

“Preparing to Win”

Something that I have noticed over the years is that the objections to our products sold in F&I have changed very little. Most of these fall into one of four categories:

1. The customer has a fear of making a poor decision.
2. The customer has no perceived need for the product.
3. The customer has a misconception/lack of information about the product.
4. The customer has an affordability issue with the product.

Imagine you are a football coach (or if you are tired of sports analogies, a political campaign manager or a military strategist). It is your job to prepare your team in the fundamentals, develop a winning game plan, and execute that plan properly. Part of the winning game plan is to know your opponent (or enemy). If a coach is continually beaten by the same four plays, game after game, the owner of that team is going to question their ability. As an F&I professional, you have seen the game films, you have gotten the intelligence reports, and you have seen the playbook ahead of time. So how do you prepare to win?

Let's begin by trying to understand how customers like to buy. We know that the sale of intangible products such as those sold in F&I constitute a transfer of beliefs and enthusiasms. A presentation that is based in solid product knowledge, which is developed with empathy for the customer, will sell the way customers want to buy. People buy because they **want** to not because they **need** to. Think about how often we put off buying something we need but don't want, compared to how often we buy what we want but don't need. Just look around your own home. ***Understanding that selling is motivational rather than persuasive can help us to close more sales. People buy when their perception of value received exceeds the cost (in money, time, and/or aggravation).*** Value is created to the degree that a product or a service fulfills a desire or solves a problem or need. In the absence of a perceived need, features and benefits of a product or service create no value. In the absence of value, no price is cheap enough.

Each time we make a purchase, a conflict occurs between our emotional desire to have what the product or service does for us (how does it make us feel?) and our fear of paying too much or being taken advantage of by the seller. We resolve that conflict when we answer the following five questions:

1. Can I trust this sales person?
2. What is the reputation of the company I am buying from?
3. Will this product/service solve a need/ how will I feel when I have it?
4. Does the value exceed the price?
5. Do I want it now?

Now, ask yourself: are these either logical or emotional decisions? What is the logic in trust? I may trust you; whereas my wife may not. A company's reputation is subjective as well. How does this make me feel? Again, it's an emotional thought process. Value is, again, a personal judgment; and the timing question is also based on a desire to have it now. We need to understand that, 'People buy emotionally with enough logic to justify the decision.' Yet does our sales presentation rely too much on facts, and figures, features and benefits? Do we sometimes think that if I can just throw enough features and benefits and close, close, close I will be successful? Or, do we rely simply on putting a menu of options in front of a customer, and hope that by presenting 100% of our products 100% of the time to 100% of my customers will work. Don't get me wrong; features and benefits and menu-based price presentations are

part of an effective F&I presentation. However, you must remember... ***value is created to the degree that a product or a service fulfills a desire or solves a problem or need.*** In the absence of a perceived need, features and benefits of a product or service create no value. In the absence of value, no price is low enough. Presenting a menu (no matter how well-prepared or pretty) or burying a customer with FABs will result in some sales and a lot of lost opportunities unless you take the time to sell yourself and your dealership, identify the customer's buying motivations, and demonstrate how your products can satisfy a perceived need. By helping our customer answer the five buying decisions positively, we will increase our chances of success, and we no longer will be in a win/lose situation with the customer as our opponent, but a win/win. We make a sale, and the customer has solved a problem.

Next time we will look at the 5 buying decisions in more detail.