



30 Questions

YOU NEED
TO ASK
CUSTOMERS

Invite customers to talk about their needs and concerns by asking questions that elicit detailed responses. Make every question part of your needs-discovery process.

BY RONALD J. REAHARD

AT A GLANCE

- Spend more time listening than talking to customers
- Avoid closed-end questions that can be answered with a "yes" or "no" response
- Discover a need for each product before making a menu presentation

"Today's buyer doesn't want to be talked at. They want to be heard."

—Keven Daley
Socratic Selling

Every successful F&I manager knows that customers prefer talking to listening. In my experience, I can say that the best F&I managers talk the least. When customers talk, you have an opportunity to

discover their needs, concerns and/or the problems they need help solving. Customers buy an F&I product not because they understand it, but because they feel you understand them.

The whole idea of needs-based selling is to allow you to show customers how a product will benefit them specifically, versus making a sales pitch. That means you have to discover a need each F&I product will fill, or a problem it will solve, before

presenting any products, so there is basis for your discussion. In order to do that, you have to engage customers in a dialogue that will enable you and them to answer that all important question: "Why does this customer need this product?"

The key to needs discovery is to ask open-ended questions, rather than those that can be answered with a simple "yes" or "no." Closed-end questions do not provide you with any new information on which to base your next question, and the conversation quickly deteriorates into an interrogation:

"Did you buy your trade-in new?"

"Yes."

"Has it been a good car?"

"Yes."

"Did you have any problems with it?"

"No."

"Have you ever had a breakdown away from home?"

"No."

"Do you think you might have a breakdown with this car?"

"No."

"Do you want a service contract?"

"No."

"Are you sure?"

"Yes."

The customer's "yes" or "no" response constantly requires you to come up with another question, and the experience becomes an exhausting ordeal for you and the customer.

Open-ended questions, on the other hand, tend to relax customers, and encourage them to expand upon their answers. More importantly, they provide you with the information you'll need to sell your products. These questions almost always include one of the six magic words when it comes to needs discovery: who, what, when, where, how and why? Customers are able to answer in their own words and ways, and constantly provide new information on which to base your next question. Always remember, the person asking the questions is the one controlling the conversation.

Bringing customers back to the F&I office immediately al-

lows you to spend more time with them, and ask numerous needs-discovery questions as you begin loading their information into the computer and printing documents. However, needs discovery should begin the moment you greet the customer on the showroom floor. The following questions will help you to discover customers' needs and position your products as a solution to those needs.

The idea is not to interrogate customers, but to work these questions into the conversation. This allows you to determine their needs prior to presenting your products on a menu.

**EASY QUESTIONS
BREAK THE ICE**

When you first meet customers at the salesperson's desk, after introducing yourself, you might want to ask a few easy softball questions, such as:

1. "So, who's getting the new car?" It's critical that you discover who the primary driver will be as soon as possible. The person who will be driving the vehicle must be able to picture himself in a situation where your products would benefit him.

2. "Where are you going on your first trip in your new car?" This helps determine where they might take their vehicle on a trip. Nobody wants to have a breakdown away from home!

3. "What made you decide to get a new car today?" Their transportation needs may have changed, they may have had problems with their previous vehicle or it might have been stolen or declared a total loss.

4. "What other vehicles do you own?" You need to discover if this is their primary vehicle, their only vehicle or if their other car is a company car.

TO DISCOVER NEEDS, ASK:

As you begin reviewing their information and inputting it into the computer, your needs-discovery questions should also include:

5. "What percent of your vehicle use is for business?" If they use the

car in their business, they'll need substitute transportation. Plus, they may be able to write off the vehicle service agreement as a business expense.

6. "Do you have room in the garage for the new car?" followed by "Where do you normally park at night?" "What about during the day?" This can help discover the need for environmental protection, GAP or a theft deterrent product.

7. "How far is your commute to work?" followed by "What percent of your driving is freeway?" This will allow you to demonstrate the need for roadside assistance or tire & wheel road hazard protection.

8. "How many miles a year do you drive?" This helps to discover which VSA will best suit their needs. A great follow-up question is, "Wow, where do you go?" Now you can paint a picture of the vehicle broken down somewhere along the way.

9. "Do you normally sell or trade your vehicles?" followed by "Why?" You need to know if what they're doing today is normal, or abnormal, and their motivation for trading or selling their vehicles themselves.

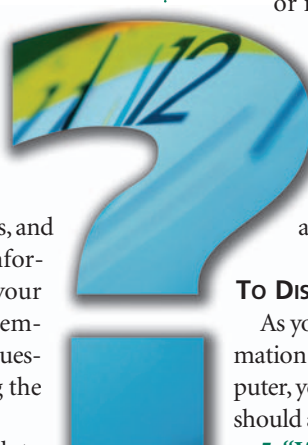
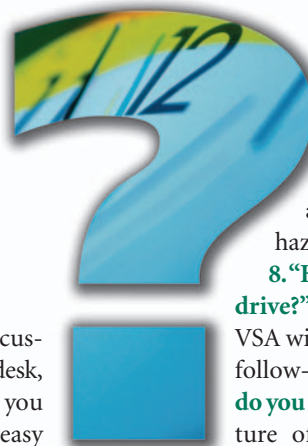
10. "I see your trade-in is five years old. How long do you normally keep your vehicles?" You have to tailor your presentation of a VSA or environmental protection to their situation. This should be followed immediately by the question you really need to know the answer to: "Really, why do you keep them that long?" There's a big difference between someone who trades every four to five years "so they don't have problems," versus a customer who trades because "they just want something new."

11. "What type of repairs did you have to do on your old car?" Always assume they had some type of repairs. If they did have a repair, don't forget to ask "What happened?" so they can relive the hassle of that experience.

TO FIND AVAILABLE CASH, ASK:

Many times, additional cash down is needed to help reduce the amount of advance or offset the negative equity in a trade-in. But you've got to find the cash before you can get the cash.

12. "What other cash assets do you



have that you could use to repay this obligation?" You're looking for cash-value life insurance, stocks, bonds, savings accounts, etc. — anything that can be tapped to get the down payment necessary for approval.

13. "What other cash assets do you have that would be available in an emergency?" (IRA, 401(k), college fund, etc.) Even if they don't have any cash, it demonstrates they need your products.

14. "What other assets do you currently own that could be readily converted into cash?" (Second vehicle, ATV, jet ski, etc.)

15. "In the event we're able to extend your first payment out 45 to 90 days, how much additional cash would that make available?" Help customers discover ways they might be able to free up additional cash for the down payment.

WHILE REVIEWING CREDIT APP, ASK:

16. "What all is involved in your job?" If you want to sell credit insurance, it's your job to figure out what's hazardous about their job. And every job has its hazards.

17. "When you're not working, what do you do for recreation?" Maybe they like to ride four-wheelers (a.k.a. quadricycle makers).

18. "I see we're putting the loan in both names. Do you depend upon both incomes to meet your monthly obligations?" "Yes." "And in the event one of those incomes were to cease, what other sources of income would you have available?" "None." You've just discovered they need disability insurance.

19. "How soon are you expecting an increase in salary?" Insufficient capacity is the No. 1 reason a deal is rejected by lenders!

20. "Has your income increased, decreased or remained the same over the past five years?" "Really, how much was it five years ago?" This will allow you to show them they can afford this higher payment.

21. "It shows here you have three dependants. How old are your kids?" Depending on their age, they may need fabric protection, or a VSA and GAP if their children will soon be of driving age.

22. "What are their names?" You want



to use the names of their children, not just "your kids" when you talk about the need for insurance, fabric protection or roadside assistance.

TO CONVERT TO DEALERSHIP FINANCING, ASK:

To convert outside bank or credit union customers to dealership financing, you must be capable of discovering why they

[Open-ended question] almost always include one of the six magic words when it comes to needs discovery: who, what, when, where, how and why?

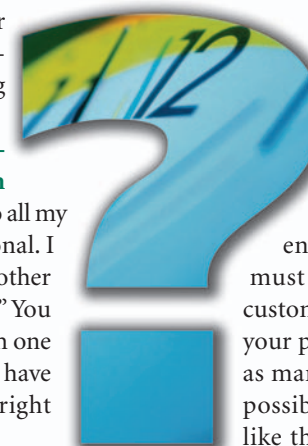
might want or need another source of financing. Otherwise, you're competing strictly on rate.

23. "What type of relationship do you have with Worst National?" "Oh, I do all my business with Worst National. I have checking, savings, another car loan, everything there." You just discovered a need: With one of your sources, they won't have to be concerned with the right of offset!

24. "What other lending relationships do you have established?" "None." Any financial adviser would recommend that they have more than one finance source available.

25. "Who do you deal with there at Last Chance Finance?" You need to find out whether they have a personal relationship with someone there at the bank or credit union.

26. "How long has it been since you financed a major purchase somewhere other than Deadbeat Federal Credit Union?" If they haven't financed anywhere else for several years, they need another source of credit. "If you desperately, and I



mean desperately, needed to borrow money and the credit union said no for whatever reason, where would you go?" "How much would it be worth to have another lender available that would say yes?"

WHILE CONFIRMING INSURANCE, ASK:

27. "What are your insurance deductibles?" In most states, GAP would pay their deductible in the event their vehicle is a total loss. If they have less than a \$500 deductible, they may want to raise it. The savings on their insurance will help pay for the GAP!

28. "Have you, or anyone in your family, ever had an accident?" If so, ask them "What happened?" You want them to relive the experience so they recognize it could happen again. If they've never had a claim, they sure wouldn't want to file one for road hazard.

29. "Who else will be driving the new car?" They may have some teenage drivers who may drive the vehicle at some point. Teenagers don't drive the way Mom and Dad drive.

30. "What type of theft deterrent system did you get on your vehicle?" This sets up the need for "layered" theft protection.

Needs discovery is the most important part of the entire F&I process and you must be capable of discovering customers' needs before presenting your products. The key is to utilize as many open-ended questions as possible, so customers don't feel like they're being interrogated. If you ask your customers these 30 questions, you can use the information you discover as the reason why they need the product being discussed. Then you're not selling customers, you're helping customers! ■

.....
Ron Reahard is president of Reahard & Associates Inc. Reahard & Associates provides customized in-dealership F&I training for dealerships throughout the U.S. and Canada. If you'd like a free "memory jogger" to help you ask customers more open-ended needs-discovery questions, call Ron at 866-REAHARD or e-mail www.ron@go-reahard.com.