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Sophus3 Auto Brand Online Conversion Analysis, 2011

For CRM and marketing people



Background

The European auto market continues to be challenging for auto manufacturers. Competition is increasing on all fronts and auto manufacturers need to focus on all opportunities to gain competitive advantage across all four "P"s (Product, Price, Place, Promotion).

As part of this effort auto manufacturers spend a lot of money on Promotion with aim of:

- 1) attracting customers to their respective touch points,
- 2) guiding them through the consideration/purchase funnel
- 3) ultimately selling them a vehicle

One key part of this effort is the online test drive request and fulfilment process. Considering that about 80% of new car buyers visit the OEM Brand website during their purchase process, it is very important to offer the customer an effective online test drive request facility. By maximizing the effectiveness of this process an OEM can leverage the value of all other promotional activities.

Sophus3 works with the majority of auto manufacturers in Europe helping them improve their online and offline marketing activities. sophus3 conducts the following study every year in order to gain a "snapshot" of overall test drive request performance by brand.

Table of Contents

Introduction	2
Methodology	2
Completion of the Test Drive Request Form	2
Response Time	2
Results Overview	2
Best Practice in the USA	3
About sophus3	3

Introduction

In Q4 2011 sophus3 conducted its annual Online Conversion Benchmark in the "Big 5" European markets (France, Germany, Italy, Spain and UK). This document contains a summary of the results. Please contact sophus3 (see below) if you are interested in gaining more detailed results.

Methodology

The Online Test Drive facility consists of 2 parts:

- The customer needs to complete the online test drive request form
- The OEM or dealer needs to respond to the customer by offering a convenient date and time for the test-drive.

Sophus3 measures and benchmarks both of these parts.

Completion of the Test Drive Request Form

For each market sophus3 requests 10 people to complete the Test Drive Request Form. For each person, the sophus3 analyst records the time it takes to find the form on the site and complete it to the point of sending off the online request. The 10 people selected are in an age range of 25-55. The male/female split is 50/50.

Response Time

The "location" of the individuals are selected in such a way as to target a randomly distributed group (of 10) dealers. For each annual survey we try to ensure that different dealers are targeted. The Response Time is determined by measuring the time it takes between the completion of each test drive request and the receipt of the corresponding response.

In the event that more than three test drive requests do not receive a response for one brand in one country, sophus3 disqualifies the brand from the 2nd part of the benchmark.

Sophus3 also evaluates the quality of each response however that is not part of this report.

The following brands were benchmarked: Alfa Romeo, Audi, BMW, Chrysler/Lancia, Citroen, Fiat, Ford, Honda, Jaguar, Land Rover, Lexus, Mazda, Mercedes-Benz, Mini, Mitsubishi, Nissan, Opel/Vauxhall, Peugeot, Renault, Saab, Seat, Toyota, Volkswagen, Volvo.

Results Overview

The overall result shows that there has been an improvement across the board. The efforts of auto manufacturers and dealers are yielding better results. However, there is still a long way to go considering the divergence of average performance between markets and the number of non-responses.



Test Drive Request Form Completion					
2011 Average Completion Time of the Test Drive Request Form (in seconds)	117	190	144	145	93
Average Improvement of Completion Time of the Test Drive Request Form (2010-2011)	24%	4%	NA	NA	11%
Number of Disqualified Brands (*)	10	6	12	7	1
Best Practice Brand	Mercedes-Benz	Renault	Fiat	Alfa Romeo	Honda



Test Drive Request Form Response Time					
2011 Average Test Drive Request Response Time (in hours)	39	39	36	73	8
Average Improvement of Test Drive Request Response Time (2012-2011)	30%	9%	NA	NA	55%
Best Practice Brand	Lancia	Citroen	Land Rover	Opel	Honda

(*) Brand disqualified from this part of the benchmark as the there were more than 3 non-responses to the test drive request.

Best Practice in the USA

As is often the case in the area of CRM the US is slightly more advanced than Europe. This is certainly the case in Online Test Drive Responses. Best practice in the US has been spearheaded by the likes of AutoNation and other large US dealer groups. Since a number of years these groups require their own sales people to respond to a lead within 20 minutes (at least during office hours).

About sophus3

Sophus3 provides expert services and bespoke management information solutions to help our clients make better marketing decisions and increase their marketing return-on-investment. sophus3's USP is to apply business data analytics and in-depth industry and subject matter knowledge to deliver uniquely effective information solutions for our clients. Sophus3 team members work closely with our clients to provide the right information to the right executive at the right time. For information on hard-copy or electronic reprints, please contact Client Support:

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