The Dealership Experience Can Make Or Break A Sale, According To AutoTrader.com

ATLANTA, Jan. 27, 2014 /PRNewswire/ -- In 2014, the industry should put a greater focus on the experience consumers are having in dealerships, according to AutoTrader.com®. Combining insights gained through years of consumer research, as well as working with a third-party firm to understand what fuels the best performing dealerships' success, AutoTrader.com identified the "Dealership Experience," and particularly "Customer Handling," as one of the leading factors that determines where consumers make their purchases.

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"We work diligently to partner with our dealer customers and be true consultants, helping them to not only attract more shoppers, but to also turn those shoppers into buyers," said Kevin Filan, vice president of customer marketing and industry relations at AutoTrader.com. "In order to fulfill this promise, we felt it was important to highlight a key theme that has come up across our wide body of research: as shoppers move between online research and interacting with dealerships, it is those interactions—or the way customers are handled—that can make or break the sale. Because of this, we believe that now is the time for the industry to come together to enhance consumers' dealership experience."

Central to superior customer handling is meeting shoppers where they are in the shopping process and allowing them to shop the way *they* want to. Car buyers indicate that they will walk away from a deal when the experience is not meeting their expectations. In fact, AutoTrader.com research has shown that one of the top reasons new and used car buyers are dissatisfied with the dealership experience is a pushy and/or dishonest sales person.[1]

Additionally, that research shows that a majority of shoppers would not buy from a dealership they found to be untrustworthy, even if that dealership had the best price or the exact car they were looking for. In that study, 70 percent of respondents said they would walk away from a dealership that offered the best price on a vehicle if they found the dealership to be untrustworthy, and 74 percent indicated that they would walk away from a dealership that had the exact car they wanted if they found the dealership to be untrustworthy.[2]

Lynn V., an avid online car shopper, drove this point home in a recent conversation with AutoTrader.com where she said, "I went online and narrowed it down to two different dealerships. One was very good about communicating with me via email, was explicit in putting out an offer – very detailed. [They] included a price in the offer and invited me to the dealership. The other dealership, which actually had my first choice of color… wouldn't give me specifics in email."

She continued to try and work with the dealership that had the exact vehicle she wanted, but they would not communicate with her effectively the way she wanted, and her in-store experience led to her decide against doing business with that dealership: "I will never go to that dealer again, even though they were probably 40 miles closer to my house. I was willing to spend the time and make the drive for a dealership that honored its word and treated its customer right."

Conversely, a good consumer experience can help dealers seal the deal. Of the top 10 reasons why car buyers select the dealership where they ultimately purchased from, six were influenced by positive customer handling: past experience with the dealer (21 percent), dealer's reputation (10 percent), referral from someone else (seven percent), dealer's service department (six percent), always buy from my salesperson (five percent), liked salesperson/treated us well (three percent).[1]

As a result, it's critical to a dealership's success for salespeople to evolve the way they engage potential buyers today by providing a buying experience that is focused on the individual customer's wants and needs.

"Shoppers want to feel good, not just about their purchase, but the dealership from where they are purchasing," Filan continued. "The dealership experience extends beyond the showroom floor, as dealers are creating experiences for consumers each and every time they come into contact with the dealership—whether that's online looking at inventory, chatting, or reading reviews, or in person as they walk the lot. Because of this, dealers should focus on building trust from the first interaction with each consumer and sustaining that trust throughout the consumer's experience."

This information is particularly important, as car buyers are only visiting one to three dealerships prior to purchase, according to AutoTrader.com research.[2] Therefore, dealers need to ensure that their "first showroom," their online presence, is creating an enticing and informative experience, as well as focus on the in-person experience.

To help dealers improve their dealership experience, AutoTrader.com offers the following tips:

- **Improve soft skills**. Train employees on customer handling and in-store processes. Observe and review sales calls as well as in-store interactions and provide coaching to dealership staff.
- **Be more consultative**. Embrace a more consultative approach to the sales process to alleviate shopper concerns and build trust.
- **Be knowledgeable**. Ensure that dealership staff is intimately knowledgeable with inventory and product offerings. Despite being informed, many car shoppers still rely heavily on the salesperson for information.
- **Ensure pricing consistency.** Consider introducing more pricing transparency through consistently pricing vehicles across third-party sites, advertising and the dealership site. It may even be worth embracing a "no haggle" policy. Shoppers indicate that agreeing on a price can be one of the most frustrating parts of buying a car.
- **Hire the right sales staff**. Recruit and hire sales staff who mirror the profile of your buyers and who have a pulse on how consumers today prefer to shop.
- **Think outside the box**. Differentiate your dealership with a unique amenity. For example, some car shoppers bring their children to the dealership, so amenities that cater to families can turn a good experience into a great one.
- **Reconsider the BDC/Internet Department model**. While many dealerships have a finely tuned process that is highly effective, others should consider a "top to bottom" experience where consumers interact with one individual—from the person who answers the phone or greets a customer when they arrive through facilitation of the entire transaction. Car shoppers indicate frustration when they begin working with one dealership associate but then are handed off to another associate only to start the process over again.

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[1] **Source**: 2013 Polk Automotive Buyer Influence Study

[2] **Source**: AutoTrader.com 2012 Dealership Experience Study

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