

May 2007

What's On Your Menu? The Path to Happy Customers by Lisa Gladstone

When you go to a restaurant, there is one thing you can always count on. The maitre d' or server will hand you a menu. Do you care for an appetizer? Salad? What would you like for an entrée, and how do you like that prepared? The menu is a visual source for you to review all of the options available, and you get to pick what you really want, and exactly how you want it. No anchovies? No problem.

A restaurant menu makes perfect sense, so why not present your customers with specific choices when it comes to financing? Menu selling – presenting your customer with a printed list of packages and spelling out all F&I products available – allows a customer to make their decision. There are a lot of products that an F&I department or F&I managed services provider can offer: credit insurance, service contracts, and payment options allowing customers to roll all F&I products into an affordable monthly payment. The last thing you want to do is create potential dealership liability by not offering all of your products to all of your customers. That's why designing and adopting a menu selling system is helpful for dealerships.

Let Customers Make the Decision

According to J.D. Power and Associates, 93 percent of customers want a sales consultant explaining their finance options in a non-pressurized setting that allows them to make their own decisions. Put yourself in your customers' shoes. How would you feel listening to a laundry list of products and feeling pressurized to buy them? One of the keys to building a satisfied customer base, and protecting your dealership is insisting that your F&I department or F&I managed services provider uses menu selling.

If you've purchased a car, you've probably encountered the empowering experience of choosing your F&I products from a menu. It's been the method of choice for F&I departments in the car business for some time now. JM&A Associates, one of the largest providers of F&I products in the automotive industry, found that menu selling cuts the closing process almost in half and has a positive impact on F&I profits. It's not a long reach between what the car folks offer their customers and what RV dealers sell.

"A menu allows customers to select the products they want and ask questions or voice concerns about the ones they don't think they need," says Ron Reahard, a nationally recognized finance and insurance author and trainer who teaches that a customer should be helped, not sold. According to Reahard, "Customers appreciate having someone take the time to review the options, answer their questions, and help them make an informed decision with regard to those options. They resent having to listen to a sales pitch."

Listen to the Customer

Many of us in sales practice the old 70/30 rule. The customer talks 70 percent of the time, and the salesperson should speak only 30 percent of the time. According to Rina Aponte, recreational lending manager at Priority One Financial Services, “Paying close attention to what the customer says helps tailor a menu specific to their needs.” Aponte adds that by allowing customers to make their own decisions about which F&I products they want, you avoid any possibility of the customer feeling pressured or sold.” Aponte adds that serving up an option menu to your customers enhances value and professionalism, speeding up the closing process, allowing customers to see their options, and creating positive CSI for your dealership.

Customers really appreciate hearing about and seeing every option available to them. I frequently hear stories from dealers about customers who felt pressured into buying credit insurance policies but who felt grateful when those policies were offered at the time they purchased their RV.

Staying Compliant

Not only do customers appreciate reading a menu, but by law you are required to disclose everything to every customer every time. Quentin McClung, senior vice president at Protective Life Corp., a national provider of insurance and investment products, calls full disclosure the 300 percent rule. “Your F&I department or F&I managed services provider needs to offer 100 percent of the products to 100 percent of the customers, 100 percent of the time,” he said. “If not, you could be in violation of multiple government rules and regulations.”

Using a properly prepared menu ensures compliance with applicable laws and regulations including the Sherman Anti-Trust Act, Federal Regulation Z, or the Federal Trade Commission Act. State regulations also come into play. A menu provides proof that all F&I products were offered and protects your dealership from potential liability and future litigation.

State agencies also are on the lookout for “payment packers.” You’ve probably seen the shame-on-you stories on national news programs – undercover video of F&I managers stuffing every aftermarket product imaginable into the customer’s base payment without any disclosure. The customer has no clue that his monthly payment was “packed.” As Protective Life’s McClung says, “RV dealers understand the profit center available from aftermarket products and are also aware of the drawbacks. The biggest pitfall of dealerships is disclosure – making sure that if they are selling aftermarket products, these products are clearly disclosed to the consumer. Utilizing a menu aids in the disclosure process by presenting the options to the customer, allowing the F&I professional the opportunity to discuss the value of each product offering, and allowing the customer to choose what he needs.”

McClung says, "If RV dealers do not disclose everything available, it won't be long before these attorneys begin looking into the RV industry."

Keep Customers Happy

Why give class action attorneys the opportunity to come after your dealership for non-disclosure? Customer needs, customer decisions, and complete disclosure by your F&I department or F&I managed services provider are vital for happy customers, and the overall success of your dealership. We all know that happy customers become repeat customers, and they are the ones who refer new customers. It all comes back to the restaurant comparison. A detailed menu explains what the kitchen is serving and gives customers tantalizing choices. An F&I menu has the same positive impact – informing customers right away about the goodies your dealership offers and allows them to order until they're full.

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