

Selling Value in F&I Products: Putting an Emphasis on Product Quality

by Ryan Peek

We have seen this scenario hundreds of times: a dealership quotes a price on a vehicle to a customer only to have them shop you and find a competitor to beat your deal by a couple of bucks. Some Manufacturers are guilty of the same thing; offering massive discounts on vehicles in an effort to bolster sales however, devaluing their product with that same brush stroke.

I am now starting to see a similar trend in many Business Offices today where product quality is being sacrificed moving to less costly and inferior product offerings – this is a short-sighted strategy and it will certainly not improve customer satisfaction. These are some of the product pitches that I hear in some Business Offices:

- *“These things are pretty much all the same.”*
- *“We all offer the same products but we’re cheaper.”*

We are dealing with a much more educated and more resourceful consumer today. They may have the perception that they can get the same product or the same coverage elsewhere and for a lower cost - be it from Canadian Tire or through their own personal insurance provider. Can you really attempt to compete with massive retailers? Do you really want to?

As you sit across from the new car buyer who is on his or her smart phone ‘Googling’ other dealers to shop your price and get product reviews, you can’t afford to be selling generic low cost products or

weaker warranties in your Business Office. Consumers will gladly pay more for a product that they perceive to have more value.

**Don't allow your customers to compare apples to apples;
Have them compare apples to oranges!**

Vehicle Protection Providers specialize and offer high quality appearance and vehicle protection products and are generally more expensive for very good reasons. Most of them offer products exclusive to the Automotive Dealer market and are not offered at retail outlets. This allows a dealer to yield a higher selling price backed by greater value and better warranty coverage.

Take the time to go over the warranty coverage of your product lines, learn the application processes and make an effort to better understand what you are selling. Take some time to sift through the finer details of a program and ask a vehicle protection expert for some assistance. Look for a company that specializes in that product area.

Dealers should be looking for Expert Product Providers.

Each supplier has a core product line and expertise. Choose the best quality products that will benefit your customers that will still provide an adequate profit for your Business Office. You will subsequently have more supplier relationships and that should be welcomed. Meeting monthly with different suppliers brings you new strategies and ideas to choose from.

Expert Vehicle Protection Providers focus on fewer products and as such have a greater intimacy of the features and benefits of their products and most importantly, how to present them. They show Business Managers how to sell on value, a concept that is vastly

becoming a lost art. They provide expert service for fewer products since they are not required to know the intricacies of a myriad of different platforms. And lastly, experts look to partner with your dealership to help you increase your profit. They are as invested in your dealership's success as you are.

Ryan Peek is the President of Cap Dealer Services. If you would like an evaluation of your current Business Office offerings, send Ryan an email at ryan@capdealerservices.com or contact him at (888) 532-0863 ext 242. He can also put you in touch with a number of industry professionals each great in their own field of business.