

Video F&I PRESENTATIONS: Use 'Em or Lose 'Em?

By Ronald J. Reahard



Every new F&I sales tool requires careful evaluation. See if video presentations are right for your dealership after weighing these pros and cons.

Dealers and F&I managers are always looking for a magic bullet — that new product, sales technique, word track or close that will easily get customers to buy F&I products. Whether it's menu-selling software or a new closing technique, hope springs eternal that someone has found a quick, easy and fool-proof way for an F&I manager to sell more products in less time with less work.

The latest magic bullet is the video F&I product presentation. It is shown to customers either prior to entering or once inside the F&I office. Although video product presentations have been around for

several years, there are now dozens of companies that offer them in various formats and permutations. Some of them are shown in the salesperson's office using a portable DVD player. Others are shown to customers on a TV in the waiting lounge. Most are shown in the F&I office on a separate computer monitor. All are advertised as a surefire way to increase F&I product sales. The question is, should you use 'em or lose 'em?

MULTIMEDIA MEDLEY

The typical video product presentation is four to eight minutes long and highlights the F&I products



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the dealership offers. Some are animated presentations with music and cartoon characters. Some use computer graphics. Others use a professional spokesperson who explains the products available.

The best videos are low-key, with no sales pitch whatsoever. They often begin with a brief introduction by the dealer, who thanks customers for their purchase. The worst presentations are obnoxious infomercials that spew out product benefit after product benefit. They assume that customers will buy anything if you just pile on enough benefits.

CONSISTENT, CONCISE, COMPLIANT

One benefit of a good video presentation is that it provides a consistent process, which is critical in the finance office. A consistent process is sustainable, and a sustainable process makes continuous improvement possible. Every dealer should expect consistent performance and continuous improvement from the F&I department.

A video presentation gives the same presentation of every product to every customer. It is never in a bad mood. It never calls in sick, has a bad day or gives an abbreviated presentation because it's late in the day and time to go home. Customers will buy products you would never expect them to buy simply because the product was offered and explained to them.

When used consistently, a video presentation delivers a clear, concise message about all the products in a short time period. Reducing the time customers spend waiting to come into the F&I office as well as the time spent in the office is critical to improving CSI. The longer the F&I process takes, the lower the CSI.

A video presentation can also play an important role in improving compliance. Customers are entitled to know all the options available in connection with their purchase (not just the ones you want them to buy or the ones you make the most money on). They are also entitled to have a professional answer their questions and help them make an informed decision about those options.

VIDEO ON TRIAL

Randy Seeker, F&I director at Scott Honda of West Chester, Penn., has been using a video product presentation for three or four months. He says its greatest benefit is that it helps keep the dealership compliant. It has reduced the time customers spend in the F&I office. "It has also helped us sell a few additional products," Seeker says.



A good video presentation is used to educate customers instead of to just deliver an obnoxious infomercial that over-emphasizes each product's many benefits.

At Scott Honda, the salesperson picks up a portable DVD player from the F&I manager when he or she sells the car and shows the customer the video presentation before the customer goes into the F&I office.

While the video presentation has received mixed reviews from some salespeople, Seeker says "it has made it easier to open up a conversation about the products with some customers." It lets F&I managers immediately focus on those products the customer feels are valuable, close on those products and then offer the customer an option package that makes sense for him or her.

A well-made video presentation can help occupy customers' time when there is a wait before they can go into F&I. Purchasing a new vehicle can be an emotional, anxiety-filled experience for many



Consistency, enthusiasm and clarity can often be more regularly achieved with a video presentation versus an F&I manager.

consumers. However, the video can help slow customers down, reduce anxiety, put them at ease, and provide them additional time to consider their repayment, risk management and vehicle-protection options prior to entering the F&I office. And by the time the F&I manager reviews the menu with customers they already understand the products. They may have even made a decision about which products make sense for them.

Jeff Henry, F&I manager at Kelly Cadillac-Saab-Subaru-Hummer in Chattanooga, Tenn., has been using a video product presentation with most customers in the F&I office for about a month.

"We are considering moving it out of the F&I office to allow the customer to view it just prior to coming into F&I," Henry says. While it's still too early to tell how effective it really is, "it has probably helped increase our sales of tire & wheel road hazard and environment protection," he says. He hasn't seen much of an impact on the sale of other products.

A possible downside is getting customers to watch the entire video. "With most customers, it keeps their attention for about half of the video," Henry says. "Then they just ignore it."

A VIDEO SALES PITCH?

If your dealership is considering using a video F&I product presentation, here are some things to keep in

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mind. It needs to be a low-key, high quality production that simply informs customers of the options available in connection with their purchase. It must be professional, informative and educational; it can't be a sales pitch.

The litmus test: Would you want your best friend or a family member to sit through it? The last thing you want to do is force customers to endure an obvious sales pitch, creating sales resistance even before you can discuss why a product may benefit them. A video presentation that tries to sell products instead of simply educating and informing is a disservice to the consumer, the finance manager and the dealership.

A problem with any F&I presentation — whether given by a video or an F&I manager — is that many customers immediately recognize that someone is trying to sell them products. So, they turn off, tune out and stop watching. Consumers don't want to be sold anything. They want knowledgeable professionals to review their options, answer their questions and help them make informed decisions about those options based on their unique needs, with no pressure to buy anything.

JUST A BUILDING BLOCK

In short, a video product presentation is not a magic bullet. There is no magic bullet.

Selling F&I products is like building a house. Just as the most important part of a house is its foundation, the most important part of selling F&I products is the needs-discovery process. If you don't discover customers' needs, you have no foundation on which to build the sale of your products. You can only learn cus-



Disadvantages of a video presentation include the risk of a customer's lack of interest and the loss of an opportunity to learn about the specific needs of each customer.

tomers' needs when they're talking and you're listening — not when they're watching a video.

To ensure that every unique customer receives a thorough explanation of the options in minimal time with a maximum chance of product sales, the F&I process must follow an organized, consistent format. While a video presentation does help ensure a consistent process, each product presentation must still be tailored to the customer's unique needs. F&I professionals must discover a need the product will meet or a problem it will solve to form a basis for a discussion of that product with the customer.

If a video product presentation gives customers a more consistent, knowledgeable and enthusiastic presentation of F&I products than the F&I manager does, your dealership will no doubt see an in-



A video presentation can contribute to a dealership's compliance effort by explaining every option available to customers every time without bias.

crease in F&I product sales and profits by using it. However, if the F&I manager is giving every customer an enthusiastic, needs-based presentation of every product every time using a menu, implementing a video presentation will probably have minimal impact.

To determine if you should use a video product presentation, examine your current performance. If there is significant room for improvement, evaluate several video presentation tools. Try one for 30 days and ask your customers if they liked watching the video. If they enjoyed it and felt it helped them understand their options so they could make an informed decision, then it should be part of your dealership's sales and F&I process. But if they felt it was a waste of time, if they resented being asked to watch it or if they felt it was a six-minute sales pitch, it shouldn't be part of your sales process. The key: listen to your customers! Watch their reactions before, during and after watching the video. Then, and only then, can you decide whether you should use it or lose it. ■

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