

AS SEEN IN



F&I NEWS

Explode your creditor insurance sales

Tips for business managers looking to change up their gameplan



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Many business managers are selling a creditor insurance policy to less than 10 per cent of their qualifying finance or lease customers.

Though many business managers may never enjoy the same penetration levels that extended warranties or vehicle protection products yield, adopting some different strategies could dramatically improve results with creditor insurance.

Here are some examples.

PITCH IT

One of the primary reasons preventing more creditor insurance sales in business offices today is simply because they are not presented to customers or they are only presented to select customers.

Introducing a waiver acknowledgement form that must be signed by the customer is an easy way to ensure that your customers have been presented with loan or lease protection plans. It is, after all, your ethical if not legal obligation to do so.

REMAIN OPEN-ENDED

Many business managers still close their creditor insurance presentations with a "yes or no" strategy. Consider having them close with options. For example, "The coverage is available with a seven-, 14- or 30- day retroactive plan. Which one will work best for you?" Or "You can get life, disability, unemployment, medical illness coverage or complete coverage. What would work best for you?"

NAME GAME

Consider changing the name of your creditor insurance products. Life insurance could be "asset management plan" or "estate management plan." You could change accident and health insurance or disability insurance to "payment protection plan."

Giving new names to plans people may have a negative association with might help in how those plans are perceived.

SPECIAL MENU

Many business managers still step-sell their products. Consider switching to a menu strategy. There are various menu strategies available today that also include software applications.

Many business managers improvise a menu selling strategy and fail miserably simply because they set it up incorrectly or still lack the basic presentation techniques and skills.

Investing in training your business manager in the art of menu selling will yield immediate and positive results in all product areas.

CUSTOMER SENSITIVITY

There are some franchised and independent used-vehicle operators who attract a high percentage of buyers with lower incomes and payment sensitivity. Perhaps it is your type of customer who is at the root of poor creditor insurance penetration levels?

If this is the case, many creditor insurance carriers offer lower premiums for your customers at reduced commission levels. Consider switching your rate factors when payment sensitivity is an objection to increase your penetration levels.

There are creditor insurance products offering customers partial protection for a disability or an unemployment event. The premiums are much more affordable as they do not offer complete payment coverage but have limitations to the number of payment benefits, as for example, three to six months of payment reimbursements).

TIME CHANGE

Consider having your business manager present creditor insurance products at the time of delivery instead of at the time of sale.

This is a growing trend in the industry that you may wish to experiment with. It does require two turnovers but the initial turnover is much shorter. Busy dealerships have had to move to this strategy to improve customer satisfaction since their customers were waiting too long to get into the

business office at the time of sale.

Perhaps, try changing the order of how your business manager presents creditor insurance products in their turnover. Some business managers will present just one creditor insurance product early in the turnover and then present the other or others at the end.

Some present creditor insurances first claiming that they have better success with the first product they present to a customer. Some prefer to present creditor insurances at the end of the turnover as a natural segue to submitting the loan or lease application.

TRAINING

Investing in quality training or consulting for your business manager can also help improve performance.

Some top reasons for poor creditor insurance performance is a business manager's lack of belief in the value of coverage, poorly creating the need for the coverage a weak presentation or not being able to overcome the simplest of objections such as "I have plenty of life insurance already," or "I'm covered at work."

If your business manager has difficulty in handling those two objections, it is likely that adopting any different strategy will not make an impact on sales.

With increasing competition today, the need for a dealer principal to improve business office performance should be a top priority. Focusing on improving extended warranty sales will also improve your absorption rate and increase customer loyalty. Investing in your people will always provide a dealer the best return on investment.

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