

The Hybrid Menu Method

The intent of a menu is that all of the choices are winners.

By Ron Martin

The menu approach to selling F&I is embraced by many across the country. It was designed as a customer friendly approach that ensures all of the products get offered to the customer each and every time.



"The biggest strength of using a menu is the alternative close it creates."
— Ron Martin

Is that the case? Just because the intent of the trainer is for the finance manager to include all of the products on the menu, does that mean it gets done? And is it a customer friendly approach?

Are there strengths to using a menu to present F&I products? Sure there are. The biggest strength of using a menu is the alternative close it creates. It gives the customer a list of options to select from, with the premise that the customer will choose one.

The intent of a menu is that all of the choices are winners. The built-in alternative close creates a natural closing question, "Which package do you prefer?"

WHAT ARE THE WEAKNESSES TO MENU SELLING?

As we've just seen, there are definite strengths to the menu method. But there are also weaknesses.

• It can be perceived as manipulative rather than explaining the value of products.



You are taught to fill out the menu and start disclosing. You end up selling payment options more than the value of the products.

• Once the F&I manager is met with confrontation by their customers they put packages together that are not all winners.

• The customer gravitates toward the lowest payment.

• When the customer asks, "What is the payment without any of the products?", the F&I manager has little room to maneuver because they didn't ask any questions during the presentation to un-

understand the customer's needs.

PRESENTING THE VALUE OF THE PRODUCTS

I have designed a complementary approach to The Vision of F&I sales process that recognizes the weaknesses of a menu approach, but still uses the strengths of an alternative close. This approach is meant as a solution to the question, "How do I present the value of the products so that



the customer feels comfortable and give myself the best opportunity to generate high F&I profits?" I call the approach the Hybrid Menu Method.

Steve Taylor, dealer principal for Taylor Cadillac/Imports in Toledo, Ohio, says this about The Vision of F&I sales processes: "The Vision of F&I methods have helped my dealership make it to number one in F&I for my 20-group in 2001."

TRANSFER OF ENTHUSIASM

This concept still begins with the basic premise to effective sales, that is, the transfer of enthusiasm for the products that I have to offer from the seller to the buyer. Without that you will promote confrontation and be perceived by the customer as manipulative.

We will use the four-step process of:

1. Approach the Prospect: Break preoccupation and give a good first impression.

2. Present the Products: Make the product presentation, so we are qualifying the customer to buy. In other words, what is the "hot button" for the customer that will permit them to see the value of your products?

3. Overcome Objections: Welcome them because they show interest.

4. Closing the Sale: Getting customers to make decisions.

BUILDING RAPPORT AND BREAKING PREOCCUPATION

When most customers enter the F&I office their intent is to sign the paperwork

and drive off in their nice shiny new car. Sorry to disappoint you, but spending an hour with the F&I manager is not necessarily at the top of their "to do" list for the day. Building rapport and breaking preoccupation are key to gaining their attention, so they will listen to your presentation.

Once I have entered the deal into the computer and pulled all relevant forms it's time to greet the customer. I assume I will sell all the products, so all the blank

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forms are pulled. If we don't expect to be successful our chances are not very good. My presentation begins like this:

"Mr. and Mrs. Doyle, my name is Ron Martin. My function here at the dealership is to process all the legal paperwork. I have already entered all the relevant information in the computer and have the documents here for you to sign. This process I assure you will not take a lot of your time. Before we begin, may I ask you a couple of questions?"

Of course the customer won't oppose since you have already pointed out to them that the process wouldn't take a lot of their time.

"Mr. and Mrs. Doyle, we really appreciate you purchasing your new vehicle from us. We understand you had a choice to make on who you were going to buy from and we are flattered that you chose us.

"It is important to us that not only you buy this vehicle from us, but we would like to provide you with all your automotive needs for the next 30 years. We have found that whether that happens depends not only on the quality of the automobile you purchased, but of equal importance is how you were treated while you were here." (Note: you can add at this point it is also important to the manufacturer and that they will be sending out a survey in a couple of weeks if the customer is purchasing a new vehicle.)

"Our dealer wants me to ask you a couple of questions about your buying experience.

"1. Did the salesperson take good care of you? Did they greet you promptly? Were they courteous?"

"2. Are you satisfied with your vehicle? It's really a nice automobile.

"3. When we are finished here you will be getting your new car. It should be cleaned up and have a full tank of gas."

(Don't say this, of course, if they aren't getting a full tank of gas!)

"4. The last part of your experience is what I do. I would like you to be able to say when you leave here, that I was prompt, efficient, straightforward, but most importantly that I have described to you all the financial benefits that are available to you. I just need a couple brief minutes of your time so I can describe those to you."



This approach:

- Gains rapport with the customer in a brief period of time.
- Enhances dealership CSI and ensures more customers will return their surveys.
- Makes the customer comfortable with you.
- Is an excellent lead-in to your features and benefits presentation.

Kevin Hill, F&I director for Vin Devers Dodge in Toledo, Ohio, says what he likes best about the Hybrid Menu Method is how comfortable it makes the customer during the presentation.

CLOSING THE SERVICE CONTRACT

My first presentation is the service con-

tract. I begin with a preoccupation-breaking question: "How would you like to prevent having to pay most any future repair bill?" The customer will of course say something along the lines of, "What do you mean?" This leads right into your presentation.

You can close this product with: "This 5-year, 75,000-mile service contract will increase your payment by \$25 plus a little interest or you can pay cash for it if you like." (The monthly payment increase is arrived at by dividing the sales price by the term with the customer.)

The customer will either give you an objection, say "Yes" to your offer, or ask, "What does that make my payment?"

- If you are given an objection, answer it and re-close.

- If the customer agrees to your offer, respond with, "Mr. and Mrs. Doyle, I think you made the right choice. The last benefit that is available to you is the loan protection..."

- If their response is, "What does it make my payment?" Your answer should be, "I'll get that for you in just a minute. The last benefit that is available to you is the loan protection; it includes credit life insurance which will satisfy your outstanding balance in the event you would pass on and provide your spouse or beneficiary with a free and clear title and release them of this obligation.

"It also includes accident and health insurance, which is a benefit that makes your loan payments for you in the event you become unable to work due to a sickness or injury. You just have to be under a doctor's care for 14 days or more, and the payments will be made for you as long as you're off work or until the loan is satisfied in full.

"The final benefit of the loan protection is Total Loss Protection. This enhances your regular automobile insurance by making up the difference between your payoff and what the insurance company settles for in the event that your vehicle was totaled or stolen and unrecovered. In addition, it will pay your deductible up to \$1,000.

"With this protection included, your payment comes to [payment amount]. That payment is set up for 45 days to your first payment due date which makes it on

5/15/2002. If that doesn't work for you we can make it another day back to 30 days. It will even save you a little interest." Wait for a response.

If the customer says, "What is the pay-



ment without that?" Respond with: "Let me break that out for you."

This is the point where the Hybrid Menu is used. I recommend you use a simple tablet of paper to present to them their options. This is much more personal and won't come off as "salesy."

"Mr. and Mrs. Doyle, here is a list of options to help you make your decision.

"Service Contract, Credit Life, and Accident and Health Insurance, Payment #1

"Total Loss Protection, Service Contract, Credit Life, Payment #2

"Service Contract, Credit Life, Accident and Health Insurance, Payment #3

"Base Payment with Service Contract, Payment #4

"Which choice makes more sense to you?" (This is the Alternative Close.)

I included the service contract in each option. Remember the customer's initial question, "What does that make my payment?"

This way of using a menu as a last resort is much more effective than using it as your sales tool. The focus is on what it should be, the features and benefits of the products. It is not on the payment options themselves like regular menu selling.

The products I am using for this illustration might not be the same products you are selling. You, of course, will have to vary the presentation to emphasize the products you offer. Once the customer has made a choice, then upsell to another package.

Greg Ranney, F&I manager for the O'Daniel Automotive Group in Ft. Wayne, Ind., says this about his experience with the Hybrid Menu Method: "It has given me confidence that the customer has a clear understanding of the products that I have offered them, which has led to an increase in my product sales."

GET THE CUSTOMER TO MAKE A DECISION

The successful F&I sales person is the one who transfers enthusiasm for the products that they are passionate about to the customer in order to fill their needs.

They properly approach the customer with breaking their preoccupation in mind. Once they have rapport, they lead into a features and benefits presentation that is designed to qualify the customer to buy.

They welcome objections because they recognize that objections show interest by the customer, and are prepared to answer them.

Finally, they get the customer to make a decision by asking the appropriate questions that take the customer smoothly through the close. And as a last resort they offer the customer a list of alternatives. This is the way to aggressive F&I numbers and high customer satisfaction. ■

Editor's note: Ron Martin's company, *The Vision of F&I, Inc.*, conveys his vision through seminars and consulting to dealers around the country. To learn more or to order his book, *The Vision of Finance and Insurance: A Training Narrative*, contact *The Vision of F&I, Inc.*, at (219) 637-2796 or visit www.thevisionoffandi.com. ■