



WHY AUTO DEALERSHIPS NEED TO PAY ATTENTION TO ALL PHONE CALLS



We live in a day and age where establishing instant connectivity is necessary to secure clientele in any competitive industry. Emerging research has shown that marketers will have to spend up to half of their budget on successfully marketing through digital channels by 2021 – this has only been exacerbated by the COVID-19 pandemic, which has increased reliance on online marketing businesses globally.

Digital marketing has changed the overall experience of buying and selling drastically. Today, customers thoroughly browse products and services online before reaching out to the vendors and service providers via phone calls or doing a walk-in visit. This especially holds true for auto dealerships. How has digital marketing affected auto dealerships? It has changed their interaction with potential customers entirely.

Customers are now better prepared. Today the average salesman at dealerships plays a diminished role in securing a buy-in. **75% of the customers are likely to research and decide on buying a product through online activity rather than visiting a car lot or contacting a salesman.** In most cases, when a customer contacts a car dealership, they have already decided to make a purchase. This is a crucial moment that dealerships need to take advantage of. By making yourself quickly available and easily reachable, you will easily secure a deal. There is plenty of research to back up this claim. A study by Forrester Consulting in 2017 showed that customers who initiate inbound calls convert to buying faster, spend more, and have a higher retention rate.





Why YOU Need To Answer The Damn Phone

Customers who initiate a phone call are often referred to as high-intent customers. A report by DialogTech rightfully claimed that “phone calls are huge revenue drivers in the automotive industry.” Why is this? Telmetrics Corp conducted a survey to determine if customers who initiated inbound calls were likely to become clients who spent sizeable amounts of money 60% faster. This is why casting your focus on customer satisfaction and communication should become a crucial part of your business strategy.

Here are 5 reasons why you need to pay attention to answering phone calls.

1) Don't Lose To Competitors

Dealerships need to seize an opportunity once it comes their way. An extensive research by CallSource reveals that **32% of auto dealerships believe they are losing 5% of the calls made to their competitors.** While the number may seem small in terms of percentage – when converted to dollars, the loss is quite sizeable. A sale typically generates \$2,200 bottom-line profit for dealerships – this amount is lost for every single potential buyer lost. The better you train your dealership agents, the more likely they are to increase the commitment rate of potential clients; research showed commitment rate increases from 13% to 32% when the customer representative supplies information right away. Your inability to cater to a client will drive them to look for information elsewhere – most likely from a competitor in your vicinity.



2) The Conversion Rate Is High

1 out of 4 auto buyers making a phone call to your dealership will definitely purchase a vehicle. That is 25% of the calls you receive. You will find this statistic being cited across the board by auto dealerships, research analysts, and other stakeholders because it is largely commonplace irrespective of brand, location and seasonality. Knowing this, it is extremely concerning that **16% of calls made to auto dealerships go unanswered.** Out of the 84% calls that are answered, 63% of the time, dealer representatives do not make an effort to make a future appointment. In order to maximize every opportunity, auto dealerships need to understand the value of missed phone calls.



3) Phone Calls Matter

While our lives have become largely dependent on online interaction and virtual engagement – **people do value human interaction** when purchasing a high-value asset. If your auto dealership provides consultation via email and phone calls, it is four times more likely that a sales call will work effectively to convert a buyer than an email.



Furthermore, phone calls are the second most popular way shoppers will use to get in touch with a dealer before visiting for a purchase – you do not want to miss this call!

If your auto dealership has ramped up its budget for running a digital ad campaign to drive sales higher, it is absolutely essential that you are prepared to take calls when they start flowing in. Drive your

ROI higher with a holistic strategy, i.e., run a digital ad campaign on search and social media while simultaneously increasing your capacity to engage with inbound phone calls.

4) Gather Data About Potential Customers

Customers contact auto dealerships with the intention to buy right now or in the near future. Train your staff to gather data about callers contacting you to **better target your other marketing campaigns** towards potential customers. Even if the customer is not interested in making a purchase right now, this phone call is an opportunity for you to connect with a customer in the future. Utilize this opportunity to gather data about consumer demographics; find out their age, occupation, income, address, and the make and model of the car they are interested in.



5) Creating An Impression

The auto dealership industry relies heavily on the reputation they build – customers are looking for a dealership that offers value for product but also service. **Ensuring your availability and displaying your readiness is a critical way to make your client feel assured and confident** about choosing your service over your competitors. Research by Marchex Institute revealed that 79% of the consumers are polite to dealership representatives, but unfortunately, only 57% of the agents are polite in return.



Your attitude goes a long way in building a relationship with a potential consumer. Improving your call handling will go a long way in getting employees to identify and recognize high-intent callers and secure prospects' trust. Even for calls where consumers are only looking for a part or service, giving them focused attention will help increase their satisfaction and later have a higher likelihood to convert repeat customers and **garner brand loyalty**.



What Role Can VoIP Play To Support Auto Dealerships?

Voice over Internet Protocol (VoIP) offers a quick and convenient channel for dealership representatives to communicate and connect with potential clients. It is an excellent alternative to phone calls through the regular phone system – it is more reliable in terms of connection. Moreover, it is more dynamic, enabling more room for efficiency for businesses to handle clients through calls.

A VoIP system integrates several features that allow for a seamless customer interaction experience. It is beneficial because it provides ease with call routing, forwarding, holding, transferring, etc. Integrating a VoIP system allows you to reduce your communication costs considerably and supports the generation of real-time analytics to improve business practices.



What You Can Do

For auto dealerships, answering phone calls and having first-time callers routed to “live answer” agents goes a long way towards building a network of potential customers and driving sales higher – the latter is the primary goal of all dealerships. Therefore, it is incumbent upon dealerships to start examining their customer communication systems.

Whether consumers call about new or used vehicles, parts or services, offering excellent service on the phone is critical to converting a caller into a customer. Ultimately, dealerships must maximize every moment, building relationships every step of the way throughout the online-to-offline customer journey.

It's not enough to have the latest and greatest vehicles in stock; you and your staff must know your inventory, have the knowledge to discuss financing and trade-in values at the time you speak to a prospect on the phone, and consistently ask for appointments from the high-intent consumers who are ready to commit.

Many of these suggestions may seem like common sense: Answer the phone, know your inventory, offer an appointment, be polite. But these important reminders are the key to nurturing leads from the moment the phone rings to when a customer appears in the lobby, from the test drive of the vehicle to the first phone call for service.



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Call handling can have a direct effect on auto sales and service appointments. Tools like text messaging can speed approvals increasing service bay wrench time, and better communication with customers certainly correlates to better ratings and reviews. To gain a competitive edge, dealerships who prioritize this stream of customers will have a higher sales conversion rate.

If you'd like to learn how you can gain more customers by maximizing your communication system, call Clarity's DealerPhones team at **248-952-9490**.

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