

## Car lease payments drop 3.8%

Car lease prices on some of the most popular brands dropped 3.8 per cent from 2012 payment levels in June, said figures from Swapalease.com.

The Cadillac CTS saw the biggest price decline in North America, with monthly payments dropping 39.9 per cent compared with payments recorded a year ago.

Average payments for the Cadillac CTS from June listings were \$350 per month. The Ford Escape saw the largest price increase, with monthly payments rising 31.5 per cent compared with payments recorded a year ago. Average payments for the Ford Escape from June listings were \$322.20 per month.

The rate of lease escape among drivers remains stable compared to year ago levels, and lessees listed their cars with an average of 20.1 months remaining in June (36-month leases). This compared to 20.9 months remaining last year, meaning drivers are currently holding onto their leases slightly longer.

"It is interesting to see that price declines were more exacerbated in many cases compared with price increases," said Scot Hall, executive V-P for Swapalease.com.

"We anticipate that prices will continue to shift in the near term based on the manufacturer's level of lease deal aggressiveness."

## Volvo announces 2014 pricing

Volvo Canada released pricing info for what it terms its "most extensive" lineup refresh in company history. The 2014 models arrive with new designs, upgraded features and new support systems. Pricing breaks down as follows.

- S60 lineup starts at \$39,750 for the front-wheel-drive T5, while the T6 AWD lists for \$47,550.

- S60 T6 R-Design starts at \$52,450.

- XC60 crossover starts at \$39,950 in 3.2 FWD and the T6 AWD starts at \$47,950. Pricing for the XC60 R-Design starts at \$54,500.

- XC70 starts out at \$43,450 in 3.2 AWD and \$47,450 in T6 AWD trim.

- S80 starts at \$48,300 in 3.2 FWD and \$55,450 in T6 AWD.

- XC90 starts at \$50,800 in 3.2 AWD while the XC90 3.2 R-Design starts at \$57,700.

# Ever wondered what's going in your store when your back's turned?

Duane Marino

F & I COLUMNIST



Mystery shoppers might give you the answers you seek

If you have wondered how your people really treat your customers, perhaps a mystery shop could help. Be forewarned, it might tell you more than you wanted to know.

One thing I would like to make very clear, my company has never mystery shopped a client and then used that data to try and sell them training, nor have we mystery shopped them following the training and used it as a tool to beat up sales teams.

This data has been collected for and on behalf of our clients only. We also know that results such as the ones below are subjective and based on when it was collected, if the car lots were new or used, what regions the data came from and from what brands. In-store mystery shopping of sales people reveals how our sales processes are actually perceived from a visitor's point of view.

For instance, in the past few years we have deployed hundreds of mystery shoppers across all markets and kept a journal on the feedback.

### THE AVERAGE RESULTS IN SIMPLE TERMS ARE FOLLOWS.

- About one-quarter of customers are never greeted at all and either seek out help or leave without ever being helped.
- Two-thirds are never asked or encouraged to take a car for a drive.
- One-half never "felt comfortable or welcome" while in the dealership.
- One-half are presented figures by sales people and never shown a car.
- One-half of sales people can't or won't give even an approximate idea about monthly payments during the selection.
- Only one-tenth are introduced to a manager to thank them for coming in.
- One-tenth are asked if they would like their vehicle evaluated that day.
- One-tenth are asked if they have already arranged the financing or if they have any questions in that area.
- Only one-tenth are asked to buy the car.
- One-third are asked for their name and telephone number.
- Only one-third of those people are followed up after they leave.

This might look like doom and gloom. But I was first introduced to mystery shopping way back in 1992 in Birmingham, Alabama and the results were about the same. Over time, the customer's buying process has evolved dramatically, but our sales process seems to be stuck.

Good customer service is hard to find.

### TELEPHONE MYSTERY SHOPPING ISN'T MUCH DIFFERENT.

- One-third are impressed with the sales person's overall phone etiquette and presence.
- One-quarter are asked for their phone number and of one-quarter of them are fol-

lowed up after the call.

- And one-sixth are asked to book an appointment. Yikes! These numbers are sad, but very true. Now buckle up, because on-line shopping is even worse.
- Two-thirds of all requests for information by email are never even responded to.
- Of the one-third that earns a reply, half of them get only an automated email response.
- Of the live personal responses, it takes two days before one-half get a reply. In every instance, when we find a sales person or dealership that far exceeds even the basic or low expectations of the mystery shopper, the shopper indicates they would definitely consider purchasing from that individual in the future and send them people they know.

Further, we surveyed a few hundred customers a year at our hiring events and only five per cent of owners say their sales person attempts to maintain a real relationship after buying a car. But all of the ones who did were sent referrals that bought more cars from them.

It makes one wonder how most of us are still in business. Well, no matter what the sales process is, the reality is that every buyer must go through a dealership to buy a car. We own the distribution channel. As for the factories that can't wait to get their hands onto direct distributorship to customers, we have had plenty of examples of how well that goes across the globe ... even worse.

But with all the advertising expense, manufacturers' programs and millions of dollars spent on the condition of our facilities, it truly makes one wonder what would happen if an entire dealership became process-obsessed and results-driven.

And in our scope of work, we find those too. Because excellence is so hard to find, when it is found, it stands out like a sore thumb and is rewarded for its efforts.

Training is only an expense when you don't execute. If you see anything in these numbers, see huge opportunities. Be part of the small group of businesses and people who want to be self-aware, focused on goals, specific plans and then execution of their plan.

If you were to calculate the cost of lost sales due to the mishandling of customers from the above averages, it would eclipse the cost of live or on-line training many, many times over.

We can lead horses to water, but they have to want to drink. Be different.

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