



Unlocking the secrets of customer loyalty

- By Neil Addley

A JudgeService White Paper

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During this year's Automotive Management Live event, we shared JudgeService's new data analysis for the first time, spelling out what it takes to create a loyal customer who also acts as an advocate for the business.

We are continually analysing data to discover the key drivers of customer care, retention and what turns car buyers into what we call raving fans, those people who are extremely likely to recommend a business. Throughout this work we have been able to determine the key elements which dealers have to get right in the eyes of consumers, to be considered as delivering excellent customer service.

The result of surveying customers for over six years has seen us being able to analyse hundreds of thousands of rows of data and verified answers and, with the help of data analysts and 'the Voice of the Customer' we have been able to bring this data to life.

Does Customer Satisfaction matter?

We first wanted to test a critical assumption – does customer satisfaction actually matter?

To establish this, and using three key metrics (captured on our surveys) - Customer satisfaction, Customer loyalty, Customer advocacy - we ran correlation analysis between overall satisfaction and claimed loyalty.

High level independent factors using overall satisfaction as the dependent variable	Co-efficient	P value
Claimed loyalty	0.754	<0.05



There is indeed a positive relationship between the two and that improving overall levels of customer satisfaction does most likely yield commercial benefits

So what drives Satisfaction?

With the knowledge that improving overall levels of customer satisfaction would most likely yield commercial benefits, we are now able to identify how to achieve this. Using 'overall satisfaction' as the dependent variable and three high-level factors as independent variables, regression analysis provides us with the first indications where the broad focus for your analysis should be.

High level independent factors using overall satisfaction as the dependent variable	Co-efficient	P value
Satisfaction with presentation of the vehicles and premises	0.363	<0.05
Satisfaction with the salesperson who dealt with you	0.618	<0.05
Satisfaction with the overall deal	0.519	<0.05

We can see that all the factors have some impact on overall satisfaction. Ensuring satisfaction with the salesperson itself is absolutely critical. For every 1 point increase in satisfaction with the salesperson on our 1 – 7 scale, overall satisfaction increases by just over half of one point (0.618) and for the overall deal (0.519). Contrast this with presentation where the same 1 point increase only delivers a 0.363 boost in overall satisfaction - this equates to around a half less than a 1 point increase in salesperson satisfaction would deliver.

“Don’t believe everything people say about car salesmen!”

The analysis shows that a high level of satisfaction with the salesperson is the most powerful metric for driving overall satisfaction. Satisfaction with a salesperson is in turn driven by quality of information, speed of questions handled and promptness of response.

We have encountered numerous comments relating to Salespeople:

“Sales advisors should be able to make financial decisions rather than leaving the customer sat for an hour just for 1 price of a car. Should be black and white and simple, here’s what you can afford here’s what we can add or change and this is how much it will cost. It’s been made over complicated and very confusing for customers”

“I’d recommend Snows Toyota Southampton to anyone because they know their products, are very professional and explained everything to me in simple terms as I have

not bought a car before. I didn’t feel under any pressure at any time and enjoyed the friendly and warm approach from Darren who was very patient with all my questions. A lovely experience...don’t believe all people say about car salesmen!!!”

The key outcome of our research is focus on your Sales Team. Cherish them, coach them and use data to identify any training needs. Ensure that all your staff have the product knowledge they need to fulfil their roles and, if possible, make technology available to make life easier for each of your sales staff. They are the most important people when driving customer satisfaction.

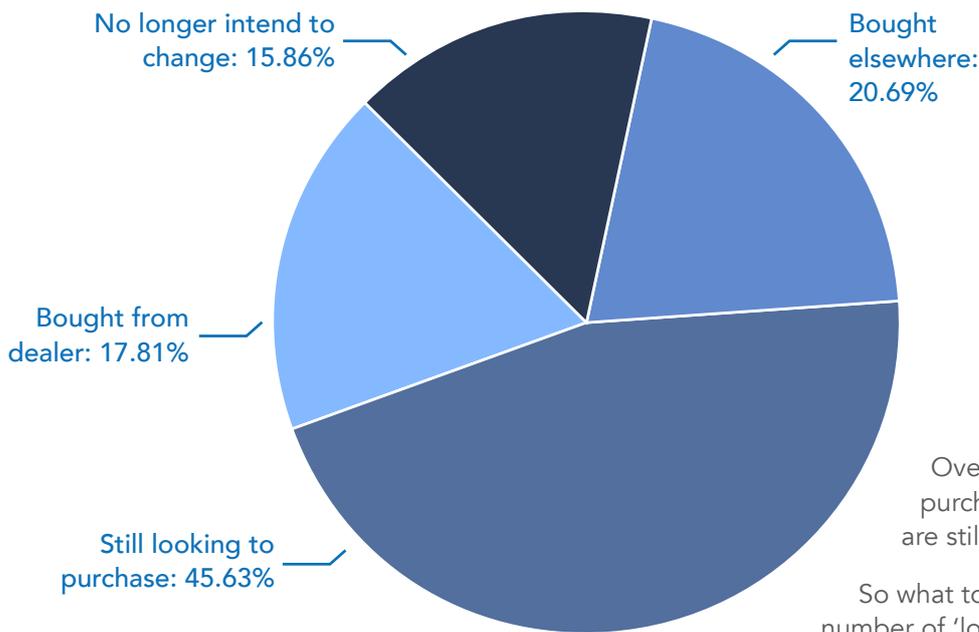
Identify training needs

The JudgeService reporting suite provides unparalleled granular detail, making it easier for YOU to identify potential issues and where training is required. You can also establish the strengths and weaknesses of each of your Sales staff and how they compare.

Our traffic light approach enables you to compare your results with others in the industry, and provide a comparison with the National average (based on JudgeService figures).



“The one’s that got away...”



It can be one of the most infuriating aspects of business – why a visitor to your site was not converted to a sale. Wouldn't it be so much easier if you had the answers at your finger-tips?

The following is based on thousands of calls made by our researchers to lost sales customers:

Over 46% of 'lost leads' are still looking to purchase! That's 46% of respondents who are still in the market to buy a car!

So what tools can you utilise to reduce the number of 'lost customers'? Training for your staff and empowering them to carry out their jobs properly are vital elements in preventing customers going elsewhere, and our research highlights another vital point.

Bums on seats sells cars

We have had numerous examples, negative and positive, of where being offered a test drive has had an impact on the purchasing decisions:

"I enquired about an automatic and arranged a test drive and you confirmed that it would be an automatic. When I arrived you said that you didn't have an automatic which I thought was a complete waste of my time."

"I was happy with the service at Baylis Vauxhall Evesham because

Gary was very knowledgeable about the car, attentive and took the trouble to meet during my lunch break for a test drive."

It may seem like quite an obvious consideration, but how much more likely is a customer who has been offered a test drive to buy a car?

From our research, customers who were offered a test drive were **5 times more likely to go on and purchase a vehicle.**

Examining the research further, **1 in 3 lost sales were NOT offered a test drive.**

Are you still looking to purchase? Where you offered a test drive?	Bought elsewhere	Bought from the dealer	No longer looking	Still looking
Yes	12%	21%	11%	16%
No	8%	4%	8%	10%

Raving fans



Overall, dealers deliver a good customer service and when we compare performance to previous years, it is apparent standards are continually improving from one year to the next. In fact, nearly 96% of JudgeService clients' customers would recommend to friends and family and overall satisfaction is 93%.

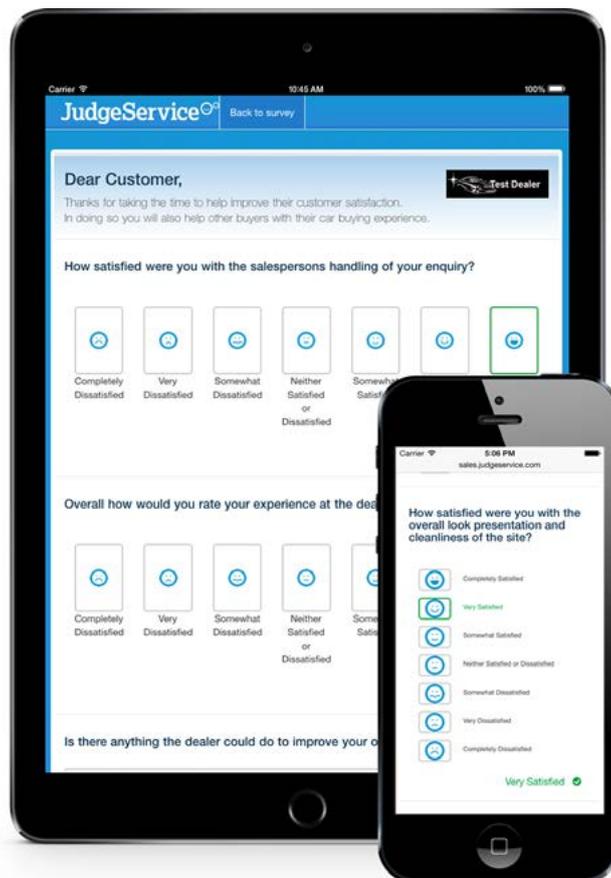
Generally, customers are happy, but it's about continually growing that community and addressing the areas which customers do not enjoy. Customers like being looked after but they don't like hanging around waiting for a business to do business with them.

About JudgeService.

JudgeService is the UK's most effective automotive online review provider. We conduct surveys and collate testimonials and reviews to create useful, actionable Management Information.

We help customers get 5 STAR Reviews and improve SEO and Click Through Rates.

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