

POWERFUL SOLUTIONS

For maximum F&I profitability

Supporting the Cause Via Deductible and Educating

Clearly, we are in place to create and protect profitability for our stores. It is up to us to productively provide valuable benefits for our guests while ensuring the house isn't exposed to loss via compliance and regulatory issues.

How can we further support the efforts of the team?

I have always been a believer in the adage...our salespeople sell the first vehicle and the shop sells all the subsequent vehicles.

As evidence of this fact, consider the following from the article "The Connection Between F&I and The Service Drive" by John Stevens of Wards Auto, dated 9/22/16: ...Regular service customers are 17 times more likely to buy their next vehicle from their servicing dealership, according to the National Automobile Dealers Assn. In addition, an increase in customer retention rates of just 5% improves dealership profits 35%.

Obviously, these are huge numbers.

Anyone who lives in the "what's in it for me" camp should remember the more deals they see, the greater their opportunity and income will always be!

So how do we compliment the team's efforts?

Simple...with a disappearing deductible attached to our Service Contracts. If folks will drive a hundred miles to save \$100 dollars on the purchase of their vehicle, they won't think twice about making the trip to save on their repair visit, as well.

"Folks, by choosing the Preferred Option, you will receive 5 years, 75,000 miles of Full Mechanical coverage. This is the one everyone typically refers to as bumper-to-bumper. I'm not really allowed to call it that because the bumpers aren't covered, but you know what I mean. It covers almost everything but your wearable maintenance items...things like your oil changes. And it's a disappearing deductible, meaning that when you take advantage of our facilities, you pay nothing for ALL of your covered repairs. 100% of ALL of your covered PARTS and LABOR are paid for."

"Now, if you're on your way to Destin" (the destination to which they are taking the first trip in their new vehicle, discovered when you asked, "Where are you taking your first trip in your new vehicle?" -during your initial interview process) "and you hear something, see something, smell something, something is just not right with your vehicle...you take it to the local dealer...wherever it is that you are at the time. Its only \$100 dollars per visit, not per broken item fixed. If they are addressing a half a dozen covered repairs, at the same time, its only one deductible. Not to mention that, at least when it's happening to me, when I'm dealing with a Service Department that I have never visited, and that I'll probably never use again, I'm always a little leery. Does my vehicle need \$3987 worth of repairs? Could my family get safely back on the road for \$900? Do I need ANY repairs? With this you have the confidence to simply say, 'Great...verify its covered and make it perfect again! Oh, and by the way, could you get me a rental car? I'm on vacation and this isn't going to ruin my trip.'"

Support the house. It will pay huge dividends!

Give it a try.

Good luck and good selling!

