

Selling to Short-Term Owners



BY RON REAHARD

The magazine's F&I pro responds to a question about how to build value in F&I protections if the customer says he plans on paying off his loan long before the term expires.

This month's question comes from David in Alabama, home to Roll Tide, War Eagle, and the Unclaimed Baggage Center, where you can get some good buys on stuff nobody wants. David asks, "I had a customer the other night financing for 72 months. His financial plan was to pay it off in 18 months. How can I build value in my protections?"

David, it's great when you get a customer who actually has a financial plan. He decided now was the best time to buy, based on current manufacturer incentives. But he also doesn't want to pay any more interest on his loan than necessary. This person is clearly making logical decisions.

These are great customers when it comes to selling F&I products, because they do buy if a product makes sense to them. With the exception of GAP, his plan to pay the vehicle off in 18 months doesn't affect whether or not he needs a particular product. Unfortunately, if the F&I sales process is merely a prefabricated series of steps designed to lead customers to the "right" conclusion based on what we want them to buy, we're going to be disappointed a high percentage of the time.

To build value, you first need to understand that customers process information differently. **Visual learners** tend to understand and comprehend best when information is presented visually. Using a factory warranty or GAP drawing helps these customers visualize their need for that product.

Auditory learners understand and comprehend best when new information is presented logically in a verbal manner. Hearing new information with facts, combined with a story that confirms and reinforces a decision to buy, helps these customers internalize and make sense of the information being conveyed.

Then there are **kinesthetic learners**, who understand and learn best when we physically involve them in the experience. So, to help them understand what happens when using their new truck to tow their boat, you may have them place their fist into the palm of their other hand and ask them to press hard and turn to simulate the friction involved.

Since every customer is some combination of these three types, we have to incorporate all three forms of communication into our process to build value in our products. We have

to use visual aids to help them "see" their need for the product, use examples and stories to make the product come to life, and then hand them an engine control module or some other part to engage them in the process. But don't forget F&I is a people business. And people buy from people they like.

Take Guy Kawasaki, an American marketing specialist and Silicon Valley venture capitalist. He likes to tell the story of when he first met Sir Richard Branson, business magnate and founder of Virgin Airlines. They met in the green room before a speaking engagement in Russia. Branson asked him, "Guy, do you fly Virgin Airlines?" Kawasaki replied, "No, I'm United Air-

lines Global Services. I don't want to risk losing that privilege by flying another airline."

Branson didn't attempt to use logic to persuade Kawasaki to become a customer of his airline. Instead, he looked at Kawasaki with a big smile, knelt down, picked up Kawasaki's leg and started to polish his shoes using the sleeve from his sportscoat. "And that was the day I started flying Virgin," Kawasaki said.

So, before you can build value in any product, the customer first has to like you, trust you, and believe you're genuinely trying to help them, not sell them. You also have to establish common ground with every customer, and nothing establishes common ground faster than showing a genuine inter-

est in who they are and what they do.

Like you, customers don't want the F&I process to take any longer than necessary, and they don't want to buy something they don't need. But they do want someone who can answer their questions and provide them with the information they need to make the best decision for them and their family.

David, thank you for your question. Your YETI is on the way. And don't forget to submit your own question for a chance to get it answered and receive a free YETI. Because it's also a beautiful day to help a customer, or check out some unclaimed luggage. ■

ABOUT THE AUTHOR

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

"UNFORTUNATELY, IF THE F&I SALES PROCESS IS MERELY A PREFABRICATED SERIES OF STEPS DESIGNED TO LEAD CUSTOMERS TO THE 'RIGHT' CONCLUSION BASED ON WHAT WE WANT THEM TO BUY, WE'RE GOING TO BE DISAPPOINTED A HIGH PERCENTAGE OF THE TIME."