

## **Exclusive AutoTrader.com Study Reveals Disconnect Between Dealers' CRM Data And Actual Shopper Behavior**

**Findings detailed in a new white paper show that online influence is severely under recorded by dealers, potentially leading to misallocation of advertising budgets.**

ATLANTA, Jan. 24, 2013 [/PRNewswire/](#) -- An analysis of over 4,700 car buyers from 42 dealerships nationwide showed material inconsistencies between the sourcing information dealers entered into their Customer Relationship Management (CRM) systems and car buyers' actual behavior, particularly in regard to the influence of the Internet in the car shopping process. A comparative analysis of CRM data and actual shopper behavior shows that the Internet is cited 3.5 times more by shoppers than it is recorded in dealership CRM systems.

These findings, revealed in a new white paper from AutoTrader.com® called "[The CRM Paradox](#)", are staggering because many dealerships rely on CRM reporting to understand the effectiveness of their various advertising expenditures.

"Measuring the ROI of advertising sources is critical for dealers to ensure that their budgets are allocated effectively, and incorrect data entry into CRM systems results in dealers not getting the insights they need out of these tools," said Kevin Filan, vice president of customer marketing at AutoTrader.com. "We hope that the information in this white paper sheds light on the need for dealers to more accurately identify - and record - which sources are influencing customers to walk into their dealerships."

In addition to the severe gap between how often the Internet is cited by car buyers and how often it is recorded in CRM systems, the study also revealed that third-party automotive sites such as AutoTrader.com, were cited 4.6 times more by car buyers as the source that brought them in, compared to the number of times these sites were credited in dealers' CRM systems.

In struggling to measure the effectiveness of online advertising, dealers have typically relied solely on metrics such as clicks, leads and direct referrals from other sites to their dealership website, which only account for a small portion of measureable shopper activity. The white paper emphasizes the importance of proper sourcing in CRM systems, introducing the risk that inaccurate or missing information can be costly and potentially translate into misallocating their advertising budgets and therefore missing sales opportunities with in-market car shoppers.

Also included in the white paper is information about the various avenues dealers use to advertise to car shoppers, and their respective influence on the process. Car buyers use multiple online and offline sources while shopping, but study after study, including those from Polk and J.D. Power and Associates, have shown that the Internet is the most used and/or most influential source in their shopping process.

Helping dealers turn insights into action, the white paper also includes some recommendations on how dealers can develop an effective, dealership-wide CRM process. Among those recommendations are:

1. Develop a customized selection list by identifying lead sources based on a number of criteria that is specific to the individual store.
2. Train staff on CRM policies and processes, including instruction on performing routine tasks.
3. Enforce data quality standards.
4. Improve internal communication.

Additional insights, as well as more detailed information about these recommendations, can be found in the full white paper online by following [this link](#).

The CRM Paradox white paper is the third in a series of white papers that AutoTrader.com has developed about online advertising. The first white paper, "[Have Internet, Will Travel](#)", provided a geo-distance analysis of car shopping behavior, showing that dealers who effectively advertise and merchandise their inventory online are influencing shoppers to travel from farther distances to purchase a vehicle. The second white paper, "[Digital Audience Analysis](#)", challenged the common beliefs about the role of search engines in the shopping process, revealing that a significant portion of car shoppers are more heavily influenced by third-party sites and are using search engines more like a directory.

"We strongly believe that transparency goes both ways in the auto industry—that while car shoppers have access to an unprecedented amount of information about the vehicles they are considering, dealers have access to more information about how consumers are shopping for vehicles," Filan continued. "For dealers, this level of transparency can help them advertise more efficiently and influence car shoppers more effectively. At AutoTrader.com, we are committed to providing the industry with as many actionable insights as possible to help them reach that goal."

All of AutoTrader.com's white papers, as well as additional research and industry insights, can be found in the Dealer Learning Center, an online educational site, at [www.DealerLearningCenter.com](http://www.DealerLearningCenter.com).

To stay connected to the latest news and information, visit the AutoTrader.com Press Room at [press.autotrader.com](http://press.autotrader.com).

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For further information: Julie Shipp, +1-404-568-7914, office, +1-404-558-7837, mobile, [julie.shipp@autotrader.com](mailto:julie.shipp@autotrader.com)

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