



SPEEDING UP WARRANTY SALES

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One of the most important products sold in the F&I office is the motor vehicle warranty or extended warranty. This is truly a product that creates a win-win scenario for dealers and customers.

Dealers win by earning commission generated from the sale of the product. The most important thing is the protection of the profit generated in the sale of the car. We do not know which cars will break but we do know that cars do break sometimes. (Even when we service them and ensure we sell good vehicles only.)

Customers gain the peace of mind in knowing that their vehicle will be repaired should something go wrong. A good warranty will offer car hire benefits when the car is in for repairs, keeping customers on the road earning their own income. The list of benefits is outlined in each warranty, and there are usually many. (Go to www.autosurewarranty.co.za for more info or to make an enquiry about the benefits.)

Here are some tips that can help you, the F&I manager, sell more warranties.

- 100 per cent presentation, 100 per cent of the time to 100 per cent of your customers. More presentations equal more opportunities to sell. Try achieving this in your workshop as well.
- Establish a history by asking, "When you purchased your current vehicle, did you also buy a warranty?"
- Establish a need by asking the customer their annual kilometres. You will be able to work out from here when the current warranty will expire and advise your customer accordingly.
- Offer choices by asking, "One year, two years, extend by 50 000 km or 100 000 km – which coverage fits your needs and budget?"
- Act as though everyone buys a warranty or extends their warranty. Everyone should. We know that cars break, we don't know which ones will break.
- Ask the mechanics to point out on the vehicle some of the major components that are covered by the warranty. Alternatively, make sure you have a poster showing the parts covered.

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- Create a follow-up letter for customers who did not purchase this valuable coverage. Mail the letter nine months after delivery.
- Contact the customer a week after you have mailed the letter.
- Attach a note to every repair order or service invoice through your workshop showing the number of days or kilometres remaining under factory warranty. Also attach the simple details on how to extend the warranty and what options are available to your customer.
- Encourage service advisers to ask every customer for a copy of their warranty when they bring it in for a service or for repair. If the customer does not have a warranty, this is a great opportunity to encourage them to purchase one.

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