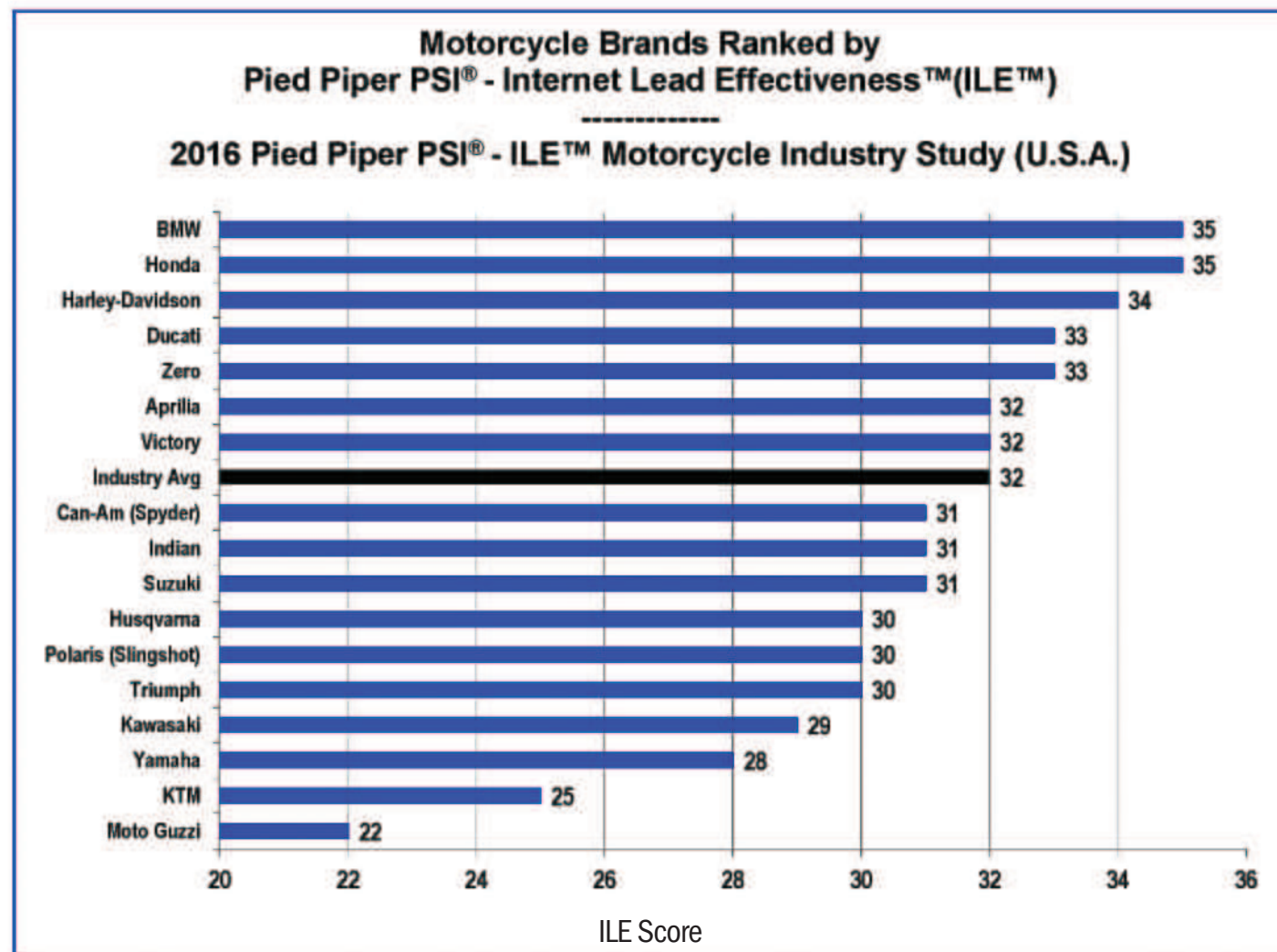
"Imagine ignoring 60 percent of the customers who walk into a dealership," said Fran O'Hagan, president and CEO of Pied Piper Management Company LLC. "A dealer prin-



Pied Piper conducted the industry's first internet leads study, and found BMW and Honda dealers at the top.



Michael Rizner, left, Honda's manager of Motorcycle Dealer Network Development and Administration, accepts Pied Piper's 2016 PSI-ILE trophy from Pied Piper president and CEO Fran O'Hagan.



Source: 2016 Pied Piper PSI® ILE™ U.S. Motorcycle Industry Benchmarking Study

www.piedpiperpsi.com

incipal would never accept such poor performance, yet that is exactly what's happening today to customers who reach out through a dealer website."

Pied Piper has found that today more than 8 out of 10 motorcycle shoppers research their purchase online before ever visiting a dealership in person. Today, interaction through a website is likely to be a new customer's first contact with a dealership.

The study found substantial differences in performance by brand. When it came to responding — often an automated response — within 24 hours, those dealers most likely do to so carry Harley-Davidson, Polaris, Suzuki, or Husqvarna (90-plus percent of the time). Those least likely to do the same were Moto Guzzi, Zero, Aprilia, or BMW dealers (less than 80 percent of the time).

Half of the time, BMW and Zero dealers

provided a personal response within 24 hours, topping their peers. Those least likely to do so were Moto Guzzi, Yamaha and KTM dealers (less than 35 percent of the time).

Those most likely to provide a personal response within 30 minutes were dealers that carry Harley-Davidson, Honda, Indian, or Kawasaki (15-plus percent), while KTM, Zero, Can-Am and Yamaha dealers were least likely to (less than 10 percent).

As far as answering the customer's specific question within 24 hours, BMW and Zero dealers did so 50 percent or more of the time. Harley-Davidson, Polaris, Kawasaki, Yamaha, Can-Am and Triumph dealers answered specific questions less than 30 percent of the time.

Half or more of the time, Harley-Davidson and Indian dealers attempted to contact the customer by phone within 24 hours. KTM, Yamaha, Husqvarna, Can-Am and Aprilia dealers were least likely to do that (less than 25 percent of the time).

Given the importance of customers met through a website contact, why aren't all of today's dealership responses quick and complete? O'Hagan explained, "First of all, unlike customers who walk through the door, online customers are invisible to management unless management is vigilant and pays close attention to what is really happening. Secondly, it's not easy to be perfect every hour of every day to keep online customer inquiries from falling through the cracks."

Asked how motorcycle dealerships can improve their performance, O'Hagan said, "Forget about perfection. Start with the basics, but be relentless in completing those basics every day."

Pied Piper has found that most successful motorcycle dealerships use the following three steps:

1. Know exactly how your CRM software is working. Is the message appropriate? Is it current and unique to your dealership, and are the variable fields working correctly?

"Imagine ignoring 60 percent of the customers who walk into a dealership. A dealer principal would never accept such poor performance, yet that is exactly what's happening today to customers who reach out through a dealer website!"

Fran O'Hagan, Pied Piper Management Company LLC, CEO

Or is your message exactly the same generic message sent by hundreds of other dealerships? Are your CRM emails getting flagged as spam?

2. Respond to all of your customer inquiries at least once a day, no exceptions. If your customers provide a telephone number, call it right after you send your email response. You are not trying to sell a motorcycle online; you are trying to add a customer. Your objective is to be helpful and to provide good reasons for the customer to visit your dealership.

3. Measure it and track it. A dealership's response to customer internet inquiries is a process, and if you define it, then measure it and track it, it will change. **PSB**