

# F&I and Showroom

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## LESSONS FROM THE F&I BOARDROOM: THE YEAR AHEAD



**WHY  
POST-SALE  
MARKETING  
MATTERS •  
HOW TO SELL  
F&I PRODUCTS  
REMOTELY •  
BUILDING A  
PROFITABLE  
PRODUCT  
PORTFOLIO**

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# CREATING A PORTFOLIO OF PRODUCT OFFERINGS TO BENEFIT YOU AND YOUR CUSTOMER

Whether the dealership ties in maintenance, appearance packages, car washes, or loaner cars, a portfolio of value-added F&I products, are what brings the customer back and reminds them why they bought from you.

BY CHRIS PLAZA

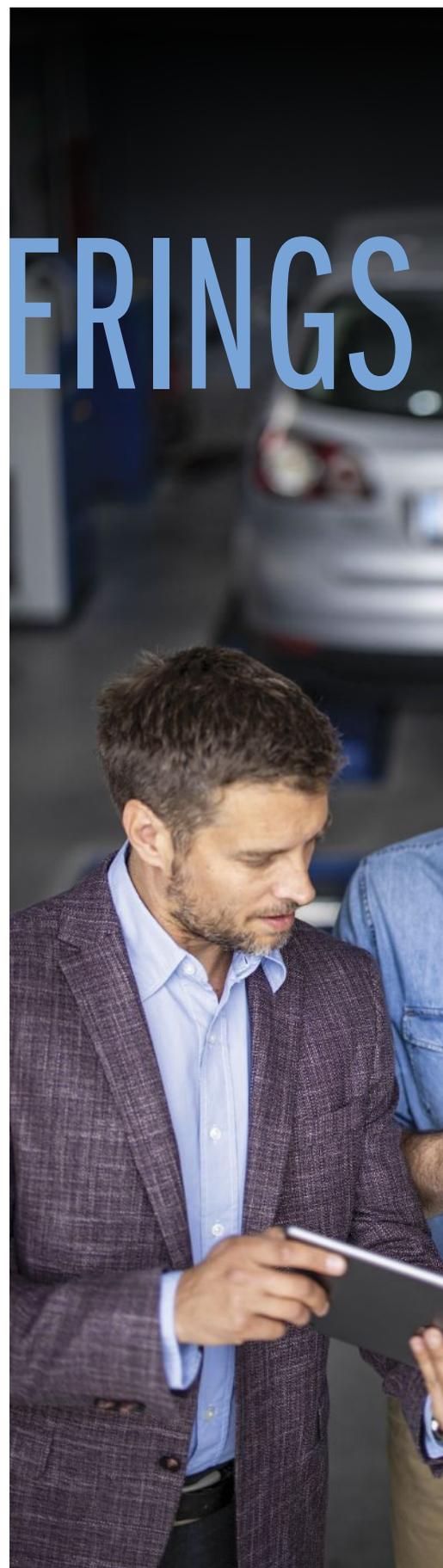
**From the rancher who brands his cattle with his own unique symbol to the shoe company that stamps its logo on apparel, we have become accustomed to identifying a product and the company selling it, based on what makes it stand out.** That difference connects the product with the buyer, which in turn creates a value proposition. This is no different in the automotive industry.

Consumers are burdened by choice. There are infinite choices for virtually any product across every industry. Doing business in the franchise world, where all the products come from the same manufacturers, with the same rebates, incentives, features, packages, trim levels, and cost, the question becomes: What is the value proposition?

What if the dealer took it a step further by letting the customer immediately know how their dealership truly is different?

In today's world, the most successful dealers know they need to do more to stand out from the crowd — adding value compared to lowering price plays well with today's consumers. For example: "Mr./Mrs. Customer, when you buy a car from us, you get the X, Y, and Z at no additional cost, which will help you maintain your vehicle and control the high cost of ownership. How does that compare to other places you have looked at so far?"

A dealer knows the customer has already been "just looking" by the time they arrive at the dealership. They have been looking for days, weeks, and





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sometimes months before they come onto the lot. The customer is automatically making a “compared to what” decision. The dealership with a high-value proposition that speaks to their advantage over the competition is very effective at giving the customer immediate comfort to buy.

I find that no matter where I am **training** in the country, the average sales team is very limited when it comes to explaining the “why buy here” benefits to the customer. Factually, most cannot get past the typical family owned, Saturday service, free loaners for life that most of their competition also uses, and defaults to “the deal” or price.

Customers expect great service, great deals, a broad selection of vehicles, and a convenient location. Anything less than that sacrifices sales. When selling a car, it’s not just about the car. The dealer is selling themselves, their dealership, and how the car meets the needs of the buyer. In this franchise world of “sameness,” the car can’t sell itself. A proper needs assessment, professional walkaround, and ample demonstration is what sells it.

We know the number one filter used in a buyer’s online search is price. We also know that the margins have shrunk to ridiculous levels because of the information highway. So now, everyone is in the price game. When the customer shows up, they typically know the price, the inventory, and have chosen to come in because the location is geographically friendly. But the true reason they are there is because they still need to see it, smell it, and drive it. The reason the customer passes or buys falls on the dealer’s “why buy here” value proposition. If the buyer is passing, the value proposition isn’t standing out.

Successful and thriving dealerships brand themselves, not the product. They create an experience for the customer that is unique. This goes well beyond the typical dealership strategy of fresh doughnuts, gourmet coffee, balloons, and service hours. Branding creates the wow factor and gives the customer more. The happiest customers pay the most money, and if we lead with more, we will get more.

Making value add products a part of your “what you get when you buy here” statement is proven to stop the

shopper, protect gross, and raise consumer confidence in the dealership and transaction. The customer products that are retention based in nature provide a value-add and ensure that we are going to strengthen our relationship with customers.

The most successful dealers establish a personal brand outside of the manufacturer, and while it may seem that establishing a value-add bundle of products would surely add to the cost of sales and lower profits, here is the good news: The dealer doesn’t pay until they play.

If the customer does not buy the car, no money is spent. If they buy the car and the salespeople have been properly trained, the dealership likely discounted less because they were not trying to

**SALES WILL SELL THE FIRST CAR, BUT SERVICE SELLS EVERY CAR AFTER THAT.**

be the low-price dealer. In turn, the customer is still open to additional value-add products because the negotiation process was shorter and buyer friendly.

**Good CSI**, less discounting, products that bring customers back, and a process that overcomes the low-price is the best price mentality of the competition. Seems like a winning hand to me.

With this strategy, the dealership must give their customers something to **retain their service** business and solve ownership needs. Whether the dealership ties in maintenance, appearance packages, car washes, or loaner cars, a portfolio of the right, **value-added F&I products**, are what brings the customer back and reminds them why they bought from that dealership to begin with.

Sales will sell the first car, but service sells every car after that. ■

#### **ABOUT THE AUTHOR**

**Chris Plaza** started in the car business in the 1995 and has worked on both the retailer and vendor side, managing dealerships as well as working as an income development trainer and mentor for Pro Consulting LLC and Zurich. Plaza is currently the director of business development for **Pro Consulting LLC**, where he is responsible for business across 13 states and 1 island territory.