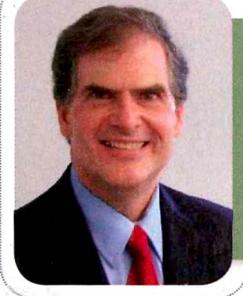


Handling the 'Last Car' Objection

BY RON REAHARD



Older clients who say they are on their last car need to be protected just as much as a first-time buyer. The magazine's resident F&I pro explains.

This month's video question comes from Mike in Waterville, Maine, home of the Two Cent Bridge. Built in 1903, it's the last surviving toll footbridge in the United States. The toll was originally a penny, but the owners got greedy.

"[The dealership has an] older clientele who often tell me they don't think they'll be driving in five, six, or seven years. So they don't think they need a service contract. I was wondering if you had any helpful hints or tips that might help overcome this type of objection."

Mike, these are not first-time buyers; they're last-time buyers. Often, they'll just come out and say, "This is going to be our last car." And those of us over 50 can understand where they're coming from. That gray hair isn't wisdom. That's death approaching.

Their objection, however, still boils down to, "I don't need it." And if you can't show them why they do, they're not going to buy the service contract. Mike, whether you have a first-time buyer or a last-time buyer, overcoming this objection still comes down to good needs-discovery.

With an older customer, one of the best needs-discovery questions is, "What made you decide to get a new Buick today?" Sometimes you luck out and learn that now that they're retired, they plan to do a lot more traveling or visit the grandkids. That means they'll most likely be away from home when they do have a problem.

If they have a trade-in, all you have to do is comment on the miles on the vehicle. They'll tell you how they put them on: "Wow, you guys put on a lot of miles. Where do you all go?" If they don't put on many miles, they'll tell you why as well.

If it's been quite a few years since they've had a new car, you can certainly plant the seed for the service contract by asking, "Is this your first vehicle with the new anti-lock brakes, blind-spot monitor and navigation system?" This will help establish the fact that the technology is far greater in the new vehicle vs. their last one. And educating customers on the fact that, with component parts, your service department doesn't actually fix anything will be eye-opening.

With an older customer, one of the best needs-discovery questions is: "So who's going to get this car when it comes time for your next one?" This helps you, and them, look into the

future and think about what their plans are for the vehicle. They may say they'll probably trade it in to you, which means it really isn't their last car.

Let's assume that, even after basing your presentation on their unique needs and educating them on the differences between the new vehicle and their last one, they say it's going to be their last car because they probably won't be driving in six or seven years. That exchange might go something like this:

F&I manager: I understand. That's why you're buying a new car today, because it comes with a four-year, 50,000-mile factory warranty. And you may not be driving for much longer after that anyway. So you certainly don't want to buy something you don't need, right?

Customer: Right.

F&I manager: That's the best thing about this protection. If you do end up driving a few more years than you think, you won't need to worry when you break down on your way to see the grandkids. And if you decide to trade, you can cancel the unused portion and get a refund. Or you can transfer it to the next owner, which turns an 'as is' used car, which is virtually unsaleable, into a pre-owned vehicle with three or four years of coverage remaining. This dramatically increases its value and your return on your investment. Plus, if you decide to give it to one of your kids or grand-

kids, they won't have to worry about multiple repairs on an older vehicle. That's the best thing about it, you really can't lose.

Mike, whatever the customer's age, it still comes down to answering that all important question, "Why do I need it?" If you can't answer that for them, they won't buy the service contract. It's imperative that your discussion be based on their needs, and why, in their case, the service contract might be especially important.

Mike, thanks for your question. Your YETI is on the way. Don't forget to submit your own question for a chance to get it answered and receive a free YETI. Because it's a beautiful day to help a customer! ■

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ABOUT THE AUTHOR

Got a question or objection for Ron? Email it or use your cellphone to record a brief video (shot landscape style!) of your question and upload it to: go-reahard.com/ask-ron.