

# The DealerRater Guide to Online Reviews:

LEVERAGING REVIEWS FOR A COMPETITIVE EDGE



## EXECUTIVE SUMMARY

Online reviews are the new word of mouth. A positive online review of your dealership causes a ripple effect that creates sales faster than a one-on-one conversation ever could.

The good news is that you can put reviews to work for you as a competitive asset to grow sales, improve customer retention and empower your sales staff. The key is to take ownership of reviews by creating a process for systematically managing them.

**Read this report** to understand the importance of reviews in today's car buying journey, as well as critical next steps you need to take to win with online reviews. After reading this report, you will learn:

- » How to take ownership of your reviews by actively managing them
- » How to highlight your reviews to drive customer retention and sales
- » How to use reviews to engage and retain your sales staff

### **AND MUCH MORE.**

The voice of the customer has a powerful impact on business today. You have a strong opportunity to use reviews – both positive and negative – to acquire customers and create lifetime value. Read on to start turning online reviews into one of your strongest competitive assets.

## ABOUT THIS GUIDE

This guide is based on our experience working with dealers as well as a survey conducted in November 2016. Through an online questionnaire in partnership with an independent third party, Versta Research, DealerRater performed a quantitative survey of 503 recent and prospective car buyers. The sample was carefully sourced and screened from a large national research panel.



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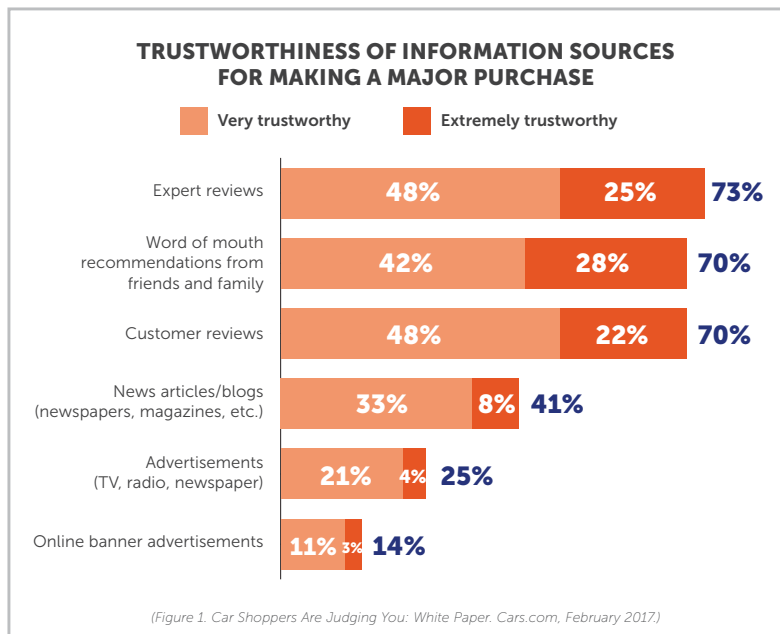
## HARNESS THE POWER OF REVIEWS

Harnessing the power of reviews starts with appreciating just how pervasive and powerful reviews are. Even negative reviews provide an opportunity for you to succeed. Consumers use online reviews for half or more of new purchases.<sup>1</sup> Online reviews play a significant role in car shoppers' minds by helping them decide next steps in their car shopping journey.

The car buying journey starts with car shoppers researching a **product** – a vehicle – then evaluating **prices** within their consideration set, and next to narrowing down dealerships to visit (**place**) and finally ending with a **person** (a sales staff member). Reviews are critical to establishing person-to-person trust along the customer journey.

Consumers trust reviews from experts and from other consumers who have purchased the same product they are interested in the most compared to other sources.<sup>2</sup> When you consider the role of digital media in consumers' everyday lives, you can appreciate why reviews have become the new word of mouth to car shoppers (*Figure 1*).

About 70 percent of consumers say that they are influenced by word-of-mouth recommendations from friends and family of consumers who are in the market for a new car.<sup>1</sup> Those same consumers also place high value on consumer reviews and expert reviews at an even higher rate of 73 percent.<sup>1</sup> Today, online consumer reviews are also more readily available – something the Millennial generation has grown up expecting – and offer more opportunities to influence car shopping decisions.



Online reviews also play a pivotal role in making your dealership more visible through search engine optimization (SEO), especially at the local level given the prominence of reviews online. Reviews in various forms will show in search results and provide car shoppers with “peer proof” that they are on the right path to finding the information they are seeking regardless if the reviews are positive or negative. Furthermore, reviews that are syndicated – on your site as well as across third-party sites – can help place your brand in front of millions more car shoppers, helping grow your digital word of mouth and, in turn, revenue for your dealership beyond SEO.

But dealerships obtain these benefits only when they take ownership of reviews and manage them as they would their most essential functions. Only dealerships that have an ongoing process for managing reviews as a competitive asset will consistently win with reviews. Reviews are not a “set-it-and-forget-it” component of your growth strategy. You need to actively monitor reviews on an ongoing basis, learn from them and encourage your customers to post them – often. Dealerships that treat reviews as a competitive asset will reap numerous benefits, including increased sales, retention of their best salespeople and the long-term customer loyalty. The following sections offer an approach for creating a process to win with reviews.

## STEP 1: DRIVE SALES AND SERVICE REPAIR ORDERS BY SOLICITING REVIEWS

Online reviews influence purchase behavior throughout the customer journey. For major purchases, like automobiles and homes, consumers tend to use online reviews earlier in their research process.<sup>2</sup> According to Versta Research, a majority of consumers feel that online reviews are helpful, and almost half would avoid a purchase without them to help guide their purchase decisions. Because reviews are so essential to shaping the customer journey, you need to actively participate in the review process by soliciting them.

Online reviews serve as your initial leverage in acquiring customers as consumers use them to start their car shopping journey and evaluate your dealership (including your customer service). Individual sales staff reviews help to make connections for car shoppers and can build trust ahead of a visit to the dealership. Additionally, they can make the experience personal and give the consumer confidence in their vehicle decision.

We know from our research that service center customers are likely to purchase their next vehicle from the same dealership where they receive service – an important touchpoint for customer retention – with three out of four service customers saying they would consider the same dealership when shopping for their next vehicle.<sup>2</sup> If you knew that service customers were highly likely to purchase from you for their next vehicle, wouldn't you want to highlight not only your service reviews, but also your sales reviews? By showcasing both your service and sales reviews, you are meeting the need of your service customers, as well as attracting new buyers.

### *Soliciting Reviews*

Don't wait for consumers to review your dealership. Take ownership of the process by asking customers to review you (just don't try to reward them for reviews – doing so is a definite no-no). The key is to ask frequently and suggest customers post photos with their reviews. We've found that those consumers who feel strongly about their purchase or experience feel compelled to write a review about it.<sup>1</sup>

Training your sales team to ask for a review post-purchase and why sharing their experience is important can help you build your online reputation. Letting customers know that their experience and opinion is invaluable to you and to other car shoppers will reinforce that they made the right decision to purchase from your dealership.

Some third-party platforms also offer apps to help solicit reviews. For example, DealerRater's LotShots app enables sales staff to take a photo of a car shopper with their new vehicle, then sends the picture to the customer to share on social media. This is one way to encourage consumers to post reviews after purchase – that also includes photos – to continue driving your digital word of mouth.

### *Amplifying Reviews*

So long as you have made the effort to solicit reviews, you'll want to make sure they receive maximum visibility – which means amplifying them through a platform like DealerRater.com. DealerRater syndicates reviews in the places where consumers are looking for them on sites ranging from Cars.com to Facebook to your own website. DealerRater does the heavy lifting for you by sharing your reviews farther and wider than you ever could across an audience of millions, which provides benefits such as increasing your search engine visibility. In addition, DealerRater provides one convenient source for you to monitor and respond to reviews.



## REVIEWS

More reviews are better (but most consumers that we surveyed are satisfied with three to five, depending upon where they are in their car shopping journey). If you don't currently have a reviews strategy, and you have less than three reviews – and they're negative – you are likely deterring customers from your dealership. Your goal is to have at least five for car shoppers to read and consider.



## STEP 2: ACTIVELY MANAGE YOUR REVIEWS

To win with reviews, you need to manage them. One of the biggest mistakes a dealership can make is to treat reviews passively. You have a role to play in actively managing reviews and responding to them as well as encouraging your customers to write them as they have influence over their purchase decisions (Figure 2). **First things first:** take a hard look at reviews and learn from them.

### Monitoring Reviews

To take control of your online presence, you need to know where you currently sit in the minds of consumers and where you're being reviewed. Doing so means auditing the state of your reviews. Where are you being reviewed? Are you tracking what customers are saying about you other third-party sites?

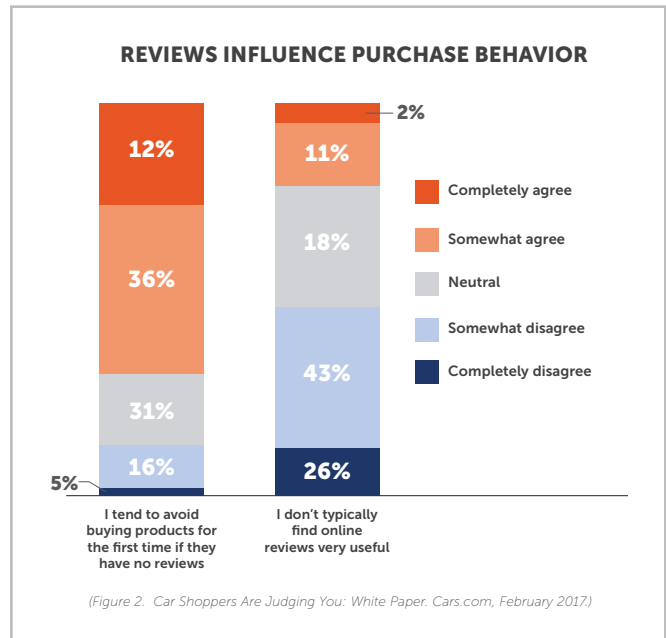
A holistic approach to monitoring of reviews considers how many reviews you receive and the online locations of where you're being reviewed to fully understand their influence and attitudes of customers. For instance:

- » Are you being reviewed on all the sites that matter to your customers? Make sure you monitor not just one source (such as Google), but every potential source that your customers consult, including, of course, third-party sites. Monitoring only one or two sites will limit your perspective and understanding of customer perceptions.
- » How extensive are customer reviews in the sources that matter? Are you getting dozens of timely reviews on third-party sources like Cars.com, or are customers only providing a few ratings that are several months old? The lack of reviews across multiple sites is a red flag that you need to do a better job encouraging customer reviews. **Bottom line:** Monitoring reviews is the best way to assess the state of customer perceptions of you and your competition. At the least, monitoring reviews will help you get more in touch with your customers. But monitoring reviews will also uncover any opportunities for improve your operations.

### Responding to Reviews

Both positive and negative reviews can be useful in establishing trust with car shoppers. When both sides of an argument are provided, it adds more credibility to the case that consumers should choose you. Negative reviews not only provide a look into how perceived poor experiences are handled at your dealership, but they can also highlight a pain point that may need to be addressed in your dealership's sales, service or operation processes.

Responding to negative reviews shows consumers that you're willing to do what's needed to make consumers happy post-purchase – which can greatly improve your credibility in the eyes of car shoppers. It's the dealership that understands how to read, interpret and respond to negative reviews that grows.



### STEP 3: USE REVIEWS TO ENGAGE AND RETAIN SALES STAFF

Reviews are a powerful tool for you to win with your own sales team. Reviews support retention of your best employees by helping them sell more cars, faster.

As we have noted, reviews begin with a customer researching a product, but they end with a customer buying from a salesperson whom they trust. Customer perceptions of your salespeople as expressed through reviews offer a huge opportunity for you to improve the performance of your sales team and reward them – which is significant, given the challenge that dealers face managing sales turnover.

#### Engage Your Sales Team

There are several ways to use reviews to engage your sales team. You should prioritize training sales staff on the role reviews play in influencing car shoppers. The more positive sales staff make the experience for car shoppers, the likelihood increases that those shoppers will write positive reviews, which can help drive future sales and individual success of your staff members as well as your dealership. You can also use reviews to highlight individual success stories in team meetings, as well as to provide incentives based on review recognition.

#### Retain Sales Staff

It's no secret that sales staff turnover is a big issue that affects dealerships' top and bottom lines. Employee retention has long been a challenge in the automotive industry. The average annual turnover for a dealership sales staff is 67 percent.<sup>5</sup> This turnover can cost your store half a million dollars annually in lost opportunity.

Now for the good news: You can use consumer reviews of salespeople as a retention tool to help combat employee turnover. You can and should mine sales staff reviews to support incentive programs that retain top sales talent. In addition, reviews are a way to make your salespeople more visible across the online world.

### TURN REVIEWS INTO A COMPETITIVE ASSET TO WIN

As we have noted, only dealerships that have an ongoing process for managing reviews as a competitive asset will succeed with reviews over the long run. If you do one thing after reading this report, make it this: Assign someone in your dealership to manage reviews as part of their daily job. (Maybe that person is you!) Don't make the mistake of trying to shoehorn reviews into a job role. Call out reviews as an important function and reward the person who owns the process.

***Now, start winning with reviews!***



**SURVEY**

In a DealerRater survey of 10,000 recent car shoppers, 97 percent of consumers would prefer to select their salesperson before visiting the showroom.<sup>3</sup> And, in a related survey, 79 percent of certified dealership salespeople say their profile helps them sell more cars per month.<sup>4</sup>

## ABOUT DEALERRATER

Founded in 2002, DealerRater, a Cars.com Company, is the world's leading car dealer review website that connects consumers with the right person at the right dealership. The site offers more than 3.5 million sales and service reviews across 41,000 U.S. and Canadian dealerships, including a network of more than 5,600 Certified Dealers. More than 14 million consumers read DealerRater content across the web each month. By offering a product suite that allows qualified dealerships to manage their reputations and achieve higher SEO rankings, DealerRater supports new customer connections by growing online presence.

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