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## **PRESS RELEASE – HOW GOOD ARE YOUR STAFF AT HANDLING WOULD-BE CUSTOMERS?**

### **TYRE TRADE NEWS – MARCH, 2009**

The mantra “A happy customer is a walking advertisement” is a saying often used in order to emphasise the need for excellent customer service.

One way to facilitate this is to conduct mystery shopping in order to ensure that your staff’s customer service skills are continuously kept at the appropriate levels.

At Encircle Marketing, they take things (at least) one step further. Through their syndicated telephone mystery shopping programme, they independently conduct approx 2,500 “mystery calls” per month. Calls are market representative with quotas set against the 5 major channels of distribution (Local Independents, Regionals, Autocentres, National Fast Fits and Car Dealers).

Given their independent status, Encircle continuously monitor/ benchmark the entire market and report back to its client base who is performing “the best in class”, who needs to improve their performance and how customer service differs geographically across the country (to name just a few).

Keen to understand how retail in the tyre industry perform at telephone customer service, Tyre Trade News asked Encircle to examine the main heart beat channel – The Independents (Local & Regional) – and was amazed with what they found out!

Let’s begin with the detail. Encircle focussed their attention on the last three months of data (December ’08 to February ’09). During this time, they made over 7,000 mystery calls with the two Independent channels equating to over half of the total.

If we examine the hygiene factors, we can see that Independents answer the telephone on average after 4.4 rings. In terms of the number of attempts made to get through to a garage, this is averaged at 1.07. In terms of how this compares to the rest of the market, this puts Independents firmly at the top of the class.

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If we start to delve into the more pertinent sales factors (information gathering, selling performance, closing the call), this is where the national chains perform the best, thanks to their more structured approach to customer service and telephone techniques. It's here where the Independents start to loose ground.

Encircle Marketing score each call they make out of 100%. Scores are attributed to (what they describe as) "The Essential 7" key stages of a call. Namely, Accessibility, Introduction, Information Gathering, Appointment Setting, Selling Performance, Closing the Call and General Impressions. These stages are measured across all the key distributional channels to ensure like-for-like performance measurement at all levels.

Encircle Marketing weight each stage accordingly (based upon extensive research and their own customer feedback) to ensure that their proportionate importance is relative to their overall importance in driving excellent customer service (i.e. Appointment Setting is more important/ weighted higher than Accessibility).

In terms of Introduction (saying good morning/ afternoon, the name of the garage/ their name and how they can help) The Independent sector fair negatively against the market (77.5% of all calls made scored perfectly versus 81% for the market).

With regards to Information Gathering (asking for make/ model of vehicle, enquiring about mileage, type of driving etc) here Independents perform even worse with a score of 16.5% versus the market at 29%. Encircle's scoring system stipulates that a garage must ask for at least three pertinent pieces of information to score on this section.

In terms of Selling Performance, Independents perform 5% pts below the market average at 49%. This means on average that 1 in every 2 calls manages to offer a brand at the three price points (budget through to Premium) and push a promotion that they are actively running.

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If we move onto Appointment Setting, the Market as a whole perform poorly here. However the Independents again do worse even still. Of all the calls made in February only 13% managed to secure an appointment with an Encircle mystery caller. When you look at Independents the percentage falls to a hugely unimpressive 6%!

These figures are made even more startling when you consider that the average call duration is timed at 5 minutes 46 seconds (The Market) and for Independents 5 minutes 42 seconds. If we delve deeper and look at these numbers regionally, the worse culprits were in the Midlands and North East, who had Callers on the phone for just under 7 minutes a piece but still managed to not secure an appointment!

If we finish at Closing the Call, Independents again under perform the market. The Regionals perform at market averages but the Local garages appear to be very poor at taking down the customers details and offering directions and pushing for an appointment.

Are Independent garages excelling in providing excellent telephone customer service in order to create advocates for their business? The answer to this is no. They excel at the hygiene factors (Accessibility, answering the phone etc.) but they have some way to go with the key drivers such as Selling Performance and Appointment Setting.

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