

Dear F&I Consultant:

What is the “lowest payment”? It’s simply the lowest payment. How do we get there? By stretching out the term and skipping financial protection options - not a good idea. This sets the customer up for higher finance charges, additional negative equity and potential economic hardship.

What is the “best payment”? It is the payment that is designed to create equity and prevent economic hardship. An example of the “best payment” would be using the term that has the lowest interest rate / lowest finance charge, a comprehensive service contract, appearance protection and gap if needed. Having the best payment simply means making intelligent choices. Choices that will create the best ownership experience for your customer.

Sometimes this can be difficult. Sometimes your customers are so focused on payment that they tune out anything you say about products. Sometimes they are scared of the “best payment” when they should be scared of a breakdown, a gap or negative equity.

They ignore the undeniable truth – It is dysfunctional NOT to want the best warranty available on anything.

Instead, they adopt risky behavior. They say "I never buy that crap" and never get any data on cost or benefits. Instead making an educated decision, they begin tuning your presentation out while framing you as a salesmen just out to make a buck.

Work through this by focusing your intent on providing products and services that will help create a better ownership experience for the customer. When your intent is on honestly addressing benefits and problems, protecting their investment/finances, and helping them have a worry-free transaction - products and commissions will occur organically. Here are a couple tips to help you get your message across...

#1 Try to help

Trying to sell comes across exactly as it sounds. When you're trying to sell somebody, you work on overcoming their objections. Typically, this is done with word-tracks designed to move customers towards making a purchase. Many times word-tracks sound like canned sales presentations or worse – fear mongering. It's a huge turn off for people.

Instead, try to help by discussing economic habits and how the customer will benefit from having peace of mind, improved value, safety, economic stability and etc. In short, make it about them.

Remember, "selling" is about you and "helping" is about them. Helping creates higher commissions, higher penetration, fewer chargebacks and greater satisfaction.

#2 Focus on communication

There are a couple things to keep in mind about your customer. They could easily be nervous about a payment that's higher than they expected or they may be distrustful towards salespeople. Either way you'll need to communicate with them and you won't be able to without focusing on your intent.

When people are nervous or distrustful, they will feel unsafe. When people feel unsafe, their thoughts are inward and not at all on the spirit of your words – in other words – they will tune you out.

It's not intentional. It is primal. The part of the brain that regulates the data flow is the Amygdala and it determines if things are safe or not. When something feels unsafe the brain begins working on the fight or flight premise. So while your chatting about the warranty, the customer is trying to decide whether they should argue or leave.

#3 Use balanced framing

Remember to discuss benefits, not just problems. According to Prospect Theory, when presented with a potential benefit, people often become risk adverse and seek the benefit. When presented with a potential problem, people often become risk seekers and adopt risky behavior.

Example: Imagine you're a poker player and you have lost \$950 of the \$1,000 you brought to gamble. How likely are you to go "all in" on a weak hand just to end the pain? Many people do...

The same thing happens when you tell a customer that "all cars break" and they should buy a warranty. Sometimes the customer will respond with "I'm OK or I'll take my chances". This is happening because they never saw the benefits, only the risks and they adopted risky behavior.

In the end, it's important to remember that you want a win/win situation with you and your customer. You have to get to the other side of your customer's anxiety before they can accept a common sense proposal. The only way to get there is through good intentions – because cynical, scared people will tune you out and close down to rational communication when they are afraid of you.

Good Luck!

By: Lloyd Trushel

President / COO

The Consator Group

lloyd@consatorgroup.com

What makes Consator Group different?

We believe... that there is a better way to conduct business than the status quo. In our experience, when transparent and intelligent communication occurs between F&I and their customers, profits and satisfaction go up for all parties. Conversely, when the communication is poor and dysfunctional, profits and satisfaction go down for all parties.

We are experts... in the automotive industry, with each of our principal level consultants having over 20 years' of automotive experience. Their areas of experience include automotive finance, all areas of variable operations, financial lending, process consulting, insurance, ancillary products, the study of social sciences and the understanding of consumer buying habits.

We create a better F&I experience... by teaching F&I managers a deeper understanding of today's buyers. We skip the typical sales cliché's and antiquated methods. Our process is simple and straightforward. We dig into real consumer behaviors and purchasing habits so that we can educate your staff and consumers. The result is a more profitable transaction for the dealership and a happier consumer.

**CONSULTING - TRAINING - PRODUCTS - WEALTH DEVELOPMENT -
REINSURANCE - COMPLIANCE**