

Some things to know about “no”.

by John Tabar

In F&I we find ourselves dealing with “no” every day. How well we deal with the “no” can have a significant impact on the customer’s satisfaction, the profitability of our department and our personal income.

I get emails, texts and calls each week from F&I people both experienced and novice with a common request, to help them overcome a certain objection they have encountered or struggle with. I have changed my thinking over the years on objections in general, and how we have been taught to overcome them. Instead of an objection I prefer to call them a customer concern or problem and instead of overcoming I prefer, answer or solve. This is more than semantics, it represents a different mindset.

It’s different because this way of thinking puts the customer and their needs first.

When I began in sales I was taught to overcome objections with word tracs that are designed and taught with the method “when they say this, you say that and then close”. It worked then, and it still works today. However, about 15 years ago I discovered a better way.

What I found is that when a customer is presented options based on their needs and objectives instead of my own, three important things occurred; my customers enjoyed the process instead fighting it, they bought more products and in-turn my income increased in a big way.

I wouldn’t argue that this is a new concept, it isn’t. What I would argue however, is that this type of consultative interaction with our customers in F&I is more relevant today than ever before. F&I income and customer satisfaction and retention have never been as important as they are today. Transparency is a current buzzword in the industry. Transparency in the offering and the selling of automobiles is discussed in just about every manufacturer’s focus group and being written about in almost every periodical in our industry lately.

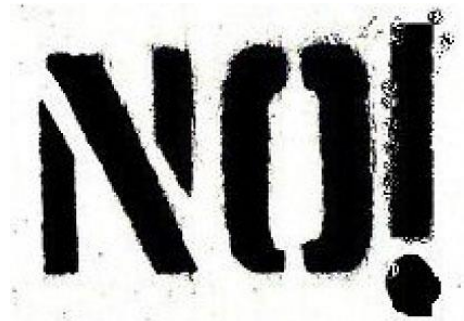
The menu provides transparency by presenting all the information and options relevant to the customer in one document or on one display. Taking a consultative approach in guiding the customer through their options creates transparency with the customer in the F&I manager’s purpose.

Here are a couple of things we should know about “no”.

If you want to avoid “no” more than you might be experiencing it now, become a skilled conversationalist.

We can hear “no” less often by listening to, connecting with, and learning about our customer and how their vehicle will fit into their life through a good conversation before we present options on a menu.

We commonly call this the customer interview. The problem is we have been taught to ask only questions that are relevant to us in the interview. We learn nothing about the person’s lifestyle and how their new vehicle will fit into it.



Because of this the customer perceives our purpose in F&I as only to sell products. By learning more about our customers we can present a menu option that is based on the customer's needs. If we do, the customer may perceive the purpose of F&I as to consult and recommend products based on what you now know about them personally. A different experience for the customer entirely.

When customers choose not to enroll.

If the customer agrees to the process and they also agree to you, there are only 3 things that can cause a customer to hesitate when deciding whether to enroll in a product or service. Cost, value or urgency. Granted there may be hundreds of variations on those three but it usually comes down to one of those three reasons. Can't afford it, don't want it and can I think about it?

Let's talk about cost or "I can't afford it."

But before I do, I want to mention a trap many of us have fallen into from time to time. Hearing a complaint and assuming it is a "no".

Everybody likes to complain to some degree. So, is what we just heard really a "no" or did we just hear a complaint and assumed it was a "no"? This commonly happens when price or cost is brought up. The customer may say "That is a lot higher than the \$450 per month I was planning on." Many times, we assume it is a "no" and say something like "I know how you feel, what we could do is go to a less robust plan and stretch out your payments for six more months and that would bring you down to..."

Instead, we could assume it is a complaint and just agree with the customer. "It is, but isn't everything higher these days?" "I have just a few more documents that need your signature."

If cost is a concern and not just a complaint, they will let you know, and you can address it by offering options.

When cost is a concern due to budget, that is an opportunity. One of the primary benefits of any of the products we offer is protection from unexpected expense. Ask anyone on a tight budget or who is trying to save, and they will tell you nothing is more frustrating than a large unexpected expense. Or worse, putting that expense on a credit card. Finding an extra \$25 per month in the budget so they can avoid the unexpected big budget hit in the future is preferable to finding \$1400 or \$1500 in a moment's notice. When the "no" is about cost or price first make sure it isn't a complaint, then move the conversation to budget and talk about how our products can benefit their budget not just their vehicle.

"I don't need any of that stuff"

When the customer doesn't see value in any of the products they are telling you that they don't see how the products could improve their life. If we haven't bothered to discover any possible needs of the customer before we present a menu this one can be tough to work through. The key here is to let the customer know that you will have to present their options anyway and explain why we need to be consistent with each customer. Thank them for their patience and proceed.



When finished say thank you and ask them “Mr. Customer many of the customers I work with that choose not to enroll in any products tell me it is either because of price or the way the products were grouped. I don’t hear your reason very often; would you mind sharing with me why you feel that way?”

Based on what they share we can respond accordingly. Maybe it was a bad previous experience, or they received advice from someone who didn’t take the time to discover needs. Either way, if we have done a good job building rapport and credibility we can then recommend a product or two for their consideration based on what we have learned.

“Can I think about it?”

Postponement statements or questions are usually made to cover a concern. Most of the time their concern will be about one or both of the concerns outlined above. Many F&I people attack this concern with an immediate response.

Instead first confirm that it isn’t they see no value by asking “I see, so you do see value in the (blank), you just want to be sure you are making a good decision, is that right?” If they say, “That’s right” Let them off the hook by stating “You’re not alone, what I can tell you though is that after consideration many of those that have thought it over tell me that either they don’t see value in the (blank) after all or it doesn’t fit into their budget?” “Which do you think it might be for you?”

Usually it is price or cost. If so, you can confirm by asking if the product could fit it into their budget is there any other reason why they wouldn’t enroll now. Then talk about how the product will protect the budget and offer solutions and options to help them make the decision to enroll.

I began this article by suggesting that how well we handle “no” can have an impact on the customer’s satisfaction, the profitability of our department and your personal income.

Perhaps I should have begun by stating the most important thing to know about “no” is that if we take the time to really understand our customer’s needs before we present a menu we might hear less of it.