

# Finding the right F&I product mix for your dealership



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Ten years ago, there were only a handful of products offered by the F&I manager. Today there are countless options. Deciding which specific F&I products to offer customers can have a profound impact on customer satisfaction and a dealership's bottom line.

Many F&I managers offer every customer all the products for which they are eligible. Some will determine which products to show based on what they think the customer can afford or will be most likely to buy, while others focus on products that will personally make them the most money. Is there really a “right” mix of products to offer? The indisputable answer is, yes!

For a variety of reasons, a finance manager cannot always effectively present all products to a customer. To start, there are time constraints to consider. The F&I portion of a transaction usually lasts approximately 30 minutes. Product discussion and paperwork must be completed during this time, so presenting the right products is key to maximizing this valuable customer interaction. In addition, consideration should be made to ensure a customer is not overwhelmed with too many products presented at one time, making them less likely to make a good buying decision and worse case, unhappy with their experience at the dealership. So, how should you determine the right product mix to offer?

“We start by taking a strategic approach based on the dealer’s objectives,” says Marie Knight, Vice President of Strategic Relationships for Zurich’s Programs & Direct Markets business.

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Taking that understanding of the customer from the dealer’s perspective, then teaching F&I managers a process which includes conducting a customer interview where they listen to customers describe what they value, helps further define the product package. Once you have formulated a good understanding of the customer’s priorities, present products for which the customer recognizes value. For example, if your dealership has high lease penetration, focus on products that appeal to lease buyers. Lease wear and use, road hazard tire and wheel, and products that focus on maintaining the appearance of a vehicle, such as paintless dent repair and environmental paint protection, are likely to be of greater importance to lease customers.

## The Winning Equation: Combining customer AND dealer values

Dealers and F&I managers who look at both customer values and dealer objectives are those who realize the most success with F&I. The best result comes from looking at the dealership in its entirety, determining the mix of products that create value for customers, and – at the same time – create value for the dealer. Marie says, “From the dealer perspective, it’s important to consider products that will create immediate value as well as value over the long-term; those that impact profit and those that impact retention.” Vehicle service contracts, for example, provide great value to a customer in terms of protection, convenience and little to no out-of-pocket expense for covered repairs. At the same time, vehicle service contracts drive business back to the dealer’s service department, creating another opportunity to interact with the customer. This product, as part of the product mix strategy, provides initial value to both the customer and dealer and long-term benefit to the dealer in the form of repeat business.

## Putting knowledge in customers' hands illuminate POWERED BY ZURICH

As technology evolves and people's car-buying habits change, customers' expectations are growing. In response, Zurich developed illuminate, a cutting-edge, customer-driven iPad® app to enrich the customer experience in the dealership while helping enhance F&I opportunities. The illuminate app provides customers more information – using videos to explain products – giving customers the ability to make informed decisions about the products that are best for them.



## Zurich's Streamlined Selling System® illuminate

We help our dealer customers maximize their earning potential with Zurich's Streamlined Selling System® illuminate. Streamlined Selling System® illuminate:

- Improves customer satisfaction because the product presentation is tailored to each customer's individual needs.
- Protects the dealer's assets by ensuring full disclosure of all F&I products.
- Reduces chargebacks by giving customers a more complete understanding of what they purchase.
- Increases efficiency by streamlining the sales process and decreasing the customer's time in the F&I office.

### Are you ready for an F&I proposal from Zurich?

Contact your Finance & Insurance Executive or submit your request using one of the following options:

**Phone:** 800-840-8842 ext. 7449

**Email:** zdm.management@zurichna.com

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