

CAR DEALER INSIDER

Profit Making Secrets for the Competitive Dealer

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New vehicle sales: Show customers why you deserve to get their business

A recent Gallup poll shows that most customers - 91 percent - don't think your salespeople are honest and trustworthy. What are you doing to fix that perception? Some pointers from dealers who have tackled the issue:

- Building better rapport. For most customers, the typical meet-and-greet is a turn-off, says consultant Mark Tewart of Tewart Enterprises. He advocates a process that takes time to explore why a customer wants and needs a vehicle to build rapport, determines their financial status and payment preferences as part of selecting a vehicle and structuring a deal that will work.

- Remembering customers after the sale. Most stores still struggle with using the CRM tools they've purchased to their fullest potential. Those that take the time to write letters, make calls to gauge satisfaction and ask for referrals typically see sales numbers increase. Customers don't like to be bothered, but they appreciate feeling that you care about them beyond the transaction.

Other areas to focus on in 2005:

- Privacy regulations. Dealer legal defense consultant **Gil Van Over** says many stores are not meeting recent federal privacy mandates. You should give a copy of your privacy policy whenever you make a copy of a customer's driver's license. The law considers that "non-public" information and should trigger giving the required notice. Many stores, Van Over says, share the policy only when they obtain a credit report - which leaves out the 20 percent or more customers who take a demo ride but don't do a deal.

- Better coordination with F&I. Your sales process should include introductions early on with the F&I manager and underscore how the office will add value to the customer's vehicle purchase. Dealers that use this approach say it eases customer concerns and makes the handover to F&I much smoother. Your sales team should also be aware of prevailing interest rates and payment ranges to give customers informed answers to their questions - and spot any potential credit challenges early in the process.

How do you stack up?

A look at key public dealer group financials

The following highlights the average new and used vehicle gross profits and F&I income public dealer groups reported for the third quarter this year.

Company: New Used F&I



Asbury	\$2,101	\$1,795	\$902
AutoNation	\$2,013	\$1,654	\$939
Group 1	\$1,953	\$1,705	\$948
Lithia	\$2,228	\$2,159	\$1,044
Sonic	\$2,057	\$1,748	\$940
United Auto Group	\$2,630	\$2,061	\$807

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