

Hector Bosotti



Getting More Customers to Visit You: Part II

On the telephone, an online application or an e-mail inquiry:

In Part I (last edition), we covered the varied ways that special finance managers handle different inquiries and the fact we discovered in our travels is that each manager has his/her own unique style or a combination that other managers have used. Suffice to say that they all share one common thread – they gain the customer's trust. We also examined the unique reasons that special finance managers offer their customers to visit them – they simply stop the customer from calling anyone else.

Many individuals have commented that much of their business is done out of town and it's simply impractical to get them to visit the dealership for obvious reasons. They further commented that they did, however, utilize many of the techniques that we shared but executed them over a telephone conversation and via e-mail communication. They offer to fly customers to the dealership, put them up in local hotels, and pay for meals and entertainment to entice customers to visit. The cost of such business practices are similar in many situations to the transportation costs incurred in delivering a vehicle to a customer out of town and they rationalize it as a variable expense only incurred with a profitable deal. Customers get a paid mini-vacation out of the deal and pick up their vehicle with an exceptional experience. This surely breeds referrals! Make sure to receipt their deposit upon their arrival, however. One dealer didn't do so and the customers lost their deposit on their first night at a local casino! Lastly, we covered the four "Bs" of a special finance sales process:

1. Be patient
2. Build rapport
3. Build trust
4. Book an appointment

Increasing your conversion rate

On the same day that you were successful in securing an approval for a customer, prepare an e-mail or preferably a letter that confirms the approval and send it out to the customer. Most lending institutions only send a letter of declination – why not send an approval notification? You will discover that many customers who are approved will not show up for their appointment for a variety of reasons.

- They have not informed their significant other or parents.
- The other party or parties involved may not believe the approval or doubt the integrity of your operation.
- They may have other obligations of greater priority.
- They may have awkward working hours.
- They may live a great distance from your facility.
- They may be at the early stages of their buying process.
- Their current vehicle was repaired.
- They have made other transportation arrangements for the interim.
- They went to another dealership.

Sending a confirmation notice will increase your appointment conversions. With an electronic or printed confirmation in hand, any doubting party involved in the buying process should be satisfied that the offer is credible and that they are dealing with professionals. Many customers have other situations that they are dealing with that require their attention and the timing may not be quite right. With a written confirmation in hand, many customers will place the confirmation notice in a safe place and retrieve it when the time is right for them. Faithfully making this part of your sales process will increase the number of approved customers actually making the trip to your store.

Confirming the appointment

When sales consultants are trained to sell vehicles, the important element of confirming an appointment is trained. This procedure is asked of them when dealing with a telephone or an online customer, yet when we look at the practices used with credit-challenged customers, some sales consultants or business managers take short cuts. Could it be that sales departments are so busy that they don't have the time to confirm the appointment or is it because they are afraid to hear that the customer has changed their minds and will not be showing up? That's a very good question and the true answer could be a little of both or just plain laziness.

Dealerships that achieve high success rates at converting telephone or online inquiries into face-to-face appointments all share one common process – they confirm the appointment at least two to eight hours before the scheduled appointment time. This can be executed by a higher-level manager, a receptionist, a BDC representative or the person

who fielded the initial inquiry. Customers feel much more obligated to keep their appointments and if they had forgotten, they have time to make other arrangements in order to keep the appointment. Often, many customers will have had a change of heart for various reasons:

- They haven't told their spouse, significant other or parents about getting a newer vehicle.
- They were unimpressed with the inventory selection that was offered to them.
- They were disillusioned by the interest rate that was suggested.
- They don't want to go through another disappointment similar to previous failed attempts.
- They didn't get a chance to find out how much their insurance might cost them.
- A pressing event may have actually come up in their lives.
- They might not feel well that day.

If there was a legitimate reason for wanting to cancel, then the phone call will allow you to reschedule the appointment and further obligate the customer. If the call was not made, the appointment may have gone unfulfilled and the odds of getting them back after a few days of cooling off decrease dramatically.

If the customer has other concerns or objections, then the call is most definitely warranted. It's another opportunity to sell a solution to the customer. Perhaps a sales consultant could have taken the initial call or made a call back when he/she was not thinking properly or they were never trained correctly in the first place. The sales consultant may have spooked the customer by disclosing interest rates or may have reviewed the inventory over the telephone. He/she may have suggested to the customer that they need a co-signor or a significant down payment. When one or more of these objections or concerns are uncovered, a trained professional should seek to gain the customer's acceptance and resell the solution. To ensure that the circumstance does not repeat itself, efforts should be made to retrain or coach the individual who spooked the customer.

Customers' concerns

Following are a few "what ifs" to be prepared for:

Customer: "What's the interest rate?"

Response: "Mr. Jackson, we deal with all of the major lending institutions in Canada and I assure you that you will be eligible for the very best rate that your credit will permit you. You will need to come down in person and together we will submit your application. A declined application at zero percent will not help you get mobile, correct? Let's see what payment the lenders will approve for you," or "All of our rates are based on prime," or "That will depend on the payment call

that you qualify for based on your payment capacity, down payment and the year of a vehicle that will match your qualification. We'll need to review your credit report together and then we'll go with the best offer."

Customer: "What vehicle can I get?"

Response: "Mr. Jackson, our process will work like this. When you come in, we'll complete a credit application and I will also ask you some questions as to the vehicle and features that you would like to have. With that information, I will be able to forward your application and we'll be able to qualify you as to what vehicles you will be eligible for and more importantly, what payment you qualify for."

Customer: "What term will that be over?"

Response: "That will depend on the payment that you qualify for and the vehicle that you will be eligible for. We'll find out together when we process your application."

Customer: "Which bank will I be dealing with?"

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Response: "That is difficult to say as I may have to send your application to several institutions. With this method, it sends a message to the lenders that they should answer back quickly and with a favourable solution. We'll go with the best offer!"

It is recommended that you do not offer any details about the finance offer on the telephone (rate, term, amount financed or a monthly payment). If a customer has a specific question, another simple answer as suggested will work:

"We will work with you to get the lowest rate, longest term, best vehicle, longest warranty, lowest payment, etc. Our lenders will need to know the vehicle being considered, vintage, features, mileage etc., before they can formulate a specific solution for you."

Many managers will succumb to a customer that pressures them for an answer for fear that the customer will not continue with the call or the credit application. If you do answer, there is a higher probability that the call will end then if you were to deflect the issue. After all, how eager will they be to proceed after hearing about a 29 percent interest rate? This technique does not come natural for most people and must be practiced.

Many dealers fall into the trap of merely taking credit applications over the phone or directing e-mail inquiries to their online credit application. Unfortunately, we see dealers that only work with approved applicants delivering 10 to 15 percent of their total applications. Dealers that set and convert more appointments will deliver far more vehicles (up to 30 percent of total applications). I have personally worked with special finance managers who see just about everyone they speak with and deliver about 90 percent of the individuals that they get approved. If they don't have a vehicle, they go and buy one for the customer. Your success rate will increase with more face-to-face appointments.

An ounce of prevention is worth a pound of cure and that is simply why it is imperative to practice appointment setting. It is an acquired and developed skill that will reward your operation. Successful dealers who implement these techniques will achieve higher conversion rates. Simply put: If you get them in, you'll have a better chance to close them!

Hector Bosotti is a consultant and trainer with Wye Management and has over 25 years of retail automotive experience whose success has been founded on three key elements: people, process and training.

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