



Mike Hoeffy

EASIER ACCESS TO SERVICE CONTRACT INFORMATION

The explosion of the Internet and the sophisticated high-tech look of most auto dealerships Web sites have created a need to look beyond the traditional approaches to delivering service contract information. Today's Web shopper is moving rapidly through the purchase process with the help of Internet managers and new concepts such as OCO (Offer-Counter Offer). In some capacity, not interfacing with a live body until it is time to work up the paperwork is exactly what a consumer is looking for. With this in mind, it is time to revisit the manner in which these shoppers are learning about F&I products in conjunction with their automobile purchase.

In today's selling environment, the presentation of service contracts still lies in the hands of F&I managers. This approach has positive and negative benefits. Certainly the F&I manager can dictate when and how the sharing of service contract information occurs during the buying process. Some consumers may be exposed during the test drive, while they are just kicking the tires or during the actual buying process. What really goes on in the consumer's mind during that discussion when the consumer has little if any information about service contracts? Making a \$30,000 buying decision is not easy. It is a tense and uncomfortable position for many. Dealerships have made positive strides in creating a relaxing atmosphere to help make the buying process less difficult, but unfortunately not everybody is totally comfortable with the whole "experience."

When you throw the service contract discussion into the middle of this mix, it can create two very clear options — yes or no. Yes, means, well "yes" and you go on down the road and blend the expense into the financing. Drawing on the lowest common denominator approach, with a great line such as "...and that increases your monthly rate only \$4.00 — you made a great decision," makes life fun. Everybody wins. However, behind every "no" are a myriad of reasons and thoughts that potentially never get fully flushed out. How much does the customer know? What preconceived notions do they have about service contracts? Good F&I managers work diligently to bring value to the service contract discussion and with a focused effort, many of those

conversations turn into revenue. If F&I product discussions jeopardize the entire sale, that conversation is most likely over. To maximize the F&I revenue opportunity, every dealership should be targeting a 100 percent service contract sales close rate for the pre-qualified candidate pool.

How do you get there? We all know that this valuable revenue stream is even more critical during this economic downturn. Expanding the outlets for general service contract information is a critical step to reach the goal. A quick Google keyword search for "auto service contract information" gives you a lot of choices and does help. The real opportunity is by tying this information into the dealer Web site. With the explosion of good dealer Web sites and consumers shopping on those sites, why not give them all the information they need right there? Some sites have it figured out, but many have a limited amount of information available, and it is too many clicks away from the home page. So what do you do? Adding "Service Contracts" to the primary banner bar on a home page and linking the consumer to high-quality content about service contracts is a great step in the right direction.

Picture this — the consumer sees the car they want online. They look at colors and styles. Their excitement level grows. They run the numbers. *They want to buy.* They see an online message within the vehicle description saying "this vehicle is eligible for a five-year service contract — Click here!" They click, read and learn. It makes sense. They have some questions but the seed has been planted. The consumer walks into the dealership with screen shots of the car they want and the service contract plan that goes with that car.

Creating a realistic view that an auto purchase and a service contract go hand in hand makes all of our lives easier. The integration of this important information to the Web site-shopping experience is a perfect and natural way to get to the 100 percent target goal — it's a beautiful vision that can become a reality.

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