

It is a Good Car, However...

By Tony Dupaquier



When the price of gas fluctuates people start trading in their trucks and sport utility vehicles to purchase more economical, fuel-efficient vehicles. In many cases, these vehicles have the reputation of being more reliable, so customers may not see the need to purchase a service contract. Knowing how to overcome this perception is

crucial for business managers.

For starters, consider the main reason for which customers are looking to trade – to reduce the cost of ownership. Explain to the customers that a service contract does just that by allowing him/her to budget in the cost of repairs up-front.

The classic close for customers who do not see a need to purchase a service contract is the 99.9 Percent Reliability Close, which is as follows:

“Mr./Mrs. Customer, would you be happy if your vehicle was 85 percent reliable, meaning 15 percent of the time it would be in the shop and you would not be able to drive it? To this question, the customer’s response will likely be “No.” “Of course you wouldn’t. Would you be happy if your new vehicle was 99.9 percent reliable?” At this point, the customer’s reply should be “Yes.” “So would I. That percentage means there is a one tenth percent chance that there would be a defect or failure in the vehicle. Considering your new vehicle’s 16,000 moving parts, that would mean 16 parts may be defective or could experience a failure during your ownership. Taking into account that your manufacturer’s limited warranty would

cover eight of those parts, that would mean the remaining eight parts would be your responsibility.”

“The average repair bill here at our dealership is \$583, so you could be exposed to up to \$4,664 in repairs. Wouldn’t it make sense to spend less than half that amount by spreading it over the term of the loan? This would ensure that your vehicle is always working properly and that you would have alternate transportation plus the convenience of roadside assistance with only a small deductible when that problem occurs?”

It is important to do some research before using this close. Have an accurate number for the amount of moving parts inside the vehicles the dealership sells. Remember, a single bearing alone may have up to 60 parts. Also, find out what the average repair bill is for the store. Include all repair bills such as manufacturer’s warranty and service contract work, not just what the customer pays.

Another close that works well with many customers is the Racecar Close, which I have used successfully throughout my retail automotive career. This close works well if the customer has any interest in motor sports. It is important, however, to find out beforehand if the customer has ever watched racing on TV or ever attended a race. This close will be even more effective if the customer’s favorite driver is known.

“Have you ever watched racing on TV?” If previously confirmed, the customer will probably answer “Yes.” “What is the number one reason drivers do not finish?” The customer should say, “They crash.” “Right, and what is the second reason they do not finish?” Lead the customer to say, “They break down.” “Correct.” The business manager would go on to say:



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“In today’s highly competitive racing arena, the teams use the absolute best materials and the most modern technology to generate extremely reliable cars. The technicians building these cars are the absolute best in the business. Even with using the best of the best, these teams still have problems with failures in only a few hundred miles. Isn’t there a good chance that today’s production vehicles that are built on an assembly line could have a failure in the tens of thousands of miles you intend on driving? Wouldn’t it make sense to make a small monthly investment and protect the more than 16,000 moving parts inside your new vehicle while having courtesy transportation and the security of roadside assistance?”

Using the Racecar Close is extremely effective and an excellent way to build additional rapport with customers.

Once customers are enlightened with some insightful logic, most will see the need and value of a service contract. Even though a customer is buying a quality vehicle, a service contract is the best investment that he/she can make.

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