



Monitoring Calls-to-Action

 AutoTrader

 White Paper

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mediahawk



Does Auto Trader represent value? The answer is in the response!

We are often posed with the question “does Auto Trader represent good value?”. As the largest online classified automotive site in the UK, this is a vital and valid question. At its heart, Auto Trader provides dealers with response to their car adverts and this can come by one of four key ways – by phone, email, live chat and a click to the dealers website. How many responses are generated provides an indication of Auto Trader’s value and our research shows that on average a dealer will receive over 500 responses by phone, email or live chat per dealership per year at an average cost per lead of just £2.60.

In this white paper we explore phone, email and live chats, by hour and by day, from Auto Trader. This provide an understanding of when customers interacting and responding to the site and also has allowed us to answer the question on whether Auto Trader represents good value.

“On average a dealer will receive over 500 responses by phone, email or live chat per dealership per year”

A large red circle containing the text '500+ RESPONSES' in white, bold, sans-serif font.

500+
RESPONSES



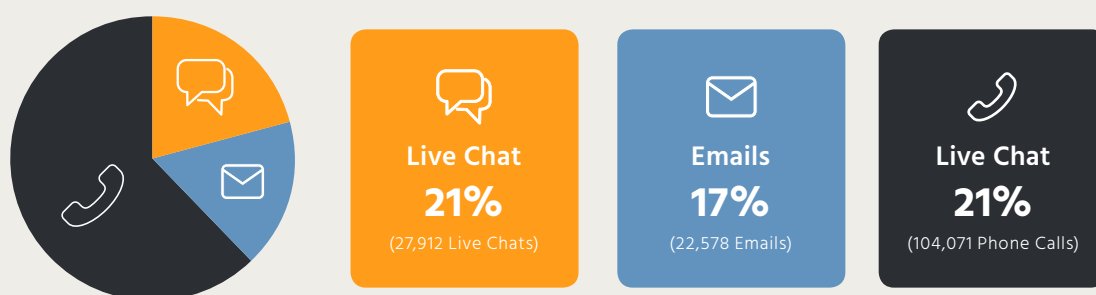
Methodology

On each car advert on Auto Trader there are up to four response mechanisms on the advert. Customers can phone, email for more details, live chat or click on a link to go out to a dealers site where they can then either phone, email or live chat. If one removes the click through then this provides the three main response mechanisms from Auto Trader – phone, email and live chat. To understand how much of these responses Auto Trader generated, we looked at the data for 290 dealers, across all the major brands that used all three response mechanisms on Auto Trader. The data looked at total responses across the whole of 2016 and were compared on a daily and hourly basis.

Results

For the whole of 2016 the 290 dealerships on Auto Trader generated 104,071 phone calls, 27,912 live chats and 22,578 emails totalling 154,561 responses (i).

These can be broken down in percentage terms as follows:-

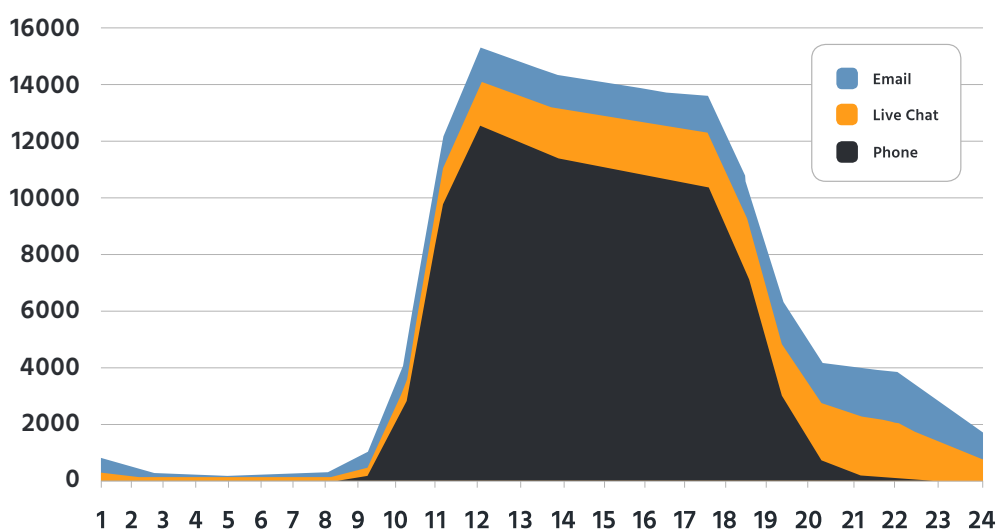


If divided by the 290 dealers, on average each dealer received 359 phone calls, 96 live chats and 78 emails totalling 533 responses – or 1.46 per day. As this is an average, there are definite variances between the best and worst performing dealerships. Whilst some variance can be attributed to brand popularity, the main reason for the variance can be ascribed to the focus a dealer places on the presentation and quality of their Auto Trader adverts. If they see Auto Trader as a necessary cost that needs to be worked effectively they try and maximise all the opportunities the site provides and then answer the enquiries quickly and efficiently.



When do people respond from Auto Trader?

This can be broken down as follows:



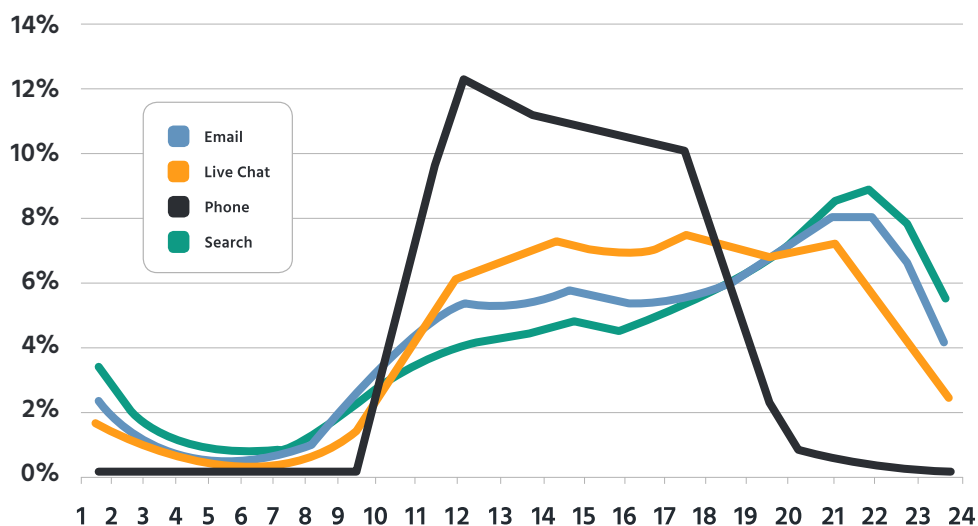
Not surprisingly day time is the busiest time for interacting with a dealer from Auto Trader – 79% of the response came between the hours of 9am and 6pm. However a further 21% came between 6pm and 9am when the amount of phone calls drops dramatically and the use of live chat and emails increase.

This would indicate that consumers have been well trained to know that dealers close at 6pm and therefore will turn to other response mechanisms if they are available.



Adding Auto Trader to the response mix, & comparing data...

Interestingly, if one adds Auto Trader searches to the response mix and then compares each one by percentage it can be seen that the evening is when consumers are at their most active:-



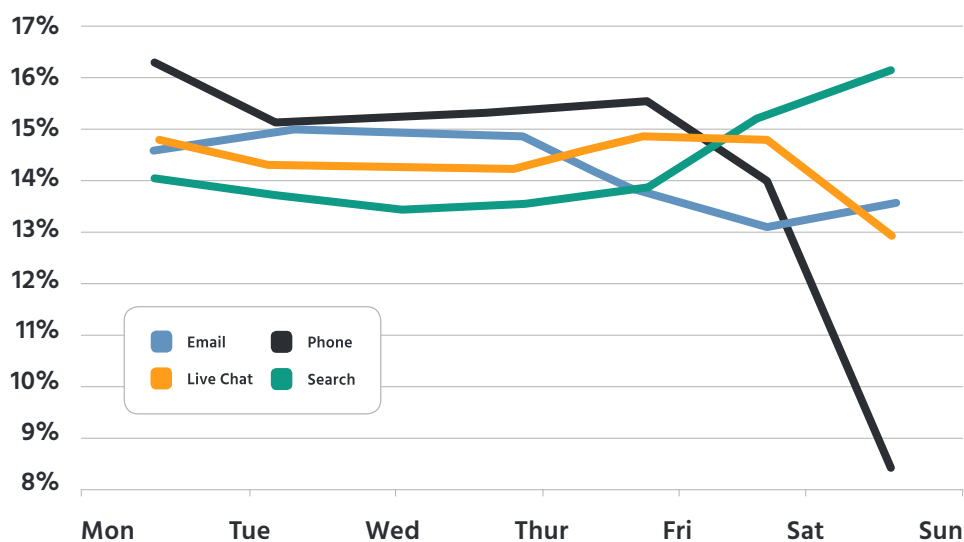
Consumers are spending their evenings using Auto Trader to research purchases, and where to make those purchases. As they are fact finding, inevitably questions arise so they either use live chat to try to get an immediate answer, or email questions to get the response they need the following day. Judging by the spike in calls after 9am, it would appear a number of consumers hold onto their questions and call first thing to get answers.

What's important here is to not lose the intelligence behind what consumers do in the evenings with their searches and other online activity.



Continually reviewing the data from Auto Trader..

When the data is looked at from a daily basis by percentage of each response mechanism this shows the following:



Thus, it can be seen that on a Sunday although live chat and email reduce a little, the amount of phone calls drops dramatically. However, in terms of searches this is Auto Trader's busiest day. As dealers do not open their after sales departments on a Sunday, this data would question the validity of the need to open on a Sunday.

Is all the extra expense and stress of a seven day week worth the true cost of a few extra sales on the day if the potential customers can be dealt with via remote response mechanisms. Significant savings can be made by centralising phone calls, emails and live chats on a Sunday at little or no loss of sales.



What does the response from Auto Trader cost?

Auto Trader in their latest accounts state that their average revenue per dealer was £1,384. If this is divided by the 290 dealers and they receive 533 responses then the average cost per response (CPR) was £2.60.

$$\text{£1384} / \text{290 DEALERS} = \text{533 RESPONSES} \rightarrow \text{£2.60}$$

Generating an average cost per response (CPR) of

The key challenge for dealers is that they do not necessarily perceive this value because they are not tight with their lead management. For example when Mediahawk looked at the missed call rates on the Auto Trader phone calls across the 290 dealers, on average they missed 8.9% of their calls due to the phone being engaged or ringing out. Furthermore if these calls are listened to it can be found that on average 20% of the calls do not get through to sales person.

Added together this means that nearly 30% of Auto Trader calls are not getting through to a sales person first time. Improve this metric and this will not only improve customer satisfaction but also sales conversions.



For more information call **0333 222 1433** today!



Key Recommendations and Observations

Auto Trader and other classified sites can derive significant value and leads into a dealership as long as a dealer is prepared to properly engage with the classified site by making sure that they take some basic steps to maximise the value from their side.

From our analysis of the different response mechanisms, we would make the following recommendations:-

- A** Dealers make sure they allow customers to interact with the dealership when they want to using the response mechanisms of their choice – I.E. make it easy to phone, email or live chat
- B** Dealers put in place processes to ensure they measure their response mechanisms and remove any blockages in the sales process. Modern retailing is all about speed and quality of dealer response without measurement these cannot be managed
- C** Dealers maximise all the opportunities in their adverts through photos, videos and descriptions to make people want to respond to a vehicle
- D** When a response comes from the phone, email or live chat makes sure there is someone available to take and deal with the response quickly
- E** Customers have changed in when they want to interact with a dealership, Dealers need to review whether they are set up with the appropriate staff who can work in this new environment. This is particularly relevant to working email and live chat leads in the evening
- F** Once a full understanding has been made on response review whether a dealership needs to open on a Sunday. The savings could be immense compared to the true cost of Sunday opening

Conclusion

Advertising with online classified sites like Auto Trader takes up significant amounts of a dealer's marketing budget and therefore the effectiveness is managed and measured and properly. Putting in place the appropriate measurement processes allows a dealer to quantify their true lead volumes and understand how they are managing these leads.

In answer to the question posed at the beginning "does Auto Trader represent good value?" the answer can be found in how a dealer is managing their leads from Auto Trader. If they have strong processes to manage and follow up their lead sources, then the answer will be yes. If a dealer has weak processes then the answer will be no and the blame will be pointed at Auto Trader for the perceived lack of value. If you moan at the cost of Auto Trader and other classified sites, can you honestly show that you fully understand and are measuring their effectiveness.

Harry Bott and Nick King

This article was co-authored by Harry Bott from Mediahawk and Nick King from Auto Trader. If you have any questions on this paper, or want the raw data, please get in touch.

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For more information call the Mediahawk team today **0333 222 1433**

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Mediahawk was founded in 2002 & specialises in call tracking.

Mediahawk have a particular expertise in the Automotive sector and are used by companies such as Kia Motors, Hyundai Motors, Inchcape Retail, Marshall Motor Group, The Sinclair Group, John Clark, Robins and Day and many smaller groups and independent retailers. Mediahawk's automotive section is headed up by Harry Bott who has spent over 15 years helping retailers generate more response from their advertising.



AutoTrader

Auto Trader Group plc is the UK & Ireland's largest digital automotive marketplace.

Auto Trader sits at the heart of the UK's vehicle buying process and its primary activity is to help vehicle retailers compete effectively on the marketplace in order to sell more vehicles, faster. The marketplace brings together the largest and most engaged consumer audience. Auto Trader has over 90% prompted brand awareness and attracts circa 55 million cross platform visits each month, with circa 70% of visits coming through mobile devices.



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Mediahawk is the UK's longest established call tracking business.

It is at the forefront of international telephone attribution within the financial services sector, legal and professional services, automotive, retail, healthcare, and travel.

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