

The 2005 Industry and Dealership eBusiness  
Performance Study

The logo for Cobalt, featuring the word "Cobalt" in a blue serif font. Below the text is a horizontal line that is orange on the left and blue on the right.

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## 2005 Industry and Dealership eBusiness Performance Study

### Overview

The Cobalt Group initiated The 2005 Dealership eBusiness Performance Study to obtain a concise understanding of how well dealerships are performing in the handling of Internet leads. The study examines overall industry performance as well as specific business practices differentiating low and high performers.

Several key questions were established to guide the project:

- What are current industry ebusiness performance levels?
- How much Internet "lost opportunity" occurs at typical dealerships?
- What are high performing dealerships doing to successfully convert Internet opportunities?
- What are customer expectations and how are high performing dealers meeting customer expectations?

The study examines 1.1 million third-party leads over 15 months of sales performance. The 1,329 dealerships studied spanned U.S. geography and covered 36 major manufacturer brands.

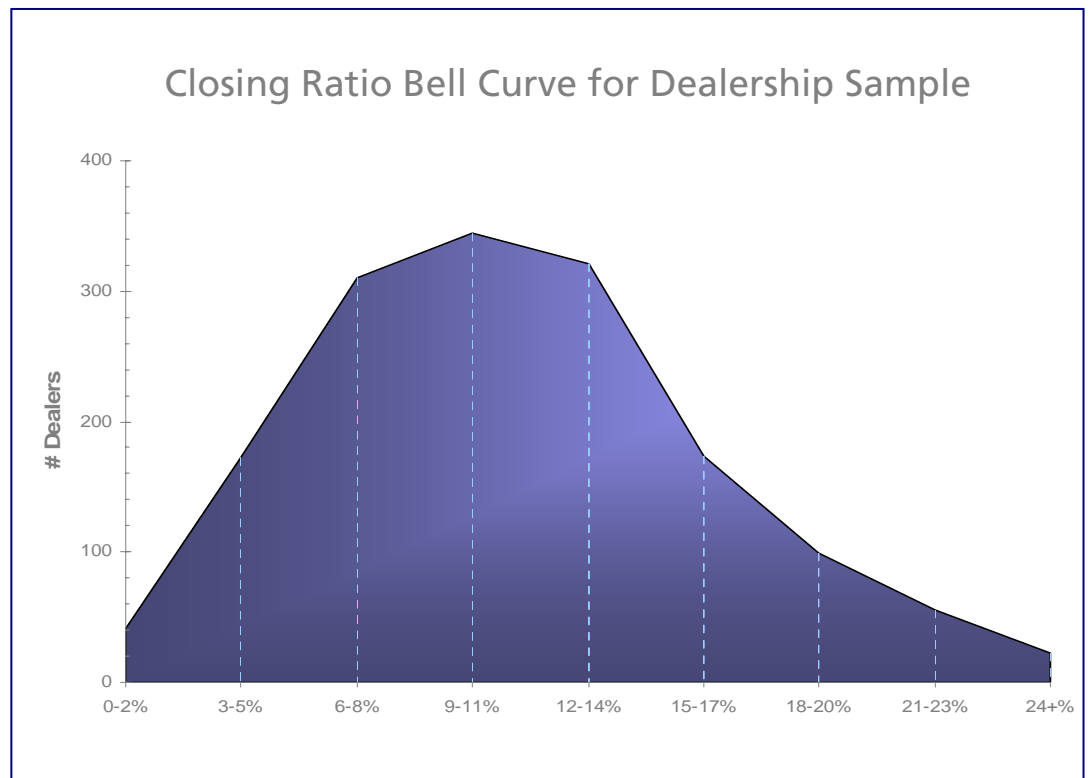
Cobalt employed a unique approach to conduct this study, using a variety of research tools to examine all aspects of dealership lead handling.

## Approach

Research and analysis included lead matching, telephone surveys, onsite evaluations and eMystery shopping. Details of the approach are as follows:

### Dealership Selection

1,538 dealerships subscribing to a third party lead provider were identified as potential subjects for this study. These selected dealers had been receiving leads for the entire 12-month lead analysis period that ran from April 1, 2004 through March 31, 2005.



Of the 1,538 total dealerships identified as the pool of subjects, R.L. Polk & Co.<sup>1</sup> was able to match 1,329 of these dealerships with the R.L. Polk selling dealership data. These 1,329 dealerships received a total of 1,157,642 third party leads submitted by customers between April 1, 2004 and March 30, 2005. These are the leads that were evaluated in the lead matching element of this project as described below.

Additionally, the dealerships evaluated in this project covered all brands and included geographical locations throughout the 48 contiguous states.<sup>2</sup>

<sup>1</sup> R. L. Polk & Co. is a privately held provider of automotive information and marketing solutions based in Southfield, Michigan.

<sup>2</sup> See Appendix A for detail on geographic distribution of selected dealers.

## Lead Matching

R. L. Polk & Co. conducted a matching analysis of these leads to determine which leads actually resulted in a vehicle sale. Each lead evaluated was given a window of at least 3 months to determine whether or not it resulted in a vehicle sale. The results of this matching provided data describing close rates, time to close, and whether or not leads were closed at the dealership receiving the lead.

## Telephone Survey

A telephone survey was conducted with over 4,000 actual retail customers that submitted leads. This survey provided valuable information, from the customer's perspective, about their experience with the dealership's handling of their lead. It also provided important information on prospect behavior as it relates to brand switching. These telephone surveys were conducted with retail customers that submitted leads to both average performing and high performing dealerships<sup>3</sup>.

## Onsite Evaluations

Of the 1,329 dealerships evaluated, Cobalt visited 20 of the high performing dealerships, as measured by closing rates, to better understand dealership business practices and their influence on dealership performance. These dealerships are among the top 50, or top 5%, in closing ratio of all dealerships evaluated.

## Terminology

It is important to clearly understand key terminology used in this document. To this end, some definitions are provided below:

<b>Intended Dealership</b>	The dealership to which the lead was sent
<b>Other Dealership</b>	Any dealership other than the intended dealership
<b>Intended Make</b>	The vehicle make and model described in the lead
<b>Other Make</b>	Any make other than the intended make

## Corroborative Research

Cobalt conducts large-scale industry eMystery Shops on an ongoing basis to better understand the state of the industry. This information provides a reliable industry benchmark and view of industry trends to better understand dealership performance on a large scale.

Cobalt's eMystery studies routinely include the evaluation of dealership responses to Internet leads. This includes an evaluation of individual dealership response time, as well as the quality of the dealership response in addressing mystery shopper questions. This process involves evaluation of an actual response, not merely an "auto" response from the dealership.

Using the eMystery studies, data from the 3<sup>rd</sup> party lead matching analysis, the telephone survey and our onsite evaluations provides a comprehensive view of dealership performance.

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<sup>3</sup> For the purposes of this study, high performing dealers are defined as dealers in the top 5% in terms of closing ratio of the research pool as determined by R.L. Polk matching data.

## Key Findings

The key findings from this comprehensive analysis are:

- Most dealerships are experiencing a significant amount of “lost opportunities.”
- Dealership responsiveness to leads is improving, but the quality of those responses is diminishing.
- Brand defection from the intended make of the lead is widespread.
- Customers submitting leads are likely to consider, and purchase, a used alternative to a new vehicle lead.
- Most customers submitting a lead have a short purchase timeframe.
- High performing dealers have a unique operational profile.

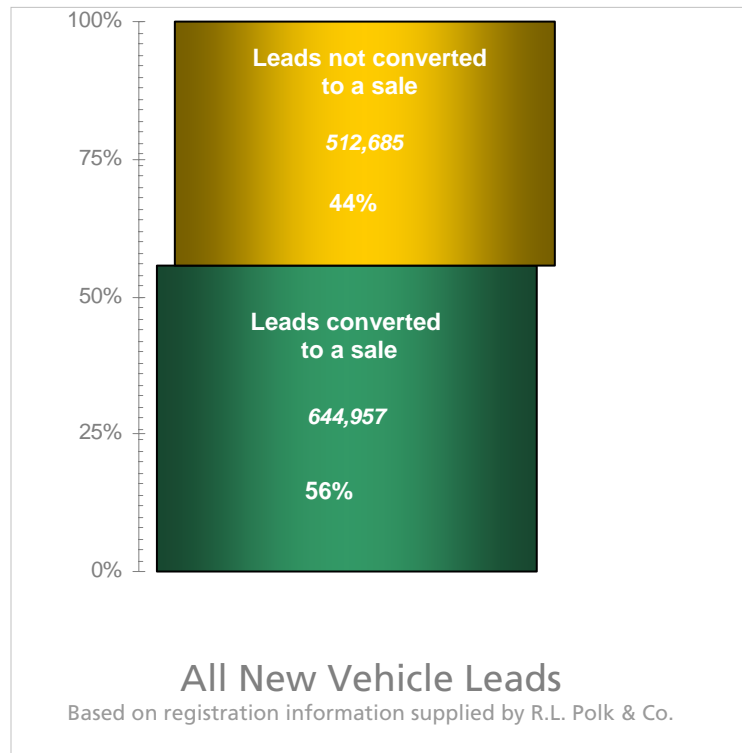
Each of these key findings will be discussed in more detail below.

## Key Finding: Significant Lost Opportunities

While a significant percentage of leads convert to a sale, a large percentage of those leads converted are not closed at the intended dealership. Most of the leads that result in a sale do so at a dealership other than the intended dealership. These leads that each dealership has the opportunity to close to a sale, but loses the lead to another dealership, represent "lost opportunities". The series of graphs below describes the findings and illustrates the large number of lost opportunities.

Of all the third party leads evaluated by R.L. Polk, 56% of the leads resulted in a vehicle sale, while 44% of the leads did not result in a vehicle sale.

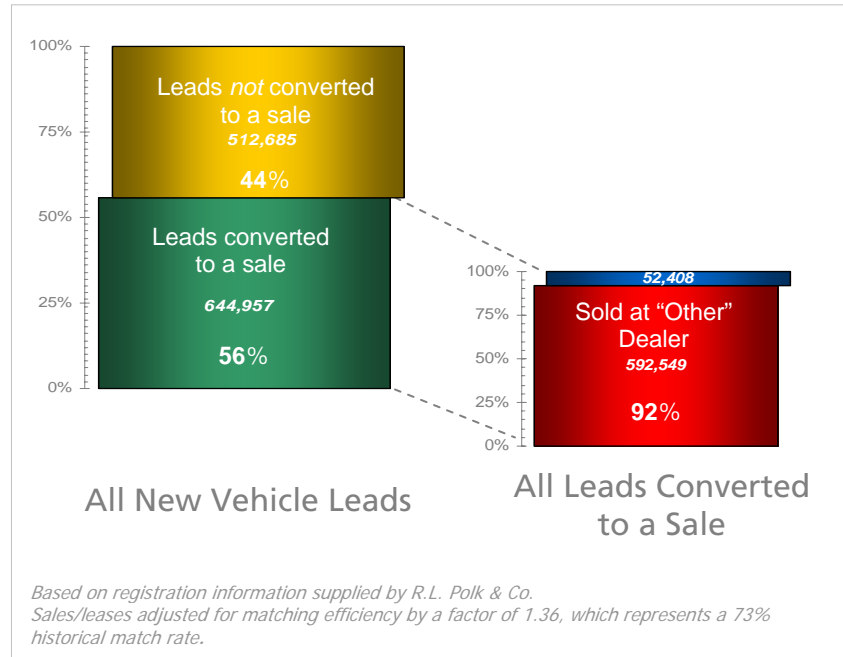
56% of the Leads  
Resulted In a Sale  
– 44% Did Not



Of those leads that resulted in a sale, 92% of the sales occurred at a dealership other than the "intended" dealership – the dealership to which the lead was sent. This 92% represents "lost opportunity" – or – leads over which the dealership had some control, but lost the sales opportunity to another dealership.

Only 8% of Leads that  
Converted to a Sale  
Closed at the Intended  
Dealer

92% Closed at  
"Other" Dealerships =  
Lost Opportunity



Looking at "lost opportunity" on an even finer level of detail shows the types of vehicles ultimately purchased by those leads that were purchased at a dealership other than the intended dealer. These leads converted to the following types of results:

- 24% - Intended Make (New). These are leads that purchased the same make vehicle as available at the intended dealership, but the sale was made at a competing, or other, dealership.

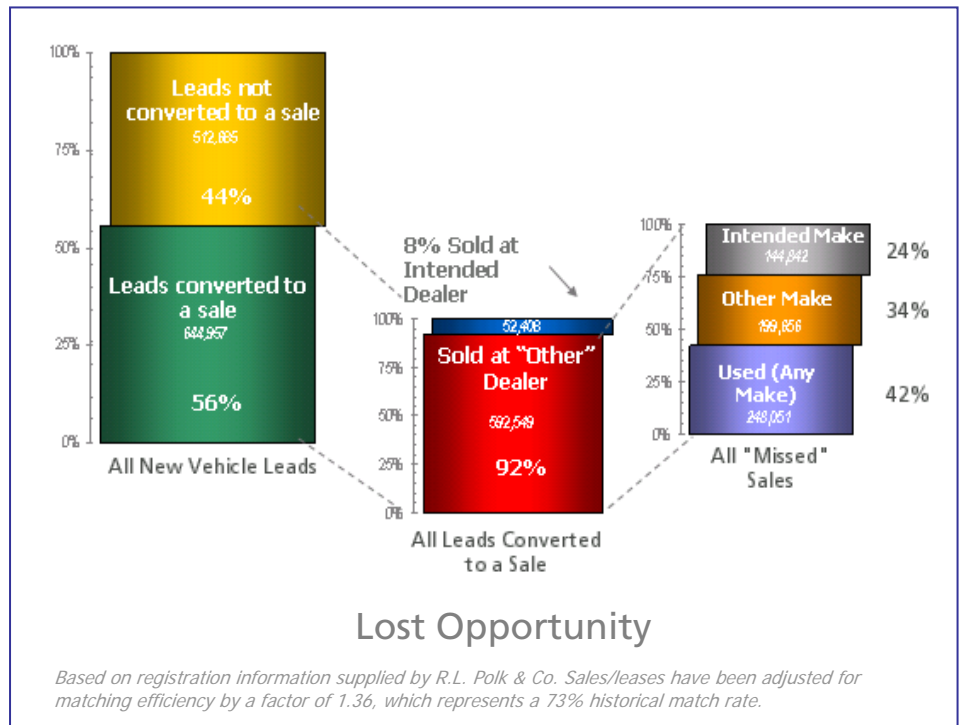
Example: An example of this type of lead would be a lead for a Ford vehicle sent to Dealership X. The lead was converted to a sale of a Ford vehicle, but at a Ford dealership other than Dealership X.

- 34% Other Make (New). These are leads that resulted in the customer purchasing a new competing brand at an "other" dealership.

Example: Continuing our example from above, the lead for the Ford vehicle converted to any other brand – Chevrolet, Chrysler, Toyota, etc.

- 42% - Used (Any Make). These leads converted to a used vehicle of any make at a dealership other than the intended dealership.

Example: The lead for the new Ford vehicle converted to a used unit of any make at an "other" dealership – Honda, Nissan, GM, etc.



66% Purchased the Intended or a Used Vehicle at an "Other" Dealership

As depicted in the graph above, the lost opportunity is more concisely defined as the leads that resulted in a sale of the intended make at an "other" dealership (24%) and the leads that resulted in a used vehicle at an "other" dealership (42%) for a total of 66%.

Those leads converting to an "other" make at an "other" dealership have been intentionally excluded from this definition. Our phone survey analysis determined that the primary reason customers make a purchase at another dealership is to switch away from the intended brand.

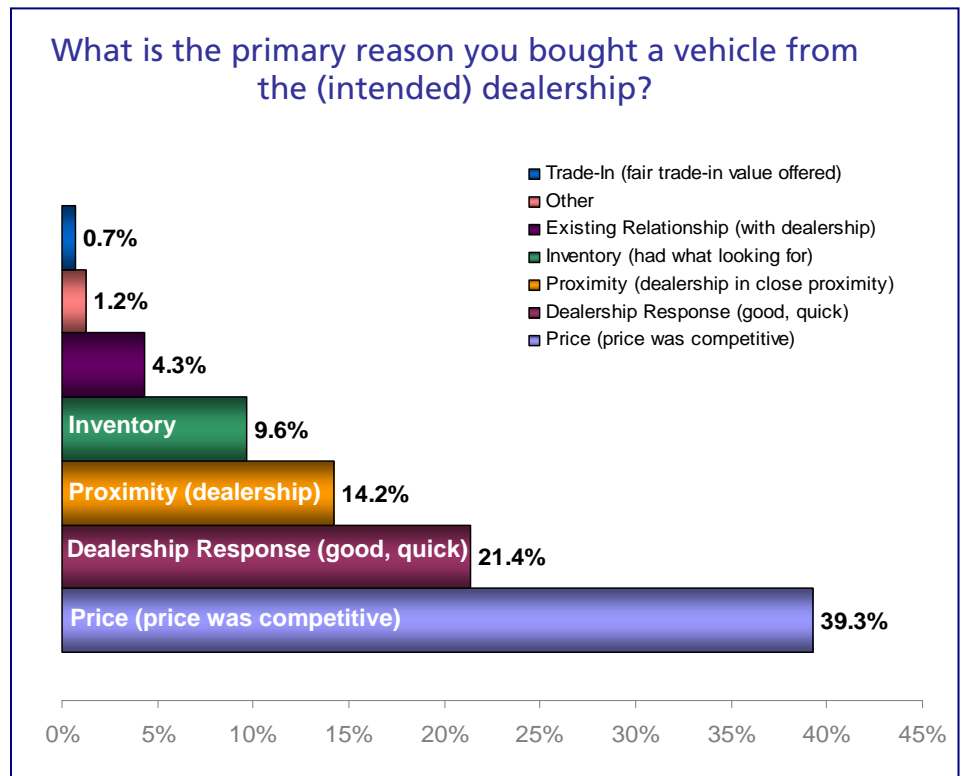
Given the strength of this consumer behavior, we have isolated the lost opportunity to those leads over which the intended dealership has more influence or control – those leads where a customer (lead) bought the same make at an "other" dealership, and those leads where the consumer (lead) purchased a used vehicle at an "other" dealership. Note that even with this more concise definition, 66% of those leads converting at an "other" dealership, converted to a sale the intended dealership could have fulfilled.

In summary, the amount of lost opportunity over which dealers have some level of control is significant.

## Key Finding: Quality of Lead Response Decreasing

Our comprehensive approach to this research also provides clarity around the role a quality response plays in the consumer's decision to do business with a dealership. As determined by our telephone surveys of customers that submitted a lead, other than price, the second most cited primary reason for doing business with a dealership is a "good, quick response" to the lead. It is evident from this data that in order to fully engage a customer and proceed with the selling process, that a good, quick response is absolutely essential - especially if the dealership is in close proximity to the customer (the third most cited primary reason for buying a vehicle from the intended dealership is the proximity of the dealership.)

Customers Cite Importance of a Quality Response



Over the past year, dealerships have improved the timeliness of their responses to leads. However, the quality of their responses is diminishing. This is important because we know, from the consumers' perspective, the important role the quality of the response plays in the consumer's decision to continue the sales process with the dealer.

When comparing results from Cobalt industry eMystery Shopping studies conducted in 2004 and 2005, it is clear that dealership responsiveness to leads is improving.

Industry eMystery Responsiveness		
	<u>2004</u>	<u>2005</u>
Overall Responsiveness	60.0%	69.7%
Response Time Average (hrs)	9.5	6.5

However, over the same period, the quality of the response is diminishing. In this data, the quality of the response is determined by an evaluation of whether or not the dealership responded to the questions presented them by the consumer – in this case, the eMystery shopper.

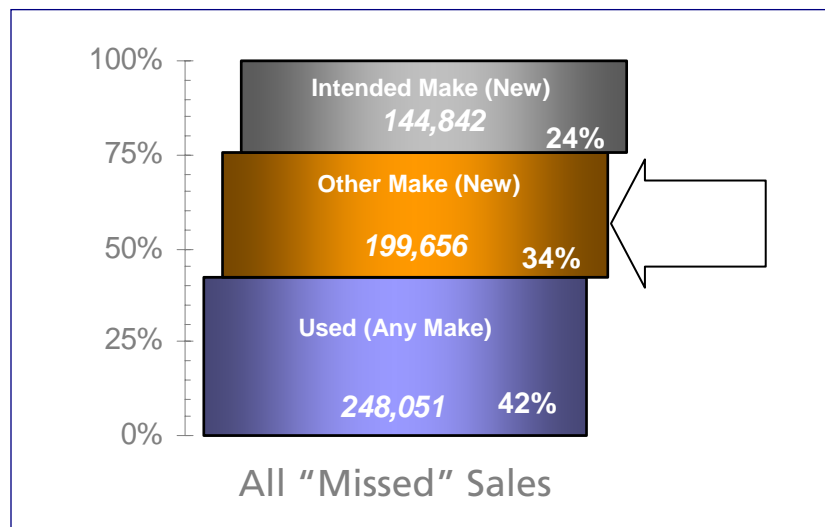
Quality of Responses		
	<u>2004</u>	<u>2005</u>
Answered the Shoppers' Questions	38.2%	25.9%
Used Brand or Product Highlights	NA	23.9%

## Key Finding: Brand Defection Widespread

Brand defection from the intended make of the lead is widespread.

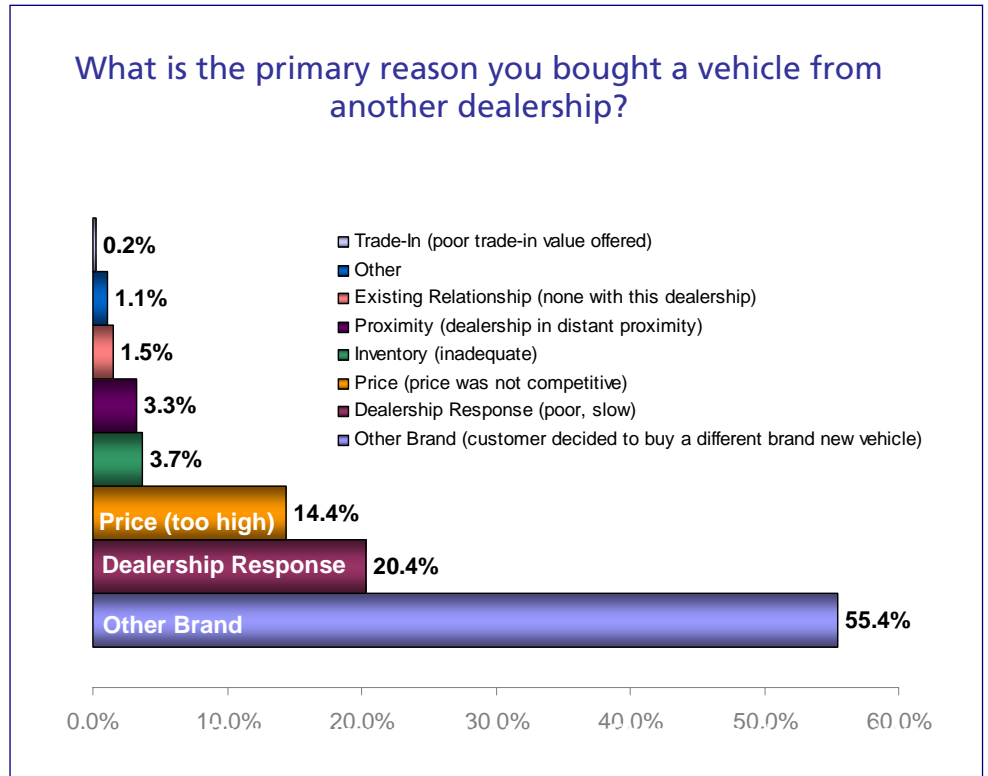
Consumers that ultimately purchase a vehicle from a dealer other than the intended dealership, frequently do so in order to purchase a brand other than the intended lead. This interest in a different brand is the primary reason cited by customers for purchasing a vehicle from a dealer other than the dealership to which the lead was initially sent.

We apply the term “brand defection” to describe these leads – leads for a certain make that were ultimately converted to a sale of another make.



Additionally, the telephone survey data generated in this research project provides consistent insight to the lead matching data described above. Of those customers that submitted a lead to one dealership, and made a purchase from another dealership, the most frequent (55.4%) primary reason cited was to purchase another brand.

Brand Defection is High



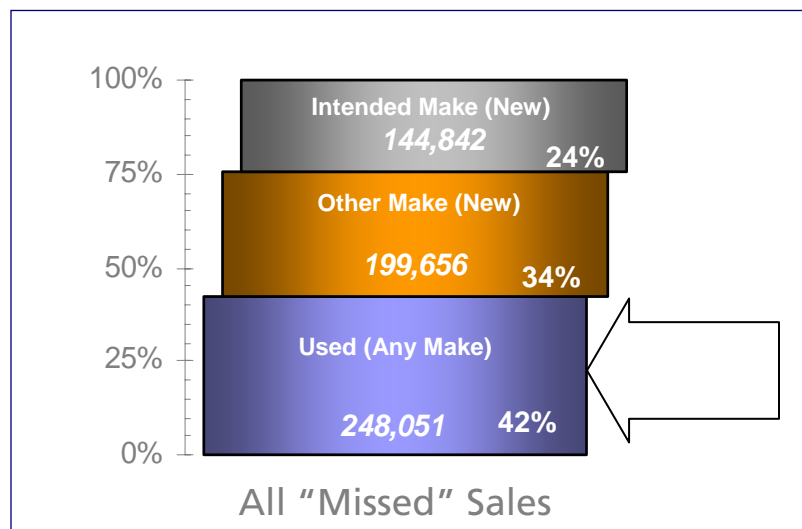
In summary, this data provides a clear picture of a consistent customer tendency – to engage in a thorough comparison of brands, with an ultimate purchase decision impacted in significant proportion by the brand itself.

## Key Finding: Customers Likely to Consider Used Alternative

Customers submitting a new vehicle lead are very likely to consider a used vehicle alternative.

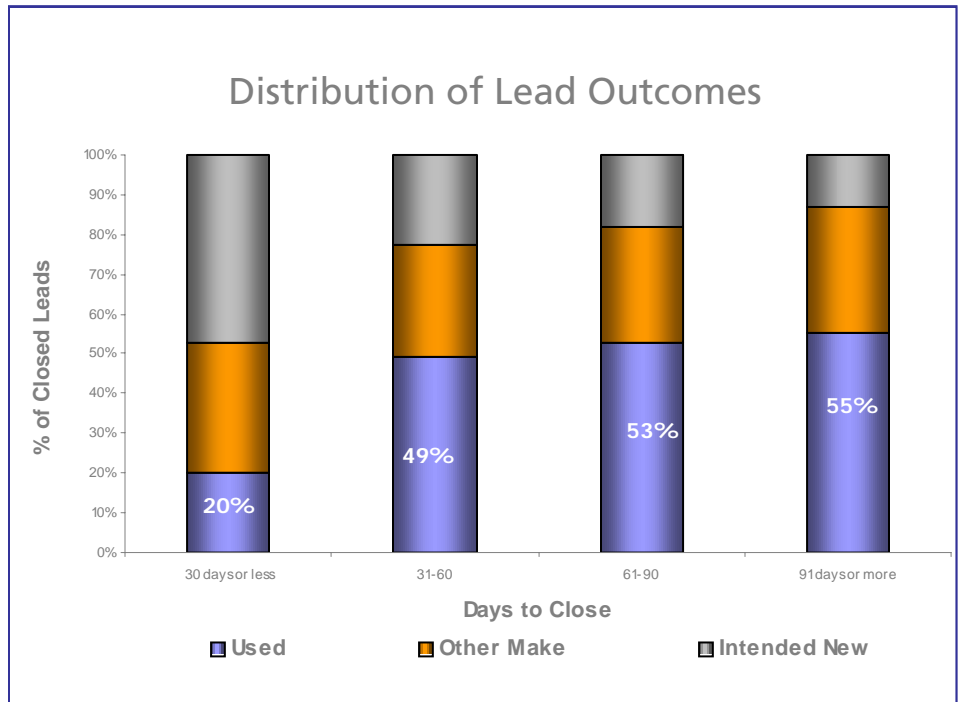
Of those customers that purchase a vehicle from a dealership other than the intended dealership, there is a high likelihood they will ultimately purchase a used vehicle. For dealerships avoiding presentation of a used vehicle alternative to a new car lead, a large number of opportunities may be lost.

Of those leads that converted to a sale at a dealership other than the intended dealer ("other" dealerships), 42% purchased a used vehicle of any make.



Clearly, those customers submitting a new car lead are very likely to entertain a used vehicle alternative. Additionally, the more time that elapses from the time the lead is submitted to closing, the more likely it will convert to a used vehicle sale. This is illustrated in the graph below:

The Longer the Lead Takes To Close, the Higher the Likelihood It Will Be a Used Vehicle



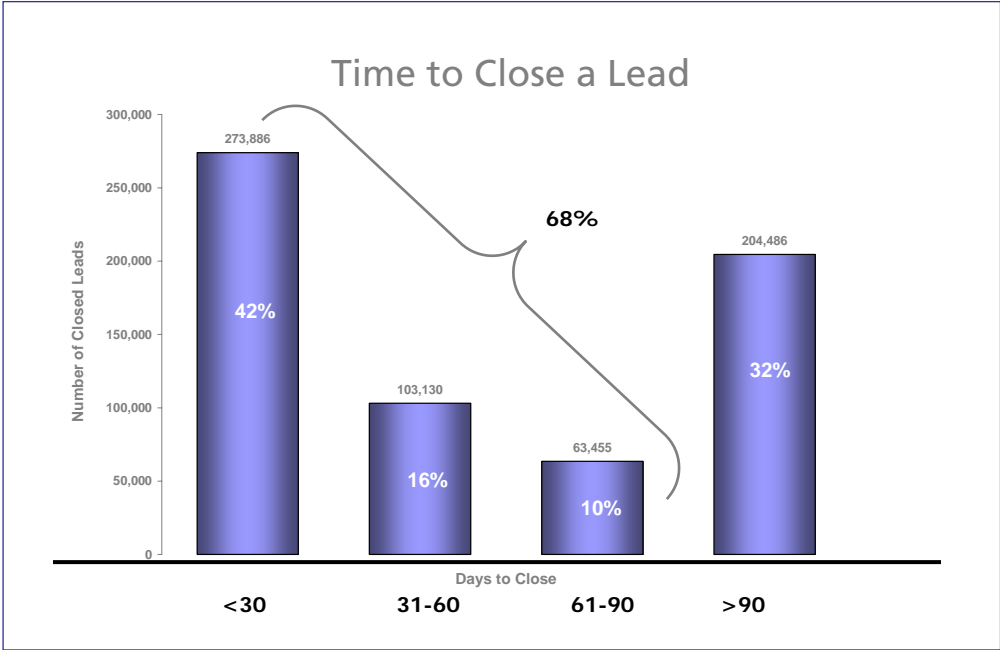
*Based on registration information supplied by R.L. Polk & Co. Sales/leases have been adjusted for matching efficiency by a factor of 1.36, which represents a 73% historical match rate Elapsed time between the date of lead submission and date of lead*

# Key Finding: Most Customers Have a Short Purchase Time Frame

Customers that submit leads have a short timeframe for purchase. In fact, a very large portion of the sales associated with leads occurred within 30 days. Given this, ineffective dealership communication and/or Internet sales processes that are not executed well within this timeframe are likely to see prospective customers going elsewhere for their vehicle needs.

As illustrated below, 42% of the leads that converted to a sale did so within 30 days of the initial submission of the lead. Additionally, 68% of the leads closed to a sale within 90 days of the initial submission of the lead.

42% of Leads That Will Convert to a Sale Do So Within 30 Days



## Key Finding: High Performers Have a Unique Behavioral Profile

Of the 1,329 dealerships evaluated, Cobalt visited 20 of the high-performing dealerships, as measured by closing rates, to better understand dealership business practices and their influence on dealership performance. These dealerships are among the top 50, or top 5%, in closing ratio of all dealerships evaluated.

Each dealership provided information about their dealership to the interviewer. A composite profile of the 20 high performing dealerships, based on this dealer provided information, is as follows:

- Receive an average of 428 Internet leads per month
- 68% of their leads come from 3rd Party providers
- Internet sales average 14% of the total dealership sales
- Stated their average closing ratio was 11%
- 24% of their Internet Sales are used vehicle sales
- Internet sales have an average combined (front and back-end) gross profit of \$1,571

Examining high performing dealership practices relative to the key findings of this revealed the following:

### Responsiveness and the Short Buying Cycle

High performing dealerships are aware of, and capitalize on, the relatively brief window of opportunity between lead and sale by responding quickly to customers submitting a lead. In addition, the high performing dealerships Cobalt interviewed augment a rapid email response with a phone call.

Of the high performers interviewed:

- 89% reported they either respond, or have a goal to respond in 6 hours or less from the time the lead is received
- 73% reported they either respond, or have a goal to respond in 60 minutes or less
- 89% indicate they make a phone call to the customer at the same time, or shortly after, their lead response

### Quality Response

Furthermore, actual examples of initial responses from high-performing dealerships provide additional insight to how this is accomplished.<sup>4</sup>

### Used Vehicles

Given this, it is no surprise that a majority of the high performing dealerships are also willing to suggest used alternatives:

- 74% of the high performers interviewed are willing to offer a used alternative to a new car lead

A high quality response also includes answering the price question. Although providing price in an initial response has long been a subject of debate, this research clearly indicates that customers want their questions answered, and high-performing dealerships do just that. The onsite dealership evaluations provided important insight to how high performing dealerships handle this important element of a quality response.<sup>5</sup>

Of the high-performing dealerships interviewed:

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<sup>4</sup> See Appendices B and C for sample responses.

<sup>5</sup> See Appendix D for a sample pricing matrix from a high performing dealership.

- 87% state they always answer the customer's primary question
- 77% provide price to customers without hesitation

### Follow-up

A common characteristic of the high performing dealerships interviewed by Cobalt was the recognition of the importance of maintaining contact and communication with those leads that don't make a near term purchase over an extended period.<sup>6</sup>

- 63% of the high performers interviewed place leads in a CRM system for long term follow up and marketing efforts.

In order to ensure that effective customer follow up occurs in both the near and long term, some high performing dealerships do a good job of establishing, documenting, and implementing a clear Internet sales process.<sup>7</sup>

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<sup>6</sup> See Appendix E and F for sample follow-up templates from high performing dealerships.  
<sup>7</sup> An example of such a process can be found in Appendix G.

## Implications of Key Findings

### Most dealerships are experiencing a significant amount of “lost opportunities”

Until dealership management realizes the extent of lost opportunities, and the financial implications of poor lead handling approaches, they are unlikely to develop a comprehensive and robust system for handling such leads. However, once dealership managers place a mishandled Internet lead on the same level as an unanswered phone call, or a walk-up customer receiving no sales assistance, then real improvement can take place.

### Dealership responsiveness to leads is improving, but the quality of those responses is diminishing

Although a rapid response is important to the Internet customer, they want more than just a speedy response to their lead – they want the information they request. Successful dealers take a no-nonsense approach to their Internet customer interactions – answering their questions in a straightforward and honest fashion. This is a prerequisite to the continuation of the sales process. This is the approach consistently deployed among high performers.

### Brand defection from the intended make of the lead is widespread

Given this dynamic in the market, there are important implications for the sales approach employed by each dealership. Because such a high percentage of leads are likely to be comparison shopped among brands, it is important for dealerships to not only provide Internet prospects with information about their individual dealership, but also to proactively and effectively sell the make and model against likely alternatives. Instead of a “why me” sales approach, dealerships need to be prepared to present a “why me, why make/model” message to the customer.<sup>8</sup>

### Customers submitting leads are likely to consider, and purchase, a used alternative to a new vehicle lead

This introduces another important consideration for the dealership sales approach – the willingness to offer used vehicle alternatives to new vehicle leads. The high performing dealers Cobalt interviewed indicated they operate from a very open, forthcoming approach with Internet prospects. This extends to their approach of offering a used vehicle alternative to new vehicle lead customers.

### Most customers have a short purchase timeframe

It is clear from the data that most Internet customers are buying in the near term, meaning Internet leads should not be overlooked. Establishing consistent business practices to respond to customers quickly is an important initial step to meet the customer’s timeframe for an intended vehicle purchase.

### High performing dealers have a unique operational profile

High performing dealers exhibit common behaviors that seem to mitigate the effect of the other findings of the study. However, although their track record is better than the average and low performing dealers, they too suffer from a high degree of lost opportunity. All dealers should mimic the practices of the high performers – and then go further to address the issue of lost opportunity at the dealership.

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<sup>8</sup> See Appendix B for an example of an initial dealership response that applies this approach.

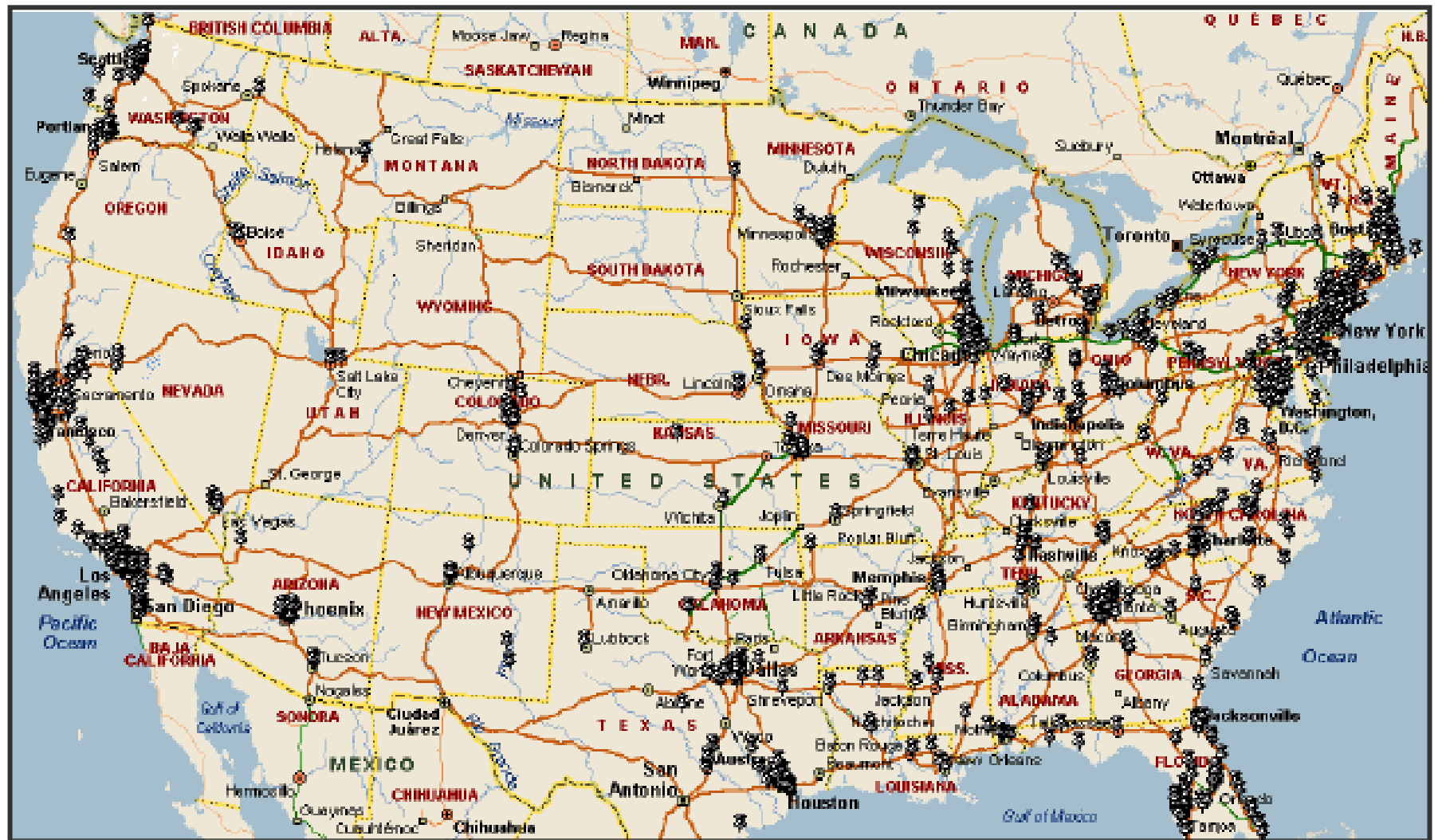
## Comparative OEM Data

In addition, this study included comparative OEM performance data of 36 OEMs in the area of new vehicle lead conversion rates. This analysis illustrates a wide variance among OEMs in the rates at which third party leads convert to sales. Three examples of these findings are provided below:

- When leads are segmented by the intended manufacturer (OEM) identified by the consumer in the lead, the highest performing manufacturer converted the lead to a sale of any new vehicle make or model at a rate over 41%, and the leads assigned to the lowest performing manufacturer converted at a rate of 21%. The industry average rate is 32%. For example, if a lead is submitted for a Brand A vehicle, this data illustrates the rate at which this Brand A lead converts to a sale of any make or model vehicle – indicating the general propensity for consumers of this brand to make a purchase.
- Using this same approach of segmenting leads by the intended manufacturer identified by the consumer in the lead, there is a significant variance among brands in the rate at which consumers follow-through and ultimately make a purchase of the vehicle make identified in the lead. The highest conversion rate to the intended manufacturer was over 59%, and the lowest is 21%. The industry average is 39%. For example, if a lead is submitted for a Brand A vehicle, and converts to a sale, this data illustrates the percentage of those sales that are converted to a Brand A vehicle. The findings clearly illustrate the varying levels of consumer follow through to a purchase as a function of the brand identified in the lead.
- There is also a wide range in the rate at which consumers redirect their purchases away from the intended manufacturer identified in the original lead and purchase a vehicle of a different manufacturer. The manufacturer making the most impact in this area made sales to over 15% of all those customers that redirected their purchases, and the least impact by a manufacturer was less than 1%. On average each manufacturer sold a vehicle to 2.8% of those consumers that redirected their actual purchase away from the intent of their lead. For example, this data illustrates the impact Brand A may have in making sales on leads that were initially intended for another brand.

Additional data for performance of 36 OEMs in this study is in the Cobalt report, *Lost Opportunity and the OEMs – A Companion Piece to The 2005 eBusiness Industry and Dealership Performance Study*. OEMs interested in this data should contact their Cobalt representative at 800-909-8244 for more details.

Appendix A: Geographic Distribution of Dealerships in Study



## Appendix B: Why Me, Why Make/Model Initial Lead Response<sup>9</sup>

Dealership Street Address

Dealership City, State, Zip  
Salesperson eMail Link

Phone: (777) 777-7777 ■

Hello [INSERT CUSTOMER NAME],

RE: Honda Accord DX Price Quote

Really appreciate the request for a Honda Accord. My name is <Salesperson Name>. I'm on the Internet Team at <Dealership Name>. Below are links to Online Brochures, In Stock Inventory, Gas Mileage Estimations, Safety Ratings, Third Party Write Ups and we have some Great Lease Programs running.

The 2005 Honda Accord DX-Value Package, sedan automatic has the "NO Fuss" Clearance Price: \$17995.00 (see Lease offer below).

DX Value Package: is an Accord with: factory Air Conditioning; Power Windows; AM/FM/CD-Player; ABS Brakes; Front/Side/Curtain Air Bags; 160-hp V-TEC engine.

(Link to electronic brochure)

What does <Salesperson Name> in the Internet Department do for you? He gets you a straightforward NO HASSLE-NO HAGGLE, car buying experience.

(Link to Specials)

If you're tired of the way you used to buy cars, then give <Salesperson Name> a call @ <Phone Number> extension 413 or <Phone Number> If you don't ask for <Salesperson Name>., he can't help you.

Everyday 110% Low-Price protection Guarantee

(Hyperlink to dealership website)

Our commitment to you: We are committed to exceeding your expectations.

To better serve you, <Salesperson Name> is available to you BY APPOINTMENT. My standard working week is Monday through Sunday, by appointment. If you happen to pop in have <Salesperson Name> paged.

<Dealership Name> has been awarded the Highest Honor of the Honda President's Award. We were awarded this for 1996, 1999, 2000, 2001, 2002 and 2003, for Outstanding Customer Support, before and after the Sale! This is unmatched.

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<sup>9</sup> (Note: formatting and contact information has been changed to preserve privacy.)

If I'm not here bring this letter directly to my partners <Alternate Salesperson Name> or <Alternate Salesperson Name>.

Thank you in advance,

<Salesperson Name>. I'll be sending you information, shortly.

This is an automated response! The only way I know how to assist you is through your feedback and responses.

Sincerely,

Director of Internet Operations

Cell Phone: <Phone Number>

Office: <Phone Number>

Toll Free: <Phone Number> Ext: 413

Fax Number: <Phone Number>

<Dealership Name>

<Dealership Address>

Honda President's Award Icon

This Internet Offer is not valid with any other offer, ad or advertisement. Offers valid on factory equipped in stock merchandise. Leases and Interest Rate Programs are with approved credit.

[CLICK HERE \(hyperlink\)](#) and reply REMOVE to be removed from this e-mail list.

## Appendix C: High Performing Dealership Initial Response <sup>10</sup>

Dear (Customer Name),

Thank you for your online inquiry and for providing us this opportunity to earn your valued business.

The all-new 2006 Lexus RX400 Hybrid AWD is a combination of performance and luxury fueled by innovative technology. The new RX Hybrid has an Electronically-controlled Continuously Variable Transmission (ECVT) with a 3.3-liter, 24-valve with continuously Variable Valve Timing with intelligence (VVT-i) engine with On-Demand All-Wheel Drive. Offering an amazing 268 total system horsepower this new Hybrid model is sure to blow you away with an estimated fuel consumption of 31/27 mpg city/highway. All of this and more!

2006 Lexus RX400 H pricing:

With heated seats MSRP \$49,725, Selling Price \$48,725 plus applicable taxes and fees

With heated seats & Mark Levinson Sound System MSRP \$50,705, Selling Price \$49,705 plus applicable taxes and fees

With heated seats, Mark Levinson Sound System & Rear DVD Entertainment System MSRP \$52,545, Selling Price \$51,545 plus applicable taxes and fees

The RX440H Safety Features include:

\*Dual advanced front airbags, driver and passenger knee airbags, front and rear side curtain shield airbags, front seat mounted side-impact airbags, front seatbelt pretensioners with force limiters and manual height adjustment anchors, 3-point safety belts for all seating positions.

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<sup>10</sup> (Note: formatting and contact information has been changed to preserve privacy.)

## Appendix D: Online Pricing Matrix

<Dealership Name> Online Pricing Matrix Sept 2005

Year	Make	Model	Model #	Trim Level	Incentive End Date	Incentive \$ Amount	Mark-up Type	\$ Mark Up	% Mark Up
2005	Toyota	2005 4Runner	8642	2WD SR5 V6	10/1/2005	\$1,000	Invoice		1.50%
2005	Toyota	2006 4Runner	8646	2WD Sport V6	9/7/2005	\$1,000	Invoice		1.50%
2005	Toyota	2007 4Runner	8648	2WD Limited V6	10/1/2005	\$1,000	Invoice		2%
2005	Toyota	2008 4Runner	8664	4WD SR5 V6	10/1/2005	\$1,000	Invoice	\$300	
2005	Toyota	2009 4Runner	8666	4WD Sport V6	10/1/2005	\$1,000	Invoice	\$300	
2005	Toyota	2010 4Runner	8668	4WD Limited V6	10/1/2005	\$1,000	Invoice		2%
2005	Toyota	2011 4Runner	8672	4 Door SR5 V8	10/1/2005	\$2,500	Invoice	\$300	
2005	Toyota	2012 4Runner	8676	4 Door Sport V8	10/1/2005	\$2,500	Invoice	\$300	
2005	Toyota	2013 4Runner	8678	4 Door Limited V8	10/1/2005	\$2,500	Invoice		2%
2005	Toyota	2014 4Runner	8682	4WD 4 Door SR5 V8	10/1/2005	\$2,500	Invoice	\$300	
2005	Toyota	2015 4Runner	8686	4WD 4 Door Sport V8	10/1/2005	\$2,500	Invoice	\$300	
2005	Toyota	2016 4Runner	8688	4WD 4 Door Limited V8	10/1/2005	\$2,500	Invoice		2%
2005	Toyota	2005 Avalon	3534	4 Door XL Sedan Auto		\$0	MSRP	\$0	0%
2005	Toyota	2006 Avalon	3538	4 Door Touring Sedan Auto		\$0	MSRP	\$0	0%
2005	Toyota	2007 Avalon	3544	4 Door XLS Sedan Auto		\$0	MSRP	\$0	0%
2005	Toyota	2008 Avalon	3554	4 Door Limited Sedan Auto		\$0	MSRP	\$0	0%
2005	Toyota	2005 Camry	2415	STD		\$750	Invoice	-\$500	
2005	Toyota	2006 Camry	2513	STD Manual	10/1/2005	\$1,500	Invoice	-\$500	
2005	Toyota	2007 Camry	2514	STD Auto	10/1/2005	\$1,500	Invoice	-\$500	
2005	Toyota	2008 Camry	2531	LE Manual	10/1/2005	\$1,500	Invoice	-\$500	
2005	Toyota	2009 Camry	2532	LE Auto	10/1/2005	\$1,500	Invoice	-\$500	
2005	Toyota	2010 Camry	2540	XLE	10/1/2005	\$1,500	Invoice	-\$500	
2005	Toyota	2011 Camry	2545	4 Door SE Manual		\$1,000	Invoice	-\$500	
2005	Toyota	2012 Camry	2546	SE	10/1/2005	\$1,500	Invoice	-\$500	
2005	Toyota	2013 Camry	2550	SE V6	10/1/2005	\$1,500	Invoice	-\$500	
2005	Toyota	2014 Camry	2552	LE V6	10/1/2005	\$1,500	Invoice	-\$500	

## Appendix E: No Response Follow-up Template

Hello Again,

Perhaps you have not had time to answer my e-mail regarding your vehicle inquiry. When you have a moment, please give me a call, so we can start working on all the details. If you have changed your mind or have bought elsewhere, please let me know so I can update my list.

My goal is to provide expedite, up-front, aggressive pricing on the vehicle you have selected and make your experience completely satisfying. In order to do this, we need to speak with you. If you have changed your mind, or are considering another vehicle, please keep in mind we have over 70 late model, low mileage pre-owned vehicles (I could save you a lot of money on), most of which still have remaining factory warranty. Please call us at your earliest convenience. I hope to hear from you soon!

Respectfully,

<Salesperson Name>  
<Dealership Name>Internet Manager  
<Phone Number>Direct  
<Phone Number>Cellular  
<email address hyperlink>

P.S. I do have a 02 Accord coup, automatic trans., black w/leather in stock we just took in on a trade.!!

## Appendix F: Additional Information Template

Hi [Customer Name],

Hyundai Sonata Dethrones Camry and Accord

Thank you for your request for additional information on the exciting new 2006 Hyundai Sonata. My name is <Salesperson Name>. I am the Internet Director and it is my job to ensure that you get all of the information you need to make a good buying decision. We are extremely pleased with the new 2006 Sonata as well as all of our customers that already have a new Sonata in their driveway. When you look at the long list of standard features and read what the "experts" have written about this car, you will understand why Toyota and Honda Dealers are worried. I or one of my staff will be contacting you to gather some additional information, answer any questions, schedule a test drive or arrange a home delivery.

I have included in this email links to various sources for reviews, comparisons, and pricing guidelines. I have included a link to Edmunds.com, they have a very accurate pricing guide to follow. They publish a TMV price to give the customer a figure that they should expect to pay for a vehicle. Edmunds.com is constantly surveying dealers as well as customers to arrive at these prices. Please keep in mind that every car deal is as unique as every customer and you may qualify for additional rebates and incentives.

We have moved into our new location on <Dealership Street> at the corner of Metro Parkway. We have customer friendly hours Monday through Friday from 8:00am until 8:00pm, Saturday 9:00am until 6:00pm and Sunday from 11:00am until 4:00pm. At the bottom of this email you will find a map that will guide you to the all new <Dealership Name>.

Reviews for the Sonata:

Hyundai Sonata Dethrones Camry and Accord

<http://www.autoblog.com/entry/1234000897051169/>

[http://cars.about.com/od/hyundai/fr/bk\\_06sonata.htm](http://cars.about.com/od/hyundai/fr/bk_06sonata.htm)

[http://money.cnn.com/2005/08/03/Autos/carreviews/hyundai\\_sonata/](http://money.cnn.com/2005/08/03/Autos/carreviews/hyundai_sonata/)

[http://www.caranddriver.com/article.asp?section\\_id=3&article\\_id=9741](http://www.caranddriver.com/article.asp?section_id=3&article_id=9741)

## Appendix G: Internet Sales Process Documentation<sup>11</sup>

### <Dealership Name> Internet Sales Process and Procedures

The following includes a general description of the Sales Process and Procedures that the <Dealership Name> and all Internet Sales Representatives are asked to abide by. The process has been developed with the idea in mind that all Internet leads and phone calls are followed through in a consistent and sufficient manor. Please note that deviation from the process will foster inconsistency and ultimately lead to loss of sales.

#### Requirements

Comprehensive knowledge and active usage of the <CRM Tool> System

Access to and knowledge of use of email account

Strong follow up and communication skills

#### Goal

Respond to each inquiry/purchase request within 1 HOUR or less upon receipt.

#### Process

##### Day One

Step 1: Initial Response – Upon receipt of email, phone call or lead assignment in <CRM Tool> respond to the customer within 1 hour or less with a phone call.

Step 2: Follow up Response – Email the customer within 4 hours of receipt of inquiry making reference to the specific vehicle requested and introducing yourself as their sales consultant and confirming that they have received our price quote\* (new vehicles only).

##### Day Two

Step 3: Second Follow up – Call and email again within 24 hours of receipt of inquiry simply follow up.

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<sup>11</sup> (Note: formatting and contact information has been changed to preserve privacy.)