



# Zurich TAKES A BITE OF THE APPLE

At NADA 2015, Zurich North America defied expectations by debuting an F&I process built around iPad technology. **By Gregory Arroyo**

**A**dd Zurich North America to the list of software and F&I product providers looking to change the F&I experience behind tablet technology. But Zurich executives didn't just unveil a new tablet menu at January's National Automobile Dealers Association (NADA) Convention & Expo, they showcased a sales process designed around Apple's iPad technology.

Called "illuminate," the interactive iPad application and sales process has been on the drawing board since the first tablet menu hit the market about two and half years ago, according to David Putz, Zurich's senior vice president and head of direct markets. He said the company entertained offers from app builders but ultimately

decided to develop its new tool from scratch.

"A lot of people rushed to bring this out, but they didn't have the sales process. What they had was tablet technology," he told *F&I and Showroom* on the NADA 2015 show floor. "We loved the idea, but we didn't know how it fit into our sales process."

Last May, Zurich demoed the new tablet menu before its 12-member dealer council, which is made up of megadealers as well as owners of single-point operations. The council unanimously praised the tool, but Putz knew the final stamp of approval would come from the people who were actually going to use it. With that in mind, Zurich brought in a group of F&I managers this past August to try the tool firsthand.

"We said, 'We think we got it right. Dealers think we got it right. What do you think?'" Putz said. What the company got was critical feedback that Putz believes will make Zurich's new tablet menu a mainstay in the F&I offices of the company's dealer clients.

The finished product and process is now being piloted by 26 dealers. And after 90 days of testing, Putz said his beta testers have enjoyed decreases in transaction times and increases in customer satisfaction. Putz stopped short, however, of offering an average increase in profit per vehicle retailed.

"We can't say," Putz said of production increases realized by the pilot dealers. "What we can say is, for the 26 dealers who are piloting the tool, their numbers went up."

"But we need six months to a year to really know what the true net results are," he added. "What we do know is the customer's experience is better."

The tool uses a simple yet high-tech design. The device first displays folders of each deal being turned over to F&I. Select a deal and the tool pops open a window displaying all the details. The F&I manager then hits the "Begin" button in the top right corner of the screen to kick off Step 1 in the sales process: the customer interview.

"The process hasn't changed," said Vincent Santivasi, vice president of business development for Zurich's F&I division. "We still do an interview, which the customer can drive or the F&I guy does. The only thing that has changed is how the payment and products are presented."

Zurich recommends that the interview be conducted in the showroom, where the F&I manager leads customers through a short list of questions designed to set up the menu presentation. But the tool doesn't just feed the customer's answers to the F&I manager. In the case of a service contract, the tool matches the coverage terms to how customers respond to questions about their driving habits.

"This is a process we had in place even before [we introduced the tool]," Santivasi said. "It can take place in the showroom, the waiting room or the business office. We prefer that the business manager is with the customer at the beginning. But if you're jammed up on a Saturday, you can hand the tablet to the customer and say, 'You can start on this while you wait.'"

The interview section then feeds into product videos Zurich designed specifically for its new tool. For the service contract, the video will flash various vehicle components along with repair costs. The videos also point out which components can't be repaired and must be replaced. From there, the tool

pops up a screen that displays the deal the customer negotiated in sales, including the base payment.

The tablet tool then displays all the product offerings along with short descriptions. The F&I manager can click into each product icon to provide the customer with more detail about the product, its price and the impact it will have on the customer's monthly payment.

The tool then displays which products the customer selected and excluded, as well as payment term options, base payment and the customer's interest rate. It's a four-step process Zurich's brain trust believes will help engage customers and drive a better, more productive experience for both sides.

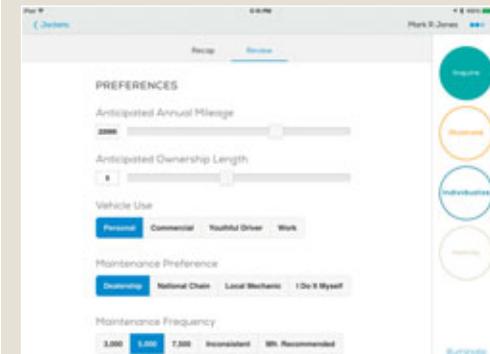
Putz noted that dealers and F&I managers weren't the only ones consulted during the development of the company's new tool. Zurich also staged multiple focus groups in Kansas City, Mo., and California. The goal was to uncover exactly what motivates consumers to purchase F&I products.

Putz said the results were eye-opening.

"Some were completely happy with the product they purchased, but there was a segment of the population that said, 'I purchased the service contract, but I don't know what I bought and I hope it covers something.' Even more alarming was the segment of the population that said, 'I'm not opposed to it, I just didn't have the information' or 'It wasn't presented in a format that I really understood, so I shut down.'"

And that's what Zurich hopes illuminate will change.

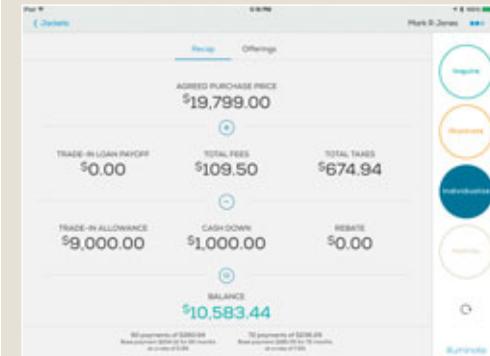
"Eighty-five percent of people who research vehicles online spend three-plus hours before coming in," Putz said, citing a stat shared during the J.D. Power International Roundtable event that preceded the convention. "So again, if you don't have a strategy built around how they shop, you're missing the boat." ■



**illuminate can match service-contract terms to how customers respond to questions about their driving habits.**



**Pictured is illuminate's service-contract video, which points out vehicle components that can't be repaired and must be replaced.**



**illuminate's Recap screen reviews the deal customers agreed to in sales before displaying the F&I menu.**



**The menu displays all F&I offerings in boxes containing brief descriptions. Users then click on a product to access additional details.**