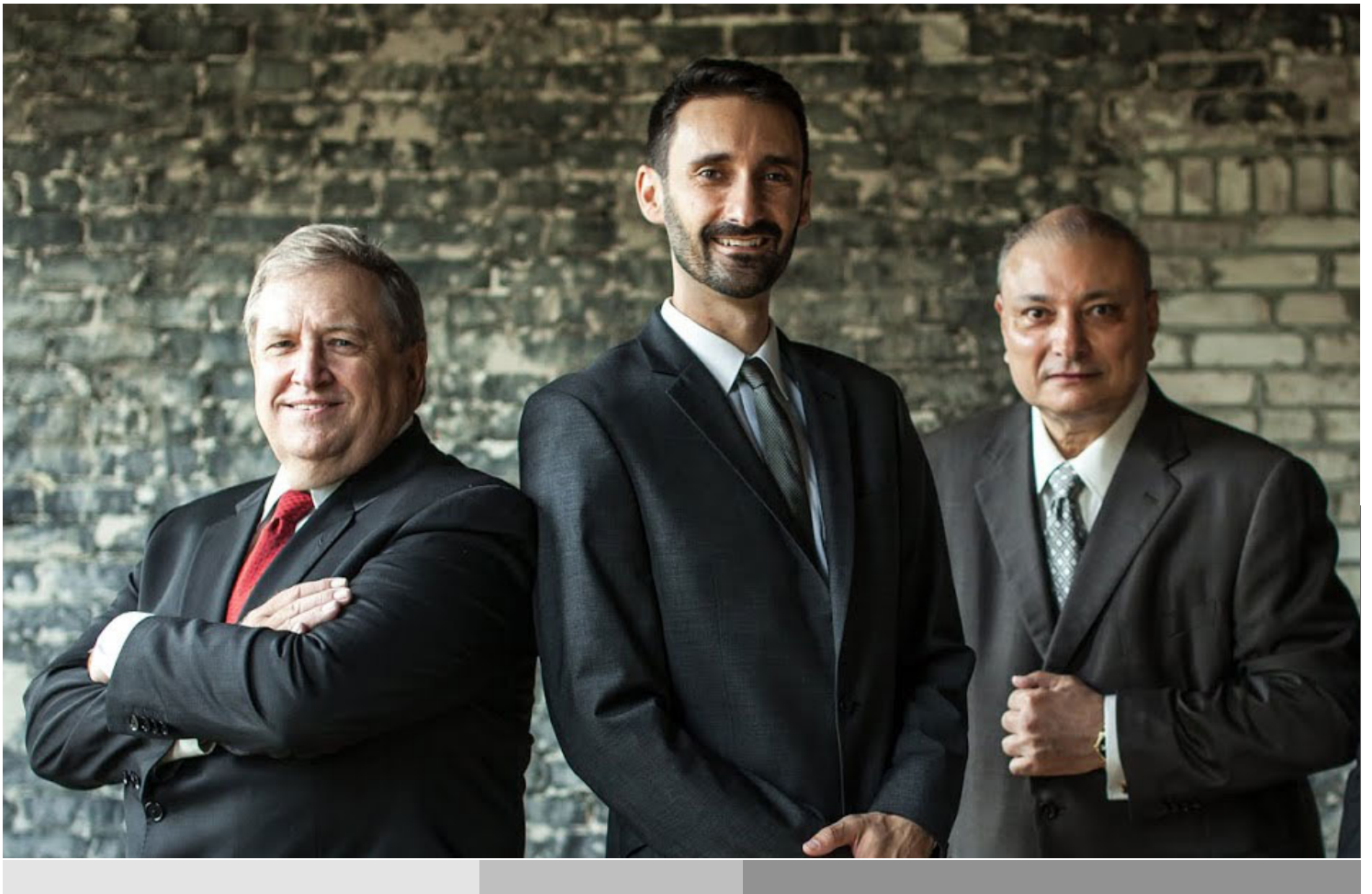


Dealer Phone System Satisfaction Survey

Gillrie Insights





Our team of experts helped over 7,000 car dealers in the US and Canada to dramatically reduce technology expenses and get the right system for the best possible price and terms. That makes us the most-trusted dealer technology advisor in North America.

We are successful because we are the only independent consultant in the industry that can tell dealers exactly what others pay for technology. Our benchmarks reflect real-life transactions and build the starting point for every negotiation.

By walking our dealers step-by-step through the technology selection process they can focus on what they do best: sell and service vehicles.





“The Gillrie dealer community has always been very vocal about the good and bad of dealership technology. We are excited that so many dealers participated in our phone system satisfaction survey. The results will help executives to make better choices.”

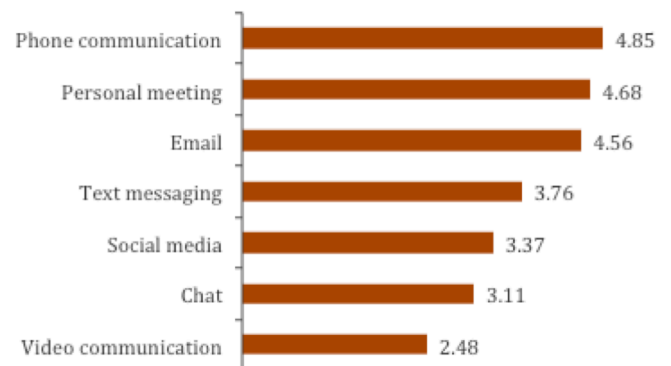
- Paul Gillrie (Founder Gillrie Institute)

September 2015

No phones – no business.

Our latest phone system satisfaction survey unveils that the telephone is still the most important method of business communication for dealers – internally and with customers. Respondents are indicating that the phone plays an even bigger role than personal meetings and email communication.

Exhibit 1: Importance of Communication Methods for Business purposes



About the study:

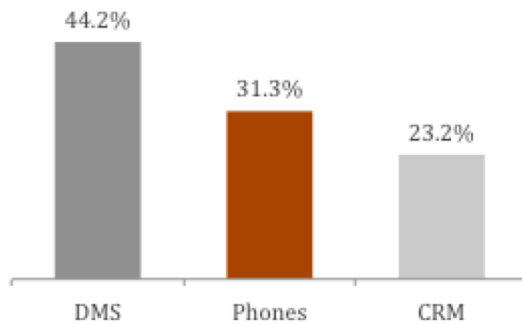
Research plays a major role in our mission to help dealers negotiate with confidence for their next dealership technology contract. Our goal is to provide dealers with advice they can actually use in the selection process to get the best price and terms. Surveys are a great way to take our dealers’ pulse on a scale that no other consultant in the industry is able to control. That makes our advice meaningful and actionable.

Over 380 dealer partners shared their phone system experience with us. In the following pages we will present details about five key areas:

1. Relevance of phone system & communication
2. Phone systems & dealer satisfaction
3. Maintenance providers & dealer satisfaction
4. Phone lifetime & reasons to replace the phones
5. Current & future phone system features

Despite the fact that the majority of dealers ranked phone interaction as the most important method of business communication, it is the Dealership Management System (DMS) that 44% of dealers identified as the most relevant technology for their dealership success. Around 31% of respondents see phones as the most important system for business success, while 23% prefer the dealership's Customer Relationship Management system (CRM).

Exhibit 2: Importance of Dealership Systems



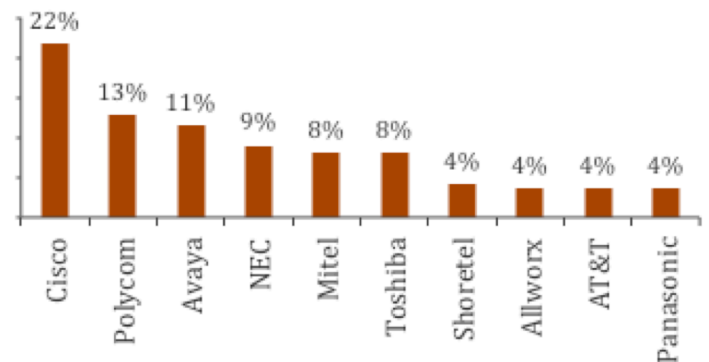
Every 6th dealer not happy with phones

The average satisfaction score of 3.6 shows that more dealers are happy with their phones than not happy or neutral. A little more than half of dealers that responded are satisfied or extremely satisfied with their current phones (58.4%). Every sixth dealer however is extremely dissatisfied or dissatisfied (16.9%), while around 25% of dealer respondents are neither satisfied nor dissatisfied.

The Top-10 list of the most popular dealership phones illustrates that more than 21.7% of dealers operate a Cisco Unified Communication system. Polycom (12.7%) and Avaya (11.4%) phones follow on positions two and three.

Shoretel (4.1) and Mitel (4.0) phones however earned the highest satisfaction scores in the Top-10 list.

Exhibit 3: Top-10 Phone Vendors



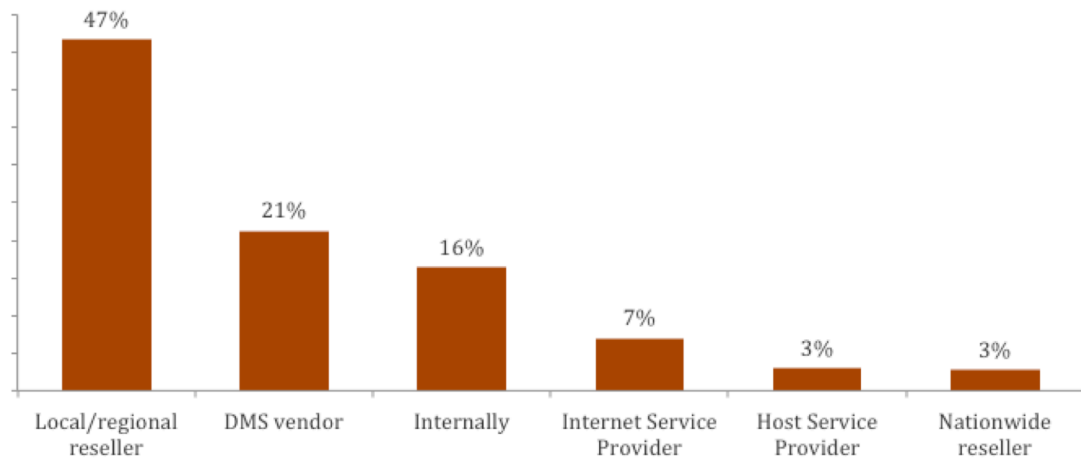
Dealers prefer local/regional phone support

Unlike DMS and CRM applications, phone systems are not sold directly from the manufacturer. Dealers must find the best reseller before deciding about the right telephony solution. The best-case scenario is to find an established and certified channel partner that offers multiple phone solutions from which dealers can then pick the best fit for their distinctive needs.

With an average satisfaction score of 3.7 most dealers display general satisfaction regarding the service provider that maintains the dealership phone system. More than 64% of dealers that responded are satisfied or extremely satisfied with their phone system support vendor. However every sixth dealer is extremely dissatisfied or dissatisfied (17.1%). Around 19% of dealer respondents are neither satisfied nor dissatisfied with their phone maintenance vendors. Local or regional phone resellers (47%) are maintaining almost every second dealership phone system. More than 21% of responding dealers state a DMS vendor is servicing their phone system. Over 15% of dealers report that they maintain their phone system internally.

Internal IT support staff (4.4) received by far the highest satisfaction ratings, followed by nationwide (4.0) and local/regional resellers (3.9).

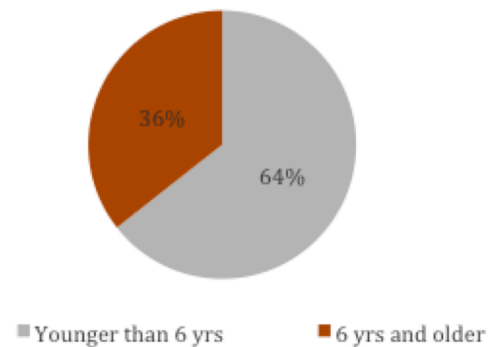
Exhibit 4: Phone Maintenance Vendors



34% are older than 6 years

More than every third dealer phone system is older than six years and will approach end-of-life within the next years. In general the lifetime of a modern IP-based system can be between seven to ten years. Updating a Voice-over-Internet-Protocol (VoIP) system during this period is easy if dealers participate in regular enhancements and software assurance.

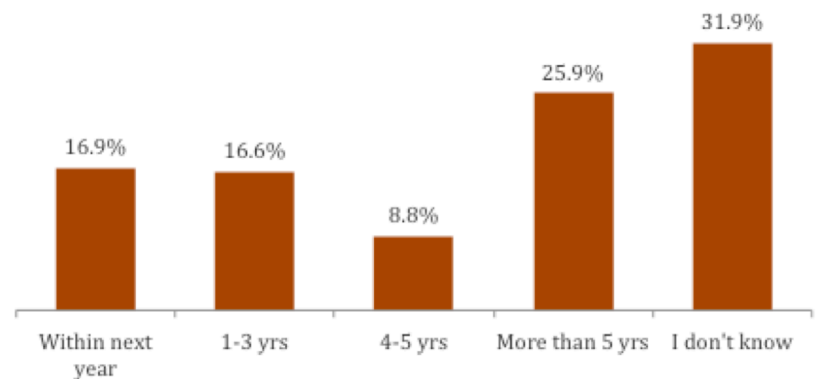
Exhibit 5: Dealer Phone Age



4/10 plan to swap within 5 years

Over 42% of respondents are planning on replacing their dealership phone system within the next five years. Almost every third survey respondent is not sure about when to replace the phone system, while around 25% of dealers are not planning on replacing the current phone system within the next five years.

Exhibit 6: Timeframe When to Replace Current Dealer Phone System

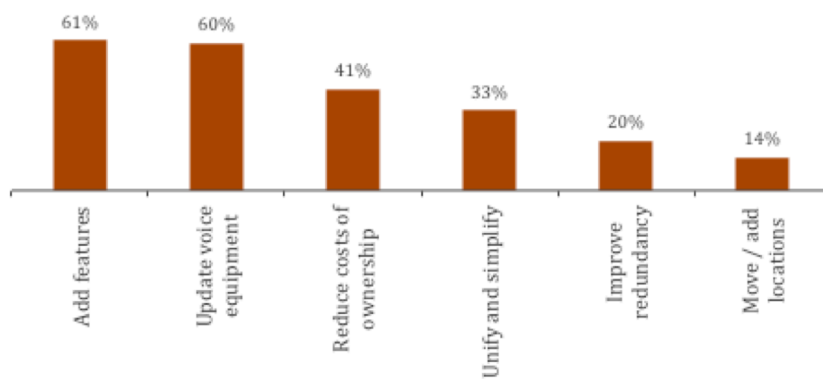


“Dealers told us that phone communication is mission critical and decisive for business success or failure. Yet, it appears dealers struggle with the questions about what phone systems are available in the market and what communication features can truly help them make most out of their opportunities.”

- John Darmento (Director Gillrie Institute)



Exhibit 7: Reasons to Replace Phone System



Dealers desire better technology

Adding more features (61%) and updating the phone equipment (60%) are the primary reasons to replace a current dealership phone system. Around 40% of respondents state they would swap their current phone system to reduce the costs of ownership.

Advanced telephone features rarely used

Most dealers are aware of and currently using basic phone feature like extensions, intercom, music-on-hold, call parking and forwarding.

Less than 50% of all dealers that responded to our survey state they are currently using call reporting and tracking. Only every third dealer uses mobility features.

Despite the fact that Business Development Centers (BDC) and outbound campaigns are getting more and more important, only around 28% of dealers have real-time call monitoring and even less have Contact Center solutions (24%) to effectively queue and treat in- and outgoing calls.

Only every fourth dealer is able to use third party integration between his or her phone system and DMS or CRM. New collaboration features that modern IP-based systems provide like instant messaging are rarely in use.

Dealers indicate they need guidance

More than every third respondent does not know about what features to add. Mobility, real-time monitoring and call reporting, as well as third party integration are the top features dealers are planning to add.

“Dealers are not taking full advantage of the available communication solutions. Especially sales-relevant features are poorly utilized. How do dealers identify and treat missed opportunities without call reporting? How do sales managers log leads and access customer-relevant information when they are not on their desks without mobility features?”

- Stefan Drechsel (Director Gillrie Institute)



Gillrie Institute

5818 Old Pasco Road
Wesley Chapel, Florida 33544

800-576-6959 www.gillrie.com

Survey Disclaimer: Although this survey was sent out to 6,600 email addresses and reflects actual responses from 382 survey respondents collected through SurveyMonkey, the Paul Gillrie Institute will not guarantee reliability and validity, and therefore the survey results. The information, commentary and material is provided for information purposes only. This means that no warranty whatsoever is given with regard to this report. You agree that you are using this report at your own risk. The Paul Gillrie Institute, Inc does not guarantee, and accepts no legal liability whatsoever arising from, or connected to, the use of this report. In no event will the Paul Gillrie Institute, Inc be liable for any loss or damage arising out of or related to the use, inability to use, performance, or non-performance of this report or its content.