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Conversica is the perfect complement to any automotive sales process to increase consumer engagement and sales.

The average closing ratio for Internet form leads on franchised dealers' websites in the United States is estimated to be 12%. Dealers with proper staffing and strong CRM processes can close leads consistently at over 20%. With the same number of leads, two dealers can have dramatically different sales results based on process, technology, and their human resources.

Managers of automotive dealerships know that despite investing in sales training and perfecting CRM workflows, human nature will always impact final sales results. Internet sales agents will often abandon a new sales opportunity in the CRM after a few calls and emails. Persistence is a skill that is often lacking in dealership Internet sales teams.

It's human nature to choose to work a "fresh" lead in the CRM. In the auto industry, this behavior is called "cherry-picking," and it costs dealers thousands of dollars each month in lost auto sales and can result in lower market rankings.

Persistence is not the only challenge that dealers face if they want to increase lead closing ratios. Employee turnover is another factor that prevents dealers from maximizing the sales generated by their online marketing efforts.

It is not uncommon for dealers to have over 70% turnover in their Internet sales departments each year.

Our research has discovered another factor hindering sales conversion: a technical issue that we have not publicly discussed to a sufficient extent—email deliverability.

Our research into assisting dealers on how to increase sales by maximizing **all** their Internet sales leads led us to Conversica. Their software is the perfect compliment for any dealership's Internet sales process. So let's understand why this software works to increase consumer engagement and sales.

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Forward

In recent years, automotive dealers have installed and embraced Customer Relationship Management (CRM) software as a way to manage the hundreds of Internet leads, calls, chats, and text messages that they receive each month. Dealers rely on CRM platforms to engage consumers to start a two-way dialogue that will lead to a showroom visit and an eventual sale.

From the CRM, personalized communications, such as emails, phone calls, and texts are initiated at specific times and days based on the dealership's workflow or communication process. These communications can be manually triggered by the dealership staff or automated based on the CRM's programming. Employee training is critical to enable a dealership to create and execute a CRM-centric culture by which a consumer is handled promptly and professionally.

However, CRM is not the "silver bullet" to increase sales. High employee turnover, especially in Internet sales departments and/or Business Development Centers (BDC), has created a training burden on managers. Even the effectiveness of a professional training consultant is limited based on the number of employees who can actually be trained.

The only key dealership position whose annualized turnover exceeded that of the average private-sector rate was a sales consultant, which recorded a turnover rate of 72% - 2015 NADA Dealership Workforce Study



Even in dealerships that have great CRM training and lower than average turnover, there are still barriers to achieving the full potential of each sales opportunity that the CRM represents. Human nature will often lead a sales consultant to pursue the new customer record that arrived in their CRM, known as "cherry-picking."

In many dealerships, lead closing ratios are part of a pay plan. It is not uncommon for sales consultants to mark CRM records as "bad or unworkable" prior to maximizing the dealership lead process. By marking a lead "bad" after just a few unsuccessful phone calls and emails, their total leads assigned are lowered, their closing ratio increases, and they are financially rewarded.

Our research also uncovered a rarely discussed and certainly not understood barrier to maximizing CRM sales leads: email deliverability. What if the dealer's "difficult" sales leads are really waiting for a response from the dealer's sales consultant?

So how does an automotive dealer create a sales process that addresses high turnover, cherry-picking, improper lead dispositioning, and email deliverability? Without automation it is impossible. As you read this research report, you will learn how Conversica has addressed these realities in automotive retail sales operations to protect the revenue opportunities generated by a dealership's marketing investments.

Executive Summary

Dealers who are seeking to maximize sales opportunities that are registered in their CRM should know:

- Conversica increases bi-directional consumer engagement to increase sales activities in the dealership; it is not a solution to reduce your workforce or daily tasks.
- Conversica's virtual sales assistant works 24x7, 365 days a year and does exactly what you tell him/her to do each day, creating prompt, professional, and persistent communications to foster bi-directional engagement.
- Conversica effectively works leads with no phone numbers, giving sales teams more time to work on new opportunities with phone numbers.
- Conversica maximizes the dealers' ROI when they invest in third-party leads; their software does not pre-judge the lead source. This fact may also encourage dealers who stopped purchasing third party leads to re-test lead sources with Conversica as a partner.
- Conversica provides dealers with a unique feedback loop with their "**Leads at Risk**" report, which tells dealers if their current staffing and processes are answering consumer questions promptly.
- Conversica automated emails are viewed by consumers as a very helpful normal human assistant to your sales consultants. When consumers engage, a "hot lead" alert is sent to the sales consultant.
- The majority of dealers using Conversica indicated that the software had a much higher email delivery rate than their current CRM platform. Conversica's email templates are thoroughly tested and optimized for delivery and engagement.
- Dealers have documented a 200+% increase in open rates when they compare Conversica email communications to the dealer's own CRM platform.
- Conversica's "hot lead" messages give sales consultants immediate and actionable information based on a response from a consumer.
- Dealers who stated that they received initial "push back" from their sales consultants about installing Conversica stated that once their team saw the sales lift, everyone embraced the change.
- 95% of the dealers surveyed, who are using the product, said that they would recommend the software to their peers.



Conversica increases two-way communications with sales leads that the dealership has already purchased and increases sales 10+% without any additional marketing investments.

What Is Conversica?

Conversica is an artificial intelligence communication platform that increases bi-directional consumer engagement to convert more CRM leads into sales. The software also provides an accurate third-party validation of the dealership's sales process, rating each sales consultant's ability to satisfy consumer inquiries.

Additionally, Conversica gives managers clear feedback on the deliverability of their CRM emails and how satisfied consumers are with the CRM sales process: two current blind spots for dealers.



Conversica monitors email engagement with consumers in your CRM and sends its own personalized email communications at the right time to increase engagement. The emails are often short and to the point, but always polite, professional, and encouraging to the customer. When consumers engage with a Conversica email, a "hot lead" alert is sent.

The artificial intelligence built into the system will leverage time of day, day of week, and month to enhance email communication. For example, on a Friday afternoon, Conversica's sales assistant could ask a question to encourage engagement and also add a comment to the email like *"and I hope you enjoy your weekend!"*

Conversica delivers a proven series of email messages that are designed for high delivery, mobile reading, and to encourage engagement. Conversica will also read which sales consultant is assigned to the customer in the CRM. This allows Conversica's sales assistant to ask engagement questions like:

- *What is the best number to reach you on during the day?*
- *Did you receive the price quote that Matt Murray sent to you?*
- *Did Barbara Anderson answer all the questions that you had about the 2015 Toyota Camry?*
- *I know you are talking with Tom McBride, but is there anything else that I can get for you?*

Email Deliverability

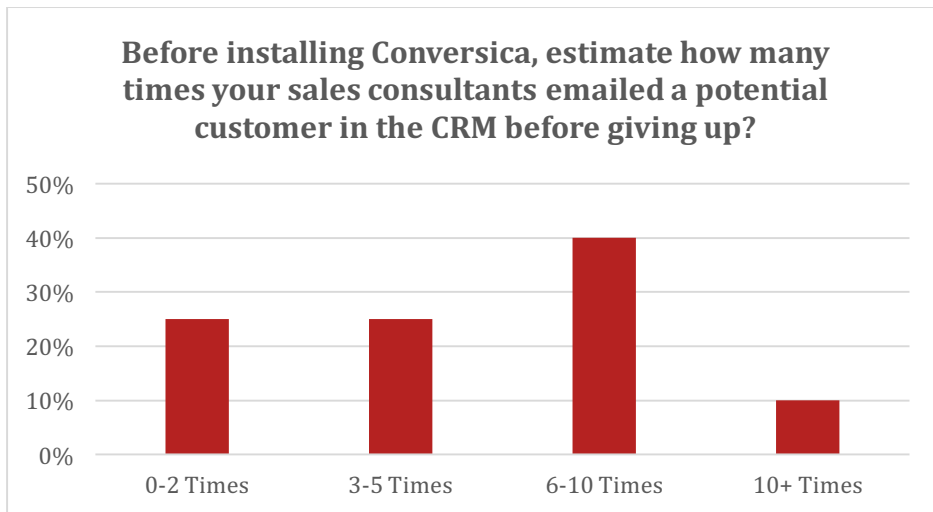
Joseph David, *Internet Director at Mercedes Benz of Plano*, shared that when he installed Conversica, his automated sales assistant named "Tiffany" was able to engage consumers when his sales team was not. In fact, he recalled an example where a sales consultant was sending out email quotes but the consumer never received them. The sales consultant thought that the consumer was not a serious buyer and gave up.

Tiffany saw that the deal was not closed, so she asked the customer if the sales consultant had sent her everything she needed. When the customer responded that she never received any of the 10+ emails that were sent, the opportunity was added to the **"Leads at Risk"** report.

The dealer was quickly able to identify a CRM email delivery problem. The consumer eventually purchased a vehicle which may not have been sold if it were not for a secondary communication channel.

Persistence Pays Off

We interviewed current Conversica customers and asked them if they could estimate how persistent their sales consultants were in actively pursuing a new CRM lead. As you can see from the chart below, only 10% of the dealers thought that their team would make more than 10 email attempts to initiate a two-way dialogue.



Joe Webb, CEO of DealerKnows Consulting, shared with PCG his company’s research which studied customer engagement behaviors of automotive sales consultants. These consultants knew their email and phone call tasks were being graded by DealerKnows. Dealerships regularly hire his company to coach and improve sales performance.

Surprisingly, in the first 8 days, sales consultants only made 2.1 calls to an inbound website lead and 62.48% were content with making just one phone call. (20,000+ lead sample)

Pre-judging Leads by Source

It is not uncommon in the auto industry for sales consultants to pre-judge a lead based on source. For example, a sales consultant might determine that leads purchased from *Lead Broker A* are inferior based on previous experience or hearsay. Whether this is true or not the dealer’s investment is not maximized and sales are lost.

Thankfully, Conversica’s artificial intelligence does not pre-judge a lead based on source. Their software does not give up on the consumer nor does it cherry-pick who to contact. For dealers who purchase leads from third-party websites and/or OEM lead programs, Conversica can measure the value of each lead source in a consistent, data-driven model.

Dealers Speak Up

In light of the challenges that we have identified in this report, dealers need a true partner to improve their sales processes. Dealers who understand these challenges have strong opinions regarding the value and ROI of Conversica. We have included some of these responses for your review.

Dealers want to have better engagement with consumers, and while CRM platforms are critical, it doesn't mean that communications are well designed and/or being read by consumers.

"It doesn't matter how good your process is, because in my opinion, before Conversica, our Internet department was pretty flawless. It wasn't until after implementing Conversica that I realized how many leads were not being answered. Our "Tiffany" follows up, when a customer wants to hear from them, not more not less. Our sales team follows up based on process. It's programmatic communication vs. appropriate communication." – **Joseph Davis, Internet Director at Mercedes Benz of Plano**

Dealers with strong Internet sales process and a stable management team, like Vinart Dealerships in Pennsylvania, concede that Conversica gives them a strategic advantage:

"We have a strong internet sales process, but we have never been able to be 100% sure that our people are following up properly and that our communications are being received by the intended party. Now we get independent feedback and validation and we get it in a timely, actionable fashion. It helps to ensure that we are properly servicing in-market shoppers before we lose an opportunity." **Andrew Wright, Vice President, Vinart Dealerships**

Sales Managers do not have the time to micromanage their Internet sales teams, yet they are required to inspect their sales processes.

I love the Internet because you can tell when, where, what time a person inquired. I got frustrated with a sales manager whom I gave all our Internet leads. When conversion rates stayed below industry averages he would say, "I sent him a message...I sent him a message". The average sales person would say that person wasn't interested. Conversica will stay on that customer for a longer period of time to make the sale; the software doesn't give up. - **Keith McKinzie – Dealer Principal, Sonju Motors**

How seamless can Conversica be when properly installed? We asked that question to a current customer, who named his Conversica sales assistant Jenny, and we smiled when he replied:

"You know Conversica works when competitors are calling to steal Jenny from your store. We told my receptionist at the time, if someone calls asking for Jenny, to give it to another female manager. It's a confirmation that the process is working when the competitor's mystery shopper saw Jenny's persistence and tried to hire her."



Common Engagement Questions

The beauty of Conversica's automated assistant, which dealers often give a title of Sales Assistant, is that he/she will ask basic questions that keeps the conversation flowing and the sales process alive.

Visualize the sales assistant standing behind each sales consultant and watching the email exchange, or lack of two-way communication, with a consumer. At the right time, the assistant will ask a question to engage the consumer and also to demonstrate that Conversica's emails will get through the consumer's email filters.



The questions are scientifically designed to be the right question at the right time. Between asking questions, Conversica gives the sales consultant time to work the opportunity and move it closer to a showroom visit or sale.

When consumers respond, their response will often provide valuable feedback to dealers about their Internet sales processes. It's not uncommon for Conversica to uncover process and technology issues.

Let's take a look at some of the most common questions that Conversica can ask consumers to engage in and elicit a response. These questions are part of a short email communication, so let's understand why the questions are being posed.

Is this a good email address for us to send information to you? – This basic question is asked at the beginning of the sales process to establish a permission-based conversation. Since second-party and third-party leads mask the nature of the offer that was presented to the consumer, this question starts the dialogue without any pressure.

What is the best phone number we can call to reach you today? – Leads in the CRM can be missing a phone number. They can also include a phone number that is unreachable. When sales consultants see a lead in the CRM without a phone number, they can get discouraged. Conversica professionally pursues the consumer to provide a phone number for follow-up questions. Since Conversica's email delivery rates are superior because of their white-listed email server, it may surprise dealers just how effective Conversica can be in enhancing incomplete leads.

Did you get all the information you needed? – The answer to this question will trigger a customer record to be on the Leads at Risk report. If the customer indicates that they did not receive all the information they requested, the customer is placed on the Leads at Risk report—which managers should be monitoring every day. Some dealers will keep the Leads at Risk report up on a monitor in the sales office or BDC.

Product Improvements Enhance Appropriate Messages

When Conversica was first sold to dealers in 2011, the software was not tightly integrated into the most popular automotive CRM platforms. Conversica's communication strategy was solely based on how consumers responded to its own email messages.

The initial release of the software caused some Internet sales managers to be frustrated because Conversica could engage a customer soon after a change in CRM status was made; a result of a phone call or email. Some sales consultants expressed concern that Conversica was asking questions that gave the customer the impression that the dealership's sales assistant was not in-sync with the sales consultant.

That feedback was well received and product improvements were prioritized based upon dealer feedback. Today, Conversica is integrated with many of the most popular CRM platforms to allow the software to read the statuses of each customer record.

New CRM integrations allow Conversica to intelligently determine the proper follow up for each sales opportunity removing communications that would be redundant.

For example, in DealerSocket CRM, a sales consultant can indicate that two-way communication has occurred by changing the record status to "Up/Contacted." By reading this status, Conversica will stop asking a consumer to confirm their phone number since they are already speaking with a sales consultant.

For ELEAD1ONE CRM, the status settings that would trigger a follow-up communication path would be Active, Engaged, Hot, or Working. When Conversica reads these status settings it will change its questions to ensure that the consumer received everything they needed to move toward a purchase decision.

In addition, Conversica has developed new dynamic messaging. If a consumer asks about store hours or directions the automated sales assistant can answer those questions without human involvement.

Conversica can read customer record status settings for these CRM platforms:

- DealerSocket
- DealerPeak
- Dealertrack/Dealer.com
- AVV
- Reynolds
- Contact Management
- SalesPoint
- VinSolutions
- ELEAD1ONE
- Momentum

Dealers who had tested Conversica back when the product was called AVA or who wanted tighter integration with their CRM record status settings should revisit the software and request a demonstration. Conversica also offers new customers the ability to retroactively process the last six months of unsold CRM leads to reactivate any consumers who are still in the market. These reactivation campaigns give dealers a great boost in sales.

The Power of the “Leads at Risk” Report

Automotive dealers receive hundreds of new sales leads in their CRM systems every month. Despite great tools and reports that are available within the CRM, there are still some weaknesses in a dealer’s current sales processes.

If consumers are not getting prompt answers to their questions, the sale is at risk regardless of the reason. Dealers can inspect their CRM workflows and overdue tasks assigned to sales consultants to make sure that every lead is properly handled.



*But it is not easy for a Sales Manager to see if the consumer is **completely satisfied** with the interactions that they have had with the dealership.*

This is an area where Conversica shines. Conversica gives dealers insights into the customer’s sales experience that they may not be able to obtain otherwise. Since Conversica has its own email server and their emails are designed to have a high delivery rate, valuable feedback can be obtained about the dealer’s sales process.

When Conversica sees bi-directional engagement with a sales consultant and a consumer in the CRM, the software will send an email to the consumer and ask: *“Did you receive everything you requested?”*

In 20-35% of the cases the consumer’s response answer is NO!

Conversica reports these exceptions in their **Leads at Risk** report. Dealers can inspect this report daily to escalate a speedy resolution to the requests of their potential customers. Conversica saves numerous sales every month, providing a strong ROI for dealers using their platform.

Why Are So Many Leads at Risk?

What causes leads to be at risk? There are three common problems at automotive dealers in the United States:

- **Staffing Levels** – In many dealerships, sales consultants are assigned too many CRM records to manage. When sales consultants are assigned too many leads, they are unable to follow an optimal customer communication lifecycle. Depending on the CRM, these overdue tasks can be sloppily marked as completed, hiding real problems and impacting sales.
- **Sales Structure** – Dealers with open sales floors incentivize sales consultants to stand “on the point” and wait for a new customer to arrive on the lot or showroom. This model creates a conflict with sales consultants who are torn between completing CRM tasks and missing out on a new customer. In this model, it is easy for a sales consultant to minimize CRM opportunities in favor of a showroom visit.

- **Email Delivery** – There are hundreds of stories from dealers using Conversica where a consumer tells the dealership that they never received a response to their inquiry, yet the CRM shows that an email was sent. Spam filters, temporarily blacklisted email servers, and other technical glitches can often be a cause, but it is hard to tell the absolute truth.

As you review the **Leads at Risk** report below, imagine for a minute that you are the General Sales Manager at this dealership. Is your blood pressure starting to rise? Are you getting ready to call some people into your office? Take a moment to stop and think about what could be happening.

There could be sales consultants that are not completing their tasks, reading their emails, or calling back customers as promised. But what if you look in the CRM and see that quotes were emailed? Could it be that your email templates are triggering spam filters? Or could it be that your CRM platform is being hurt by your internal email blasts that just put your domain on a black list? Before you react, you will need to investigate each lead that is marked as “at risk.”

The beauty and power of Conversica is that you would never get this feedback loop if you are having email delivery problems. Conversica identifies problems that dealers didn't know they had.

Hot Lead Alerts

When a consumer responds to an email sent through Conversica’s sales assistant, the system can be configured to send alerts to the sales consultant and his/her manager. The software will also create an entry in the dealership’s CRM, which may also have its own notification system.

In the example on the right, a consumer with a first name of Srini responded to Conversica’s inquiry “Did you get all the information you requested?” Srini responds, *“Hi Molly, I don’t think I received any information, please send me the details. Thx”*

The sales consultant who receives this alert can respond promptly to Srini who has just emailed the dealership that he did not receive their emails.

This is a perfect example of how Conversica can identify blind spots in CRM processes that may give a consumer the impression that the store does not care about his/her inquiry. Email delivery is a common problem that dealers face that is often undetected resulting in lost sales opportunities.

Benefits of Hot Lead Alerts

Conversica’s Hot Lead reports have a number of benefits including:

- Sales consultants, who are often juggling many tasks during the day, are instantly notified when a consumer takes action, enabling them to stop and engage while the consumer is in front of a computing device.
- Sales consultants know that if they do not respond and engage this consumer, Conversica will pick up the ball and engage the consumer again. If the consumer says that the sales consultant did not contact them, the matter will likely be handled by a sales manager.
- Sales Managers get instant daily feedback on how their sales process is working. In fact, you could say that Conversica gives managers a Sales Process CSI Score to better manage the customer experience before they arrive in the showroom or lose the sales opportunity.

Response Information	
Objective:	Verify Lead Was Contacted
Message:	Asks if the lead was contacted.
Response:	Hi Molly I don't think I received any information please send me the details. Thx

Hot Alert Examples

We have included a few engagement responses from actual consumers who are corresponding with Conversica.

In the first example, Conversica engages with the consumer to obtain a different phone number. The prospect suggests that the sales consultant speak with her husband. This additional information further enhances the sales consultant’s strategies.

In the second example, Conversica is able to engage the consumer to see if they have received everything they requested. The consumer tells Molly, the Conversica automated assistant, that she is expecting a specific lease payment proposal and not just the current lease specials.

Conversica provides a great reminder to the sales consultant that the consumer is still an active prospect and needs more information.

The Sales Manager has the opportunity to see if the specific lease quote was sent, according to the CRM. If the CRM indicates it was sent, the manager can then look to email deliverability issues with the lease pricing template.

In the third example, Conversica is able to communicate with a consumer who has changed their phone number.

In this case, Conversica’s persistence creates two-way engagement with the consumer. The engagement results in the consumer expressing interest about a specific vehicle.

Some readers may think that the simple questions posed by Conversica do not move the consumer sales experience closer to a sale. However, there are thousands of examples each day where Conversica actually keeps the conversation moving toward a sale.

Response Information	
Objective:	Verify Phone
Message:	Asks for the best phone number or if the one we have is the best.
Response:	Actually my husband is available during the day. He can be reached at 484-560-7761. Thanks

Response Information	
Objective:	Verify Lead Was Contacted
Message:	Asks if the lead was contacted.
Response:	Hi thanks for checking back. The only info I received was your lease specials. I was looking for a monthly lease payment on that specific vehical. If you could help me out with that it would be great. Thanks Jeff [Redacted]

Response Information	
Objective:	Verify Phone
Message:	Asks for the best phone number or if the one we have is the best.
Response:	We don't have that number anymore. We may just stop in later to take a peek at what you have. Any chance you can give me specs/prices of what you have in terms of MDX availability? Thanks Michele [Redacted]

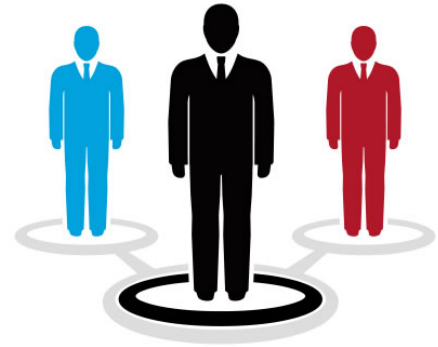
Best Practice – Creating a Seamless Team

In our survey, one of the most important questions is: *Does Conversica work out of the box?* Dealers responded, “Not exactly, but the customization was not difficult.”

Dealers we interviewed suggested a common best practice: Include the name of your Conversica sales assistant in all your sales consultant email templates.

“We had to work on referencing “Crystal” in our existing sales templates; the name we chose for Conversica’s sales assistant. That was the big disconnect at first because when engagement does not happen, Conversica creates a report called “Leads at Risk” to alert managers.

Once we figured that we needed to include Crystal as part of our sales team, our “Leads at Risk” category dropped significantly. In effect, our sales consultant emails told customers that they would be getting back to them with information but to also expect emails from Crystal, their assistant.” **Bill Goulette, Corporate BDC Director at Boch Automotive:**



By telling customers what to expect, consumers are prepared for communication from both the sales consultant and the assistant. Conversica can engage consumers when a sales consultant is busy, on vacation, or simply does not follow their CRM sales process. The results are clear. When two people are focused on serving one consumer, greater engagement occurs. The emails from Conversica are not confusing to consumers. In fact, they create a perception of more focused customer service.

Here is an example a Conversica dealer shared with us:

My name is Arthur, and I am one of the Team Leaders here at Boch NTY in Norwood. I just received a notification from my assistant Crystal, stating that you were in need of some additional information. Our records show that we did respond to your inquiry but our emails often get caught up in spam, junk or promotions folders in your email account.

As such, I wanted to reach out as a manager to answer any lingering questions you might have. Our goal here is to provide you with the best customer service experience possible. Also would you....

Today, when a sales consultant cherry-picks leads, some in-market shoppers may be ignored. By setting up Conversica to be part of the sales team, consumers receive a steady flow of communication until they are ready to engage.

Embracing Change

We wanted to understand how sales consultants reacted to their manager's decision to add Conversica to their sales process. The reactions varied, but 30% of the dealers we spoke with remarked that their sales teams felt a little threatened. Some sales consultants thought that the software would eliminate jobs, but, in fact, sales tasks actually increase!

The majority of dealers said that when the software was introduced to their sales team properly, they embraced the added help with engaging sales opportunities. In fact, sales consultants know first hand how time consuming it can be to pursue leads that do not respond in the first 72 hours. Conversica gives sales consultants a comfort level that with their current workload, CRM technology, or their divided interests on the sales floor, that they have a workhorse helping them to close more sales.

"I enjoy the relative certainty of getting customers engaged in dialogue and having the ability to be notified immediately so we can act if the salesperson is not available." Rich Haddad, Sales Manager - Lehigh Valley Honda

Common Objections

As we interviewed both current and past customers of Conversica, it seems that if the software is not properly explained to sales consultants, they feel that the added email communication will confuse consumers. From our inspection of email transcripts, this is far from the truth. Pushback occurs when sales consultants feel threatened or micro-managed. Conversica is actually a benefit to them.

Unfortunately, the dealership loses when sales teams fight back. Not only do they lose sales, but also they continue poor communications techniques which damage the reputation of the dealership. With the power of the Internet and online reviews, dealers cannot afford to be blindsided by a poor sales process, email delivery, or email templates that are not deliverable.

One manager commented that their dealership would rather hire more people in the BDC than use Conversica. The manager does not understand the benefit of the process. Conversica actually increases the opportunities for sales consultants to engage with consumers.

If a sales manager does not want to acknowledge the limitations of dealership sales processes and technology that we have already covered, no amount of additional human resources will solve the problem. The cost of head count may not be tightly scrutinized during a strong economy, but as soon as the SAAR starts to drop, human resources are the first to be cut. Conversica provides dealers with an efficient sales assistant that should never be cut from the dealership's staffing budget.

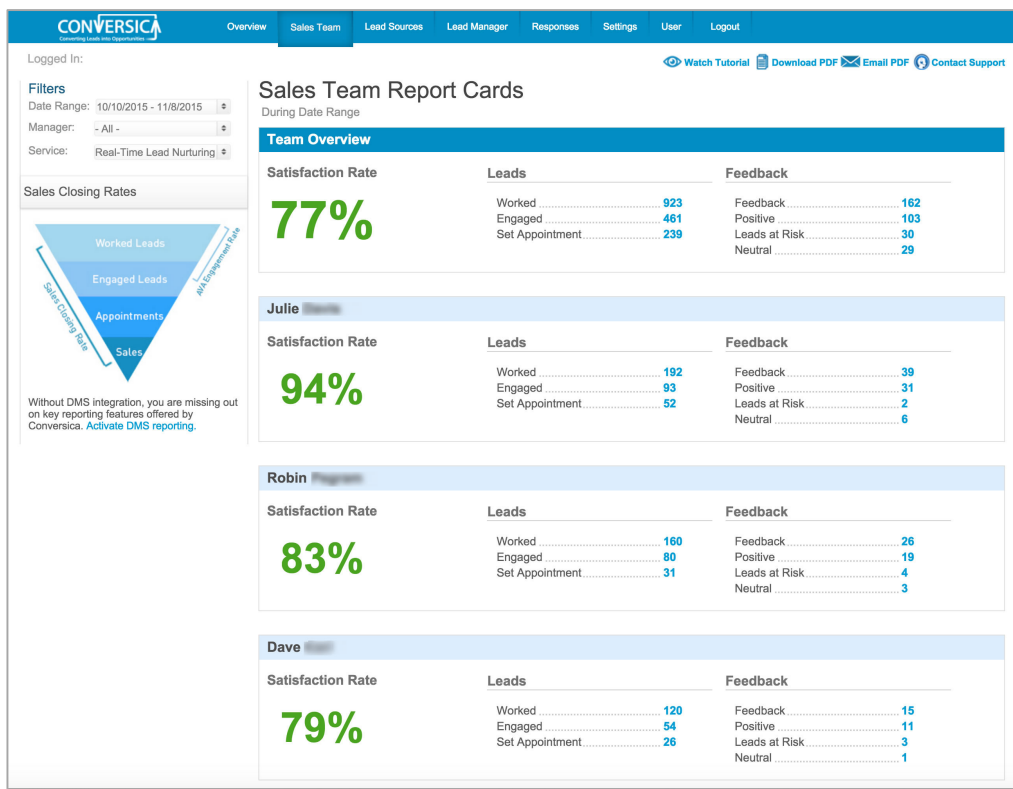
Platform Reporting

GAUGING CUSTOMER SATISFACTION

Conversica’s reports summarize the responses from each consumer to gauge their satisfaction and then grade the sales consultants accordingly. This provides ongoing, real-time feedback to the sales manager about how shoppers feel about their dealership's sales process and sales people, information that just can't be had any other way.



Do sales managers really need another report? If the report contains data that they are not getting elsewhere, the answer is YES. The report shown below is a ranking based on what customers are saying about their sales processes. If a sales consultant’s emails and calls are not being connected with in-market shoppers, the General Sales Manager needs to know that information.



Keep in mind that without an independent third party — one that has a very clean email server — you cannot get an accurate Internet Sales Process CSI score. Conversica gives sales managers a non-biased view on what is being SEEN by consumers, and not what is being SENT by the CRM.

CONVERSICA
Converting Leads into Opportunities

Logged In:

Filter

Date Range: 10/17/2015 - 11/15/2015 ▾

Manager: - All - ▾

Observations

21% of customers giving feedback indicated they were not contacted, or did not get information they requested.

[View Leads at Risk](#)

176 of your incoming leads during this timeframe were duplicates and could not be messaged.

[View Duplicate Leads](#)

66 of your leads during this timeframe were undeliverable and could not be messaged.

[View Undeliverable Leads](#)

994 of your incoming leads during this timeframe were excluded from messaging at the direction of your staff.

[View Excluded Leads](#)

For every **5.4** messages sent by Conversica, a customer response was received.

40 new phone numbers have been collected from your leads.

INSPECTING WORKFLOWS

Conversica provides managers with a series of well designed dashboards to summarize the key performance indicators (KPIs) of the engagement platform.

The summary observations widget appears on the main summary dashboard and shows managers how their sales process and lead sources are performing.

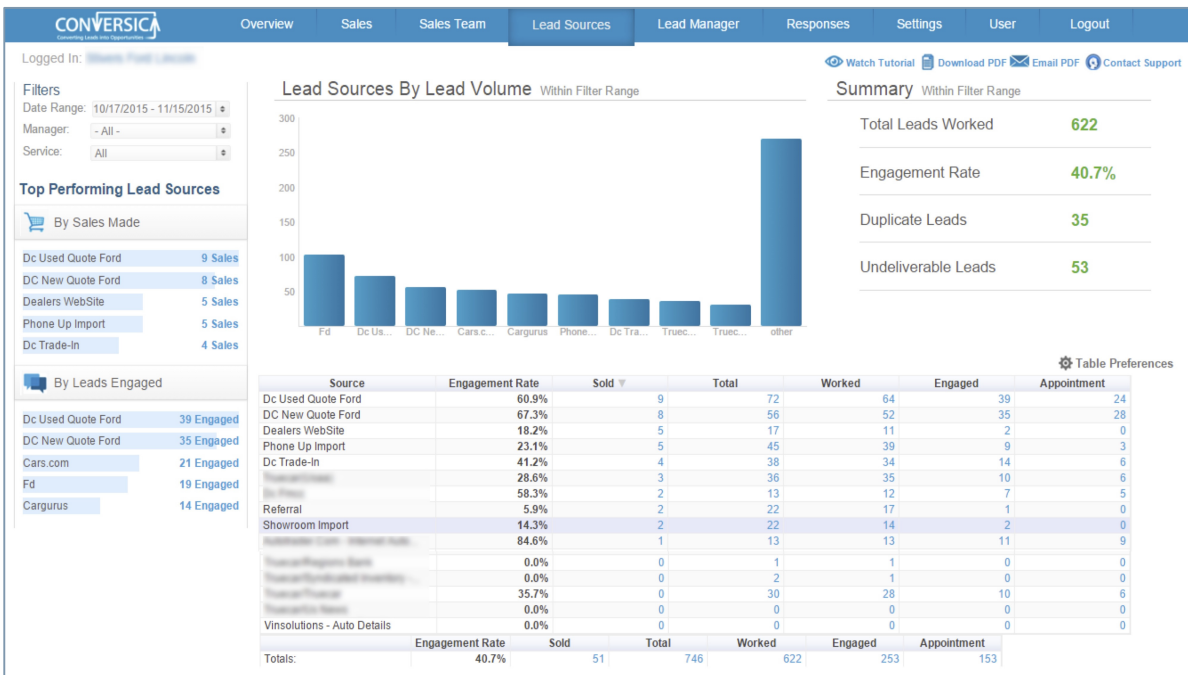
1. Sales managers want to minimize the number of **Leads at Risk**, which for this dealer is at 21%. This statistic reports that those customers for whom two-way communication has been established, 21% have not received everything that they requested.
2. Dealers who are not tracking **Duplicate Leads** will appreciate the duplicate leads dashboard. Since third-party lead providers give dealers credit for duplicates, this is a valuable report that can be used for account credits.
3. The **Undeliverable Leads** report is critical for a sales manager to review. In some cases, undeliverable emails are caused by sloppy data entry into the CRM when the consumer is in the showroom or on the phone. By reviewing the source of undeliverable emails, managers can reduce errors due to employee processes.
4. Managers will also want to view the **Excluded Leads** report to make sure that the engagement is not stopped due to poor email collection processes.

Dealers know that Conversica is working at their dealership by the last two metrics. Conversica is pleasantly persistent and consumers engage with the software to provide valuable feedback and even new phone numbers.

INSPECTING LEAD ENGAGEMENT

Managers who are testing different third-party lead providers or inspecting their online advertising channels can inspect the engagement rate by lead source using this dashboard. The lead sources can be sorted by any of the metrics in the dashboard.

This dashboard is a great reminder to dealers that they should clean up the lead sources that are in their CRM. By properly marking all leads by source, dealers can inspect the lead engagement rates more accurately.



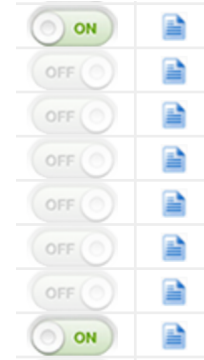
The report should not be used to compare the number of leads by source, but rather to measure the quality of those leads. Since Conversica does not “cherry-pick” leads to engage based on source, dealers can get a good idea about email quality and interest.

It should come as no surprise that leads generated by the dealer’s own website have a high engagement rate. If engagement rates are low, dealers can escalate the matter to their lead providers to increase email quality.

INSPECTING EMAIL CAPTURE RATES

Managing an active Internet sales process requires attention to detail and constant inspection. Conversica’s Lead Manager report gives dealers a chronological inspection of how each lead is being handled.

In the report below, the many of the leads have their messaging settings turned off. In our research, the number one cause of the messaging option being turned off was that the CRM record did not have an email address. The second most common reason was that the collected email address was undeliverable. The records marked as “Conversica Stopped” represent Conversica’s successful two-way engagement strategy that no longer requires further automated communication with the consumer.



Once again, Conversica’s dashboards give Sales Managers a quick and easy way to inspect email collection processes at the dealership. We are well aware that it is not easy to capture all email addresses when a CRM record is first created. However, a report like the one shown below can give managers a checklist for their BDC to call and update the CRM before sales momentum and opportunity is lost.

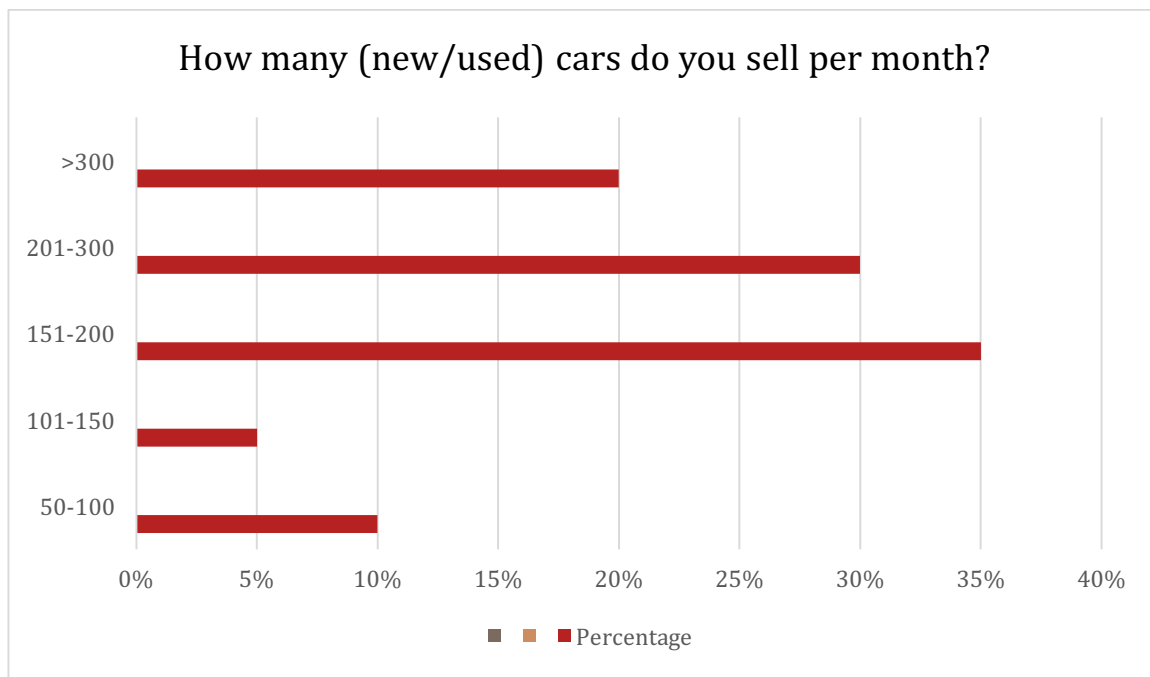
CONVERSICA									
Overview Sales Team Lead Sources Lead Manager Responses Settings User Logout									
Logged In: [User Name]									
Quick Search									
1,496 Results. [Navigation]									
ID	Date in	Name	Source	Status	Sales Rep	Messaging	Notes		
20152892	Sun 11/01, 2015 11:40 PM	Edmunds	Edmunds	Engaging	[Sales Rep]	ON			
20152424	Sun 11/01, 2015 11:04 PM	Cargurus	Cargurus	Complete	[Sales Rep]	OFF			
20151578	Sun 11/01, 2015 9:34 PM	Cargurus	Cargurus	Sent Follow-Up	[Sales Rep]	ON			
20151375	Sun 11/01, 2015 9:14 PM	CreditMiner	CreditMiner	Excluded	[Sales Rep]	OFF			
20151298	Sun 11/01, 2015 9:08 PM	GUBAGOO, INC .	GUBAGOO, INC .	Conversica Stopped	[Sales Rep]	OFF			
20150752	Sun 11/01, 2015 8:18 PM	GUBAGOO, INC .	GUBAGOO, INC .	Excluded	[Sales Rep]	OFF			
20150370	Sun 11/01, 2015 7:46 PM	Showroom Logic	Showroom Logic	Conversica Stopped	[Sales Rep]	OFF			
20150295	Sun 11/01, 2015 7:38 PM	DealerFire	DealerFire	Complete	[Sales Rep]	OFF			
20150057	Sun 11/01, 2015 7:16 PM	Cargurus	Cargurus	Excluded	[Sales Rep]	OFF			
20149957	Sun 11/01, 2015 7:08 PM	ThirdParty	ThirdParty	Sent Follow-Up	[Sales Rep]	ON			
20149641	Sun 11/01, 2015 6:42 PM	HyundaiUSA	HyundaiUSA	Duplicate	[Sales Rep]	OFF			
20149639	Sun 11/01, 2015 6:42 PM	HyundaiUSA	HyundaiUSA	Conversica Stopped	[Sales Rep]	OFF			
20135428	Sun 11/01, 2015 6:30 PM	*Repeat Customer (7)	*Repeat Customer (7)	Conversica Stopped	[Sales Rep]	OFF			
20135277	Sun 11/01, 2015 6:16 PM	*Repeat Customer (7)	*Repeat Customer (7)	Engaging	[Sales Rep]	ON			
20134980	Sun 11/01, 2015 5:50 PM	Excluded	Excluded	Excluded	[Sales Rep]	OFF			
20134773	Sun 11/01, 2015 5:34 PM	<-- Select One -->	<-- Select One -->	Excluded	[Sales Rep]	OFF			
20134704	Sun 11/01, 2015 5:28 PM	*Convenience (8)	*Convenience (8)	Excluded	[Sales Rep]	OFF		Messaging Status This lead was excluded, Reason: Invalid Email	
20134702	Sun 11/01, 2015 5:28 PM	*Repeat Customer (7)	*Repeat Customer (7)	Conversica Stopped	[Sales Rep]	OFF			
20148814	Sun 11/01, 2015 5:26 PM	Showroom Logic	Showroom Logic	Complete	[Sales Rep]	OFF			
20134438	Sun 11/01, 2015 5:08 PM	*Reputation (6)	*Reputation (6)	Excluded	[Sales Rep]	OFF			
20134437	Sun 11/01, 2015 5:08 PM	*Referral (4)	*Referral (4)	Excluded	[Sales Rep]	OFF			
20134342	Sun 11/01, 2015 5:00 PM	*Reputation (6)	*Reputation (6)	Engaging	[Sales Rep]	ON			
20148519	Sun 11/01, 2015 4:58 PM	GUBAGOO, INC .	GUBAGOO, INC .	Request Contact	[Sales Rep]	ON			
20134153	Sun 11/01, 2015 4:46 PM	Edmunds	Edmunds	Engaging	[Sales Rep]	ON			
20134040	Sun 11/01, 2015 4:40 PM	<-- Select One -->	<-- Select One -->	Conversica Stopped	[Sales Rep]	OFF			
20148270	Sun 11/01, 2015 4:36 PM	cars.com	cars.com	Sent Follow-Up	[Sales Rep]	ON			
20148164	Sun 11/01, 2015 4:30 PM	Edmunds	Edmunds	Engaging	[Sales Rep]	ON			
20148163	Sun 11/01, 2015 4:30 PM	Edmunds	Edmunds	Complete	[Sales Rep]	OFF			
20147996	Sun 11/01, 2015 4:16 PM	DealerFire	DealerFire	Conversica Stopped	[Sales Rep]	OFF			
20133616	Sun 11/01, 2015 4:10 PM	*Repeat Customer (7)	*Repeat Customer (7)	CRM Stopped	[Sales Rep]	OFF			

Feeling The Impact

We asked dealers in our survey if Conversica was doing a better job increasing engagement with new CRM sales leads. We asked this question to validate Conversica’s claim that their email servers are very clean. We were pleased to hear that none of the dealers said that Conversica delivered emails less efficiently than their current CRM.

55% of dealers indicated that they were able to see a much higher delivery and engagement rate when they installed Conversica

The dealerships responding to our survey also varied in size of units sold, as you can see from the chart below. The software adds value to dealerships with under 100 car sales a month as well as larger dealerships with over 300 sales a month. This, of course, did not surprise our researchers because the problems we outlined with human nature, turnover, and training challenges exist in any size dealership.



The most impressive indicator of Conversica’s value to dealers is the response to the question: “Would you recommend the software to your peers in the auto industry?”

95% of the dealers surveyed, who are using the product, said that they would recommend the software to their peers.

Implementation Checklist

When implementing Conversica, dealers recommended the following actions:

- Inspect current CRM data to establish a benchmark for lead to contact ratios. This is the percentage of leads with whom your sales team has established bi-directional communications.
- With Managers, explain how Conversica will increase two-way engagement and how the **Leads at Risk** report can be used in their daily management process. Clarify that Conversica will give managers insights from consumers that they do not have today, which will increase conversion of sales opportunities.
- With sales consultants, explain how Conversica will increase two-way engagement by complementing their current CRM communications. Give examples of how the automated sales assistant will obtain phone numbers and feedback that would otherwise be missing.
- Name your Conversica automated sales assistant. His/her title should imply a support role in the sales team and not a manager.
- Update all CRM email templates to refer to him/her so that the consumer will be expecting occasional contact from your newly minted sales assistant.
- Set up hot lead alerts to Sales Managers and sales consultants to be able to respond to sales opportunities in real-time. Create a team approach to creating a world-class consumer experience to win customers for life!
- Review the sales ranking reports with sales consultants to give them actionable feedback on how to better organize their day to lower their **Leads at Risk** scores.
- Learn from the feedback consumers provide through Conversica to adjust sales processes and CRM workflows to create a great experience for consumers who shop and engage online before visiting the dealership showroom.
- If consumers continue to comment that emails are not being delivered, a full review of the current CRM templates must be conducted to eliminate words that may be triggering spam filters.
- In some cases, dealers may have to change how they send out their monthly newsletters and email campaigns so as not to damage the deliverability of their CRM emails that come from the same primary domain.

"Since implementing Conversica, the number of leads handled by a single appointment setter has increased from 150 to 225 per month – a 50 percent increase – and our Internet sales organization is confident that the sales team is engaging with highly qualified leads with intent every time." – Neil Gandhi, Director of Digital Marketing, The Faulkner Organization, a 20-franchise auto dealership

What's Next: Fixed Operations

As we've discussed, Conversica has a strong history of applying artificial intelligence to improve the effectiveness and efficiency of a dealer's sales processes. In 2016, they are bringing that same level of sophistication to assist customer engagement in Fixed Operations.

The upcoming version of Conversica's automated assistant will help to enhance customer engagement in Fixed Operations. The new automated **service assistant** works tirelessly to keep customers engaged with the dealership throughout the customer's ownership cycle.

Their automated service assistant will effectively handle customer communication and engagement. Here are some examples:

- Engaging leads in real time as they come in through dealership's website forms
- Assisting new car buyers in scheduling their first service appointment
- Engaging car buyers who have never scheduled a service appointment
- Re-engaging lapsed service customers
- Querying customers regarding declined services that were recommended
- Polling customers who did not complete a service survey to gauge satisfaction

Conversica has revolutionized the automotive sales process by applying artificial intelligence. In 2016, the company is well positioned to repeat their success for Fixed Operations Managers. Dealers who are interested in being included in the product launch are invited to contact Conversica's sales team.

Conversica will be showcasing their software in February at the CBT Automotive Conference & Expo in Atlanta starting February 9, 2016. The company will also participate at the annual NADA Convention & Exposition. This year the conference will be held in Las Vegas starting March 31, 2016.

"Shoppers who service their vehicles at your dealership are at least 2x more likely to purchase/lease again from your dealership."
Google Presentation at Insight15 Customer Loyalty & Retention Conference, March 2015



Executive Team

Alex Terry, CEO - Alex is an accomplished general manager and leader with over 20 years of management experience in high-growth SaaS companies. Previously, Alex was CEO at Become, Inc. an award-winning shopping analytics platform providing performance-based marketing services to thousands of merchants in North America, Europe and Asia. Prior to that, Alex was EVP and General Manager of the Zoomerang.com online survey business where he introduced new lines of business, re-energized growth and managed the business through its acquisition by Survey Monkey, Inc.



Alex was also President and CEO of NeoEdge Networks and spent five years at Time Warner/AOL in senior executive roles. A technology and business model innovator, Mr. Terry holds multiple patents for his work in Internet services, integrated communications, and interactive billing systems. He earned his MBA from Harvard Business School and his undergraduate degree from Dartmouth College.



David Marod, Vice President of Sales, Auto - Prior to joining Conversica, David was vice president of sales for Better Car People, an organization formed by auto veterans to offer business development center solutions. An auto industry veteran and Internet pioneer, David has also been national sales director for Vin Solutions, a company that provides a complete car dealership software suite, and a regional sales manager at eBay. He started his career as director of CRM for Reynolds and Reynolds. David attended Michigan State University.

Sheryl Hawk, Vice President of Customer Success - Sheryl joined Conversica from Become Inc., a cloud-based performance marketing solution targeting the retail industry, where she served as general manager, North America. Previously she held senior executive sales positions at Eyeona, a retail Software-as-a-Service (SaaS) platform for promoting client engagement, and NexTag. Prior to NexTag, she co-founded Kurant, an e-business solutions provider acquired by eBay. Sheryl has also worked for Bertelsmann, Bristol Meyers, Johnson & Johnson, and CCN. Sheryl holds a Bachelor of Science degree in business administration and marketing from California State University.



Will Webb-Purkis, Senior Vice President, Product Management - Will served as vice president and international general manager at NexTag before joining Conversica. During his time at NexTag, he was responsible for launching several new business categories in the U.S. and growing NexTag's business worldwide. Previously, Will worked in the Internet sector and as a consultant for more than 10 years, where he held senior positions in product management, account management and business development. He graduated from Stanford University with an M.B.A. and the University of Oxford with a B.A. in engineering, economics and management.

Company Profile

Conversica's software and technology is widely used in the automotive industry. The company is a Certified Partner in the FCA Digital Advertising program. This allows FCA franchise dealers to apply PAP funds to cover the cost of the software. Details on the program can be found here: <https://chrysler.conversica.com/>

A number of other OEMs are in active testing of the Conversica solution and the company expects additional endorsements in the coming months. The company strongly believes in performance based sales so their contracts with dealers are **month-to-month with no long term contract required**.

Conversica is also used to increase two-way engagement with consumers outside of the automotive vertical. A number of industries use their software solutions because of their integration with Salesforce CRM and compatibility with most CRM platforms in use worldwide.

All business sectors see the value of Conversica's custom online persona who automatically contacts, engages, nurtures, qualifies and follows up with leads via natural, two-way email conversations until the lead converts into an opportunity or opts out.

The virtual sales assistant interprets the lead's intention and sentiment in email replies and extracts key information, such as phone numbers and the best time to call. As a result, our customers find their next customers more quickly and efficiently, while ensuring no lead is left behind.

Used by more than 11,000 sales representatives worldwide, Conversica maximizes sales opportunities by optimizing sales team productivity and has helped create more than US\$8 billion in sales revenue.

Founded in 2007, Conversica is a portfolio company of Kennet Partners and Toba Capital and is headquartered in Foster City, California.

About PCG Research



Brian Pasch, founder of PCG Companies, formed PCG Research to provide comprehensive product research for the automotive community. Brian has been actively involved with automotive franchise dealers since 2005.

Prior to working in the automotive industry, Brian ran a large Information Technology team in the direct response industry. He oversaw the creation of an industry-leading data warehouse for a consumer telemarketing and direct mail data. Prior to that role, Brian worked as a Senior Telecom Analyst at Goldman Sachs in New York City.

Brian has authored three best selling books for the automotive industry: “Mastering Automotive Digital Marketing,” “Selling Cars in a Digital Age,” and “Unfair Advantage.” His books are available in the Apple iBook store as well as Amazon.com. His books are also being used at **Northwood University** to educate the next generation of automotive professionals⁹.

Brian is now pioneering a new style of online education for the automotive industry. Details on his strategy can be found by visiting www.pcgtraining.com.

Brian is an active conference speaker, 20 Group presenter, and coach to both dealers and members of the vendor community. He has presented workshops at NADA, Digital Dealer, DrivingSales Executive Summit, Kain Automotive Workshops, Automotive Boot Camp, AutoCon, VinWorx, and the Digital Marketing Strategies Conference.

Brian has led PCG’s expansion into international markets where his training curriculum is being utilized by dealer groups and manufacturers as part of a change management process.

PCG is also the driving force behind the automotive industry’s most respected annual awards for marketing technology, the AWA Awards. Each year Brian and the PCG team conduct in-depth product reviews to assist dealers to choose the best technology for their business operations.

PCG has an online Learning Center for automotive professionals to master skills associated with digital marketing, sales process, and Google Analytics.

For information regarding this report or to inquire about contracting with PCG Research to create a research report, please contact:

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