

Finding the right F&I product mix for your dealership



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Ten years ago, an F&I manager would offer only a handful of products. Today, there are countless options. Deciding which specific F&I products to offer car buyers 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 review 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 in the worst-case scenario, 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, Head of Strategic Services for Zurich's Direct Markets business.

“We analyze the dealership, understand its customers and collaborate with the dealer to determine which products would be of most value to that particular dealer and their customers,” Knight added.

Understanding the customer from the dealer's perspective, then teaching F&I managers a process that includes conducting a customer interview where they listen to customers describe what they value, helps further define the product offering. 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 consider both customer needs 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 - creating value for the dealer. Knight says, "From the dealer's perspective, it's important to consider products that will create immediate and long-term value, generate profit and maximize retention." Vehicle service contracts, for example, provide great value to a customer in terms of protection, convenience and little to no out-of-pocket expenses for covered repairs. At the same time, vehicle service contracts drive business back to the dealer's service department, generating service revenue and an additional 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.

Service Lane Sales Program

The Zurich Service Lane Sales Program provides dealerships the opportunity to increase vehicle service contract sales by closing 10%-15% of quotes offered in

service, improving overall gross profit as well as reinsurance growth opportunity, and is another critical step toward greater customer retention and loyalty.

This turnkey program makes it easy to present customers with the features and benefits of purchasing a vehicle service contract. Our proven selling system, combined with cutting-edge technology, allows consumers to review and purchase a vehicle service contract while they're in for service.

Putting knowledge in customers' hands

As technology evolves and people's car-buying habits change, customers' expectations are growing. In response, Zurich has invested in relationships with technology providers to deliver an enhanced buying experience in the showroom, the service department and through the dealership's website.

Zurich's Streamlined Selling System® 4.0

We help our dealer customers maximize their earning potential with Zurich's Streamlined Selling System® 4.0

- 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

Discover more at www.zurichna.com/13thMonth

F&I Online - Consumer Resources

Zurich is committed to improving the customer experience and helping dealers maximize their F&I opportunities. That is why we have developed an F&I Online Consumer Education Program that can help your dealership address these needs.

Zurich's F&I Online Program can help:

- Provide F&I product education to prospective car buyers, allowing them to research at their own convenience
- Enrich the F&I customer experience through knowledge sharing
- Shorten time spent in the F&I office, increasing overall customer satisfaction
- Increase potential F&I sales
- Capture pre- and post-sale engagement with consumers

Find out more about F&I Online at www.zurichna.com/fionline

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

Contact your Zurich representative or submit your request using one of the following options:

Phone: 800-840-8842, ext. 7449

Email: zdm.management@zurichna.com

Online: www.zurichna.com/proposal

For more information, visit: www.zurichna.com/automotive

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