



Toyota, Lexus and Scion Dealers Put “Brain” Behind Their Websites Resulting in Huge Increase in Website Traffic Conversion

Brands average 77% chat-to-lead conversion using Gubagoo’s innovative ChatSmart combined with targeted ads

Scion dealers achieve best overall conversion rate at 84%

A Test of ‘Smart’ chat: This case study, conducted among Toyota, Lexus and Scion dealers, investigates the impact that incorporating an innovative managed ‘smart’ chat solution into dealership websites can have on visitor-to-chat conversion, chat-to-lead conversion and even lead to sale conversion. The results of this months-long research are eye opening: conversions among participating dealers soared, with some dealerships reporting that their cost-per-sale plummeted, all of which helps to solve a key dealership problem: cost-effectively identifying and converting website traffic/visitors.

How the Test Worked: The study was conducted among 46 nationally representative Toyota and 16 Lexus dealerships from January to June 2014. Six Scion dealerships were on the program for two months (July/August 2014), so represent a shorter study period. All visitor and chat data was captured for the study period and analyzed via Gubagoo’s enterprise analytics reporting engine which collectively tracks dealership website performance.

KEY FINDINGS:

TOYOTA – 74% Chat to Lead Conversion
LEXUS – 71% Chat to Lead Conversion
SCION – 84% Chat to Lead Conversion*

The Situation

In recent years, smart dealers, like the Toyota dealerships in this study, have been actively re-focusing their digital marketing spend on driving traffic to their own websites versus relying on high-priced, low-closing 3rd-party Internet leads. This means spending more on SEO, PPC and online display ads in an effort to push direct traffic and direct leads from their own websites.

Of course, in order to produce strong website-generated leads, those dealership sites must effectively engage customers when they arrive. However, this is often not the case. In fact, NADA data shows that 95% of the average dealership's site visitors will defect from the site due to lack of engagement, meaningful information and relevant offers. And why are the offers not meaningful? Because that 95% of traffic remained essentially invisible to the dealer – nameless, faceless, and unmarketable.

Meanwhile, consumers are quickly replacing physical showroom visits with online research: 4 in 5 people are now using the Internet to shop for vehicles, and, according to research¹, these customers are starting to skip showroom visits altogether. This means websites need to engage better than ever.

One way dealers have been approaching this is by adopting online chat platforms that they hope will turn their static, non-interactive website into a conversation-packed arena for engaging and converting the bottom-of-the-funnel shoppers that have reached their site. But in many cases, where dealerships have been using first generation chat solutions, it has not been working.

The Problem

The first generation chat products have a tendency to talk *AT* customers, not *WITH* them. Why? Because they are chatting without benefit of a 'brain,' i.e. knowledge of what that customer (that invisible 95%) has been doing, and what that customer actually is interested in: *A specific vehicle in the dealer's inventory? An oil change? Is that customer a first time visitor or a repeat visitor who has looked at the same model more than once? Is there inventory the dealership needs to move that might capture that customer's attention?*

Old school chat did not bother with these details and is often more known for interrupting and disturbing online shoppers mid-flow, and even disengaging them, by interrupting their research and serving up offers that have no relevancy to what the customer is actually doing at the website.

Another massive issue with old-style chat is that it must be managed in house, requiring critical dealership sales manpower that, by necessity, is being diverted from selling cars on the showroom floor to manage areas outside their expertise.

The Solution

In 2014, the Toyota dealers in this study signed on with a new kind of chat in order to more effectively identify and engage *all* their website customers: the solution they chose was Gubagoo ChatSmart – a solution based on a super-advanced, intuitive behavioral analytics platform called the BEAST. In a nutshell, 'The BEAST' makes all that once-invisible website traffic totally visible – by relentlessly collecting data on every site visitor, to make truly relevant, targeted chat, offers and site communications possible.

¹ A 2014 McKinsey study found that car buyers now visit 1.6 dealerships before buying – plummeting from 5 just a decade ago

The Gubagoo website platform knows what each site visitor is doing, from the exact vehicles they are looking at, to how many times they have visited the site, to how long they are spending on each page. It then puts all that rich data in motion: assigning each visitor a unique score based on their real-world behavior, and using that score to precisely engage and re-engage individuals with calculated messages, chats and offers/coupons, about the right vehicle, at the right time – and in real time.

In addition, Gubagoo’s ChatSmart takes the onus off in-dealership staff by providing a fully managed chat solution and then delivering extremely detailed leads directly to the dealership.

Says one Lexus dealer: “Simply put, Gubagoo is extremely effective at converting chat into leads because of all the data they collect and the fact that it is a managed chat solution that requires minimal dealership staff involvement until the lead is generated.”

The Results

This “smart” solution is leading to phenomenal results².

The Toyota dealers studied are experiencing a 74% chat-to-lead conversion; the Lexus dealers a 73% chat-to-lead conversion and the Scion dealers are coming in with an incredible 84% chat-to-lead conversion rate.

Conversion rates are consistently high because the BEAST platform’s brain is able to provide chat operators with the ability to start the right conversation, with the right offer, on the right page, at the right time. ChatSmart works in concert with targeted ads and offers that deliver exactly what website visitors want.

“What customers really like about it is that it’s smart. A huge plus is that, unlike old school chat, customers get credit for everything they do on our website...so they don’t have to repeat themselves when it comes to speaking to someone at the dealership.”

Gubagoo is the first chat/website solution that:

- Tracks every single site visitor and analyzes every page visit and inventory click, and then decodes the URLs to build a dynamic profile on each unique visitor.
- Captures how many times that customer has visited and for how long, so the platform can know precisely when and how to engage a high-frequency visitor versus a first-timer who simply needs a web greeting.
- Smartly engage that shopper via all channels, whether through what’s published on the site right before their eyes, or in chat messages/interruptions or through social sharing components. No more irrelevant, spray-and-pray messages about the wrong cars and price-points. Messages based on what one is actively interested in feel personal and actionable – transforming a dealer site into more of an online “concierge-like” service.
- Allows dealers to predictively match inventory to individual behavior on-the-fly – and helps move aged inventory by putting relevant older vehicles first in line.
- Transfers all this granular customer data seamlessly to the in-house or third-party chat lab, which makes for meaningful, efficient high-converting calls.
- Is simple to install, working seamlessly with existing web infrastructure, and is easily modified to meet the unique needs of dealerships.

² Based on Gubagoo analytics data Jan – June 2014, as well as individual surveys of select dealerships.

The Results (cont.)

Chat-to-Lead Numbers (Jan-June 2014)

44 Toyota Dealers	Overall	Per Dealer Average Per Month
Site Visits	2,014,571	7,631
Chats	26,038	99
Leads	18,293	69
Conversion	74%	74%

16 Lexus Dealers	Overall	Per Dealer Average Per Month
Site Visits	1,048,632	7,263
Chats	7,334	76
Leads	5,181	61
Conversion	71%	71%

Chat-to-Lead Numbers (July/August 2014)

6 Scion Dealers*	Overall	Per Dealer Average Per Month
Site Visits	5,070	422
Chats	37	3
Leads	31	2.5
Conversion	84%	84%

*Scion numbers represented shorter period on the study (two months), and considerably lower traffic.

Traffic = Leads = Sales!

While the chat to lead conversion rates of the dealers studied are very impressive, it should also be noted that the number of leads generated and cars sold from websites using this platform is very much dependent on the volume of traffic each dealer site generates. This means all the marketing dollars spent on driving site visits are paid off handsomely with increased car sales, as reported by dealers who responded to individual surveys. For example, traffic to Pembroke Pines Lexus website in South Florida doubled from August 2013 to August 2014, and their chat leads showed a remarkably similar 63% increase; meanwhile car sales shot up (30 incremental a month)³.

Without the traffic to the site, it is like getting all dressed up and putting on a fabulous party ... except no one shows up because no one received the invite.

For example, the Scion dealers in the study had been using the Gubagoo platform for only two months, a far shorter period than the Lexus and Toyota dealers. And, while Scion showed an extraordinary 84% conversion rate, because their dealership sites were not generating extensive

³ As reported in Gubagoo/Pembroke Pines Case study, January 2014.

traffic, their actual leads greatly lagged those of the Toyota dealers, who had a monthly per dealer average of 99 leads per month and Lexus, who had a per dealer average of 61.

It is a simple lesson: with a truly smart website chat platform that generates high ROI, all that hard won traffic will pay off and really earn its wages!

“For the money, there really aren’t any better investments. It’s an affordable system and the price doesn’t increase with your sales – in effect, the better the sales, the cheaper the service. Obviously we use lots of things, but for ROI, you just can’t beat Gubagoo,” said Jesse Walker of Pembroke Pines.

Dealership Profile: Lexus of Pembroke Pines

In August 2014, Gubagoo SmartChat customer, Pembroke Pines Lexus was the number one Lexus dealer in the country.

As a veteran user of 3rd party leads, Pembroke Pines was able to quickly assess Gubagoo’s ROI against this more traditional online marketing channel. Gubagoo’s system averaged approximately \$7 per lead and \$33 per sale for the dealership compared to the much more costly \$20 per lead and up to \$400 per sale from their various lead providers. Furthermore, as the service offers a fixed price, the dealership is not penalized for sales, so the Gubagoo platform becomes more cost effective the more successful the dealership is.

“We have experienced significant return using Gubagoo and have watched our chat-to-lead conversion rates continue to grow from an average of 70% to over 77% since launch,” said Internet Marketing Manager, Jesse Walker, “We are averaging an 18% closing ratio on those leads, selling over 30 new vehicles per month through Gubagoo.”

“As a dealership you invest in an array of tools: advertising, 3rd party leads, website design – all with varying success. But with Gubagoo you play a flat rate, and the website starts generating strong leads – it is simple to maintain, and extremely effective.”

Results

Lexus of Pembroke Pines August @014

Site Visits	Chats	Leads	Conversion
22,434	198	152	77%

For more about Pembroke Pines and Gubagoo, [click here](#)

Snapshots of Six Representative Toyota Dealers

Smart Toyota – Madison, WI

Results: 80% Chat-to-Lead Conversion

Smart Toyota -August 2014

Site Visits	Chats	Leads	Conversion
16,359	82	65	80%

Snapshot: Before Gubagoo, Smart Toyota used one of the leading chat providers. Looking to reduce staff levels in their BDC, and wanting to have chat that operated 24/7, they turned to Gubagoo who offered the most robust managed chat platform of any of its competitors. The difference in results was striking: monthly sales from chat doubled from what they had been seeing with the previous vendor. *Today, Smart Toyota is converting 80% of chats into leads and has about a 14% lead to sale conversion.*

Toyota of Renton/Toyota of Kirkland, Washington

Results: 80% (T.O.K) Chat-to-Lead conversion

72% (T.O.R) Chat-to-Lead conversion

Toyota of Renton - August 2014

Site Visits	Chats	Leads	Conversion
10,274	187	134	72%

Toyota of Kirkland - August 2014

Site Visits	Chats	Leads	Conversion
13,567	259	205	80%

Snapshot: Toyota of Renton/Toyota of Kirkland added Gubagoo to their stores because they wanted to generate more lead conversions from website traffic and to also improve communications with service customers. They transitioned from another chat company that was not a managed solution, and the results with Gubagoo were so good that, according to the dealership, ‘there was no comparison.’ Chat conversions, leads and car sales increased, as did service sales (which represent most of the store’s chats). *Toyota of Kirkland saw 26% of all its website sales generated from Gubagoo.*

Oxmoor Toyota, Louisville, KY

Results: 79% Chat-to-Lead Conversion

Oxmoor Toyota – August 2014

Site Visits	Chats	Leads	Conversion
11,550	205	172	79%

Snapshot: Oxmoor Toyota was looking for a managed group chat solution with excellent analytics. Because about 30% of their chats are Parts and Service, Oxmoor also needed a solution that would enable leads to go directly to the appropriate department (rather than

forwarded through the Internet department). Gubagoo was able to deliver on all these needs. The dealership had previously used a chat provider but, once they were up and running with Gubagoo, *chat conversion rates shot up by 22%*, with the added benefit that Internet personnel no longer had to spend any time managing chat or forwarding leads. According to the dealership, now, “they simply collect the leads.” The dealership reports that *ROI with Gubagoo is 72%* and, compared with traditional digital marketing costs, according to Oxmoor, Gubagoo is “cheap.” “*Gubagoo converts better than any previously tried chat provider and leads close at a higher percentage.*”

Team Toyota, Baton Rouge, LA

Results: 73% Chat-to-Lead Conversion

Team Toyota - August 2014

Site Visits	Chats	Leads	Conversion
8,562	133	104	73%

Snapshot: Team Toyota wanted a managed chat solution that operated 24/7, so they made the switch from another chat provider. Unlike their previous provider, with Gubagoo, they are experiencing no missed chats, as well as consistent chat handling and capturing of customer information. Sales have increased from their website and the dealership reports that consumers are responding well to chat, with *communications flowing ‘nicely into the internal first communications for our store.’*

Limbaugh Toyota, Birmingham, Alabama

Results: 72% Chat-to-Lead Conversion

Limbaugh Toyota - August 2014

Site Visits	Chats	Leads	Conversion
17,535	149	111	72%

Snapshot: Limbaugh Toyota wanted better responsiveness on their website and, importantly, a managed solution. After switching from another chat provider, Limbaugh *saw sales increase by 60%*. As they put it, there was ‘no comparison’ with the previous provider – and Gubagoo is “*definitely cheaper than third party leads and the quality seems much higher.*” Apart from the dramatic increase in sales from their website, one of the key benefits the dealership realized was being able to channel dealership personnel, who had been caught up in managing chat, into other more relevant areas. And with Gubagoo, their *cost-per-sale is now about \$37.50 and cost per lead about \$3.50*. And customers appear to like it, says the dealership: “because Gubagoo operators are more thorough, they offer suggestions with our own inventory. We are also able to customize the way the operators respond to certain things. This makes the visitors feel like they are talking to someone involved in our actual dealership.”

Madera Toyota, Madera, CA

Results: 68% Chat-to-Lead Conversion

Madera Toyota – August 2014

Site Visits	Chats	Leads	Conversion
2,615	31	21	68%

Snapshot: Madera Toyota was looking for a way to improve customer service on their website, wanting it to be much more immediate and attentive to consumers. They had never used a chat service before and signed on with Gubagoo because they had heard positive things from other dealerships and liked Gubagoo’s ‘scientific’ approach. The dealership has only been on with Gubagoo for four weeks but already is reporting ‘a good amount of leads’. According to Madera, customer response is positive: *“the operators make customers feel comfortable chatting and supplying info.”*

Conclusion:

The results of this study show that utilizing a chat solution, based on a foundation of analytics, to supercharge conversion on dealership websites actually works. Relevant chats reap happy customers and increased chat, lead and sales conversions. Just as importantly, dealerships surveyed confirmed that a managed chat solution makes a significant difference, improving results and freeing up dealer personnel. And these results come at a fraction of the cost of other lead generating solutions. Gubagoo prevents dealership websites from being ‘Scarecrows’ (if I only I had a brain!) and instead, turns them into ‘mini-Einsteins’ that have the potential to rout the competition.

Perhaps Oxmoor Toyota said it best:

“Gubagoo service is better than ANY vendor I currently use. I want as few of my competitors using them as possible ...and I am secretly happy whenever I see my competitors using other providers!”