



If every 'up' counts, why don't you count them?

In fact, more walk-in traffic is not necessarily the magic bullet for achieving increased vehicle sales.

The problem and solution lie in monitoring and measuring the dealership's floor traffic and closing ratio to determine if there may be more closing opportunities based on current walk-in traffic levels. Thus, there are many benefits to accurately monitoring customer traffic:

When salespeople know that their "ups" are being monitored and their closing ratio is being tracked and scrutinized by sales management, closing ratios increase immediately.

Salespeople become accountable for their results and are more likely to seek out management involvement in the form of coaching, desking and sales manager turnovers.

Your dealership may be recognizing

and rewarding the wrong salespeople!

Typically, we pay homage to the top volume salesperson each month. In many dealerships, the top salesperson who sells 20 cars a month may be talking to 200 or more fresh showroom "ups" and yielding a dismal 10 percent closing ratio.

On the other hand, the salesperson selling 12 cars a month talks to a mere 35 to 40 fresh "ups", yielding a strong 25-30 percent closing ratio.

Would this be important information to determine? Should your dealership also consider rewarding and recognizing closing ratio and gross as well as volume?

In some situations, dealerships determine from tracking that they have a strong closing ratio and confidently decide to increase their ad budget to drive more traffic into the dealership.

In other situations, dealerships decide from tracking that they have a poor closing ratio and decide to decrease their ad budget and focus more on doing a better job of closing the customers currently walking through the door.

Dealerships may decide that they need to implement a consistent sales process or change their existing sales process because it no longer yields the dealership's targeted closing ratio.

An accurate customer traffic count can provide valuable, quantifiable data for both the dealership and manufacturer to determine the effectiveness of a sale event or incentive program.

Traffic counts, presentation, demonstration, write and closing ratios provide invaluable information for a sales manager to focus on training and coaching the individual salesperson's areas of weakness (opportunity) in the sales process for improved sales performance and profitability.

Banter about high closing ratios is common amongst dealer principals and general managers.

However, when you drill down to determine how these numbers are gathered and calculated, there are often inconsistencies; sometimes, the data is just plain inaccurate.

Some dealerships have their salespeople report their "ups" to the sales manager or salespeople enter the information into a CRM software at their work station.

This generally yields poor data. Many salespeople don't report all of their "up" traffic because they can't agree on whether the person was an "up." A salesperson may fear that management will find out they are not a strong closer and that the information will be used to police their performance. Many salespeople only report some of their traffic.

In other dealerships, the sales manager is assigned the task of counting traffic. Unfortunately, sales managers are often inundated with clerical-style administrative duties and push traffic count to the bottom of their priority list. And, like salespeople, sales managers will sometimes fudge the count if they fear that senior management will go hard on them when it sees accurate data.

If sales managers are trained, understand the true priorities of their job, given the necessary support and are encouraged to provide data with no negative repercussions, they can be extremely effective in providing an accurate traffic count, vehicle presentation ratios, demo ratios, write ratios and closing ratios.

Using a spotter, someone hired solely for purpose of counting all walk-in and telephone traffic, is yet another way. This individual is typically a retired person who wants to work on a part-time basis.

They can usually be trusted to provide quality information and summaries of presentation ratios, demo ratios, write ratios and closing ratios for each salesperson and the dealership as a whole.

A dealership will often have two or more people to cover showroom hours. Since the spotter's only purpose is to count and analyze traffic, the count tends to be accurate.

Counting customer traffic and determining salesperson and dealership presentation, demonstration, write and closing ratios are often the easiest and most cost-effective ways to discover opportunities for improved vehicle sales and gross. If every "up" counts in your dealership, then count your "ups".

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An *up* is defined as any potential customer who shows interest in the purchase or lease of a new or used vehicle now or sometime in the near future by walking onto the lot or into the showroom to gather information.

By this definition, many dealerships have more than enough customer walk-in traffic to meet or exceed their monthly new- and used-vehicle sales targets.

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