



The pandemic has changed how many consumers buy vehicles, according to a Marchex study.

DEALERS

Survey: Car Dealership Callers Want Upfront Price Fast

“In the new normal, the initial call a consumer makes to a dealership is now the make-or-break point of a sale,” says Marchex’s Matt Muilenburg.

Steve Finlay | Feb 05, 2021

For most car shoppers who become buyers, it comes down to trust – and a firm price offered early on.

So says a new survey by analytics firm Marchex that reports most American car consumers are well-informed and quickly closing in on a purchase when they initially contact a dealership.

The study says 75% of such shoppers are ready to buy a car within three weeks if they've connected on a trust level with the store and its sales staff.

A key to fostering trust is for a dealership to give consumers an out-the-door price on their vehicle of choice during the first conversation, which often occurs during a phone call or text, the survey indicates.

That pricing transparency contrasts with a fading practice of dealership salespeople ducking price questions while on the phone, and instead trying to get a caller into the dealership first to undergo a traditional step-selling process.

Eighty-three percent of consumers are researching and qualifying dealers more than before and 71% report visiting fewer showrooms than before the pandemic, according to Marchex, which collaborated with automotive research firm Root & Associates on the study entitled "Trust, Transparency and the Transaction."

It was done in part to determine COVID-19's impact on the car-buying process. The research included interviews with car buyers; a survey of 1,700 in-market, near-purchasers or recent purchasers; and an analysis of more than 228,000 sales-related phone conversations between consumers and franchised dealers.

Among the findings:

- 97% of interviewed consumers say they are somewhat or very serious about buying when they contact a dealer.

- 75% anticipate purchasing within three weeks of contact. Nearly 40% plan to do so within a week or less.
- 91% say trust in a salesperson or dealership is very or somewhat important in choosing from whom to buy. The survey says this relates to competitive price (not necessarily the lowest) as a consideration.
- 39% of consumers phone or text to initially contact a dealer, making the phone the leading channel for initial consumer outreach, outpacing walk-ins, email or chat. Marchex consults dealer clients on best phone practices.
- 82% want to know how a dealership is addressing customer protection and safety during the pandemic. Specifically, consumers are interested in how often dealership facilities and inventories are sanitized.



“The process of buying cars has changed profoundly during the past year,” says Matt Muilenburg, Marchex’s senior vice president-automotive **(pictured, left)**.

“Pre-pandemic, dealerships were hesitant to discuss price before the customer came into their showrooms,” he says. “In the new normal, the initial call a consumer makes to a dealership is now the make-or-break point of a sale.”

He adds that many of today’s consumers want to understand what they will pay before they visit a dealership, and dealers should address that upfront.

“A competitive price is one piece of building a trusting relationship,” Muilenburg says. “What you say – and often what you don’t – during that initial call, will define if you win the sale.”

Consumers want to limit their time inside a dealership because of COVID-19 concerns, and they know what they want because of their online homework, the

study says.

Accordingly, car salespeople more than ever “need to be trust providers,” Muilenburg says. “The data shows that dealers who differentiate by establishing trust with the consumer earn the right to charge a competitive price and ultimately sell more cars.”

Kevin Root, founder of Root & Associates, tells Wards: “This study indicates that dealers may want to rethink the historical approach of putting more value on the showroom visitor than the one on the phone. The data shows that if handled correctly, they may be of equal value.”

He adds: “The fact that most callers are planning to buy within a few weeks, and four in ten are looking to buy within one week, illustrates these folks are ready to transact now.”

They are “shopping for the right salesperson fit as much as they are the right vehicle fit,” Root says.

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