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How call tracking improves dealers' return on sales

By Harry Bott

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“Dealers who **respond** to a sales enquiry **within two hours** have, on average, a **1% higher ROS** compared to dealers who do not respond at all.”

“We have been using Mediahawk’s call tracking services for over five years and it has been an invaluable tool for Marshall Motor Group. Not only does Mediahawk provide us with a good understanding of our marketing effectiveness but we use Mediahawk’s tools to help manage our sales process much more efficiently.

Mediahawk provides us with excellent levels of support and service which is vital for our business due to our lean management approach.”

Daksh Gupta, Chief Executive Officer,
Marshall Motor Group

Executive Summary

The modern consumer has changed out of all recognition. The time between a dealer first engaging with a customer through to the sale has shortened dramatically.



- 75% of customers buy a car within 48 hours of their initial phone call.
- 18% of customers will not buy from a dealer when they have a poor initial phone call.

The telephone is typically the primary method of communication with a dealership. Call tracking provides vital insight into dealership performance, giving you the tools and key performance metrics, to ensure that your dealership is fit to face the challenge of the modern consumer.



Mediahawk customers who implement and engage with call tracking see over 500% return on investment on the cost of implementation.

This tangible benefit is achieved through enhanced sales and more effective marketing. But, ultimately the greatest benefit is soft: a better and more efficient sales process creates better customer service and happy customers tell their friends. A virtuous circle and higher return on sales (ROS) ensues.

Retailers who embrace the new consumer and understand the importance of providing a fast and polite response have a 1% higher ROS compared to those who are slow and non-responsive. The key is putting in place the right tools and processes to manage this effectively.

It's all about **response management**

If a customer is going to spend thousands of pounds on a car, it goes without saying that they want to be treated courteously and with respect.


With the growth of broadband, tablets and smart phones, consumers already know about a car dealer's offering before they enter the retail environment. They expect instant gratification.

However, the average car retailer has yet to catch up with what the modern consumer wants.* For example,



- 18% of customers will not buy from a dealer due to the quality of their initial telephone call
- 75% of customers go on to buy a car within 48 hours of their initial phone call
- 82% of customers do not buy the car they originally set out to buy

*Source: An AM Top 10 Retailer who interviews customers who enquire about a vehicle and then buy elsewhere



What these statistics demonstrate is that the modern retailer has a very small window to influence a consumer. If they are quick and well-mannered, they can take the customer out of the market before they go elsewhere.

The big question is, how can a car retailer change their business practice to make the most of the modern consumer? This is where call tracking comes in.

Call tracking to manage effectiveness

Call tracking technology enables you to use unique telephone numbers in different types of marketing material (press, direct mail, websites, etc) allowing you to understand which media most effectively generates a response. **This creates two benefits for retailers:**

1

Marketing spend can be focused more effectively to generate more leads at a lower cost.

2

A better understanding of operational performance by showing whether the telephone is being answered or not.

As the telephone is the primary and most important initial touch point into a dealership, understanding telephone behaviour is vital in the quest to improve customer service and boost sales conversions.

Recording calls provides vital insight

Call tracking can be used in its basic form by simply counting calls. Complemented by call recording and more sophisticated analytics, it provides vital insight into your business's behaviour. Recording and reviewing calls allows you to:

- Identify exactly how many calls from marketing are actually sales calls. These calls can be linked to sales so that a true conversion can be created to accurately understand the sales funnel.
- Pinpoint any blockages in the sales process. Do sales calls actually reach sales people for example? Are your sales people recording the leads in the dealer management systems?
- Use recorded calls for coaching and sales improvement training.

Reviewing your call tracking data daily and feeding information back to your management teams allows you to understand how your business processes can be improved. Retailers who have implemented this call tracking feedback loop have noted stunning results - but initially not necessarily in a positive way!

Performance data drives improvements

Having analysed over 40,000 sales calls we have some very robust data on performance.



The results we've recorded are remarkably similar across car retailers and provide an accurate picture of dealership behaviour before call tracking was implemented.

These figures may seem shocking, but the exciting part is that they provide a baseline for improvement. Using call tracking data, the next stage is to set up a robust process for improving key response indicators.

Tightening process flows directly to the bottom line

Assuming £1,000 profit per unit and a 5:1 conversion rate from enquiry to sale, the effect of tightening the sales process can be illustrated as follows:

	Base	Change	Difference
Sales calls	1,000	1,000	-
Not picked up	5%	3%	2%
Picked up	950	970	20
Not past reception	25%	10%	15%
Calls spoken to first time	713	873	161
No data taken	3%	0%	0
Calls being managed	691	873	182
Conversion 5:1	138	175	36.6
PPU @ £1,000	£138,000	£174,600	£36,600

With effective use of call tracking and management of the valuable information it provides, there is a direct bottom line benefit which more than pays for the cost of implementation.

What marketing works?

Call tracking provides a direct link between marketing effort and sales outcomes, allowing you to direct your marketing spend more effectively. One client discovered that certain car portals weren't providing them with sufficient leads to justify the spend and so stopped advertising with them. The money they subsequently saved has been more than sufficient to pay for their call tracking and monitoring.

The largest benefit is intangible and hard to quantify. An improved sales process and quick courteous response increases customer satisfaction. A happy customer is someone who will tell their friends of their experience, creating a virtuous circle and, over time, improved ROS results.



Implementing call tracking and putting a robust management process in place leads to an increased bottom line performance.

The need for **speed**

On behalf of Auto Retail Network, we mystery shopped the AM top 50 retailers and top 10 car supermarkets. We measured them on their speed of response, and compared the response rates to their ROS as provided on their most recent report and accounts.



Over 50% of the companies have yet to respond and only 10% responded within two hours of the enquiry. Those who did not respond at all have an average ROS of less than 1%, while those who responded within two hours had an average ROS of nearly 2%.

Dealers are aware that they have a problem with response rates. The challenge is knowing how to change their processes. Call tracking provides evidence of the need to change and provides the tools required to manage the change.



10% of calls from a **dealer's website** are sales calls

Up to **75%** of calls now come **from a mobile**

On average dealers do not answer **5%** of their **inbound sales calls**

Based on Mediahawk research of their call tracking data

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About Mediahawk

Mediahawk is the leading provider of call tracking to the UK automotive sector. Used by among others:-



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