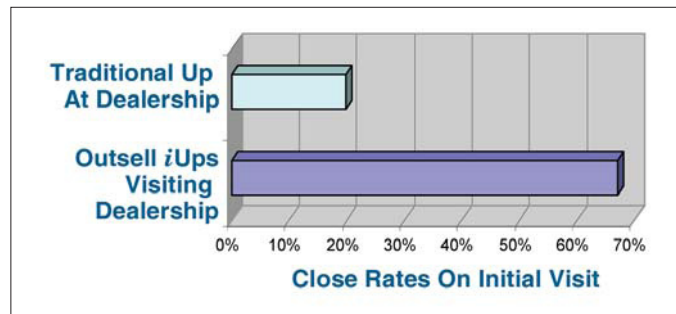




Key Insight

Live chat on a dealer's website sells cars.

Key Research Results



Showroom ups resulting from an Outsell live chat on the dealer's website closed at 3 times the national average.

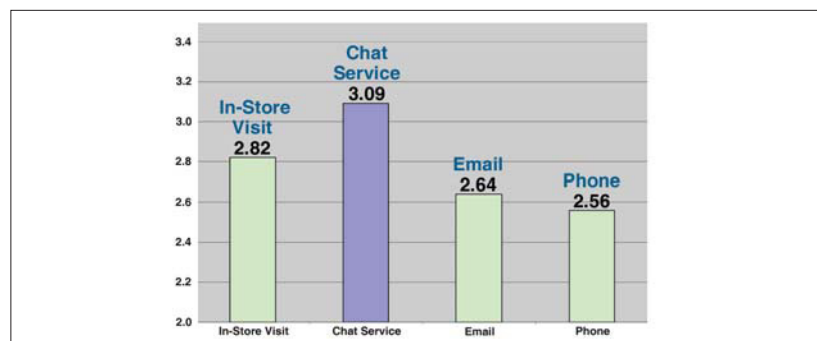
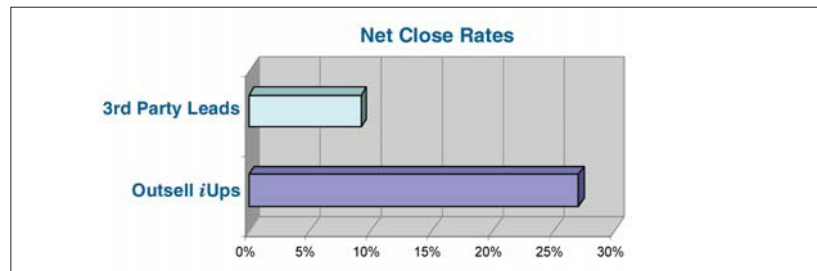
Key Recommendations

- Recognize the Needs of the iChannel Customer
- Implement Live Chat
- Institute Processes for Effective Follow-Up
- Utilize Personalized iUp Information to Leverage Sales

Analysis

- Outsell iUps Generated High Net Close Rates
- Live-Chat Received Highest Customer Satisfaction Ratings
- iBase - a knowledgebase gathered by Outsell focused on the role of the internet in the process of buying and selling vehicles.
- iChannel - internet base channels of communications.

Results from an online research study by Outsell demonstrated that iUps from Outsell are serious car buyers. 66% of customers who chatted with an Outsell representative online via the dealer's website prior to coming to the dealership purchased a vehicle. This is more than 3 times the average 18-19% close rate generated by traditional showroom Ups. Live Chat was also rated highest as an initial medium of contact by prospective i-channel customers. In addition, as compared to 3rd party leads, 27% of iUps generated a vehicle sale for the dealership. Studies show a 9.1% close rate for online 3rd party leads nationwide. Online customers rated Live-Chat highest in terms of satisfaction as an initial medium of contact, as compared to an in-store visit, e-mail or phone. Phone contact received the lowest ratings in terms of customer satisfaction.



<sup>1</sup> Forrester Research Study

For More Information:

## Recommendations

- **Recognize the Needs of the iChannel Customer:** The iChannel customer (a.k.a. the internet car buyer) frequently makes their initial contact with the dealership via the dealer's website. These customers are often more comfortable making contact online than via more traditional methods. They also have a different set of expectations. They expect information to be readily and immediately available. The internet has created a different breed of customer who wants to do their research online when and where it's convenient for them, rather than making multiple phone calls or driving from dealership to dealership. Dealers who recognize and meet the unique needs of the iChannel customer will profit from it.
- **Implement Live Chat:** High-end customer support online and a customer-centric approach to sales assistance meets and exceeds the needs of the new breed of iChannel customers. When implemented correctly, the immediacy of information and quality of service offered by online live chat transforms a simple website into a virtual showroom, and turns iUps into virtual "be-backs." Outsell's Customer Centered Selling (OCCS) system is an adaptive sales approach that focuses on the needs of the customer, and uses this information to effectively engage the customer in the sales cycle. Live chat, done right, does more than just provide information. It takes the iChannel customer through the first steps of the sales process.
- **Institute Processes for Effective Follow-Up:** Because they have been engaged in the sales process with the dealership, iUps should be followed up in a timely manner by the sales department. 30 minutes or less should be the standard for follow-up following contact via Live Chat. Studies show that 65% of clients who did not return to a dealership for a car purchase cited "indifference from the sales person." A lack of follow-up on specific customer queries is guaranteed to discourage prospective customers and wreak havoc with the close rate.
- **Utilize Personalized iUp Information to Leverage Sales:** iUps have a much higher close rate as compared to traditional leads because the customer has been engaged in the sales process. During a live chat, the customer gets personalized attention and excellent service. In return, the customer often provides detailed information regarding their needs and motivators to buy. Outsell Customer Centered Selling (OCCS) is a proprietary methodology developed by Outsell, designed to effectively engage iChannel customers, by utilizing information regarding the individual customer's wants and needs to leverage sales. The dealership sales staff can use this information to better understand the customer in order to work with them more effectively and close more business.

<sup>2</sup> NADA Customer Survey

## Glossary of Terms

**The Difference Between an iUp and a Lead:** A "lead" constitutes someone who is in the market to buy. However, while they may be interested in a certain model, their interest may not have been narrowed to a specific dealership and/or vehicle. Third party lead providers often send general information about the prospect to several dealerships concurrently. In contrast, an "Up" is typically a prospective customer who engages in the buying process with a specific dealership by phoning or going to the showroom. For the majority of Ups, when that customer comes to the dealership's showroom floor, they not only know exactly what they are looking for, but have already had a conversation with a representative of the dealership.

**iChannel:** The iChannel refers to internet-based channels of communications. Dealer Websites, email, and online live chat are all examples of the iChannel.

**iBase:** iBase refers to a knowledgebase gathered by Outsell focused on the role of the internet in the process of buying and selling vehicles. It includes data on the behavior, perceptions, needs, and expectations of internet car buyers. It also contains information regarding how dealerships view and use the internet in their marketing and sales process. The iBase has been created based on customer and dealer interactions and strategic research studies that capture quantitative and qualitative information which is then analyzed in an objective manner.

**iBase Survey Methodology.** The Surveys were a combination of nominal and ratio scales. The ratio scales were presented in a commonly understood "A-F Grade" scale. The "Grade" scale was a clearly delineated scale that was converted into the commonly used "GPA" scale which is multiplicative in nature, and easily lends itself to further analysis.

The sample was drawn from self-selected group of online customers, but an incentive was offered to offset biases. The sample was 42% female and 58% male.

The survey construction was based on commonly accepted academic best practices. The face and content validity of the survey was also determined via pilot testing, as well as a test-retest of the final findings over a 2 month period. The reported ratios, in addition to remaining constant over time, also retained their values when the sample size was increased during the second month. Analysis of the results mostly focused on measures of central tendencies in the case of questions on a ratio scale, and percentages for questions on a nominal scale.

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**Who is Outsell?** Outsell, LLC exists to drive unit sales for automotive dealers. We provide interactive sales and marketing services that help dealers target, engage, qualify, and close more business. Outsell delivers measurable results for our customers.