

# Survey finds big gap in quality of sales approach at Tesla from store to store

By **RUSS MITCHELL** JUL 26, 2018 | 3:25 PM | SAN FRANCISCO



Visitors check out a Model 3 on display at a Tesla retail store in Chicago. (Scott Olson / Getty Images)



One in four Tesla retail stores are among the best in the auto industry at treating prospective buyers with respect and turning them into paying customers, according to a market research firm.

But many other Tesla retail stores are the worst at doing those things — in such numbers that Tesla stores as a whole scored at the bottom of 35 auto brands on the Prospect Satisfaction Index released recently by Pied Piper, a service that sells data to automobile manufacturers and dealers.

The auto dealers that scored the highest in the survey were Audi, Lexus, Toyota, Mercedes-Benz and Infiniti.

Pied Piper, based in Monterey, sends mystery shoppers into automotive dealerships. The shoppers rate a dealership on traits including store appearance and product knowledge. A good attitude from sales person toward the customer is an important part of the overall score.

“What we are measuring is how successfully a dealership helps a shopper become a buyer,” said Fran O’Hagan, the firm’s chief executive.

Asked for comment, Tesla pointed to a tweet from Tesla Chief Executive Elon Musk: “Tesla finishes last in being salesy! Good.”

O’Hagan said Pied Piper’s shoppers visited 57 of Tesla’s 74 retail outlets in the United States.

While most dealerships that sell a particular brand don’t vary much from one to another, Tesla’s retail stores “are hugely variable, more so than 9 brands out of 10,” he said.

O’Hagan found that surprising, given how Tesla sells cars. Traditional auto dealerships are franchises that are not owned by auto manufacturers. Tesla owns its own dealerships, which it calls retail stores.

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“My expectation is that their stores would be very consistent across locations” because they are under Tesla’s direct control, O’Hagan said.

The mystery shoppers found that some Tesla stores have “excellent, helpful salespeople that do everything they can to help someone become an owner of a Tesla,” he said. “But the problem is you’re more than twice as likely to walk into a Tesla dealer whose attitude is ‘take it or leave it.’ They don’t give a rip whether you buy it or not.”

O’Hagan calls that attitude “the museum curator mode.”

Surveys consistently show the vast majority of potential car buyers dislike shopping at dealerships. Musk’s team designed the company-owned retail stores and sales process to be more appealing.

Companies that ranked high on the survey “work hard to be helpful, rather than just sitting back and answering customer questions, O’Hagan said. For example, they fact-find to determine why a customer is visiting, what’s important to the customer, and how the customer intends to use the vehicle.”

Some might consider that an old-fashioned hard sell that turns some shoppers off. To O’Hagan, the key finding is the inconsistency between stores, which makes it unclear what sales force behaviors are being encouraged and discouraged.

“Instead of finding a different sales approach applied consistently from location to location by every Tesla employee, we have found much variation,” he said.

“For example, is it Tesla policy to always ask whether the customer would like to trade in a vehicle? Or is it Tesla policy to never ask about trade-ins?” O’Hagan said. “We find that the Tesla employees proactively ask about trade-ins 41% of the time.”

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Russ Mitchell covers the rapidly changing global auto industry, with special emphasis on California, including Tesla, electric vehicles and driverless cars. The Times’ former technology editor, he’s worked on staff at publications ranging from Business Week to Wired. A graduate of the University of Illinois, he also studied at the Massachusetts Institute of Technology as a Vannevar Bush Fellow. Mitchell still drives his black 2000 Audi TT, the rare smooth-backed version manufactured before lawyers made the company attach a spoiler.