
THE ULTIMATE AUTOMOTIVE SALESPERSON

by
Mike Whitty

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This book is written in the masculine gender to enhance the ease of writing. The authors and Salesperson, Inc. do not discriminate on the basis of age or gender, and believe that anyone who applies himself/herself to the study and practice of selling can and should be an outstanding automotive salesperson.

Introduction

The automobile salesperson is a rare individual. He works many hours, endures the ups and downs of the industry, works basically on commission, and faces the heartbreak of rejection every day. To survive in this business you have to be a psychologist, teacher, friend, and consultant. Your basic job is to make people happy with their selection of a car, and to make as much money as possible for yourself and for the dealership.

Why would anyone stay in automotive sales with all of these demands? It's one of the few businesses where you have millions of dollars of inventory, a telephone answering service, office space, and an advertising budget, with absolutely no investment of your own. It seems too good to be true, doesn't it? But even with all these benefits, fewer than 40% of the salespeople will continue to sell cars next year.

Here are my theories why this is so:

■ TRAINING

When an individual makes the commitment to become an automobile salesperson, he receives very little, if any, training. Although training and development programs are slowly gaining importance in the industry, it takes more than what is currently being offered to adequately prepare the salesperson for today's market.

■ ORGANIZATION

It actually takes a lot of skill for an individual to become organized. I'm not just talking about scheduling your appointments so you can go to lunch at the same time every day. I'm referring to organizing every part of your life in order to achieve a **"better you!"**

■ GOAL SETTING

There is nothing more exciting than setting a goal and achieving it. However, knowing how to do this successfully requires skill, patience, and training. If an individual does not set goals, his income will be determined by luck, instead of skill.

■ BEING NEW

If you are a new recruit who is starting automobile sales as a new career, you're probably feeling a little nervous and insecure. Starting anything new can be frightening unless you have a complete overview of what to realistically expect. By understanding your responsibilities in advance, you will know which tasks to learn, and what kind of goals to set.

These are just a few of the reasons why I have written **The Ultimate Automotive Salesperson**. As you thumb through the chapters, you will find everything you need to give you a better than average chance for success in automobile sales. But keep in mind, this book is meant to be a "*guide*."

It is meant to counsel and direct you in a path that fits your needs. It is not meant to be the only course you follow. I wrote this book to stimulate your yearning for education.

*...You should keep on learning as long as there
is something you do not know.*

—Lucius Annaeus Seneca

Every person should strive to be the best that he can be, no matter what the challenge. It is your responsibility to educate yourself, and not wait for someone to do it for you. With the vast array of books, seminars, and educational and motivational materials available to you, it is your obligation to strive for excellence. I hope **The Ultimate Automotive Salesperson** will help you accomplish your goals.

TABLE OF CONTENTS

Section I Introduction

Chapter 1

Philosophy of an Automobile Salesperson

Chapter 2

Philosophy of an Automobile Customer

Chapter 3

How to Get Started

Section II Sales Procedure

Chapter 4

Greeting

Chapter 5

Inventory Walk

Chapter 6

Product Presentation

Chapter 7

Demo Ride

Chapter 8

Negotiation

Chapter 9

If You Don't Sell The Car

Chapter 10

If You Do Sell The Car

Chapter 11

Pre-Delivery Procedure

Chapter 12

Delivery Procedure

Section III Business Money Makers

Chapter 13

Prospecting

Chapter 14

Phone-Ups

Chapter 15

Switching To A Used Car

Chapter 16

Out Of Stock vs. Dealer Trades

Chapter 17

Follow-Up Programs

Section IV Educational Material

Chapter 18

Paperwork

Chapter 19

Organization

Chapter 20

Qualifying Customers

Chapter 21

How To Sell To Women

Chapter 22

Competitive Analysis

Chapter 23

Leasing vs. Buying

Chapter 24

Objections and Closes

Chapter 25

Continuing Education

Chapter 26

How To Handle A Slump

Chapter 27

How To Use Computers In Your Business

Suggested Reading

Glossary

Index

Chapter 1

Philosophy of an Automobile Salesperson

...Look out for the fellow who lets you do all the talking.
—Frank McKinney Hubbard

Being an automobile salesperson brings with it many responsibilities, as well as rewards. Whether you are thinking of making this your career, or whether you've been an auto salesperson for years, you will realize that there is more to doing this job than the average salesperson pursues. The whole purpose of this book is to educate you on the proper sequence of doing business.

So, what are the major objectives of the salesperson? Simply stated, they are:

■ TO SELL CARS AND MAKE MONEY

The primary reason and motivator for taking any job, or starting a career, is to earn money. After all, it would be difficult to purchase the necessities of life without it. And, if you didn't desire a better than average lifestyle, you would probably be satisfied to settle for a 9-to-5 job earning minimum wage. But, this isn't the case. You've decided to enter a career where the hours are long, the rejection is high, and the pay is unstable. If I haven't painted a pretty picture thus far, it wasn't my intention. Realize, however, that along with the downside of this profession, comes the opportunity to earn a tremendous amount of money. It has always been my philosophy that, if I am willing to work a lot of hours and if I am willing to take a lot of rejection, then I **want** to be earning a lot of money. And, where else can you virtually run your own business without any capital investment? Auto sales is one of the few occupations where an individual can have millions of dollars worth of inventory, office space, a telephone answering service, and an advertising budget—with no investment whatsoever.

■ TO REPRESENT THE COMPANY IN A PROFESSIONAL MANNER

Professionalism is not a word that should be taken lightly. When you become involved in a "people business," you have to make sure that the way you portray yourself reflects kindly on your employer. The way you look, act, and handle your affairs both inside and outside the dealership will determine the type of salesperson you will become.

■ TO CONTINUE LEARNING YOUR TRADE

A salesperson was asked, "*How many years of experience do you have selling cars?*" and his reply was ten years. Then the question was posed, "*Do you have ten years of experience, or one year of experience ten times?*" What happens to many salespeople is that whatever they learn during their first year in the business is all they care to learn for the rest of their career, and so they remain stagnant. It should not be like this. Times change, people change, the economy changes, and cars change. With all of these changes taking place, the salesperson should take it upon himself to constantly upgrade his education in the career he is pursuing. It stands to reason that if a person wants to become more proficient, he should never stop learning.

There are, of course, many other philosophies for doing business such as, "**treat others as you would want to be treated,**" but the main point to remember is that "**success means growth and growth means change.**" Always strive to be the best salesperson that you can be, and you will reap the rewards of your efforts.

*...Your reputation is determined by what others
are not thinking about you.*

—Tom Masson

Chapter 2

Philosophy of an Automobile Customer

...No customer can be worse than no customer.

—Leopold Fechtner

There are many things a salesperson needs to know about a customer. But, the one basic fact that remains constant is, **you need him more than he needs you**. The sooner you realize this, the better your attitude will be on how important each individual customer is.

Because the automobile industry has changed dramatically over the years, car buying has become more complex. In the past:

- *The customer had fewer cars to choose from.*
- *There was less technology to understand.*
- *There were fewer dealers to visit.*

As a result, this customer had an easier time choosing and buying a car. He could be loyal to a particular salesperson longer because he had the tendency to stay with the same carline, a courtesy that was passed down from generation to generation.

Now there are many more automobile companies than before, increasing both the competition and the number of choices. Virtually every item on the car has become computerized and consequently more intricate than in previous models. So, as the number of buyers has increased, the sophistication of these buyers has also increased. It is rare for the automobile buyer today to make a choice without studying every aspect regarding his buying needs. And with the price of cars continuously climbing each year, buying a car has become a major household decision.

It is understandable, that car buying has lost a lot of its glitter. With all of the technical information the buyer must study, and with all the product lines to consider, the fun is literally gone. The moment the customer steps into the dealership, he becomes apprehensive regarding the pressure tactics some salespeople use. And because auto salespeople have unfavorably been described as being "**crooks**," customers always feel like they're being cheated. They'll doubt you when they see a "**true invoice**" price because they think you've altered the figures. You can see why the customer is so confused.

*...A consumer is a shopper who is sore
about something.*

—Harold Coffin

So, let's try to keep it simple and identify what customers really want.

CUSTOMERS WANT:

■ TO BE TREATED WITH RESPECT

No one likes to be treated like a second-class citizen. Regardless of age, sex, or physical appearance, make certain you greet every customer who walks through the door with enthusiasm, warmth, and respect. Being made to feel special seems to break down many barriers.

■ TO BE EDUCATED ABOUT YOUR PRODUCT

With as many vehicles as there are on the market, one reason the customer shops around is to find out what the differences are between the various carlines. Your responsibility then is to educate this customer to the best of your ability. Give him as much positive information as he can absorb, so that he can make the correct buying decision.

■ TO BE GIVEN A FAIR DEAL

It certainly would be nice if we could sell every car for the amount appearing on the sticker. But that kind of deal doesn't seem to interest very many customers. Therefore, while you are negotiating price, continue to build value into your carline. This strategy will help you earn

as much profit as is feasibly possible.

■ **TO RECEIVE GOOD SERVICE AFTER THE SALE**

In order for you to get repeat customers and referrals, you have to make sure this customer is cared for long after you have made the sale. Most of these ways will be learned as you read further.

If you study these four items carefully, you are on your way to understanding how a customer thinks and what a customer needs and expects.

... A salesperson, tired of his job, gave it up and joined the police force. Several months later, a friend asked him how he liked being a policeman. "Well," he replied, "the pay and the hours are good, but what I like best of all is that the customer is always wrong."

—Sales Scrap Book

Chapter 3

How to Get Started

...Be not afraid of growing slowly, be only of standing still.

— Chinese Proverb

I can still remember the very first day I walked into the dealership as a salesperson. I had studied all the brochures the weekend before, gathered as much information as my head could hold, and dressed up in my finest suit. I was ready to step into a new career that would offer me unlimited financial potential with no investment whatsoever. ***What a deal!*** And then it hit me. What if someone asks me a question I can't answer? What if my mind goes completely blank and I don't remember a thing I studied? So many options, so many engines, so many different car lines to remember. Being the perfectionist I was, the embarrassment would be more than I'd want to endure. I could feel the butterflies churning in my stomach as I realized, at the ripe old age of 30, I was the new kid on the block again having to work my way up the ladder of success.

At that point, I became very hesitant to wait on customers, and so I went back into my office to hide. Everything was fine up till then because there were other salespeople who could handle the traffic in the showroom during the slow time of the day. But then came the moment of truth — **TRAFFIC OVERFLOW!** I was forced to show myself to the public and attempt to impress a customer with my knowledge and good looks. So I walked over to the first person I saw who looked as lonely on the outside as I did on the inside.

"Can I help you?"

Obviously being new, I wasn't versed on how to greet a customer to my advantage, so he came back with the comeback response his father probably taught him,

"No thanks, I'm just looking."

Where was I to go from here? I was a little relieved that he didn't have a question for me, but at the same time, I was already on the floor and wasn't about to hide again. I had to say something to give this customer some idea that I was interested enough to pursue his business, so I blurted out,

***"Well, let me look along with you,
I could use the practice"***

And that's exactly what we did. I took him out to the new car lot, showed him the line of cars he was interested in, and the next day closed the deal for a \$363 commission. I remember thinking to myself how easy that was. All I did was remain friendly throughout his visit, showed him what he wanted, and decided on a fair and equitable price.

Needless to say, all of my sales haven't been that easy. But if I had to have an ice breaker, I'm glad it was that one. The first step toward a customer is always the hardest one. But once you do it enough times, it really does get a lot easier.

I've made a list of suggestions to help you get through the beginning stages of your career in automobile sales. Follow each one carefully, and you'll gain the confidence needed to succeed.

■ **TALK TO CUSTOMERS EVEN IF YOU'RE AFRAID**

It doesn't even have to be auto related, just say anything to get you into the habit of being on the showroom floor and having a one-on-one conversation with someone. Service customers are an excellent way to break the ice. They have already purchased a car, so the pressure of having to sell something is gone. They're probably in your showroom waiting for their car to be serviced and just want to see how the new models differ from the one they own. This is where you can start relaying a few facts with which you feel comfortable. Every time you say it aloud, it becomes embedded in your memory. And who knows? You might just get lucky and sell a car!

■ NEVER BE AFRAID TO SAY "I DON'T KNOW"

It's not a crime not to know every fact and figure about automobiles. There is a tremendous amount of knowledge you'll need to gather that only time and study will help. If you're asked a question that you're not sure of, simply say that you don't know and will look it up. This shows your willingness to answer the customer's question and gives you one more fact to occupy that vast library upstairs.

If you want to lose your credibility and become totally embarrassed, try lying about a fact of which you're not sure and have the customer catch you at it. Believe me, the customer won't think you're stupid if you don't know an answer, but he will if he catches you in a lie.

Many times customers feel more comfortable dealing with a new salesperson. As soon as you tell customers you're new, the guard they put up before they entered the dealership seems to drop, because now they don't feel that they'll be confronted with this high-powered salesperson who knows every trick in the book, and will continuously try to slam them into a car they don't even want at a price they can't afford. I have seen salespeople use the "***I'm New***" technique for years just to put customers at ease. The basic reason is that customers don't always want to be sold. Many times they feel more comfortable selling themselves on buying a car and would like to assume they know more about what they need than you do. That's where a new salesperson has the edge, he'll just let them feel that way.

■ GET EVERYONE TO TAKE A DEMO RIDE

The best way to show customers your product is to get them physically involved in it. Just explaining it to them on the showroom floor takes away from the excitement they will feel by actually driving your product. Even if they're not planning on buying today or in the near future, getting them into the car and going for a ride gives them that feeling of what a new car is again. Those firm seats, the lack of noise, that new car smell, these are senses they haven't felt since they bought their last car. And it might just trigger the sensation you're looking for to turn them into buyers now. The very least that's going to happen is that you will get more practice selling your customers during the demo ride, which is all important in creating the sale, and you will learn more about your product. I'll discuss more about the demo ride in another chapter.

■ STUDY PRODUCT INFORMATION DURING SLOW TIMES

Update your product knowledge when there are no customers in the showroom and you're just sitting around. There are three sources in your dealership that will supply you with all the information you need:

— *Brochures*

These have all the facts and figures a customer needs to make a good buying decision. When I won the *National Walkaround Competition* for Mazda, I didn't use any other piece of literature in our dealership. The brochure had virtually all the facts I needed.

— *Video Tapes*

Almost all dealerships carry a good supply of video tapes that cover product knowledge, competitive analysis, and even some tapes on how to sell. Watch these any time you need to freshen up on your facts.

— *Master Product Book*

This book has complete documentation about your car line.

The more you study your product, the more confidence you will have when dealing with a customer. It could mean the difference between making or losing a sale. Customers like to deal with salespeople who are knowledgeable about their business. It's embarrassing when a customer asks you a question and you don't know the answer, especially when it's about the car you're trying to sell him. Knowing your product gives you an energy that you're not likely to see in someone who doesn't have that type of knowledge. It gives you a sense of direction and a plan of attack that will make your presentation a successful one.

■ BE FRIENDLY

It's been said that people buy cars from friends even if they're not good salespeople. When you're working with customers and you're new in the business, the very least that should happen is that you try to make friends with them. Don't worry so much about the

presentation and the sale, but concentrate more on gaining a rapport with them. Talk about things that interest them. One of the best ways to get customers to communicate with you is to get them talking about themselves. It could be anything from sports to grandchildren. Try to establish some common ground with them. If they feel that the salesperson they're dealing with is a lot like them, they're more likely to buy from him than from someone who comes across as high-powered and totally business-like.

■ WORK CLOSELY WITH MANAGEMENT

Your manager is there for a reason. It's his responsibility to guide, train, and motivate his sales staff to produce as many sales as possible. So use him to get the results you're looking for. The one thing you should never do as a new salesperson is to let your customer leave without introducing him to your manager. He will be able to ask the proper exiting questions to make sure that all the bases were covered, which in the long run will earn you more money. Listen to him and learn. If he's a good manager, and if his income relies on your sale, you can bet that he'll want to get involved with every customer to maximize his chances of a higher paycheck.

*...I really believe my greatest service is in
the many unwise steps I prevent.*

—William Lyon McKenzie King

Chapter 4

Greeting

*...A man without a smiling face must not open
his shop.*

— Chinese Proverb

Have you ever encountered sales clerks or cashiers in department stores who were unpleasant or who ignored customers? I know I have. Each time this has happened to me, I've wondered why such individuals were hired into jobs that require courteous treatment of customers. By retaining such personnel, the store will surely lose money.

Therefore, **greeting** your customer correctly should be the single most important point to learn. This is the time when these standards are attained:

- *Value judgments are made.*
- *Trust is formed.*
- *Mood of the sale is created.*

A customer not only wants, but deserves to feel special. **Remember, you need customers more than they need you!** They are going to determine whether or not you get paid for your time.

The actual **greeting** begins before you even approach the customer. It starts the moment you lay eyes on him. How you respond the instant you come in contact with the customer will determine the outcome of your relationship with the customer. It's at this time that both you and the customer will either form a like or a dislike for one another. While you are prejudging him, he will also be prejudging you.

Since you don't want the customer to react negatively toward you, you must "**psyche**" yourself

to be the best possible salesperson this customer has ever met. You are going to make a sale and you're going to have fun doing it.

However, even if you sense a dislike for this individual, you still **must** be the **friendliest**, most **courteous** salesperson he has ever met. Your goal is to make this prospective customer want **YOU** for his salesperson.

I have divided the greeting into four important steps. Remember that these steps are not the only ones that you will use. By reviewing these, you will have the basics to start learning what form of greeting is right for you.

...Knowledge is of two kinds. We know a subject ourselves, or we know where we can find information on it.

— Samuel Johnson

■ SMILE, SMILE, SMILE

Regardless of whether you are a newcomer or a veteran auto salesperson, always remember that a smile will set the tone for a wonderful relationship. I use the word **relationship** because this is what you wish to have with your customer. This will be the beginning of a glorious union that will last for years.

Isn't this reason enough to put on a happy face when you first meet? There will be times when smiling will not come naturally. We all have bad days when nothing goes right and the furthest thing from our minds is being nice to someone. But you must realize that in this business, you are not only a salesperson but also an actor. When times are rough, you must put all your personal problems behind you and approach the customer as though you just won the million dollar lottery. By faking your way through this initial stage, you'll find yourself getting caught up in the excitement and soon you'll become happier too. The opposite will be true with your customer. If he has had a bad day, your smile may be just the catalyst he needs to turn it around.

Happiness is infectious. Someone once said,

...You never get a second chance at making a good first impression.

Start the first impression with a **smile**.

■ SHOW A LOT OF ENERGY AND ENTHUSIASM

Your own body language will determine the way your customer will perceive you. For example, let's assume you approached your customer with a negative posture: shoulders drooping, head down, frown on your face. If your customer reads into your negative body language, it will most likely cause him to respond negatively also.

In other words, when greeting your customer, don't look like death warmed over. **Run out to that customer!** Let him see that you are interested in doing business with him. Show him that you are excited about your automobile, your dealership, and that it's great to be alive. Give him the impression that doing business with him is the best thing that ever happened to you. Here are some movements that will help you achieve this:

- *Use a lot of hand gestures.*
- *Talk a little faster.*
- *Raise your voice an octave.*

All of these actions will help you increase your level of energy and excitement.

■ CAN I HELP YOU?

This greeting has been banned from sales books because the typical response is,

"No thank you, I'm just looking."

I remember when I first started in auto sales, I wasn't sales oriented so I didn't know any of the *"power greetings."* I just said what felt most comfortable to me. And I think that's the operative word, *"comfortable."* Each time my trainers tried to convince me to use another type of greeting, I had a difficult time making it sound like something I would say. *Can I Help You?* is discouraged because it gives the customer an opportunity to say, *No Thank You, I'm Just Looking.* When most salespeople are confronted with this reply, they simply walk the other way and the sale is lost. Since I felt comfortable using this greeting, I had to come up with some response that would take me beyond the normal reply. When the customer would say, *"No Thank You, I'm Just Looking,"* my reply would be,

"Well, let me look along with you, I could use the practice."

or

"I know where everything is, so if you will tell me what you're looking for, maybe I can point you in the right direction."

Both of these responses gave me the opportunity to gather more information and show the customer that I was interested in helping him further. The point I'm trying to make is, you must seek out ways that will help you become a successful salesperson. In my situation, everyone told me that this phrase wasn't the proper greeting to use, but since I felt comfortable, I discovered responses to overcome the customer's objection. No matter which greeting you use, make sure you always welcome the customer to your dealership, give your name, and ask for his. A typical greeting should sound like this:

"Welcome to ABC Motors. My name is Mike Whitty. What is yours? How can I be of service today?"

As you go through your greeting, hand him a business card, and if you have problems remembering your customer's name, write it on the back of another business card so you can refer back to it whenever necessary. It's difficult carrying on a conversation when you have forgotten the person's name. I know I was always embarrassed whenever I had to ask a customer to repeat his name.

The most important parts of the greeting will always include the following:

- ***Be friendly.***
- ***Have a lot of energy.***
- ***Show some enthusiasm.***
- ***Make friends with your customer.***
- ***Try to be yourself.***

■ **COLLECT AS MUCH INFORMATION AS POSSIBLE**

After you have gone through your formal introduction, try to pull your customer away from the distractions of the showroom floor so you can gather more detailed information.

Once I finish my introduction with a customer and learn which vehicle he is interested in, I invite him into the privacy of my office. The reason I prefer to ask my questions there instead of on the showroom floor is because I want to separate the customer from the main stream of traffic. During this time, I don't want any interruptions from other onlookers or from other salespeople. You never know when someone may say something derogatory within earshot of your customer. Such comments can possibly lose a sale for you.

While making the customer comfortable in my office, I take out a worksheet and begin writing down details such as:

- ***What options is the customer looking for?***
- ***Will he trade in his old vehicle?***
- ***Will he pay cash or finance?***
- ***What will his downpayment be?***
- ***What monthly payment can he afford?***

Writing this information down at this point gives the impression that you're trying to do a complete job. It also gives you the opportunity to get the customer's correct name, address, and telephone number, so in the event that you don't get into a closing situation, you will have all the information necessary to follow-up with later.

If I had decided to ask these detailed questions while still on the showroom floor and if the customer decided he was not ready to negotiate a deal, I would have lost the opportunity to record this valuable information for future follow-ups.

...Warning — Customers are perishable.
—Store Sign

Chapter 5

Inventory Walk

*...Funny how people generally can do more than they think they can,
and almost do less than they think they do.*

—Anonymous

It's a proven fact that you'll increase your selling capabilities if you know your inventory well. And knowing your inventory means not only studying your printed file, but also walking your lot regularly. There are two types of inventory walks a salesperson should be concerned with: the **Fact Finding Walk**, which he takes by himself, and the **Customer Walk**, which he takes with his customer. Both types are very important, and should be utilized to their fullest advantage.

FACT FINDING WALK

Find time each morning to walk through the entire inventory. Although the reasons should be obvious, very few salespeople take advantage of this fact finding mission. New and used vehicles arrive and are sold at your dealership daily. How else would you know about them if you didn't walk your lot and study your inventory catalogs?

The data in the **inventory catalog** is most helpful when you are searching for a specific car for a specific customer. The walk, however, has distinct advantages over the catalog. It allows you to actually see, all at one time, which **models, option packages, and colors** you have in stock and it refreshes your memory on vehicles your customers may want. Many times a car you are looking for may come off the truck late at night. Unless you take your inventory walk in the morning, you'll never know it has arrived. The car can very well be sold by another salesperson before the paperwork and inventory card have been completed and filed. So to protect yourself and also increase your business, walk the lot as often as

possible.

Knowing your **Used Car Stock** is also important. The Used Car Lot is consistently ignored by New Car Salespeople. A salesperson who primarily sells new cars should also familiarize himself with the used car stock. So often a well maintained used vehicle will suit your customer's needs better than the new models you have been showing him. If you can't find a new car for your customer, before you let him leave, try to interest him in a used car. Allowing your customer to leave without suggesting a used vehicle is a negligent loss of income for both the salesperson and the dealer. You should carry your "**Want List**" with you to refresh your memory for cars your customers want.

CUSTOMER WALK

Make the inventory walk you take with your customer a significant part of your sales presentation. Now is the time to gather valuable information such as:

- ***Customer's occupation***
- ***Lifestyle***
- ***Buying habits***
- ***Financial status***
- ***Vehicle preference***

Knowing these facts early on will not only save you much time and aggravation, but they'll also help you plan your marketing strategy to sell this customer a car.

Following are some of the questions to ask and reasons that support asking them:

■ WHAT WILL THE NEW CAR BE USED FOR?

This question will help you determine whether the customer is buying the vehicle for work or for home. If the customer is married, will this car be driven by him or by his wife? Will this car be the primary or the secondary vehicle in the household? How large is the family? Will the car be used for vacations or for errands around town? Answers to questions such as these will determine the amount of use this car will get.

■ IS THERE A TRADE-IN?

Will the customer be trading in his vehicle? What is the make, age, and condition of his current vehicle? Having answers to these questions will guide you in your sales approach and will also help you screen the serious buyers from the casual shoppers. You can learn a great deal about a person by knowing the type of car he drives and how well he maintains it. For example, a customer who keeps his cars for several years will make different buying decisions from the customer who changes cars frequently. Also, if the older vehicle has been well maintained, this same customer, for sentimental reasons, will probably expect a high trade-in value.

■ WAS THE VEHICLE PURCHASED NEW OR USED?

The customer who always bought used cars in the past may not be aware of today's new car prices, so he'll have to be educated. Don't let sticker shock scare this customer away. On the other hand, a customer may be forced to buy used vehicles because his credit rating is inadequate for a new car purchase. Rather than spending the time looking at new cars, try to locate a good used vehicle he can afford.

■ WHAT IS THE CUSTOMER'S OCCUPATION?

If the customer is purchasing the vehicle primarily for his business, knowing his line of work will help you guide him to the right vehicle that will meet his business needs. For example, if the customer works as a real estate agent, he might need a car with a larger trunk area or a hatchback to make it easier to carry those large "FOR SALE" signs. Or, if his occupation requires him to transport his goods from one client to another, maybe a station wagon or van would be in order. Finding these needs will help you better counsel your customer towards a logical buying decision.

■ WHAT DOES THE CUSTOMER LIKE OR DISLIKE ABOUT HIS CAR?

I strongly feel that if more salespeople concentrate on asking this question, they will sell more cars. Finding out what your customer likes and dislikes about his current vehicle will give you the chance to create more closing statements than you ever have before. While you are showing your vehicle, make it a point to emphasize strongly the things he liked about his vehicle and how he will enjoy yours even more. But, also remember the things he didn't like

about his car and emphasize how your car will relieve him of the grief he once knew. For example:

“Mr. Customer, remember when you told me how hard it was to steer your present car? Can you see how the steering system in our vehicle will help make it easier for you to steer, with much less effort?”

Study how to use this question to your advantage. I guarantee it will help you make the sale.

■ **WHAT OPTIONS DOES THE CUSTOMER WANT ON HIS NEW CAR?**

As you and your customer walk toward the inventory, begin asking what type of options he wants on his new car. How closely do these options compare to the ones he has on his present car? Is he upgrading more than what he is normally used to, or downgrading to save money? Is he looking for a car with an option package that might hurt his resale value? (Example: wanting a power package without air conditioning.) Finding out this information will help you select the proper car more efficiently. If you've walked your inventory this morning, you'll probably know exactly where the car of his choice is located.

■ **WHAT PRICE RANGE AND MONTHLY PAYMENT IS HE INTERESTED IN?**

The answer to this question will quickly broaden or narrow the choice of vehicles to show this customer. If your customer is planning to finance his new car and trade in his current one, the only thing you may need to know is what type of monthly payment will fit into his budget. A good salesperson will be able to correlate a monthly payment with a sticker price enabling him to choose a car for his customer even before they enter the inventory lot. This saves you from trying to demonstrate a car your customer may want but cannot necessarily afford.

Chapter 6

Product Presentation

...If you want to persuade people, show the immediate relevance and value of what you're saying in terms of meeting their needs and desires.

—Herb Cohen

Having won the *1988 Mazda National Walkaround Competition*, I strongly believe that correct product presentation is one of the most important parts of the selling sequence.

Many times a salesperson will conduct the inventory walk acting as if the customer knows everything there is to know about the vehicle he is looking at. The salesperson will just stand there and hardly say anything while the customer looks over the vehicle. This is no way to sell a car! You are a salesperson, not a tour guide. Your job is to sell your product to the best of your ability, the operative word always being sell. And the way to sell successfully is to have an organizational plan for demonstrating all aspects of the vehicle.

But before we begin our product presentation, allow me to review some important points.

— Always know more about your product than the customer and always have a good grasp of your competitor's products.

— Be able to identify all models sitting on your lot and be able to answer technical questions about them.

— Make accurate notations about features and options your customer is interested in, so you can emphasize them during the demonstration.

After all, you are the *expert*, the *specialist*, and the *counselor* who will guide this customer into making the correct buying decision. Demonstrate your vehicle with confidence and with

pride.

The best and most consistent method for demonstrating a vehicle is the **Six Step Walkaround System**. As the salesperson leads the customer around the vehicle, he is able to thoroughly explain and sell each portion of the car. By walking around and selling every aspect of your car, you not only confirm the excellence of your vehicle, but you also establish the fact that you are knowledgeable about your product.

For convenience, the vehicle is divided into six major areas of importance:

1. ***The Sticker***
2. ***The Driver's Side***
3. ***The Hood***
4. ***The Passenger Side***
5. ***The Trunk***
6. ***The Interior***

During your demonstration, make sure to sell the features that relate to each one of these parts. And again, I emphasize the word "**sell.**" The demonstration you give should not only be a fact finding mission for the customer, but also an exciting, persuasive sell of what interests the customer. So before you begin your walkaround, find out exactly what your customer is looking for in a vehicle. This way, when you come to that area of the demonstration, you can sell your customer on its advantages.

For example, within each area you will want to sell these features:

The Sticker

- **Standard Features**
 - **Optional Features**
 - **Gas Mileage**
 - **Base Price**
 - **Suggested Retail Price**
-

The Driver's Side

- **Moldings and Mirror**
- **Tires and Wheels**
- **Front Suspension**
- **Brake System**

The Hood

- **Aerodynamics**
- **Front Grill and Lights**
- **Engine Compartment**

The Passenger Side

- **Fit and Finish**
- **Corrosion Warranty**
- **Passenger Entry**
- **Gas Tank**
- **Rear Brake System**
- **Rear Suspension**

The Trunk

- **Size**
- **Ease of Entry**
- **Rear Defogger**
- **Spare Tire**
- **Rear Light System**

The Interior

- **Optional Features Front and Rear**
- **Warranties**

If you want to sell your customer completely on your vehicle, never shortcut your demonstration. Realize that a thorough product presentation will take approximately twenty minutes to complete. And because you will have to know every feature of every carline in your dealership, continue to study your brochures and fact sheets. Then role play with another salesperson to make your demonstration as complete and professional as possible.

*...He who has a thing to sell
And goes and whispers in a well,
Is not so apt to get the dollars
as he who climbs a tree and hollers.*
—Anonymous

Chapter 7

Demo Ride

...Command is getting people to go the way you want them to go - enthusiastically!
—General William Westmoreland

Do you recall when you last tried on a suit or a dress in a clothing store and you weren't quite sure whether or not you liked it? Then, suddenly, someone remarked how great you looked in the outfit and you went home with a purchase. All you needed were those reassuring, complimentary remarks to help you make your decision.

Selecting a car is a very major decision for most people. It would only seem logical that the customer would want to test drive the vehicle he is considering buying. But this isn't always the case. Customers frequently come into your dealership simply to get price information, pick up a brochure, or maybe just to look around at the inventory. Because they may not be ready to make a buying decision, they think it's an intrusion of your time to request, or even accept, a demonstration ride.

Well, in our business, we all know that taking your customer for a demo ride has been the "*clincher*" for many a sale. The reassuring feelings and comments that you can impart during this time might be all that is needed to convince this person to buy your product.

From the very beginning, my main objective as a salesperson was to take as many demo rides as I possibly could. I wasn't selective as to whom I asked. Sometimes it was a service customer who was waiting for his car, or sometimes it was a walk-in customer requesting some literature. My motto was, "*If he had the time, then I had the time.*" The more people I took for a demo ride, the better my presentation became. I tried to make each demo presentation better than the previous one in overall knowledge, quality, and excitement. As my explanations improved, my chances for making sales improved. And isn't that what sales

is all about? Practice does make perfect. As you become more proficient in your techniques, you gain a confidence that's needed for survival in any selling business. And the more confidence you have, the more exciting your product becomes.

***...Look after the molehills and the mountains
will look after themselves.***

—Raymond Hull

Taking a demo ride isn't just letting your customer drive the car while you sit there in fear of an accident. It involves more than the mere mechanics of operating a vehicle. It includes a series of calculated questions, comments, and valuable product information that will make it easier for you to eventually close the sale. Your sales presentation actually begins with the inventory walk. Remember all the qualifying questions you asked your customer to determine how to plan your demonstration? You kept answers to these questions in the back of your mind to use at the most strategic times, to help you set up your closing tactics. For example, when you asked your customer what he disliked about his present car, and he said the "visibility" was poor, when the time comes, make sure you emphasize that your product is far superior in this area.

Remind him how he complained about the poor visibility in his present car and explain how he will be much happier with this one. This method is always followed by a **"trial-closing question."** For example,

"Can you see how having better visibility will make it safer to drive for you and your family?"

This is why it's so important to start the inventory walk with questions instead of comments. The answers your customer gives will allow you to plan a stronger sell during this part of the demonstration. You will never have a better opportunity to sell the customer on your product than now. He's in the car, he can smell the newness, experience the comfort, and he's excited. Why wait until you get back to your office before you try to sell the car? Do it now!

Follow these easy steps to get your ride off to a smooth start:

■ SALESPERSON DRIVES THE CAR FIRST

There are several good reasons why it's best for the salesperson to drive the car first:

— You can establish which route to take. The customer has enough things to worry about without determining where to drive. It also allows you to warm up the car, in case you're in a cold climate, so that the car runs smoothly once your customer takes the wheel.

— You can explain the options on the car while you're driving. This gives the customer a chance to just sit and listen without worrying about driving.

If you find it awkward trying to persuade the customer to sit on the passenger side, try using these comments:

"Why don't you let me drive first so I can explain all of the options to you."

or

"Our insurance company would like us to drive the car off the lot, so why don't you let me drive first."

— Halfway through your demonstration, let the principal buyer drive the car. This will give him the opportunity to test the handling, experience the comfort, and sell himself on your product. If there is someone else riding along with your customer, suggest that he also take part in the demo ride. He may have a say in the buying decision. But even if he doesn't, your kind gesture may gain you a future sale.

Because options will vary from vehicle to vehicle, your sales presentation will differ for each customer. However, always make sure to emphasize the following items to everyone:

■ COMFORT

The "horse and buggy" days are gone. More than ever before, customers look for comfort when choosing a car. It's imperative then to learn to push certain "hot buttons" to sway your

customer to your carline and away from your competitors. Imparting a feeling of comfort to your customer while riding will give him a good impression about your car. Stressing certain feelings about a product is a psychological approach that works very effectively when trying to make a sale. Instead of sending your customer away with a lot of facts, send him instead with good feelings about your vehicle. For example, rather than saying, "***This car has air conditioning,***" which is promoting the air option, sell him instead on the feeling he will receive from it. Try this,

"Remember last summer when we had three weeks of really hot weather and you felt as though your air conditioning unit just wasn't cooling your car? Well, this air conditioning will provide more than enough comfort for you and your family."

This psychological maneuvering will be discussed in a later chapter, but I wanted to show you its effectiveness during the demo ride, when you'll need it most, by using closing questions like,

"Can you feel how comfortable this car rides? Imagine how great it will feel when you take your first trip!"

This statement of feeling will affect your customer much more than a mere comment or fact. When he drives your competitor's vehicle, what he will remember most is the feeling he developed from driving your car. This feeling will become embedded in his mind. Remember to sell the feeling and not the statistical aspects of the options.

■ RIDE AND HANDLING

When you show a car to your customer, you will probably choose a car that includes the options he's requested. Because they were requested items, he presumably knows how they work and what they're for. So selling the options themselves won't be a problem. But again, reinforcing the feeling he gets from these features will be your selling tool. It may have been a while since this person felt or even thought about the ride and handling of his present car because he's become accustomed to the way it performs. Your job is to make him notice how your vehicle rides and handles. He should be made to feel the

difference between his car and yours. Statements like,

"Did you notice how stable the car felt as you went around that corner?"

and

"Isn't it amazing how wonderful these new cars ride?"

are feelings you must impress upon your customer. These assertions will strengthen your demonstration and make it easier for you to help him fall in love with your car.

■ SPORTINESS

If your customer chooses a sporty car to buy, make him feel sporty. Every ***vigorous, youthful, flamboyant*** comment you can think of should be stressed to make your customer want your car now. You won't have to sell him on the engine producing 200 horsepower if you can give him the feeling of the open road, driving the Autobahn, precise handling and response; these are what the sports car driver wants to feel. You may get a customer who wants to know the technical aspects of the car, but then he probably knows them already. The true sports car enthusiast will have them memorized. He just needs a good salesperson to sell him the car. And in this case, a good salesperson would be the one who gives him the feeling of ownership. After all, how can you sell him on something he already knows?

■ ERGONOMICS

This is a big word that simply means ***"where everything is situated in relationship to the driver."*** Are the wipers and cruise control easy to reach? Can you see the gauges clearly through the steering wheel? How easy is it to change the station on the stereo? These are items that should be featured in your presentation. They will determine the importance your company places on the technology used to make it easier on your customer to drive your car.

■ VISIBILITY

Safety is becoming a major factor as to which car your customer will buy. Try to place emphasis on the visibility of your vehicle. If you can make your customer feel that by purchasing your car his family will be safer, it might make the difference between a difficult and an easy sale. Make this statement with enthusiasm:

"Isn't it amazing how much visibility you have with this car? I imagine that's a very important factor in determining which car you want your family to ride in! I'm sure you can see that this car will give you all of the security you're looking for."

■ REAR SEAT COMFORT

If there is someone riding in the rear seat, make sure you mention how comfortable it is to ride back there. Even if it might be a little cramped, make him feel like he's got more room than he needs. The feeling you give him is more important than the facts. Even if there is no one sitting in the back seat, mention that all of his passengers will feel comfortable riding with him. It may be an important point even if he's alone.

■ SAFETY FEATURES

You should have a list of safety features a mile long memorized for your demonstration. Especially if the buyer is a family man, one of his major concerns will be the safety of his relations. Never underestimate the power of the ***"emotional close."*** Hit home with this statement:

"I'm sure you're the type of person who wants to keep your family safe at any cost. Can you see how this car will help make you feel secure while your family is riding in it?"

As you were taking your inventory walk, you should have already asked questions concerning the likes and dislikes of his present vehicle. Do not forget what they were. The demo ride will be the place where you can bring these out to your advantage. If your customer remarked that one of the things he didn't like about his car was that there wasn't enough power in the engine, hit hard on that point when you come to that part of the demonstration. For example,

"Mr. Customer, remember when you said that your car didn't have enough power for you? I saw the look on your face when you accelerated from the stoplight. Can you see how the power from this car will help you get on and off expressways and in and out of traffic quickly? This is actually a safety feature."

The most important part of a product demonstration is the demo ride. Make sure you take as many as you possibly can. It will keep your mind sharp to perfect your already excellent presentation.

***...Nothing is more satisfying than when timing
and delivery occur in perfect sequence.***

—Anonymous

Chapter 8

Negotiation

*...Let us never negotiate out of fear,
but let us never fear to negotiate.*
—John F. Kennedy

The final outcome of the negotiation process is dependent upon how well you have performed your duties to this point. **I want to emphasize that if you didn't do a good job in the preliminary stages of your demonstration, the negotiation part of your sale will be even harder.** Before you begin talking price with your customer, let's review this checklist to see if you are ready to handle talking price and monthly payment:

- *Did you greet the customer properly?*
 - *Do you feel you've made a friend?*
 - *Do you remember your customer's name and does he remember yours?*
 - *During your inventory walk, did you find out all the information you'll need as discussed in Chapter 5?*
 - *Did you take a demo ride? During your demo ride, did you do a proper selling job as outlined in Chapter 7?*
 - *Have you sold the customer on yourself, the car, and the dealership?*
 - *Do you have a strategy ready to be able to sell your customer on the price of the car and the monthly payment?*
-

If you've done a poor job on any of these seven points, you might experience a difficult time closing your customer on the car he is considering. Occasionally, a customer will walk in and purchase a vehicle on the spot without bothering to negotiate. But these easy sales are few and far between. The object of doing a proper selling job is to be consistent with every customer so you can fine tune each and every demonstration you give. If you become sloppy and shortcut your demonstration, you'll probably lose sales, become disillusioned, and quit, thus contributing to the already high turnover in this industry.

If you want to make your job a career, realize that there is no shortcut to success. The successful salesperson works hard to become the best he possibly can be. Success doesn't come naturally, it has to be studied and worked at constantly.

Let's assume you've done a wonderful job convincing your customer that this is the car he wants to buy. Now comes the hard part. You have to sell him on paying the price for the car that you think is fair as well as sell him on a monthly payment he can afford, or at least he thinks he can afford. Remember, the figures he gave you originally might not be the figures he will accept in the end. Many times a customer will tell you the most he can afford is a \$250 monthly payment, but then he'll walk out of your dealership with a payment much higher.

A phrase that has been used in auto sales for a long time is "**Buyers are Liars.**" This is not to say that all customers are malicious in the way they treat salespeople, but they know how to play the game just as well as we do. The customer knows that his position in the negotiation process is to start low and yours is to start high, at least I hope that's your strategy. Don't ever be afraid to play the game this way. The very least that can happen is that your customer might accept your high offer. As a result, you'll make a very handsome commission. ***If you start too low on your first offer, you might not have any place to go at the end!***

So let's start a step-by-step process for working a successful negotiation.

■ GET ALL PERTINENT INFORMATION ON PAPER

Do not commit anything to memory! Make sure that everything that you and your customer are negotiating winds up on your purchase agreement or workpad. The most important items you should start with are:

- *Name, address, city, state, zip code, home and work phones.*
- *Type of car, stock number, color, vehicle number, options, accessories.*
- *Type of trade-in, appraisal amount, his asking price.*
- *Amount of down payment, monthly payment.*
- *Any promises made by the salesperson or customer.*

These are the most important pieces of information you should have before you even attempt to negotiate. If you are lucky enough to obtain additional personal information such as a driver's license number, social security number, and insurance information, you will be far ahead of the game.

■ GET TRADE-IN APPRAISED

Have the vehicle to be traded-in appraised before you start the negotiating process. You have to know where you stand on the appraisal of his trade-in because it will act as leverage when you're placed in the bargaining position. Do not let your customer see the actual appraisal. The three things a customer will be most concerned with are:

- *How much will the car cost?*
- *How much will his monthly payment be?*
- *How much will he get for his trade-in?*

Your duty as the salesperson is to find out which one of these concerns is most important to him. Negotiating the sale will then become much easier if you don't have to handle each one of these concerns individually. By asking your customer, "**Which one of these is most important to you?**" allows you to put your eggs in the basket that will help you close the sale and satisfy your customer's needs. When I am negotiating with a customer, if he is planning to finance the car, I always try to convince him that the monthly payment is our greatest concern and it is. He has to understand that he's really not buying a car, he's buying a monthly payment. The amount of the payment is what he'll see every month when he writes

the check. He will probably forget what he bought the car for, or how much you gave him for his trade-in, but he will never forget what his monthly payment is.

When you get the appraisal back from the Used Car Manager, if at all possible try to offer the customer less money than what's stated. This will give you the opportunity for one of the following:

- ***Give him more money for his trade if he needs it.***
- ***Give more of a discount on the new car if he needs it.***
- ***Give yourself a bigger commission!!!!***

Although many people attach a sentimental value to their vehicle, the car will very seldom be worth what the customer expects. When the time comes to tell your customer what his car is worth, be ready to justify your offer. Take a good look at the car and point out, with the customer along side you, all of the repairs that must be done. So when you offer your customer \$1000 less than what he asked for, you will have a good reason to justify your appraisal.

If there is a trade-in involved in the deal, you may want to give him the price as a "difference figure." This simply means that the price of the car, including tax and the trade-in, is given as one figure instead of separate figures. For example:

Price of car including tax:	\$15,759.00
Appraisal of trade-in: -	<u>\$ 3,500.00</u>
Total difference:	\$12,259.00

If there is still money owed on the trade-in, give him the total difference "plus payoff." This will initially make the amount you are giving him for his trade-in seem much lower. To gain a better insight on how to perfect this process, see your sales manager. He will be able to give you ideas on how to relay this to your customer so that you'll feel comfortable and confident.

■ ALWAYS START HIGH

The first and most important part of negotiating with your customer is to start high. Chances are good that your customer has bought a car before and understands the negotiating process. He probably looks forward to it and is just as prepared as you are. So why not start high?

The worst that can happen is that he'll laugh in your face and tell you you're crazy. It hasn't hurt you so far. If he starts to walk out of your office, ask him to please sit down. The only way you'll be able to conduct your negotiations is if you have total control of the situation. Don't put the customer in the position of control because you may lose a lot of money in the deal and the remaining process may become very frustrating. Remember, you can always come down if you have to, but who knows, you may just get lucky and close him on your first offer. You'll never know unless you try.

The first time I closed a deal on my first offer was one of the greatest thrills I have ever experienced. My customer wanted to buy a 1983 Pontiac Trans Am. He had a 1979 Firebird to trade in. He was a 38-year-old college graduate with a wife and three children, held a professional job, and lived in a very nice neighborhood. I could have been intimidated by his demeanor and could have taken for granted that a man in his position would never settle for paying full price for anything. But I had just made a sale that morning and I was felling pretty "cocky." I offered him \$500 less than he wanted for his trade-in, quoted the new Trans Am at sticker, and closed the sale on the first offer. There was no dickering, no discussion whatsoever. The sale was a breeze. He just signed the purchase agreement, gave me a deposit, filled out the credit application, and picked up the car the next day. This type of sale will happen more often than you think, but it won't happen always. The point is, you never really know with which customer it will happen. You just have to ask for this kind of sale as often as possible, and hope for the best. But again, you will never know unless you try.

■ ASK FOR AN OFFER

If your customer doesn't accept your first offer, don't be surprised on the inside, but act surprised on the outside. Let your surprised expression convey that you don't understand why he didn't accept such a fine proposal. It looks good to you! You'd make a lot of money! So why won't he accept it? Nevertheless, this is not the time to act very seriously with your customer, especially if he's been sitting at your desk wondering what kind of deal you're going to give him. Anticipating that all salespeople are crooks, your customer probably

doesn't expect a fantastic deal from the start. He more than likely has his initial comments already prepared before you even make your offer. So when he nervously says, **"You're crazy"** your rebuttal should be on the light-hearted side. This initial reaction of yours will set the stage for the remaining negotiation. If you give him reason to be too serious, you may have a difficult time. **Remember, "the more they laugh, the looser the pocketbook!"**

If your customer doesn't accept your first offer, try to find out why he rejected it. A lot of times, the reason he may give you might not be the one you're expecting. So it wouldn't be smart to assume what the customer is really feeling. As a salesperson, your job is to try to minimize as many objections as you can, so you can learn what your customer's true objection is. If the objection can't be handled without revising the deal, ask him to propose a new offer. The price offer the customer makes is more than likely the price he will agree to purchase at. Close this segment with the following statement:

"If I can somehow get my manager to approve your offer, which I'm not sure he will, will you take delivery of the car today?"

By using this closing question, you will determine the following:

- ***Is the offer a serious one?***
- ***Is he prepared to take delivery today if your manager approves his offer?***
- ***Have all his objections been answered?***
- ***Suggesting to take the offer to your manager may raise some doubt in your customer's mind that his offer will be accepted, thus allowing you to raise his sights to a counter offer.***

■ TAKE YOUR OFFER TO THE MANAGER

Whether you close your deals yourself or whether you are on a **"desk system"** whereby your manager becomes involved in the negotiating and closing process, it will be wise for you to leave your office for a few moments at this point. More than likely, you and your customer have gone back and forth on what each of you thinks is a fair deal. There might be some tension that is building between the two of you. Now is a good time to let things cool down

and give each of you a chance to catch your breath.

If you are responsible for closing your own deals, merely go to an area that is out of your customer's view and plan your next strategy. The reason I like to tell my customer that I'll need to take his offer to the manager is that it takes the burden off my shoulders and places it on a higher authority. It makes the customer feel that I've done all that I can do on my own and now I have to get permission from the **boss**. The boss now becomes the **heavy** thus permitting me to take the role of customer support. My job now is to try to get the best deal for my customer that I possibly can. **I am no longer the enemy, I am his friend!!** I get paid no matter what the dealership makes, so why not get the best deal for the customer? This is the impression your customer should have of you. If he feels that you are working for him, the wall that separates the two of you will slowly crumble and your chances of making the sale will increase.

If your system requires you to take your deal to the manager, try to explain, in detail, the events that have taken place to this point. Do not omit anything. You have to remember that the sales manager is only as good at creating a deal as the information he receives from his salesperson. You have spent the last couple of hours with your customer, so no one knows him better than you do.

If you leave out any important details, the sales manager will write the deal according to what you've told him. As a result, he may make the wrong decision on how to structure your deal. For example:

Your customer placed a great deal of emphasis on getting top dollar for his trade-in. But when you took the deal to your manager, the only information you provided him was the monthly payment the customer wanted and the price he was willing to pay for the car. The manager then structured the deal accordingly, giving a good discount on the new car. Unfortunately, the amount offered for the trade-in was highly insulting to the customer and he became very discouraged. Whenever a lot of profit is taken from the new car in the form of a discount, there might not be enough bargaining power left to satisfy your customer's needs for his trade and you could lose the deal.

Don't allow yourself to be put in this position. Listen carefully to your customer's needs and relay them to your sales manager so he can structure your deal correctly and make you as much money as possible. It's to his advantage to get all the information because when you

make money, he makes money.

The negotiating process takes a lot of study in order to be highly effective. You not only have to be an excellent salesperson, but also a psychologist, guidance counselor, and most of all, a friend. You must become a tactician who plans the attack and a soldier who carries it out. Your main goal is not merely to win the battle, but eventually to win the war. The only way you can accomplish this is by wearing all these hats and executing your plan to the best of your ability without ever giving up. The war will be won when you finally deliver the vehicle. Hopefully, this customer will return to buy other vehicles from you as well as provide you with referrals who buy. This is where you ultimately want to be.

***...It is hard to believe that a man is telling
the truth, when you know that you would
lie if you were in his place.***

—Henry Louis Mencken

Chapter 9

If You Don't Sell The Car

***...When a person tells you, "I'll think it over
and let you know" — you know!***
—Olin Miller

After you've gone as far as you can with the negotiation process, you might be amazed to find out that your customer is ready to leave your office and you still haven't sold the car. Times like this can be very frustrating and emotionally difficult to handle. You've probably just spent over three hours with this customer, given the best demonstration ever, used all the closing techniques you were taught, and you still weren't able to sell the car.

But what you have to realize is that the sale isn't over yet. Don't let your customer's lack of commitment to purchase at this time drag you down, and certainly don't take it personally. Just because you didn't close your customer on the first try doesn't mean you've lost the sale entirely. First time closes are becoming less frequent as time goes on. Customers are becoming more sophisticated regarding the negotiating process. They still play one salesperson against the other, maybe shop five dealers instead of two, and if money is really tight, they take extra time to think about this major buying decision. Understanding these facts ahead of time should ease your disappointment. So you're probably asking, what's a salesperson to do?

"It ain't over till it's over."
—Yogi Berra

Realize that even though you failed to close the deal at this point, your customer still hasn't purchased a car not from you, nor from anyone else. This is no time to get discouraged. You still have a lot of work ahead of you. When your customer first arrived at your dealership, your intention was to make his car buying experience an enjoyable one. You don't want to

burst his bubble now by outwardly showing your disgust at his most unpopular decision. Continue to play the game. Make him feel like the challenge has just begun. You have hopefully gained his confidence by showing your **professionalism, product knowledge, and understanding** of his predicament. You have educated your customer and given him the knowledge to make a logical buying decision. And most of all, you have reassured your customer that you are the best salesperson he has ever had and that your dealership will stand behind his every need. If you haven't accomplished these things, then you'll probably lose the sale.

Since a customer will usually buy a car within three days after he seriously starts shopping, you'll increase your chances to gain the sale quickly if you follow these guidelines.

■ LET THE CUSTOMER LEAVE WITH A GOOD FEELING

I know you're disappointed. I know you feel like you've wasted valuable time. Perhaps you're wondering why you're even in the business of selling cars. Get over these negative feelings quickly! You still have other ways to recover. **Remember, one of your major responsibilities is to continue to make your customer's buying experience a pleasant and happy one.** It's a fact that car buying has become less enjoyable because of all the hassles a customer goes through. His reluctance to make a hasty decision may be due to an unpleasant experience with his last salesperson, or the car he now owns is a lemon, or maybe he had a bad day at work. Perhaps this is the day this person could use some extra pampering. He wants someone to understand his wants and needs. He's looking for an unselfish, caring individual to make him feel like he's someone special. **So let him leave your dealership with a good feeling!** Let him feel that you recognize and appreciate all the problems customers go through when buying a car. You may have to respect his wish to talk it over with his wife, or his desire to think about his decision for a few more days. Maybe he'll come right out and tell you he's going to shop your price all over town and take the best offer even if you did spend three hours with him. What can you do? If you press too hard, you may appear too aggressive and lose the sale altogether. If you don't press hard enough, you still may lose the sale. It seems you're in a difficult situation no matter what road you take. Just maintain a happy, positive attitude while you're contemplating your next move. There will be other ways to secure the sale once your customer leaves your office.

■ MAKE SURE HE HAS A BUSINESS CARD AND BROCHURE

Make sure your customer receives all the available product literature before he leaves your office. We have to take for granted that an educated buyer is an intelligent buyer. You want him to remember you among all the other salespeople he will come in contact with. If you have given him your business card, it's proper to ask for his. If he doesn't have one, make sure you have recorded all the pertinent information to be able to follow up with later. Before you hand him the brochure, open it up and quickly review the features you want him to remember. This will reinforce in his mind everything about the vehicle that was most important to him.

■ LET YOUR MANAGER EXIT HIM

Turning the customer over to the sales manager is a new approach that is becoming more widespread throughout the country. It shows the customer that the dealership is concerned that he is properly taken care of, not just by the salesperson, but also by management. It also gives the manager another chance to close the sale. Whenever a manager exits a customer, he should ask the following questions:

- *Did the salesperson treat him properly?*
- *Did he get all the information he was looking for?*
- *What was the reason he didn't buy now?*
- *Is there any way he can put a deal together today?*
- *Will he please consider our dealership in the future?*
- *If he shops other dealerships, will he give us the last opportunity to earn his business?*

Allowing the manager to exit the customer in this fashion gives the manager the opportunity to tell your customer that he appreciates his visit to your dealership and that he will take a personal interest in seeing that his needs are met.

■ 24-HOUR FOLLOW-UP CALL

A friendly follow-up call within twenty-four hours is highly recommended. Keep the conversation light so as not to scare your customer away. I always like to use this approach:

"Hi, Mr. Customer, this is Mike Whitty from ABC Motors. How are you doing today? I was just calling to see if there are any other questions I might be able to answer for you. I know we covered a lot of material and you might have thought of something on the way home that you forgot to ask." After all the questions are answered: "By the way, have you had a chance to take a look at any other cars since we visited last?" After you've talked about this: "Is there anything I can do to persuade you to buy your next car from me? I would really like to earn your business, so if you would at least give me another opportunity, I would greatly appreciate it. By the way, would you happen to know if any of your friends are interested in a new or used vehicle? Thanks for taking the time to talk with me."

This whole conversation should take no more than five to ten minutes. You certainly don't want to impose on his private time, but you do want him to know that you will take care of his needs now and in the future. If you noticed, at the end of the conversation I asked for a referral. It doesn't hurt to ask and you might get lucky and get a name or two.

■ SEND HIM A THANK YOU LETTER

Once your customer leaves your office, if you don't have another customer waiting for you, take 10 minutes to send him a "Thank You Letter." This is just another means of getting your name and message in front of your client. It should be mailed promptly, so it gets to him as soon as possible. The note should mainly thank the customer for allowing your dealership the opportunity to earn his business. **Remember to include the main points regarding your vehicle that impressed him the most, as well as reaffirming the fact that you want to earn his business.** It's wise also to include a short sentence requesting referrals. I can almost guarantee that you'll have an advantage here because very few salespeople will follow up with their customers so proficiently.

Don't become disillusioned if you don't get the sale immediately. The reasons that are preventing your customer from making a buying decision now might not be obvious. You've

put a lot of time and energy into earning the customer's business. Don't forget about him just because you didn't close him the first time. I was always taught that you follow up with a customer until the day he dies or until he tells you never to call him again. The small amount of time it takes to make the call and to send out the letter will reap you many rewards in the future.

Chapter 10

If You Do Sell the Car

*...There is no such thing as "soft sell" and
"hard sell." There is only "smart sell"
and "stupid sell."*

— Charles Brower

CONGRATULATIONS!!! You have reached the start of your stairway to success. And I emphasize the word, "**start**" because this is just the beginning of a hopefully long and lasting relationship with your customer. But don't get too excited yet. You still have a lot of work to do on your job well done.

Once a salesperson closes a deal, his greatest concern is to get the customer out of the dealership before he changes his mind. However, if you've done a proper job so far, you shouldn't have to worry about this happening. Let's concentrate on solidly wrapping up the deal and making some extra money.

■ HAVE YOUR CUSTOMER SIGN THE OFFER

This deal is not complete unless you and your customer have thoroughly gone over all the details on your work sheet, have agreed on the figures, and have included any additional customer requests on the purchase agreement. Once all this information is written down, have your customer read it for clarity and accuracy. Signing the deal is the customer's word that he will take your car at the agreed terms. It doesn't mean that he is bound by law to take it, but it does put the responsibility firmly on his shoulders since a person's signature is regarded as his word of honor. His signature will protect you from any verbal misunderstandings that could arise after your customer has left your office.

■ GET A DEPOSIT

Unless your dealership has some other rule regarding deposits, \$100 or more is usually an accepted amount. A deposit is merely a faith offering to psychologically take your customer out of the market. Unless it is stated otherwise on the agreement and signed by your customer, a deposit is refundable regardless of what anyone says. You cannot keep money, by law, for a transaction that is not complete. So, if your customer were to come back the next day asking for his deposit, unless you can convince him to change his mind, you have to give it back to him. If you are not comfortable with the term "deposit," you can substitute the term with "partial payment." This will give the customer the idea that he is putting this money towards the price of the car and not merely to take it off the lot.

■ GET ALL NECESSARY INFORMATION

Make sure that your paperwork is complete before your customer leaves your office. It takes so little time to get the information now, saving you a call the next day. If you have to call for additional information, this might give your customer the ammunition needed to cancel the deal for whatever reason. Make sure you obtain the following before the customer leaves:

- *Driver's license*
- *Registration*
- *Proof of insurance*
- *Home and business phones*

This is all the information you'll need to complete your deal. It will also allow you to verify your customer's insurance with the insurance company before the car leaves the dealership, which in most states is the recommended practice.

■ SELL AFTERMARKET PRODUCTS

The amount of money you can make does not stop with the sale of the car. Your customer is at his highest peak of excitement, so now is the best time to sell such items as:

- *Rustproof Packages*
 - *Upgraded Stereos*
 - *Extended Service Contracts*
-

- *Sunroofs*
- *Alarm Systems*

These are just a few of the many aftermarket items that will earn you additional income. If you give the customer a large discount on his vehicle, you will probably earn a very small commission. You, therefore, want to supplement your income by trying to sell these additional items. Build a lot of value into them as well as the excitement the customer will gain by having them. If a list of all aftermarket products isn't made available to you, create your own. A good visual presentation to your customer is like money in the bank.

■ SET A DELIVERY DATE AND TIME

If you are busy, try to plan the delivery around your agenda. This will allow you to get as much business done that day as you can. However, it's very important to accommodate your customer's schedule, so arrange a time that will be agreeable to both of you.

■ INTRODUCE CUSTOMER TO THE FINANCE MANAGER

The finance manager's responsibility is to obtain all credit information as well as to sell Extended Service Contracts if you have failed to do so. But always check with your sales manager first to learn which responsibilities belong exclusively to the finance manager. It is wise to work very closely with your finance manager because in most instances, you will receive additional income from other sources, such as the sale of credit life, accident, and health insurance.

■ LET YOUR MANAGER EXIT YOUR CUSTOMER

Allowing your manager to exit your customer is a nice touch that helps make your customer feel that he's appreciated. Too often, managers don't take the time to meet every customer who has helped earn his income. Exiting the customer allows the manager to thank him for his business and also assures the customer that if he needs anything, the manager will always be available to help him.

Making the sale will probably be the most exciting part of your day, but don't forget to finish it properly. It will save you a lot of grief in the long run.

*...I was successful because you believed
in me.*

—Ulysses S. Grant

Chapter 11

Pre-Delivery Inspection

*...Whenever you see a successful business,
someone once made a courageous
decision.*

— Peter F. Drucker

Once you've sold the vehicle, and before the customer can take possession of it, there are several orders of business that must be taken care of. To help ensure a smooth delivery and avoid both salesperson and customer frustration, logically estimate the length of time it will take to perform these jobs before you arrange for a pick-up time. Then go to work! Immediately notify your manager and all involved personnel of your impending delivery and work cooperatively with them to avoid errors and delays. Here's a checklist to follow:

■ MAKE SURE ALL PAPERWORK IS READY AHEAD OF TIME

Causing your customer to wait for forms to be typed and possibly retyped, before he can sign them makes for a very uncomfortable situation, particularly if the customer is on a limited time schedule. To avoid such hectic situations, it's important to have all forms and contracts prepared and typed in advance. This gives you the opportunity to review them and to make necessary corrections before your customer arrives. Make sure the following information is correct:

- *Customer's name and address*
 - *Cost figures*
 - *Vehicle Identification Number*
 - *Correct monthly payment*
 - *Trade-in information*
-

By checking these items for accuracy, you give yourself a better than average chance that the contracts won't have to be retyped, thus avoiding unnecessary delays.

■ **MAKE SURE CAR IS READY**

Before your scheduled pick-up time, thoroughly look over the interior and exterior of the vehicle for any defects and/or sloppy cleaning. Such obvious flaws will stick out like a sore thumb and cause you much embarrassment. When a customer takes delivery of his vehicle, he expects to see a perfectly cleaned, flawless work of art. After all, if you were spending \$20,000 on a car, you'd expect the same return on your dollar.

■ **HAVE AFTERMARKET WORK COMPLETED**

As soon as your car is approved for delivery, and sometimes even before, arrange to have any additional options and accessories installed and/or coatings applied. Periodically, specialty jobs are performed by vendors outside the dealership, so account for the extra time that will be involved. Completing all installations and applications before the scheduled delivery will save your customer the grief of having to return at a later date. If for some reason more time will be required to complete this work, politely notify your customer and reschedule your delivery time.

■ **GET INSURANCE VERIFICATION**

Insurance must be verified before the customer can take possession of the car. Checking with the insurance company beforehand for proper coverage protects both the customer and the dealership and avoids misunderstandings. Occasionally, I've seen customers arrive in the evening to take delivery of their car and were shocked when the sales manager wouldn't permit the car to leave the lot because the insurance hadn't been verified. What if a car, financed by the bank you do business with, were involved in an accident? Without proper insurance coverage, your dealership might be liable. So, always make it a rule to verify coverage before the customer arrives.

Executing these pre-delivery procedures properly and efficiently will ensure a smooth delivery and high customer satisfaction, thus increasing your chances for repeat and referral business.

Chapter 12

Delivery Procedure

*...The business that makes nothing but money
is a poor kind of business.*

—Henry Ford

The moment has come. A proud day in the life of both the salesperson and the customer. If the delivery procedure is successful, the salesperson will earn a handsome commission and the customer will drive away in a shiny new car. He will be the envy of his neighborhood as he slowly drives back and forth past the houses of his favorite friends, while you take your commissions to the bank and feed yourself for another day. **A proud moment indeed!!**

But, if you're not careful, it could also be your worst nightmare! I've seen deliveries go so badly that the customer actually refused to accept his new car. A refusal means the salesperson is now in big trouble with both the manager and the customer. Large amounts of time have been wasted by the office staff, service department, body shop, finance company, insurance company, and the customer himself. The dealership, sales manager, finance manager, and salesperson have lost immediate income. The service, parts, and body shops have all lost future business.

This is an over-dramatization of a real problem. I've seen it happen and it doesn't make for a very rewarding experience. However, there are ways to avoid these delivery hazards. The first begins with **Chapter 11, "Pre-Delivery Procedure."** If you make sure that the four orders of business I talked about in that chapter are done, your chances of having a successful delivery will increase tremendously. But it doesn't stop there.

The delivery should be the most memorable experience a customer should have. The delivery should be exciting, comprehensive, and fulfilling for the customer. I've seen salespeople add a bit of flare by doing some of the following:

- *Tying a huge bow around the car.*
- *Taking a picture of the customer with his new car.*
- *Giving flowers to the ladies.*
- *Uncorking champagne in celebration.*

The whole objective is to make the delivery striking, monumental, and unforgettable. It will be the last thing your customer remembers when he drives away in his new car. For this reason, I always try to do my own deliveries so that when it comes time to give referrals, I want the customer to remember me, not some other salesperson. My face should be the last one he sees. And I'd better make it the happiest face I can put on.

Here is a procedure that will make your delivery the best among the best:

■ **THOROUGHLY GO OVER THE CAR WITH YOUR CUSTOMER**

If you've looked over the car thoroughly before your customer arrives, you should have no problem inspecting it again with your customer beside you. It gives the customer a little more confidence knowing that his salesperson will review it with him. That's why it is so important to make sure the car is cleaned properly. You definitely don't want to see any streaks in the paint, dirt in the door jams, or lint on the carpet. You might think I'm overreacting, but I guarantee that the customer will notice it. And if he brings it to your attention, it tarnishes your delivery and causes you embarrassment. Extra measures like these will separate a good salesperson from one who takes shortcuts.

■ **TAKE ANOTHER DEMO RIDE**

Now that your customer is ready to take delivery of his car, a review of his new vehicle is in order. He probably has forgotten some of the explanations you gave during your preliminary demonstration ride because his mind was focused on so many other details. So this is an excellent opportunity for the review. It also shows the customer that the car runs properly and everything is in fine working order.

■ SIGN ALL THE PAPERWORK

I know this sounds like a matter-of-fact item to bring up, but it's commonly known that paperwork is the number one nemesis of the automobile salesperson. Hardly anyone likes to do it and if he could have someone do it for him, he'd be more than grateful. But paperwork is one of those necessary evils that you might as well become proficient at. You can only have a customer come in so many times to re-sign paperwork that is wrong, or items you forgot to have signed. The best way to overcome this problem is:

- *Have a "PAPERWORK CHECKLIST."*
- *Check all the paperwork before your customer arrives.*
- *Put a check mark beside each line requiring a customer's signature.*
- *Sign all the places requiring a salesperson's signature before your customer arrives.*
- *Arrange all forms to be signed in the same order every time you deliver a car.*
- *Try to understand what each signature means.*

If you follow these to the letter, I guarantee your paperwork to be completed superbly every time.

■ COLLECT ALL MONEY DUE

You will never see a Sales Manager "*on your back*" faster than if you let a customer leave with his new car without collecting the money for it. Once, during the hectic pace of the delivery, I forgot to collect the payment before my customer drove away and I'll tell you the truth, I was a total wreck until I reached him the next day to get the money. If a customer is paying cash, he could conceivably say he gave you the money and you didn't give him a receipt. Now where is the \$20,000? Did he give it to you, or didn't he? Did you steal the money, or did the customer steal the car? Who's to know the truth? Now granted, most customers will admit if, in their excitement, they forgot to give you the money, but I don't want to be the salesperson who got the customer that did!! **COLLECT THE MONEY AND**

DOCUMENT IT IMMEDIATELY!!

■ REVIEW ALL WARRANTIES

Customers generally need assistance to fully understand the terms of their warranties. However, when the **Customer Satisfaction Index** ratings come out each month, this category seems to be the lowest rated category of the group. There must be a reason why a salesperson would choose not to review a warranty with a customer. Either he is shortcutting his delivery, or he doesn't know what the warranty means himself. A salesperson must know what his warranty is from front to back and then take the time to open the book in front of the customer to review items like:

- *Time period of warranty and what it covers.*
- *Corrosion warranty.*
- *Tire warranty.*
- *Maintenance schedule.*

If you learn these well, you will be able to cover this area in fine fashion.

■ DO A SERVICE WALK

When I was a sales manager, one of the requirements of a delivery was to introduce the customer to the service manager and to the service write-up personnel. These individuals are always more than happy to take a moment and meet their future business. In addition, the customer should become acquainted with the following:

- *Locations of the Service Department, Parts Department, and Body Shop.*
- *The Service Department hours.*
- *How to leave the car for service when the dealership is closed.*
- *If your dealership provides "shuttle service?"*
- *If your dealership has a "loaner program."*

If you cover these items with your customer, and perhaps even give him a checklist before

he leaves, you will be doing your customer a great service.

■ **LET YOUR MANAGER EXIT THE CUSTOMER**

This is just another way of saying Thank You. It never hurts to show your customer as much appreciation as possible. After all, we need him more than he needs us.

Whatever procedure fits your needs, make sure you've thought it out completely so that all your deliveries will be as complete and rewarding as possible.

...What we have to learn to do, we learn by doing.

—Aristotle

Chapter 13

Prospecting

***...Fear — "I'd call them but they're probably there."
—Anon***

There are several facets of the automobile business that we, as salespeople, cannot control. One of these is the number of customers that will come through the door on any given day. Consequently, the number of sales you can generate becomes a guessing game, making it difficult to systematically predict your monthly income. Since your earnings are derived primarily from commissions, you are constantly under pressure to make the maximum amount on each customer.

Let's take a look at some of the ways your income can be affected:

- ***Your dealership could cut back on its advertising budget for a couple of months.***
- ***The weather becomes abnormal causing customers to stay at home more.***
- ***The economy drops, curtailing spending.***
- ***You could get sick and miss a couple of weeks of work.***
- ***The manufacturer doesn't offer any incentives.***

These are only a few of the many factors beyond your control that can cause a drop in your auto sales. Waiting for customers to stroll into your store at their own pace is not the answer. You somehow have to be able to control your own destiny if you want to become successful and earn a lot of money. The only way you can do this is to take the bull by the horns and

bring some customers into the dealership yourself. It's not always easy and it does take a lot of work. But the only way you can protect yourself from having these lulls happen is to **prospect** on your own.

Although the word **prospecting** makes most salespeople twinge when they hear it, they twinge even more when they have to do it. But soon you'll learn that all successful salespeople have some method of prospecting that works for them. Here is a list of ideas that might help you earn some extra money. Just learning about them won't be enough. You'll have to at least give some, if not all of them, a try. And when you do, don't just do them with the attitude that they're not going to work. Go in with all the enthusiasm you can muster to make them work.

■ COLD CALLS FROM THE PHONE BOOK

I remember when I first began working as a salesperson, I had a difficult time calling a strange person out of the phone book. I could only take so much rejection and the number of calls I had to make to get a sale didn't appear to be worth my time. But especially during slow times, I found that if I dialed the phone fifty times, I could get at least one person to come into the dealership. Now this may not seem like good odds to you, but if I made this number of calls every day, that was an extra twenty customers a month I had a chance to sell a car to. My average number of sales at the time was one out of every four customers I talked to, so I created an extra five sales a month, earning approximately \$250 commission per customer. This translates to an extra \$1250 a month that I wouldn't have received if I didn't utilize my slow time in this manner. Obviously, I can make the numbers look anyway I like, but the fact remains that when I did the extra work, I did get rewarded for it. The problem with most salespeople is getting themselves to do the extra work. It's a lot easier to take this time to talk with your friends over a cup of coffee than to utilize your time properly.

When you're making these calls, what you say is not as important as the call itself. Each time I wanted to simply get lucky and find a customer who needed a car. I kept this type of perspective to help alleviate the pressure of making a customer. I didn't want it to appear that I was trying to force this person to buy a car from me over the phone. Basically, when I made the call, it was more of an "**information giving**" rather than a "**selling**" conversation. It went something like this:

"Hi, is this Mrs. Smith? My name is Mike Whitty from ABC Motors. How are you today? Mrs. Smith, we're surveying the area trying to find out if the people in our surrounding areas know where we're located. Have you heard of our dealership? We're on the corner of Main Street and Elm, and we sell Buicks and GMC Trucks. By the way, would you be interested in a new or used vehicle in the near future? If not, do you know of anyone who might be interested?"

This conversation should take no longer than 30 seconds. All I am looking for is someone to say, **"Well you know, my car was just involved in an accident this week, and we will be in the market for a new car."** After hearing something like this, I simply try to set an appointment so the customer can take a look at what I have to offer; not to buy, just to look. If they keep their appointment, I can try to sell them at that time. But the main thing is to try to get an appointment.

I'm not suggesting that you'll have success every time you get on the phone. There may be days when you won't get any appointments at all, and other days when you'll think that everyone's in the market for a car. The idea is to be consistent with your plan. Don't start your prospecting one day, and then quit for two weeks before you try again. Prospecting doesn't work that way. You cannot be erratic in your efforts.

■ SERVICE CALLS

One of the easiest ways to prospect is to work cooperatively with your service manager to obtain the "hard copies" of service work being performed. When you notice a vehicle with high mileage or a large repair order, you can give this customer a call as a representative of the dealership and inquire whether they would be interested in trading their car in on a new one. A typical dialogue would go like this:

"Hi, Mr. Smith, this is Mike Whitty from ABC Motors. How are you today? I was looking through our service repair orders and I noticed that your car was approaching 90,000 miles. I am wondering if you are interested in having my used car manager see how much your car is worth. It might be to your advantage to trade your high mileage car for one with fewer miles."

or

"I noticed that you have a repair order for \$800. Would you consider putting that money down on a new car instead of having yours repaired?"

Keep it short and sweet. If the customer wants to talk a little longer, that's fine if you have the time. But remember, the idea is to make as many calls as you can in the amount of time you have available.

■ ORPHAN FILES

Stuck in the back room somewhere are files from years back. An easy way of prospecting is to call customers who purchased their vehicles more than three years ago. These customers are prime candidates for new cars since most people trade in their cars after their finance contracts are paid off.

"Hi, Mr. Smith, this is Mike Whitty from ABC Motors. How are you today? I noticed that you purchased a car from our dealership about three years ago. Is that correct? How is your car performing? Have you had good luck with it? Our dealership is in need of excellent used cars like yours and my Used Car Manager is putting a lot of money into trade-ins to increase his Used Car Lot. Would you be interested in setting an appointment to see how much your car is worth?"

Be sure to stress the idea that now would be the best time to do this because of the circumstances. As far as you're concerned, now is always the best time.

■ REFERRALS FROM PRESENT CUSTOMERS

Whenever you talk with one of your customers, for whatever reason, you should always finish your conversation with,

"By the way, do you know of anyone who might be interested in purchasing a new car?"

If you have done a proper job in making friends with your customer, he more than likely will be glad to give you referrals. People always feel more comfortable when they're referred to,

or by, another friend.

■ PASS OUT BUSINESS CARDS

Passing out cards is an indirect method of prospecting as compared to talking with someone firsthand. Make sure you hand your business card to everyone you come in contact with. I've even heard of including a business card in the envelope along with your monthly bill payments. The reason is, you never know who's going to need a new car and when they're going to need it. It's true that most people will throw your card away. But the fact remains, that when that one person decides he needs one, who better to buy it from than you. After all, business cards are not just meant to take up space on your desk. The more cards you get rid of, the more people know that you're in business to sell a car.

■ BUSINESS AND SOCIAL CLUBS

A club is simply a gathering of people participating in a certain function. The more people you know and become associated with, the more opportunities you have to sell cars. Many business dealings are performed within these types of assemblies. You might as well become involved in some of them.

■ VISITING BUSINESSES

When times are slow, with the permission of your sales manager, personally visit the businesses in your surrounding area. These are excellent candidates for leasing and referrals. It's always a good idea to carry brochures and business cards with you in case they are interested in a certain vehicle. Any questions they may have should be responded to as quickly as possible, since that's the way they will want to do business with you. Give their needs special attention because business people prefer to buy from salespeople who are referred to them.

■ MAILOUT PROGRAM

Since I owned a computer, one of my favorite ways to prospect was through a mailout program. Each time I chose a different area, and I would state in the letter that I would follow-up with them in three days. This gave them an introduction to me and also paved the way for my call so it would not be a surprise. The idea for this type of program is to make

it easier to make a cold call. It's not meant just to send out a letter with no follow-up call. This would not be very productive. A typical letter might go like this:

Dear Mr. Customer,

My name is Mike Whitty and I'm a salesperson at ABC Motors, which sells Ford cars and trucks.

At the present time, Ford is offering many incentives making it an attractive time to buy a new car or truck. Along with these incentives and the already low price we have on each and every car and truck on our lot, our used car manager is giving the highest trade-in values in the history of our dealership.

If you're interested in Leasing, we have the best rates in the area, giving you the lowest monthly payment possible with no money down.

Since this is merely a letter of introduction, I will be calling you within the next three days to see if I can be of help in your next car or truck purchase. If you wish to speak with me sooner, please contact me at the telephone number listed on this stationery.

Thank you for your time.

If you send out a letter similar to this one, make sure you follow-up with a phone call in three days like you promised. If any of these prospects is interested in buying a car, you will come across as being reputable and a person who keeps his word.

■ NEWSPAPER ADVERTISING

From time to time, I have seen salespeople place small, business card type ads in local newspapers with their photograph included. This type of advertising, when done on a consistent basis, will get a lot of people to become familiar with you and possibly consider you for their next purchase. Of course, this type of prospecting will depend on how much money you have and how much you want to spend. My advice is to keep your investment to a minimum since you'll want to consider longevity more than flash.

■ CALLING ON SPECIFIC GROUPS

Certain groups will tend to buy specific types of cars. For example, lawyers will lean towards the higher priced, luxury vehicles as compared to the smaller, inexpensive models. So, for example, if you are selling Lincolns, you might want to spend your time contacting the groups of individuals who would normally buy this type of car. Be ready to take your car to their business if they show an interest, since these individuals are usually restricted by time. Whatever help and personalized services you can provide them will make it easier for you to get the sale.

Remember, whichever method of prospecting you use, the most important thing is to be consistent. This keeps your mind on your work which will help you stay sharp and positive. Examples and conversations I've used throughout this chapter should be tailored to your own personality and style. They are simply meant as a guide to get you started.

Chapter 14

Phone-Ups

*...Progress means taking risks, for you can't
steal home and keep your foot on third
base.*

— Herbert V. Prochnow

The customer who approaches your dealership over the telephone is as important as the one who walks through the door. What a salesperson doesn't realize is that every dealer spends thousands of dollars a year on newspaper, yellow page, magazine, and other promotional advertising. Consequently, he has every right to expect a return on his investments. If a salesperson doesn't handle a phone-up properly, it's as though the advertising money was flushed down the drain.

Therefore, understanding how to handle phone-ups correctly is very important, especially if you are a newcomer to this business. Since at first you may not feel confident speaking with a customer face-to-face, the phone-up will be an easy way to polish your techniques and to get business without very much pressure.

Here are five suggestions that will help you learn how to take advantage of the telephone customer:

■ TREAT HIM LIKE A WALK-IN CUSTOMER

When a person telephones your sales department, he is usually looking for information on a specific vehicle. This makes him a prospective customer and so he should be treated as such. Whether he is requesting general information or searching for a certain model, if treated courteously he can be persuaded to become a buying customer. I am not suggesting that every caller is a serious shopper. Often times the information requested from you will not warrant the time necessary to research it. However, the manner by which this customer

is treated over the telephone will determine if he will consider you and your dealership in the future. So, regardless of the nature of the call, always be friendly and eager to be of service to your telephone customer.

■ **SHOW EXCITEMENT OVER THE PHONE**

If you are going to take the time to answer the phone, show the same enthusiasm to the caller as you would to the customer in the showroom. Transforming a phone-up into a buying customer takes a great deal of skill. Perhaps the excitement generated from your conversation will give this caller the incentives he is looking for to make an appointment with you.

■ **ALWAYS HAVE THE VEHICLE IN STOCK**

When I decided to write this book, I wanted to dispel the rumor that in order to sell cars, you have to be dishonest. But in this instance, even if you don't have the car on your lot, it will likely be on another dealers lot where you could do a dealer trade. There have been many occasions when a customer came into the dealership requesting a blue car and wound up buying a red one. The point is, if a person calls your dealership requesting a blue car, and if you tell him you don't have a blue car in stock, this would-be customer will probably telephone another dealer and buy from him.

■ **OBTAIN AS MUCH INFORMATION AS POSSIBLE**

Never end a conversation with a phone-up customer without at least recording his name and telephone number. It would be an absolute waste of your time and the dealership's money if you did not treat this caller as a potential buyer. It is to your advantage to collect as much information as you possibly can to maximize your efforts for a future sale. Before you pick up the receiver, make sure you have your "***phone-up sheet***" in front of you so you can write down the following information:

- ***Name***
 - ***Address***
 - ***Phone number***
 - ***Vehicle model/options***
 - ***Type of trade-in***
 - ***Appointment date & time***
-

■ FOLLOW-UP WITHIN 24 HOURS

If you have properly filled out your "*phone-up sheet*," you should have at least recorded the **customer's name**, **telephone number**, and the **type of vehicle** he is looking for. Always make a 24 hour follow-up call to this customer even if the probability of a sale is small. This gives you the opportunity to impress the customer with the idea that you are the type of salesperson who is *concerned*, *ambitious* and *hungry* enough to want his business in the future.

Forgetting to follow through with your telephone customer is a greater sin than not having a phone-up customer at all. So by taking your phone-up customers seriously, you automatically stand the chance to increase your income.

Chapter 15

Switching to a Used Car

...It is no disgrace to start all over. It is usually an opportunity.

—George M. Adams

Each year, domestic and foreign auto manufacturers entice us with sleek designs, new colors, and option packages that make our present vehicles seem obsolete. And of course, when customers come into your showroom, their fantasy is to drive away in one of these attractive new versions. But purchasing a brand new model may not be possible and practical for everyone, particularly for the customer who sets his sights higher than his lifestyle will allow.

Many times during your demonstration, numerous reasons will surface to indicate why this customer cannot afford the new car. Some of these are:

- *Monthly payment is too high.*
- *Not enough downpayment.*
- *Insufficient credit.*

A normal response for the salesperson who encounters one of these or other similar excuses is to abruptly end the demonstration and say "**good-bye.**" It's hard to handle these objections and at the same time maintain high spirits to continue to sell this customer a car. But remember, it's not your job to qualify this customer's financial status and capabilities for purchasing a car. This responsibility belongs to your sales manager or finance manager. You'd be surprised at some of the sales that can be put together even after your customer voices some of the above objections. However, once you do learn that this customer's finances exclude him from a new car purchase, **don't let him leave without trying to switch him into a used car.**

As salespeople, your main job is to sell cars and to make money for yourselves and for the dealership. The only way you can accomplish this is to utilize all the avenues available to you. One of these is making use of the Used Car Department. If you've been in the business for a while, you know that successfully switching a customer who doesn't qualify for a new car into a used car can result in all of the following:

- ***A used car will normally net more profit, which means a larger commission for you.***
- ***You will accumulate one more sale towards your monthly goal.***
- ***You will add one more satisfied buyer to your totals, which will gain you more referrals.***

But how do we go about switching this customer to a used vehicle when he had his heart set on a new one? Believe me, it becomes much easier once you're able to convince him that any car can be a new car. If it didn't sit in his driveway before, it will be new to him. It doesn't have to come right off the assembly line to qualify. A well maintained, previously owned vehicle just may be more attractive and possess more features, at a lesser cost than the brand new model the customer is considering.

After shopping around, most customers will know whether or not they can afford to purchase a new car at this time. If they can't, all that needs to happen is for the salesperson to say,

"Would you have any objections if I showed you a good used car?"

Or,

"Follow me! I think I have just the car that will fit into your budget."

By taking this route, you are at least showing the customer that you are concerned with his buying needs and are trying everything you possibly can to fit him into a car. And not just any car, but a car that he will love until he can afford to buy a brand new one.

Realize that while you are showing your customer the new car inventory, you have him at a peak of interest that you might never have again. You must continue to keep him at this

highly interested and excited state. Don't let him get down merely because some obstacle stands in his way. **YOU ARE THE PROFESSIONAL!** Your job is to counsel your customer into a correct and logical buying decision. He wants a car now and your job is to satisfy his needs and make him happy. Don't send him away with the chance that he'll visit another dealership, staffed by a more aggressive salesperson who will sell him a good used car.

One instance comes to mind when I was a salesperson for a particular dealership. The customer I was working with wanted a brand new Mazda RX7 Turbo. He claimed he had the money to pay cash, but would probably finance most of it. When I heard this, all logic virtually left my mind. All I could think of was that I had to sell this person an RX7 Turbo. The sale was negotiated at sticker, which should have started me thinking right away. If you've been in the business for awhile, you tend to become suspicious of sales that come that easy. Nonetheless, without hesitation, I took him to my finance manager. After he filled out the credit report, we found out that he really didn't have any money to put down at all. Because his credit rating was average, the finance company was willing to buy him if he could put a substantial amount of money down. You can imagine how I felt knowing I had just lost a large commission. I continued to follow up with him trying to get more money down, but with zero results. About four days later, he returned to retrieve his deposit and I noticed he was driving a used Trans Am. My jaw just about dropped when he smiled and told me that this other dealer got him into this car with very little money down. I had a car on my lot that would have fit his needs just as nicely, but I failed to show it to him because my mind was set on trying to get him into the car he originally said he wanted.

We all make these mistakes once in a while. The object of learning is to try to make as few of these mistakes as possible. Even though your primary responsibility may be to sell new cars, do not forget that both you and the company need to make money and sell cars, both new and used. Always have it in the back of your mind that if there is the slightest possibility of not being able to sell your customer a new car, try to switch him to a used one. With all the excellent cars a dealership takes in on trade, you will probably be able to keep your customer happy, and make a handsome commission for yourself.

...If you want to persuade people, show the immediate relevance and value of what you're saying in terms of meeting their needs and desires.

—Herb Cohen

Chapter 16

Out of Stock vs. Dealer Trades

...Volume times zero isn't too healthy.
—Lee Iacocca

In general, the simplest and most ideal way to make a sale is to convince your customer to purchase a vehicle directly from stock. But, realistically speaking, there will be times when your inventory will not include a car equipped with the exact features the customer is looking for. The autos on your lot may not be of the right color, or have the right options, or the right engine.

Often, customers will come into your showroom knowing that they must stay within a certain price range. They may have a certain monthly payment that fits into their budget or a specific amount of money to use as a downpayment. It could be that they really don't want that sunroof or the air conditioning your car is equipped with.

What do you do then with the customer who has already made his decision, arrives very excited, and is ready to buy? Switching this customer to another vehicle at this time may become a very challenging task. Since you don't want to lose him to another dealer, you must employ every available tactic you know to retain him as your customer.

Of course, if it's still in production you can always special order the vehicle directly from the manufacturer, or you can suggest searching other dealerships for a possible dealer trade. My advice is, resort to these alternative ways only if you fail to persuade the customer to drive away with the car sitting on your lot.

Let's create a typical scene that will demonstrate what steps you should take before you have to resort to a dealer trade.

A customer comes into your dealership to buy a compact car. He wants his car to be equipped with air conditioning, power steering, power brakes, a stereo cassette, and an automatic transmission, since his wife doesn't drive a stick shift. His color choice is blue and he prefers a cloth interior. He has \$1500 to use as a downpayment and he wants his monthly payment to be no more than \$230. The list price for such a vehicle is \$10,300. Unfortunately, you don't happen to have a car with these particular options in stock. What you do have is a car that looks identical to the one the customer wants except it also has cruise control and tilt steering, bringing the list price to \$10,650. The customer insists he does not want the extra options and is ready to go shopping elsewhere.

This is a classic example and one that is worth learning how to handle. Let's concentrate on the extra options. A customer will seldom refuse to accept the extra equipment if it appears that these options have been thrown in at "**no additional cost.**" This doesn't mean that I condone giving away options without charging for them because everything you give away eventually comes out of your pocket. Suppose you decided to give the customer the cruise control and the tilt steering combined cost of about \$350. Depending upon your commission structure, you would be giving away somewhere between \$66 and \$165. Unless you have no other choice, giving away options to make a sale is no way to do business.

Here are some important questions you should ask:

■ **WHICH IS MORE IMPORTANT, THE PRICE OF THE CAR OR THE MONTHLY PAYMENT?**

This is presumably the most important question to ask. Most customers finance their vehicles. Therefore, the primary consideration when purchasing is the affordability of the monthly payment rather than the overall price of the car. If \$230 is the ideal monthly payment that will fit into the customer's budget, what difference does it make then whether the car costs \$10,300 or \$15,000. As long as the monthly payment can be adjusted to be no more than \$230, don't you think the customer will enjoy some extra options such as the cruise control and the tilt steering? I think he will!

■ **HOW LONG DOES THE CUSTOMER NORMALLY KEEP HIS CARS?**

If a person drives his car for five years or longer, you can suggest extending the terms of the finance contract so as to lower the monthly payment. When you are proposing a monthly

payment, do your initial calculations for the shorter financing term first, (i.e. 36 months) before progressing to the longer financing terms (i.e. 48 and 60 months). This procedure gives you some room to negotiate without giving away profit. ***Remember, when you give away profit, you give away your commission.***

■ HAVE YOU PROPERLY SOLD THE EXTRA ITEMS TO THE CUSTOMER?

There are two ways to look at options: as necessities or as luxuries. In a customer's eyes, some options are really necessary while others are not. With our example, your job is to show the customer how he can benefit from the cruise control and tilt steering features. A good salesperson will transform these options into necessities. Anyone who has ever driven an auto equipped with these two features will agree that they offer a tremendous amount of comfort on long trips, a savings in gas money because of the consistent speed that the cruise control offers as well as less fatigue from being able to set the steering wheel at different heights. And so, I repeat, the task of the salesperson is to convince his customer that certain options are absolute necessities.

■ HAS THE CUSTOMER CONSIDERED LEASING?

If the automobile you are showing your customer doesn't come close to meeting his monthly obligation, two ideas come to mind: either you have been showing him the wrong car or the idea of leasing has not yet been discussed. The payment for a lease is normally \$50 to \$150 a month less than a normal finance contract. So, you might be able to sell your customer a car with more options and still maintain the same monthly payment. Wouldn't that be nice? The only drawback is that the customer must have a better than average credit rating to qualify for a lease. So make sure you know a little more about his past buying habits as well as how he pays his bills. But never, and I mean never, make the final decision as to whether or not he qualifies for a lease. Leave that responsibility to your finance manager or to the bank. You will learn more about leasing in **Chapter 23**.

*...The smell of profit is clean and sweet,
whatever the source.*

— Decimus Junius Juvenal

■ LARGER DOWNPAYMENT vs. HIGHER MONTHLY PAYMENT

The information that the customer initially provides you might not always be accurate. There have been instances in my career when a customer said that the highest monthly payment he could afford was \$250, but when the sale was closed, the payment had increased to \$300. Or, on other occasions, the greatest amount of money the customer could afford to put down was \$1000. But ultimately, this same customer suddenly found an additional \$500 to use towards his downpayment. When a customer decides to purchase the higher priced vehicle, he probably has more money available than he first stated to compensate for the higher finance terms.

Now that you have done an excellent job convincing this customer to take the extra options, your next task is to determine which will be less traumatic to his budget and lifestyle: a higher monthly note or a larger downpayment. If it's imperative that he keep his monthly payment close to the original figure, then a larger downpayment will be in order. All in all, if a customer wants the added features badly enough, he'll find the means to pay for them.

The preceding step-by-step process consists of a calculated series of questions and strategies you should master in order to maximize your out-of-stock sales. And again, the word here is "**maximize**", because every car you sell will not always come from your inventory. There will be times when you will have to search other dealerships to locate the car that fits your customer's needs. This procedure is called a "**dealer trade.**" It is costly and time consuming, but a necessary evil in automobile sales.

Often, **dealer trades** are the result of not having the right color or engine size in stock. It is much easier selling a customer on the conveniences the extra options will provide than it is switching him to a different color or different size engine. If you must resort to a **dealer trade**, follow the next series of steps to make the job a little easier for you.

■ TAKE OUT YOUR PRICE BOOK AND COST OUT THE CAR

When you are forced to dealer trade for a car, make sure to write down all the information to describe the vehicle accurately. This avoids future misunderstandings between you and the customer. Your manager will be terribly upset if you traded for a car that wasn't the one the customer wanted. Make sure the following are on the order sheet:

- *All the options are correct.*
- *The retail price is correct.*
- *The selling price is agreed upon.*
- *The color and interior trim are correct.*
- *Aftermarket products have been installed.*

Give him a copy of the agreement and indicate that if you are not able to find the exact car that is specified, you will inform him of what other similar vehicles have been located. It is then up to him to decide which vehicle he prefers.

■ TAKE A DEPOSIT

Before you spend your time and effort looking for a car, make sure you get a **substantial deposit** from the customer. Some sales trainers like to refer to this as a "**partial payment**" instead of a deposit. This deposit is merely a faith offering from the customer that gives you permission to locate the vehicle for him. One of the worst things that can happen to a salesperson is to locate a car, have it picked up, and suddenly learn that the customer decided not to take it. Now you are stuck with a car in your inventory that the dealership doesn't want or need and all your time has been wasted.

It is your responsibility to tell your customer that if you pick up the car and bring it to your dealership, this car is now his. The only valid reason for a customer to refuse the delivery is if the car is damaged and can't be repaired to his satisfaction. Ask your manager what your dealership policy is on **refundable and non-refundable deposits**.

■ TRY TO FIND THE CAR

Depending on how your dealership is set up, you will either have to search for the car through the use of a computerized locator system or by telephoning each dealership. Normally, the larger the manufacturer, the greater the need for a locator system. If you have one and do not know how to use it, ask someone to teach you how it works. It will locate every car in your region that corresponds to the type of vehicle you are looking for. After you have found your vehicle, begin calling the dealerships to see if they will trade it to you. If the answer is yes, give the information to the person in charge of dealer trades and the rest will be handled for you. If the dealer is unwilling to trade, try another until you find one that will work with you. Most dealers realize that trading is part of the business and will

cooperate with you to make the transition as easy as possible. They understand that they too may have to call your store for a car and so they don't want any misunderstandings to occur.

If your responsibilities also include handling dealer trades, you must:

- ***Prepare all paperwork for the transaction and have it typed.***
- ***Arrange for a driver to pick up the vehicle.***

- ***Once the vehicle arrives, check it over thoroughly for obvious flaws.***

Each dealership has its own checklist of items regarding dealer trades. Your sales manager should explain what additional items you will be responsible for. Some of the additional responsibilities may be:

- ***What to look for when checking vehicle for possible damage.***
- ***How to check in vehicle regarding warranty books.***
- ***Rate of pay for the driver.***

- ***Proper procedure for getting car ready.***

- ***How to handle aftermarket installations.***

Don't lose your customer! If you can't find the car he wants from your inventory, find it somewhere else!

Chapter 17

Follow-Up Programs

...It's what you learn after you know it all that counts.

—John Wooden

I had been selling cars for about one and a half years when I realized that most of my customers were people I took right off the showroom floor, "**fresh-ups**" as they're called. I couldn't understand why I wasn't getting any referral or past customer business. I treated all of them well. I tried to make their car buying experience a memorable one. I even filled their car up with gas and smiled and waved good-bye as they drove away in their new car. How could anyone not want to buy another car from this guy, or at least refer some of his friends and relatives to him? I was really confused. I tried to think of who could help me with the answer and the only logical people I could think of were the customers themselves. They were the ones who put me in this predicament in the first place.

Up to this point, I had sold to approximately 200 customers and the idea of calling each one individually seemed overwhelming. It certainly would take a lot of my time away from the selling floor, or so I thought. Since I was looking for an excuse to buy a computer, I figured this was the perfect opportunity to start a follow-up program by mail. I needed to have some serious questions answered and a word processor would surely help get the results I was searching for. These are some of the questions I asked:

- *Did you enjoy your car buying experience?*
 - *Were you treated well throughout the sale?*
 - *After the sale, did you remember my name?*
-

- *Have any of your friends purchased a car since you bought yours?*
- *Have you referred any of your friends and relatives to me? If so, how many?*
- *Would you buy a car from me again?*
- *Have I talked with you since you bought your car?*

These are just some of the questions I asked that related to me personally. I wanted to know why I wasn't getting more business from these customers. The questionnaires were mailed along with a self-addressed, stamped envelope. I received 20% of them back, which I thought was pretty good for a mass mailing. The results I received were really shocking. Out of the 40 replies, 58% of them didn't remember my name after the sale. At that point, the rest of the questions seemed insignificant. If over half of the 40 replies didn't remember my name, how many more of my 200 customers were in the same position? I'd spent a lot of hours with each one of them and it was all in vain. They came in as serious customers, I went through all the efforts to sell each of them a car, and for all I know, they and their friends were probably somebody else's customer now. What a rude awakening, a year and a half of wasted effort. Oh sure, I made a lot of money during that period of time, but what would happen in the future? Was I going to wait on fresh-ups for the rest of my car selling life, who by the way, are harder customers to sell to than past customers and referrals. **NO WAY!** I enjoyed working, but with all the hours I was spending in the dealership, I would have liked some of those hours to have come a little easier for me. I had to do some serious soul searching to try to figure out what I did wrong and what my plan of attack would be to correct it. I decided to start by taking a look at the question,

"Have I talked with you since you bought your car?"

I'm too embarrassed to tell you how many customers said no. But I can assure you, this one response was enough to force me to change my ways. I proceeded to call all of my past customers, thanking them for the opportunity to sell them a car and apologizing for not following-up with them as I should have. The results of my efforts were amazing. The next month I made nineteen sales. Eight of them were referrals, five were past customers, and the remaining six were fresh-ups. I made \$5500 and hardly stepped out onto the showroom floor. My phone was ringing off the hook with appointments and it actually became fun selling cars.

My attitude changed drastically in several ways. It became clear that waiting on customers wasn't the only aspect of car sales. I realized that when I wasn't waiting on a customer, I was wasting time talking to other salespeople or to my friends on the phone. I wasn't using my time productively. So I started a program for myself that I'm sure will help you if you're not already using some form of it.

■ IF YOU DON'T CLOSE A CUSTOMER, MAKE A 24-HOUR FOLLOW-UP CALL

It's a well known fact that 80% of auto salespeople do not follow-up with their customers. It's also a fact that customers will shop at least four other dealerships before they buy a car. So if you want your customer to consider you for his next automobile, follow this advice. Regardless of who you wait on, whether it's a customer coming in for a brochure, one you've talked to who isn't ready to buy yet, one you had written a deal for but couldn't close, or a telephone prospect, follow up with this person within 24 hours. It doesn't have to be anything more than thanking him for coming into your dealership, thereby giving you the opportunity to talk with him and to answer any further questions he may have. At the end of the conversation, always reaffirm the fact that you would like the chance to earn his business and will do anything reasonably possible to make him a customer. If you don't have to rush the call, take the time to stress some of the strong points that he liked about your car, why he should buy from you, and why he should buy from your dealership. Even during the follow-up phone call, you are still selling. To make sure that this call is made, the moment you finish talking with the customer in the dealership, or following a phone-up, put his name and telephone number down in your next day's business. And when that day comes, **MAKE THE CALL!**

■ AFTER YOU'VE MADE YOUR-24 HOUR PHONE CALL, MAIL THE CUSTOMER A LETTER

As soon as you hang up the phone, pull out a piece of letterhead stationery and write your customer a short letter. It should be handwritten to give it that personal touch. I'm sure you're saying by now that this is a lot of work, and you're probably right. But the way I figure it is, if you are planning to stay in automobile sales for a long time, the more work you do now, the easier it will be later. Make good work habits a way of life. I know for a fact that a great deal of time is spent doing nothing. When there are no customers in the showroom, this is the time to make your calls and compose your letters. Remember to thank your customer again for talking with you and then compose the letter which corresponds to what

was said on the phone. And as always, the letter should be a selling tool, not just busy work. Keep track of every letter and phone call you make in your daily log book, so that you will always be knowledgeable of your daily routine. After you have made the call or sent the letter, take a yellow highlight pen and mark through your log book notation to show that the work has been done. Being totally organized is extremely helpful for the career salesperson. A sample of the follow-up letter can be found on the following pages.

■ MAKE A FOLLOW-UP CALL IF THE CUSTOMER BOUGHT A CAR FROM SOMEONE ELSE

Just because you do all of your follow-up work, there's still no guarantee that everyone will buy a car from you. With as much competition as there is, customers will come into your store just to satisfy their need to shop around. They may have already set their minds on a certain car and simply want to give themselves the approval to buy it. So don't be discouraged if they buy another car, it's merely a game of numbers. The more people you talk to, the more chances you have to make a sale.

Now if they should happen to buy from someone else, just make one more follow-up call to congratulate them on their purchase. Let them know that you are happy for them, and to give you a call back if they should have any problems with the vehicle, their salesperson, or the dealership. You will be glad to help them get the problem straightened out. Make sure they have your name and telephone number handy and always have a pleasant attitude. After all, even if you spent a lot of time with them and even if you didn't make the sale, you still have the opportunity to make them your future customers. Follow this scenario:

A woman has bought a car from someone else and starts having problems with it. She calls up her salesperson, gets the runaround, and becomes totally frustrated and unhappy. This doesn't mean that a lot of salespeople give their customers the runaround, but I have known some who were very insensitive to the customer's needs. When it comes time to give a referral, do you think this customer will give out her salesperson's name, the same salesperson who didn't take care of her when she needed assistance, the one who probably didn't even follow up with her after the sale? Or will she remember you, the one who was courteous even though she didn't buy a car from you? The one who offered to help even though she wasn't your customer.

Will it work every time? **NO!** But won't it feel nice when it does? That's really all you're looking for, the one or two extra sales that you received because you took the time to make a five minute phone call when you didn't have to. Somehow we have to give ourselves a little edge. Anything you can do that's different from what other salespeople are doing might just give you that edge. Give your customers something by which to remember you. You'll be rewarded for the extra time and effort.

■ **MAKE A PHONE CALL ON YOUR CUSTOMER'S BIRTHDAY AND ANNIVERSARY.**

There are two personal stories I can tell you that will adequately describe this heading. I was making a birthday call to a customer one day and his mother answered the phone. ***"Is Mr. Customer at home?"*** I asked. She replied that he wasn't, but could she take a message.

"This is Mike Whitty from the dealership, and I was just calling to wish him a Happy Birthday."

The mother said that she was glad I called because she had totally forgotten that it was his birthday. She thanked me ever so much and asked if I would call back later. It gave her plenty of time to get him a gift.

I can't tell you how many times this has happened during my career. This one incident, or at least I think it was because of it, earned me two referrals who eventually bought cars from me. ***The point is, you never know which ideas will succeed in getting you business, so you might as well be safe and employ as many of them as possible.*** You will be rewarded in your next paycheck for every idea that works. It's similar to a basketball game. You will never get the ball if you just stand still. You have to move yourself into position to have the best possible chance for the shot and ultimately the basket. The same strategy works for sales. If you just sit around and vegetate, rather than moving your career into position for the sales, the road ahead will not be an easy one.

I always like to call my male customers at work to wish them a happy anniversary. Men, more than women, seem to be more likely to forget these special occasions. It just so happens that one of my customers did forget his anniversary. He was so grateful for my call, that he personally gave me two box seats to a Detroit Tigers baseball game and a gift certificate for dinner afterwards. It is such a great feeling when people appreciate the work that you do, especially when you go beyond your normal business duties.

Once you make the sale, try to get as much information as you can as you're writing up the purchase agreement. This is an easy time to obtain information, because you have your customers at their highest peak of excitement and they're willing to give you almost anything. Ask for both the husband's and wife's birth dates, as well as anniversary dates. If they have children, get their birth dates too. You'll impress the parents when you call up their children, and besides, the children will need cars someday too, and who better to buy them from than you?

■ GET REFERRALS

I said at the beginning of this section that referrals and past customers are the easiest sales to make. This is because in both cases there is a degree of trust that has already been established. Past customers know you. Consequently, if you've treated them well, it's only natural to expect to earn their business again. The referral is someone recommended to you by your customer. When we need something, we instinctively go to our friends to seek their advice with whom to do business. We want to know who gave them the best deal, who treated them well, and who addressed all of their automotive needs. Since we don't have a lot of time to find this person ourselves, we trust the experiences of our friends. When referral customers come to see you, they already have a sense of who you are and what your business practices are like. They shouldn't have to go searching any further. Because you and this customer now have a mutual friend, your chances for closing him on the first try increase, thus making your sale much easier. Therefore, if I have to choose between closing a referral the first time or a fresh-up, there's no doubt in my mind which one I would rather have. So if we all agree that referral business is easier, make it a strong part of your sales program to ask your customers if they know of anyone who might be in the market for a car.

Whenever you make a phone call to a customer, try to keep the conversation as friendly and tactful as possible. It doesn't have to be all business. Often, I will keep track of different topics we talked about. So when I telephone, I'll say something like,

"I was watching the basketball game last night and I remembered you were a real Detroit Pistons fan. Did you happen to see the game?"

Then, at the end of our conversation, I will always end with something like,

"Of those who have seen your new car lately, has anyone expressed an

interest to buy one?"

If you have given your customer good service, you have every right to ask for referrals.

I was "real" big into mail-outs being that I had a computer with a word processor. So every few months I sent out referral letters. This is another good way to get your name in front of customers so that they won't forget you. A sample of a referral letter can be found on the following pages. But regardless of how you go about securing customers, make sure that a referral program is a big part of your sales procedure.

■ **LETTER AFTER THE SALE**

Send out a thank you letter about three days after you have delivered the new car. Many dealerships have "**Thank You Cards**," in which you can insert your business card to mail to your customer, but I have found that in many instances, this isn't enough. All they say is

"Congratulations on the purchase of your new car and send me some referrals."

I think the customers need some ground rules laid out for them, because they don't know what you expect from them once the sale is made. I think you will find this to be true the first time one of your customers comes into the dealership to buy another car and he buys it from a different salesperson. When you confront him on why he didn't buy it from you, you're going to be awfully upset when he comes up with this excuse,

"I tried to find you and you weren't around, so I bought it from him."

Customers think that you work on a salary. So as long as they return to buy their next vehicle from the same dealership, they regard themselves as loyal customers. The objection is, it's not the customer's fault because he doesn't know any better. If we fail to tell him, if we don't lay down the ground rules we want him to follow, we can expect almost anything. When this situation started happening to me, I created a letter that would give the customer some idea of what was expected of him. As a result, I felt I had a greater ability to educate this person on how to become a better customer to his salesperson.

These are some of the items I put into my letter:

– First, I asked the customers to please remember my name. Keep in mind that one of my greatest fears has always been that customers will forget my name.

– I reminded them that I worked on commission only, so if they want to buy another car, to please buy it from me.

– If they didn't see me in the dealership, ask someone to page me. You will be surprised to learn how many customers aren't aware they can do this.

– If they have a service problem, call me first. I can easily transfer the call over to the service desk. This gives me the opportunity to talk with them one more time and gives them the assurance that I will stand by them.

– Most of my business comes from referrals, so if they know of anyone interested in buying a car, please give him my name.

These simple requests don't appear on those little Thank You Cards. However, I feel they are vital in controlling your customer and your business. A sample of this letter can be found the following pages.

■ THE MONTHLY NEWSLETTER

Creating a newsletter is something I always have fun with because I can put just about anything into it I want. I have received many compliments from customers who actually enjoy reading it. And even if they never opened the envelope and threw it right into the trash can, it never bothers me. When they receive the letter, they know exactly who it's from because my name appears on the envelope letterhead. And I figure that as long as I can put my name in front of them at least once a month, there is more of a likelihood that they will remember it. As you have probably noticed, almost to the point of repetitive boredom, having a customer forget my name is worse than mortal sin. If five months down the road a friend of his is ready to buy a car, and my customer doesn't remember my name, do you really think I'm going to get that referral? Imagine this conversation when the friend wants to know who to go see about a car and my customer says he can't remember my name:

"Why don't you go over to this certain dealership and find the salesperson

who sits in one of the desks by the window. He's got curly hair and is going bald."

Is this how you want to be remembered by your customer? It's bad enough that I am going bald, but it would be nice for my customer to just give out my name and let others find out what I look like in person. So this is why I don't get upset when customers throw out my newsletter without opening it. It's the name I want them to see, the rest of the newsletter is simply fill-in material. Those who do read it actually enjoy it. I tell them about my trip to Greenfield Village, give them an idea of what the current interest rates are, put in a few used cars I think might be good sellers, tell them of some new car changes that will occur in the future, and of course, ask for referrals. Most of the time a dealership will pay for all of your mailouts which really helps in the expense department. If your dealership normally doesn't, see if you can make some arrangements with them to pick up the cost since, after all, you are providing some wonderful advertising and goodwill. I'm sure most dealerships would be glad to keep their customers happy. A sample of a newsletter can be found on the following pages.

■ CHRISTMAS, BIRTHDAY, AND ANNIVERSARY CARDS

Holiday and special occasion cards are really nice to send out, but as your customer base grows, you will find them to be quite an expensive undertaking. If your dealership helps with the expense, as many of them will for Christmas cards, then it might be worth your while. ***For birthdays and anniversaries, a simple phone call will do the trick very nicely and it will be a lot less expensive.***

If you do want to send your customer something, maybe a nice letter will serve the purpose. When I was doing my monthly newsletter, instead of sending out Christmas cards, I wrote a nice Christmas poem in the December letter. Everyone seemed to enjoy it because it was something that came from the heart and gave the holiday a more personal touch. It was less of an expense for me because my dealership paid for all my mailouts.

In a recent seminar I attended, it was suggested that instead of sending out Christmas cards, send out Thanksgiving or Easter cards. The reason being that if you send out a Christmas card, yours will be stacked in with the many others they will receive and it won't be noticed as much as if you sent them a card for another holiday. The two that were mentioned are holidays for which they might only receive a few cards, and yours will stand out, and will most likely be appreciated more since it shows some extra effort on your part.

■ SPECIAL OFFERS

A wonderful way to make some extra money is to send out a mailer with a special offer. For example, look through your files and locate all the customers who didn't buy the Rustproof Package and make them a special offer for that month. You'll be surprised how many people will actually take advantage of it. You can use items like sunroofs, burglar alarms, window tinting, luggage racks, extended service contracts, truck items, or anything that you feel might make your month a little more profitable. Since managers get paid on how much profit their particular department makes, they will most likely approve of a discounted price for an item. You can find a sample of a Special Offer letter on the following pages.

Keep in mind, if you are planning to stay in the auto sales business for any length of time, following up with your customer is something that should never be thought of as time consuming, bothersome, or heaven forbid, a waste of time.

It is the service end of the sales business that lets customers know that you're there in case they need you. It reminds them that you are interested in their well-being, and that you consider them a friend instead of just a commission. Most people want to be treated like they're someone special and want to know they are appreciated for doing business with you. We have to remember that we need them more than they need us.

I'm reminded of an incident that happened to me when I was younger. When I was just beginning to learn how to give tennis lessons, as it came time to end the class I would start looking at my watch. One day my tennis coach came up to me and said,

"When you're giving someone a lesson, never worry about the time. Whenever you give something extra to someone, you will always get twice as much in return."

I did find this to be true in my sales career. It didn't happen with everyone, but when it did, it really was a wonderful feeling.

...The only time you realize you have a reputation is when

you're not living up to it.

— Jose Iturbi

AFTER THE SALE LETTER

Dear Customer,

Welcome to the ABC MOTORS family of fine cars and trucks. With the purchase of your new sports car, you can be assured that the treatment you receive from me and ABC

MOTORS will be of the highest quality. My name is Mike Whitty and I will be your salesperson for as long as you allow me to handle your automotive needs. If I've delivered your car to your satisfaction, and if you feel I can be trusted, please take the time to review the following requests:

1. Remember that I sell new and used cars and trucks as well as leased vehicles.
2. Remember, my name is Mike Whitty, and I will appreciate it if you tell your friends and relatives to contact me for their next vehicle. Referrals and repeat customers are a vital part of my business. If you send me a customer who purchases a vehicle, I will make sure that your efforts are rewarded with a \$25 gift.
3. If your car requires service work, please call me first. I will be glad to make sure you are properly taken care of.
4. Be advised that I am not on a salary program. I work strictly on commission. So please come to me personally when you are ready to buy another vehicle. Call ahead to let me know when you'll be in.

With the purchase of your new vehicle, you have paid me to handle your automotive needs, so don't let our business relationship fall by the wayside. I want to be your salesperson now and in the future.

Thank you,

REFERRAL LETTER

Dear Customer,

Thank you very much for referring Mike Whitty to me as a new customer. Mr. Whitty

purchased a new sports car and drove away from our dealership very happy. You can rest assured that I will take care of your referral to the best of my ability and give him the same respect I have given you.

I've always made it a practice to reward anyone who sends me a customer who purchases a vehicle from me. Therefore, please accept this check as a token of my appreciation.

If you know of anyone else who might be in the market to purchase a new vehicle, please give him my name. I appreciate the trust you show by referring your friends to me.

Again, thanks

24 HOUR LETTER

Dear Customer,

I just wanted to drop you a note to thank you for visiting ABC MOTORS. It was a pleasure talking with you and I hope I answered all your questions to your satisfaction.

To recap some of the things we talked about, there were a few facts about our sports car that you really liked:

1. The six cylinder, twelve valve engine was very quiet and the ride was really comfortable.
2. You liked the styling better than the other sports cars you looked at.
3. The price of this car was well within your budget.
4. The warranty was the finest in the industry.

I would like to earn your business and will do everything reasonably possible to make you a happy customer. If I can be of any further assistance, please do not hesitate to call me. I hope we can get together soon.

And if you know of anyone who might be interested in a new or used vehicle, please give him my name. I will be glad to make it worth your while.

Thank you,

REPEAT CUSTOMER LETTER

Dear Customer,

It's always a privilege to have someone come in and buy a vehicle from me, but when they

decide to offer me a chance to continue handling their automotive needs, it shows a loyalty and trust in me that is worth more than any new customer.

As you probably know by now, repeat business and customer referrals are two parts of auto sales that I work very hard to attain. By purchasing another vehicle from me, you have shown me and others that customer loyalty is not a thing of the past.

Thank you very much for continuing our business relationship, and I hope to again serve your automotive needs in the near future. Please send your friends over, I'll give them the same good service I've given you.

Again, thanks,

NEWSLETTER

Dear Customer,

I can't tell you what a beautiful weekend it was. I took my family to Greenfield Village and the sights were really beautiful. It's interesting to be taken back in time and to pretend to

live in the days of Thomas Edison, Henry Ford, and Daniel Webster. I can honestly tell you now that I would really miss the remote control on my television set and the comfortable ride of a beautiful, modern car.

Speaking of cars, we just had a tent sale and my used car manager just purchased several excellent previously owned vehicles. I picked out a few that you might like:

1988 Ford Escort GT	Air, Cass, Sunroof Blue
1988 Pontiac 6000 STE	Loaded, Sunroof Burg.
1987 Mazda RX7 GXL	Loaded, Sunroof White
1986 Chevy Cavalier	Air, Cass, Blue
1984 Dodge Omni	Cass Grey

All of these vehicles are specially priced to move them out fast, so don't wait too long. If you're looking for a car that doesn't appear on this list, give me a call. If I don't have it, I'll find it for you.

If you buy a new car or truck before the end of the month, you may qualify for a special 4.9% interest rate from Whitty National Bank. Call me for more details.

I have two special offers for this month only. If you didn't purchase the Rustproof Package on delivery, here's a chance to get it at a reduced rate.

Regularly \$499
Now \$369

Also, anyone referring a customer to me who buys a New Car or Truck, or a Used Car, will receive a gift certificate for \$50 instead of the normal \$25. Don't wait too long. Offer expires at the end of the month.

SPECIAL OFFER LETTER

Dear Customer,

From time to time, I like to let my customers know that I really appreciate their business. So for this month only, I want to offer you something of real value.

When you took delivery of your vehicle, you were offered the opportunity to purchase an extended service contract. If you didn't take advantage of it then, here is your big chance. If you come in to see me before the end of the month, I will offer you a FIVE YEAR, 100,000 MILE extended service contract, which normally sells for \$695, for the unbelievable low price of \$465. This major mechanical breakdown coverage will protect you far beyond the normal warranty period and will give you the peace of mind you're looking for.

Also, don't forget, anyone referring a customer to me who purchases a vehicle, will receive a \$25 gift certificate as a token of my appreciation.

Two excellent deals — one excellent salesperson. See you soon.

Thank you,

Chapter 18

Paperwork

...Not every bullet kills.
—Alphonse Daudet

If salespeople could eliminate all the paperwork involved on selling a car, it would make for some very happy campers. I happened to be very competent when it came to filling out forms and contracts correctly, but I've known many salespeople who have struggled for years with this chore. Ask anyone in your business office how frustrating it is typing contracts with the wrong information only to have to retype them.

Not having the correct information to begin with wastes valuable time for the office staff and money for the dealership. It becomes embarrassing when the salesperson involved has to telephone the customer for information he should have correctly obtained before. What's even worse is making your customer return to the dealership to re-sign papers and taking the risk of losing the deal altogether. Suppose you made a mistake on the original paperwork that was in the customer's favor. After you found and corrected the mistake, the customer refused to re-sign the papers.

All of these nightmares make it difficult for everyone concerned and should be avoided at all costs. So, if you feel you are deficient in this area, do not, I repeat, do not hesitate to ask your sales manager for help! He will be glad to accommodate you, especially if it will save him and the dealership future aggravations.

Here are some helpful tips that will make your paperwork ventures tolerable:

■ **HAVE ALL THE CORRECT INFORMATION FROM THE START**

By training yourself to systematically and consistently obtain the correct information while the customer is present, you will find that your paperwork will flow more smoothly and will contain fewer errors.

■ **UNDERSTAND WHAT EACH PIECE OF INFORMATION IS FOR**

Just mimicking a task over and over will not guarantee success in this area. Try to understand the significance of all information needed to complete the deal.

■ **DOUBLE CHECK ALL VEHICLE IDENTIFICATION NUMBERS**

It is vital that all the numbers involved in the paperwork are correct. Being that the vehicle number is the major source for identifying the car, you want to take extra time to double check this area.

■ **HAVE A "PAPERWORK CHECKLIST"**

If your problems continue to exist, make yourself a step-by-step checklist of all items you need to obtain, places requiring signatures, and monies you have to collect. Checking each one individually will guarantee that your paperwork is completed correctly.

■ **PLACE CHECK MARKS BESIDE ALL PLACES REQUIRING A SIGNATURE**

Before your customer arrives to take delivery of his vehicle, sign all the places necessary to be signed by the salesperson and place a checkmark beside the areas needed to be signed by the customer.

■ **ARRANGE ALL DOCUMENTS TO BE SIGNED IN THE SAME ORDER EACH TIME**

This is an excellent way to form continuity in signing the paperwork.

■ **HAVE ALL PAPERWORK TYPED AHEAD OF TIME SO YOU CAN BECOME FAMILIAR WITH IT BEFORE THE CUSTOMER ARRIVES**

Refer to the section on "**Pre-Delivery Procedure**" in **Chapter 11**.

Among all the forms confronting you, there are several complicated documents that require more in depth understanding. Make sure you take the time to study each one carefully. These are:

- **Application for Title.**
- **Finance Contract.**
- **Odometer Statements.**
- **Insurance Verification Forms.**
- **Registration Certificates.**
- **Warranty Books.**
- **Lease Agreements.**
- **Appraisal Slips.**

Don't become overwhelmed with the mounds of paperwork facing you. Learn how to master it rather than letting it master you. The best advice I can give you is to understand the reasons for the paperwork, why you have it, and what each signature represents. By comprehending this in its entirety, you will have the best possible chance of mastering a job that most salespeople deplore.

*...Doing little things well is the way towards
doing big things better.*

—Anonymous

Chapter 19

Organization

*...Order marches with weighty and measured
strides. Disorder is always in a hurry.*
—Napoleon Bonaparte

Organization is a word that falls into two main categories within automobile sales. The first has to do with the way you organize your time away from the dealership, and the second consists of a systematic process of doing business. Both are very important and should be studied as well as practiced.

Why is it important to be organized? I must admit, in the years I've spent in auto sales, I have on occasion encountered salespeople who had sloppy business practices, seldom made follow-up calls, and still managed to earn a decent living. But I assure you, these are isolated cases and exceptions to the rule. The most successful people in any profession are individuals who have good organizational skills.

To be organized means to be systematic, to plan ahead, and to use your time at home and at work efficiently and effectively.

Organization gives your life purpose and direction, and the structure and raw energy needed to succeed. The more organized you are, the more confident you'll become, and the more alert and sharp you'll remain. Because life has become so fast paced, it's important to have a system to help make your days, weeks, and months flow more smoothly. Organization has become so important, we now can hire companies to come into our homes to organize our closets.

As you read through the following paragraphs, see how much of your life is really organized. Do you have a plan to get through each day, or are you just floundering in a world where you

take everything as it comes? Why not try putting some of these suggestions to use and see if they make a difference in your life.

ORGANIZE YOUR TIME AT HOME

Because it often becomes very difficult to isolate the pressures of your job from your personal life, it's important to make organization an inherent part of your daily routine. Make a conscious, systematic effort to increase the pattern of organization that enters into your business life. This should start before you go to sleep each night.

■ ALWAYS REMEMBER TO SET YOUR ALARM

When I was a sales manager, one of my pet peeves was a salesperson coming to work late. I've always felt that an employee's first responsibility to his company is to come to work on time. So before you end your day, take a few moments to think about some of the business you wish to take care of the next day, and then set your alarm accordingly. Give yourself plenty of time to wake up so that you don't have to rush to work. It's important that you start your day on the right foot. When you wake up, allow a portion of the morning for exercise. By stimulating your body and your mind, it's a proven fact that you will be more refreshed and more capable to handle the day's business. Have a small, healthy breakfast to nourish your body. It will give you the energy needed to take you through the morning, the time of day where most of your mental work takes place. Make sure that your clothes are properly pressed to give you that neat and professional appearance. And as you leave the house, mentally go through a checklist to make sure you have all the materials you need for work: pens, nametags, books, etc. It's very easy to forget these things, or details like turning off the lights and coffee pot, if you don't take the time to go through this type of checklist.

■ ORGANIZE YOUR TIME IN THE CAR

On your way to work, mentally review what you wish to accomplish during your business day. If you own a cassette player, listen to motivational tapes. The difference between an \$18,000-a-year salesperson and one who makes over \$50,000 is the amount of time and effort

he puts into his business. I find it very helpful to listen to a motivational tape before I start work. It gives me something to concentrate on, maybe a famous quote, or something to think about when I'm depressed. Getting your head straight before you walk through those doors will set the tone for the rest of the day. It stands to reason that if you start work with a sluggish, negative attitude, that's pretty much how the day will be. But if you're uplifted, sharp, and ready to work, nothing will stand in your way.

Keep in mind that no one ever said it was going to be easy. Getting organized does take a conscious effort and a lot of practice. It took me a long time to realize how important being organized is and even longer to practice putting it to good use. There are always going to be days when getting out of bed will be a major operation and exercising will be simply out of the question. The routine doesn't have to be perfect, but if you understand how important it is to have one, I'm sure you will realize that the efforts of your labor will help you start the day properly.

ORGANIZATION AT WORK

I remember when I was first promoted to a sales manager, I was having a difficult time keeping track of the little things I had to do. So I went to my general manager and asked him to teach me how to become better organized. There were days when I had dealer trades come in and never remembered setting them up. I had no plan of attack for each day. I was just taking care of everything as it came along. I found that the more work I had to do, the more important it was for me to have an organizational plan. It's very easy to make one, but it does take a lot of effort to adhere to it on a daily basis, particularly if you're not used to it. I'm sure that if you follow this plan, you will find the task to be very rewarding.

MATERIALS NEEDED TO START

Getting organized at work doesn't have to cost a lot of money. Every form you will need can be prepared on a typewriter and duplicated on the company's copying machine.

■ ORGANIZATIONAL PLAN BOOK

An organizational planner can be purchased from any office supply and will take you through

the whole year. The pages should be large enough so you don't have to squeeze a lot of information into a small area. I like to use a "**Professional Group Practice**" organizer which has four columns, with the time of the day along one side. I use the first column for any appointments I have scheduled for that day, the second column to keep track of all customers I speak with, and the third and fourth columns for things I must do that day. This system gives me an overall view of all activities for the day at a glance. The cost of this planner is under \$20.

If you can't afford to buy one at this time, you can easily prepare one on a typewriter. If you are going to make all of your organizational formats, I suggest using a typewriter instead of making handwritten forms. This makes the forms appear very neat and professional.

■ PHONE-UPS LIST

If you can't afford to buy a planner like the one I use, the next few lists can be easily prepared on a typewriter and then duplicated on the copier. A "phone-up" is a customer who calls the dealership and wants to speak with someone in sales. He may be calling for any number of reasons, but the primary one is that he is looking for a car. I prefer to keep all of these phone-up customers separate, because it gives me an idea on how active I am at getting customers to come into the dealership after they call. Because it's important to follow through with these customers, having an official form makes it easier than just writing their name and telephone number on scrap paper. I will discuss more on phone-ups in **Chapter 14**.

■ WANT LIST

There will be many times when a customer requests a car that you don't have. When you come in contact with a lot of customers, it becomes difficult to remember all of the information discussed unless you write this information down. A "Want List" keeps track of cars you are looking for, and it should be reviewed daily.

■ THINGS TO DO LIST

If you can't afford a professional organizational planner at this time, a "Things to Do List" can be made very easily. It is important that you have one, and it should become part of your selling career.

These are items you should keep on top of your desk at all times. You do not want to hide them inside your desk, or place them under some other papers. They are part of your organizational bible. They will help to earn you a lot of money over the years. Having these lists handy allows you to review them anytime, and keeps your mind on your work.

Organization doesn't stop here. After completing the necessary requirements for the top of your desk, we now have to be concerned with what happens inside your desk. Your files will become very important for keeping your papers in order. Almost every desk has a drawer that holds *Pendaflex Hanging Folders*. These are those green folders with wire hangers that sit on metal posts. You should keep all of your contracts and business forms separately organized, with tabs at the top so you can easily find them. Other categories to be concerned with are:

— **Dead File**

This is a file that contains all of your customers whose sales you couldn't close and whom you feel there is no need to follow-up with any longer.

— **Hot File**

These are customers you might be able to close at a later date. Review this file often.

— **Information File**

In this file, keep any news articles or anything news worthy that pertains to your carline. If your dealership sells more than one carline, keep a separate file on each.

Create a file for anything that you use often. Remember, when your desk is organized, it makes it a lot easier to run your business. It becomes very embarrassing when you have a customer sitting at your desk and you have to rummage through mounds of papers to find something. **Be professional, be organized!**

SYSTEMIZE YOUR TIME AT WORK

Now that you have all the materials needed for a workable organizational plan, we need to start putting them to use. It's not enough to have all your files in proper order, you have to make sure you use them to your advantage.

Your planning book or your "*Things to Do List*" will be the means for keeping your day in order. This is where you start preparing for the next day's business. At the end of each business day, set some time aside to go through your list and review the following:

- **What appointments do I have for the next day?**
- **Which cars must be prepped for delivery?**
- **What aftermarket products are to be installed?**
- **What deliveries do I have?**
- **What dealer trades are to be done?**
- **Which customers should remain as follow-up calls?**

These six questions should be considered before you leave work. I realize that there will be days when you are rushed to leave, and there won't be a lot of time to plan for the next day, but at least check your plan quickly for things you must do the next morning. You don't want to be unprepared for that 9:00 a.m. appointment. After you arrive to work and get your morning cup of coffee, don't waste time talking with friends. Instead, take your coffee to your desk and review your plans for the day. Since your motivation is high after listening to your cassette tapes on the way to work, you should keep your mind on your business. There will be plenty of time for chit-chat. As you look at the day's plan, remember that there will be very few, if any, customers in the showroom in the early morning. This will be the prime time for you to do the following:

- **Make sure your cars are ready for delivery.**
 - **Have all the paperwork prepared to check.**
 - **Send out follow-up letters.**
-

- **Make your follow-up phone calls.**
- **Try to locate all your dealer trades.**
- **Call prospective customers.**

As you can see, there are plenty of things to do in the morning to take advantage of your valuable time. Everything you do, no matter how small or insignificant it may seem, should be written in your planning book. When the task is completed, take a yellow accent marker and cross it out. This will allow you to keep track of everything you have done, and will allow you to double check your work. In the past, there were numerous times when I couldn't remember whether I made the follow-up call, or sent out a letter. Since I started using this system, I can always go back and check my work.

Don't be afraid to become organized. It may seem like an enormous amount of work, but I promise, you won't be sorry. If you are having any problems with your organization, approach your sales manager. I'm sure he'll be more than happy to assist you.

Chapter 20

Qualifying Customers

...Never judge a book by its cover.

—Anonymous

THE WRONG WAY TO QUALIFY

QUALIFYING — if ever there was a word that got too many salespeople into trouble, this is the one. Learning how to guide customers into the right vehicle is a technique that is necessary to make the sales procedure successful. But, whenever a salesperson takes it upon himself to pre-judge a customer for whatever reasons, he takes the chance of losing some very important sales.

I can remember how eager I was when I first started selling cars. I pursued every customer I came in contact with, regardless of what they looked like, what kind of car they drove, or how they were dressed. Consequently, I was busy demonstrating a car to someone virtually every available minute I had. As a result, I was averaging about one sale for every three customers I spoke with, which was pretty good for a beginner. By the end of each day, after working so hard, you can imagine how tired I was. I started to become discouraged and frustrated whenever I put all my energy demonstrating to a customer who, in the end, wasn't qualified to buy a car. Even though I was making a lot of sales, and earning a nice sum of money, I somehow decided to become "educated" in the fine art of "**CUSTOMER QUALIFYING.**" I figured that if I could pick and choose the customers I felt comfortable demonstrating to, I could make as much or more money waiting on fewer people.

So one day as I stood by the door waiting for my ideal customer to walk through, I noticed a shabby looking man approaching the dealership. His clothes looked like they came out of the trash bin. He wore a dirty cowboy hat, his hair was long and scraggly, and he looked

kind of sickly. Needless to say, I let this customer walk right by me without any further consideration. I felt I was educated enough to identify the buyers from the non-buyers, and this man did not fit my scenario. In fact, I can still remember how surprised I was when my good friend, John Neumann, took him as a customer. John didn't discriminate. He would wait on anyone. Well, as the story goes, John sold this gentleman a car. The customer paid cash, drove away in it that same day, and John made a handsome \$800 commission. How could this happen to me? ***Why was I so naive?***

This is not an isolated story, and I'm embarrassed to admit, it wasn't the only time it happened to me. I wasn't smart enough to see that qualifying a customer in this manner was not the right way to do business. But I soon learned that you can never judge a book by its cover and still expect to make a good living in auto sales. Periodically, some customers will come into a dealership dressed shabbily on purpose, just to confuse and play games with the salespeople, but these are isolated instances.

By now you must realize that there are two ways to qualify a customer: the ***right way*** and the ***wrong way***. I'm sure I don't need to tell you which way I handled my qualifying efforts. ***It was dead wrong!*** Don't ever think you can pick and choose your customers and expect to make a better than average living. Your responsibility to yourself and to your dealership is to take care of everyone who comes in, regardless of how they look. Here are three reasons why it's important to run your business in this manner:

– ***The appearance of a person may have little bearing on whether or not he can afford a car, be financed for one, or be able to pay cash.***

– ***By picking and choosing your customers, you may find yourself standing around a lot. This is not good for your confidence or your motivation. By staying busy, you keep yourself sharp and alert. The very least that can happen is you might get lucky and sell a car.***

– ***Although the person you demonstrate to may not buy a car from you, he might be able to recommend a friend or relative who will. Being nice to a customer is the least you can do to promote your business.***

I'm sure as you study the example I gave you at the beginning, you'll be able to think of many

more reasons why it's wrong to qualify customers before you learn the facts. When it comes to making money and selling cars, keep in mind that you need these customers more than they need you.

THE RIGHT WAY TO QUALIFY

To utilize "**QUALIFYING**" as an artform, you have to understand what it actually is. Qualifying is a series of questions you ask your customer to obtain the information you need in order to create a "**selling presentation**" as compared to a "**telling presentation.**" It is this method that allows you to determine the strategy you are going to use to approach the sale. For example, as you bring your customer into your office, ask these types of questions:

- *What's important to you about buying a car?*
- *What's important to you about the whole buying process?*
- *Have you ever purchased a car in your own name?*
- *Was the last car you purchased new or used?*
- *Was your last car financed, or did you pay cash?*
- *What kind of monthly payment can you afford?*
- *What price range did you want to stay within?*

These types of questions obviously are meant to determine not only the financial stability of your customer, but also what's important to your customer. These will also help you plan your strategy of how to sell to your customer when it comes time to close. If your customer replies, "**I've been through a bankruptcy,**" or "**I've never financed a car before,**" or "**I can only afford \$120 a month,**" qualifying has then saved you a lot of work by determining the price range vehicle to demonstrate. It doesn't mean you simply discontinue the demonstration process or form a negative attitude. It is not your job to form a final opinion on the financial stability of your customer. This responsibility belongs to your sales or finance manager. They are better qualified to make these types of decisions. You'll be surprised at

some of the miracles they can perform.

...A little bit of quality

Will always make 'em smile;

A little bit of courtesy

Will bring 'em in a mile;

A little bit of friendliness

Will tickle 'em it's plain;

And a little bit of service

Will bring 'em back again.

—Anonymous

Chapter 21

How To Sell To Women

...A lady is known by the product she endorses.

—Ogden Nash

At the writing of this book, women comprise **40%** of the automobile buyers in the United States. This means that ***four out of every ten customers*** who visit your showroom will be women. And this 40% will be able to make the buying decision without anyone's consent.

In the past, women were seldom taken seriously whenever they walked into a dealership to look at a car. Salespeople automatically assumed that they were merely gathering information to take home to their working husbands, who would then look over all the statistics and quotes before making their final decision on which vehicle to buy.

Unlike previous years, women today have a greater say in the decision-making process. So whenever you see a man and a woman walk into the dealership together, the worst thing you can do is to place all of your attention on the man and treat the woman as if she isn't even there. Don't take it for granted that the man is the sole buyer of this vehicle. Instead, expect that the woman will have just as much influence over which vehicle is ultimately selected. In many instances, the couple may be purchasing a car for the wife, or they may be looking for a second car for general family use. Consequently, if you haven't done your preliminary questioning, you may be selling to the wrong person.

I'm sorry to say that I've had to work with salespeople who regarded women as second-class citizens. Whenever one of these salespeople saw a woman walk through the door unattended, he would ignore her completely. Behaving in this manner is totally uncalled for and unprofessional. All patrons should be recognized with equal respect. Your main job, as an employee of the dealership, is to take care of everyone who walks through the door,

regardless of their age or gender, and regardless of whether they are a casual shopper or a serious buyer. In this business, courtesy is paramount!!

There are several publications on the market dealing with "**How To Sell To Women.**" Check with your local library and bookstores for exact titles. In the meantime, I have compiled a few suggestions of my own that might help you avoid the pitfalls:

■ **ALWAYS ACKNOWLEDGE WOMEN AS SERIOUS BUYERS**

Even if a woman comes into your dealership and tells you she's just gathering information for her husband, treat her as you would a man. Take the time to educate her on the model she is looking at, and make her realize that she has a vote in the decision-making process. I can guarantee you that if you treat her poorly, she'll let her husband know about it and you won't get the sale anyway. After all, she may not enjoy doing all the leg work for her husband, so your treatment of her may make the difference in the ultimate sale.

■ **NEVER TELL WOMEN TO "JUST LOOK AROUND"**

When I say, "*Spend time with your customer,*" that means remain right by her side. I've heard salespeople tell women to "*Just look around, and if you see something you like, come back and tell me.*" I've never heard anything so ridiculous in my whole life. This indifference tells me that this salesperson is lazy and has no respect for people in general. I don't want to have salespeople like this on my showroom floor. They will lose business for themselves and for the company, and they will damage the reputation of the dealer.

■ **NEVER TELL HER TO "COME BACK WITH YOUR HUSBAND"**

Even though she may need her husband to make the final decision, let her decide this issue. This is a very demeaning statement, and will do nothing but cause hard feelings between you and her, as well as between you and women in general. If you need to find out the answer to this question to determine your strategy, simply ask the question, "*Will anyone else be involved in the buying decision?*" If she says yes, then try to arrange a convenient appointment for both of them. Never give the impression that her opinion isn't the most important one.

■ **NEVER UNDERESTIMATE HER KNOWLEDGE ABOUT AUTOMOBILES**

My Editor, Irene McDonald, knows as much about cars as I do. When she bought her car, on her own, she not only knew what she wanted and how much she wanted to pay, she also understood the technical features of all the cars she was looking at. She compiled all the information on these cars, studied each vehicle carefully, and went into the dealership as an *"educated buyer."* You will find that most women who have the buying decision will be more educated than men.

■ **NEVER CALL HER "HONEY!"**

I don't think I need to say much regarding this. You will never turn a woman against you faster than by calling her *"Honey."*

If you take these examples to heart, you will not have a problem in this area.

...Every human being has a vote every time he makes a purchase. No one is disenfranchised on account of age, sex, race, religion, education, length of residence, or failure to register. Every day is election day... Moreover, minorities count.

— W.T. Foster and W. Catchings

Chapter 22

Competitive Analysis

*...There be those that can pack the cards, and yet
cannot play well.*

— Francis Bacon

IS IT REALLY NECESSARY TO KNOW YOUR COMPETITION?

This is a question that can only be asked by someone who isn't interested in becoming a professional automobile salesperson. A **real pro** has to understand that with the number of different makes and models in the world, a customer isn't going to be looking only at your product line. So it stands to reason that when a customer comes into your dealership, he has looked at, studied, and compared several other cars in order to make a logical decision. It becomes embarrassing when the customer knows more about what's on the market than his salesperson. So, if this is true, let me ask the question again.

IS IT REALLY NECESSARY TO KNOW YOUR COMPETITION?

If your answer is **yes**, you're probably on your way to becoming a well-rounded salesperson. Knowing your competition can be the difference between winning and losing a sale. It will instill confidence in your presentation, and show the customer that you are knowledgeable and professional. By educating your customers properly, you offer a service that they can appreciate and admire. If you didn't take this part of the job seriously, how will you know that your vehicle has more horsepower than the competition? Or that your interior room is greater? Or that your base price is less and still offers more options? The only way you can learn this information is to study as much, if not more, than your customer has.

Present day customers are more knowledgeable about buying a car than ever before. They take the time to examine all the facts before they buy. By knowing these facts yourself, you

can be better prepared to answer all questions and to make logical comparisons, so that the customer will want to buy your product.

Here are four ways in which you can become more familiar with your competition:

■ **VISIT OTHER DEALERSHIPS**

During slow periods of the day, ask your manager if you can visit other dealers. This will give you the opportunity to examine other carlines closely and to make visual comparisons.

■ **STUDY THEIR BROCHURES**

When you visit your competition, make sure you pick up as many **brochures** as you feel comfortable taking. By having these brochures at your desk, you can easily refer to them when needed.

■ **ATTEND AUTO SHOWS**

Generally at these shows, all of the carlines are displayed in one large arena, thus making it easier for you to examine the differences simultaneously. Make sure you pick up as much available **literature** as possible for your files.

■ **SUBSCRIBE TO AUTO MAGAZINES**

This is an excellent way for you to get information regarding future changes. These magazines will usually have the news before your manufacturer relays it to you. You'll find a listing of magazines in the back section of this book under "**Suggested Reading.**"

Therefore, do take the time to become familiar with the competition. This may be the secret to winning sales away from other dealerships as well as from other salespeople at these dealerships.

Chapter 23

Leasing vs. Buying

...Money doesn't always bring happiness. People with ten million dollars are no happier than people with nine million dollars.

— Hobart Brown

Ever since the first automobile rolled off the assembly line and for many years afterwards, the only way to have a car was to purchase it. The individual either paid cash for the vehicle, or financed it with the bank. Buying a car was like buying a house. The logic at the time was that while the buyer was paying off the car, it was gaining equity, and at the conclusion of the loan, he still had a car that was worth a good deal of money. This was the reasoning of the customer in the past. He had equity in his car. But all of a sudden, the equity this buyer had in his car became less and less, and so the banks came up with another financing source — **Leasing**.

Leasing provided an alternate way for the customer to get that same car with the advantage of a lower monthly payment and a smaller downpayment. What a novel idea! It was like paying less money for the same car. But when the customer learned that at the end of the finance term he had to give the car back to the dealership, leasing became a scary proposition and began to lose its appeal. The reasoning being that while the customer was paying all this money for the car, at the end of the term he had no equity. So, for a while, many of these lease customers returned to buying.

But that was when cars were priced 40% less than what they are now, and the buyer could still get a monthly payment under \$200. As of the printing of this book, the average price of a car has jumped to \$14,000, and it's not unusual to see a monthly payment around \$350. The problem now is that, even though salaries have increased over the years, so has spending. And people still have a hard time making ends meet, as well as trying to start a savings account. But although they can't always afford it, Americans still like to drive a nice car with all the toys.

So here's what leasing has really done. It has given the customer an opportunity to have this nice car with all the toys at a monthly payment he can afford, with very little money down. It sounds too good to be true, but it's not. It's all in the way the salesperson explains it to the customer. So the question still remains, should the customer lease or should he buy?

BUYING A CAR

Almost all of us have purchased a car at some time in our lives, so the buying procedure is no mystery. All a customer has to do is walk into a dealership, pick out the car he wants, and determine whether to pay cash for it, or pay it off in easy monthly payments. If he decides to finance it, there are several criteria he must meet. The bank will agree to finance him only if he has a good credit rating, or a very strong co-signer. He should have a downpayment equivalent to 10% to 20% of the finance amount, or a trade-in with some equity. And finally, he should have a steady job with sufficient earnings to be able to pay his bills. These were virtually the only requirements necessary to buy a car on a finance contract.

LEASING A CAR

Although the requirements to lease a car versus to buy are still more stringent, they have been modified somewhat over the years. When leasing was first introduced, the only customers who qualified were those with a sufficiently high income. The individual had to have an excellent paying job, have a great credit rating, be a current or past home owner, and have purchased more than one vehicle in the past. So the customers most apt to lease were professional and business people.

But as the price of cars steadily climbed, banks began losing business because the average car buyer could no longer afford the high monthly payments of a finance contract. To compensate for this loss of business, banks introduced the "**Personal Lease.**" This plan made it easier for the every day individual, who wasn't a business owner, to qualify.

Now the salesperson is in a quandary. Since more people qualify to lease, he has the opportunity to earn a greater amount of money, because the lease customer only buys a "monthly payment" and seldom sees the price of the car. What a dream come true. But he had two problems:

- *The customer still thought he didn't have any equity in his car.*
-

– *The salesperson wasn't able to convince the customer why it didn't matter!*

So the game begins. You can imagine what is going through the salesperson's mind — "If I sell him the car, I'll make \$150 commission, but if I lease him the car for the same monthly payment, I'll make \$400 commission. What should I do?"

How, then, is a salesperson supposed to determine whether to convince his customer to Buy or Lease?

■ **PROFITABILITY**

Earning a large profit is the primary concern for both the salesperson and the dealer. It would be unrealistic to think that if a salesperson has a chance to make \$800 instead of \$200, he will take the lesser of the two. But you have to remember that if you are considering selling your customer on leasing, the requirements to lease are more stringent. If you sell your customer on leasing, and if he gets turned down by the bank because of a poor credit rating, you may lose the deal entirely. So don't become so overly money conscious that you don't plan your strategy wisely.

■ **DOWNPAYMENT**

Being able to lease a car with no money down makes an excellent argument in favor of leasing. The average downpayment required to buy a car is 10% to 20% of the finance amount. By explaining to your customer that the money he saves from the downpayment can be put into a savings account, or can be used to purchase something he'd really like, you can make an interesting point why your customer should lease.

■ **TURNAROUND TIME**

When a customer purchases a car, he generally keeps the vehicle for four to five years. By leasing the car for the same monthly payment as if he were to buy, the customer can choose to turn his car back to the dealer in three years and lease another one. This is one of the benefits of leasing. Since the customer has to return the car to you, you always have the first chance to lease him another one.

Because the technical side of leasing is more complicated than what I have indicated, I recommend you study as much about the subject as possible. Be ready to explain the concept of leasing and the differences between leasing and buying to your customers. Although leasing will not be for everyone, your ability to show your customer its advantages will be money in your pocket.

Before I end this chapter, I want to give you my interpretation of what leasing is all about.

A person normally buys a car because he feels that the money he invests in the car, like the downpayment and monthly payment, will go towards its equity. When you lease a car, you take all the equity you normally have at the end of your buy and place it up front in your lease to get a lower monthly payment. So the next time you lease someone a car, add up the money he saved on the downpayment plus the difference in monthly payments between a lease and a buy. The amount you come up with will be equal to the equity he would have had if he had bought the car. So a lease is simply an alternative way of financing in order to get a lower downpayment and a lower monthly payment. Examples for understanding the previous comments:

Buying a Car

Monthly Payment	\$ 350.00 per month
Downpayment	\$2000.00
Equity after 48 months	\$5600.00

Leasing a Car

Monthly Payment	\$270.00 per month
1st Month and Security	\$540.00

Monthly Payment Difference Downpayment Difference

\$350.00	\$2000.00
<u>- \$270.00</u>	<u>- \$540.00</u>
\$ 80.00	\$1460.00

\$80.00 x 48 months =	\$3840.00 savings per 48 months
\$2000.00 - \$540.00 =	<u>\$1460.00</u> downpayment savings
	\$5300.00 total savings by leasing

Although this may not be an accurate example, the point that I'm trying to make is that you can show the customer on paper how the savings created by leasing a vehicle can equal the equity in the car he will buy.

I also want to urge every salesperson to take at least one class on "***Leasing,***" since this chapter does not teach you everything you need to know. It is merely a way of showing you the difference between leasing and buying a car.

**...Nothing astonishes men so much as common sense, and plain dealing.
—Ralph Waldo Emerson**

Chapter 24

Objections and Closes

*...Your most important sale in life is to sell
yourself to yourself.*

—Maxwell Maltz

Learning to become a successful closer does not happen overnight. It takes many years of experience to be able to predict and know how to handle every possible objection a customer might voice. Not only do you have to attain the *knowledge, technique, and skills* necessary for closing the sale, you must also learn how to remain confident throughout the selling process. Entire books have been written on this subject, so I can't very well expect to teach you all you need to know in one chapter. But what I can do is give you the basic premise to make it easier for you in the attempt. The rest will take much learning and years of practice.

■ LISTEN BEFORE YOU SPEAK

First and foremost, a good closer has to become a great **listener**. You must train yourself to ingest every word the customer speaks in order to plan your strategy correctly. Using pressure tactics to close sales are no longer the acceptable practice, particularly since customers are becoming more educated in buying cars. The important prerequisite mentioned throughout this book is to make sure you obtain all the information necessary to close the sale before the objections arise. By doing so, you will be able to predict what the objection might be and plan for it accordingly. This is accomplished by listening to your customer's wants, needs, and desires, instead of barging head first into the sale.

■ ASK QUESTIONS INSTEAD OF MAKING COMMENTS

A good closer does not immediately become involved in showing the customer how much

he knows. There will be plenty of time for this later. Your main responsibility is to show the customer that you are sincerely concerned with what he wants to buy, not with what you want to sell him. The chances are good that your customer has already done his homework and is trying to decide which car he wants. In order to do your homework, you need to find out what the customer already knows. It is much easier to determine what further information you need to divulge when both you and the customer are communicating on the same level.

Asking questions is the best way to handle the situation. Too often, after the salesperson finds out which model the customer is interested in, he then spends the next hour giving the customer facts and figures that might not be important. At the time, you might feel that everything you tell the customer is important. But if you continue to tell your customer how fast your model is, when he is more concerned with gas mileage, you may lose the sale completely. The only way you can learn his feelings is to ask. Even though your car may be fast, you will need to rephrase the factual information in a way that will be more in line with what the customer wants to hear. For example:

"Mr. Customer, you will be surprised how fast this model is. It will do zero to 60 in seven seconds. Isn't that exciting?"

If the customer's primary interest is speed, this information might be exciting for him. However, this customer happens to be more concerned with gas mileage. So even though he would like this particular model, your job is to cater to his wants and needs, and explain how economical this car really is to drive. It might be better stated in this manner:

"Mr. Customer, I know that you are very concerned about gas mileage. Well, you'll be happy to know that even though this model offers you the quickness of a sports car, it has the highest gas rating in its class."

Now you have sold the customer on what he wanted. Unless you had realized this in the beginning, you would not have been able to plan what to say. As you can see, this is also a closing statement. Since you have satisfied your customer's need for gas mileage, you have closed him on his objection.

■ ANSWER A QUESTION WITH A QUESTION

This is the most logical way for handling an objection. When someone asks you a question

like, *"Does this car come in blue?"* There are two ways to handle it. The first is to answer the question, *"Yes, this car comes in blue."* However, by answering the question this way, you have not allowed yourself the leverage to close the sale on this question. You have to remember that a close can come anywhere in the selling process. You don't have to wait till you finally get into your office before you start hammering away. The rule has always been,

If you have to close hard at the end, you didn't do a very good job in the beginning.

So when the customer asks you if this car comes in blue, your response should be, *"Would you like this car in blue?"* By posing your response in this manner, you give the customer the opportunity to commit to buying this car if it comes in blue. Otherwise, all you really did was to respond to his question in an informative manner.

These are called **"Trial Closes"** because they give you the opportunity to close the customer on that particular question. A close does not have to be the final word in the sale. The more often you can get your customer to say "yes" throughout the demonstration, the easier it will be to close the sale at the end.

***...You must put the worm on the hook before
the fish will bite.***

—Anonymous

Here are some other questions to handle in this manner:

Customer: *Can I get this car for under \$300 a month?*

Salesperson: *I'm not sure if it's possible, but if I can somehow arrange for you to purchase this car for under \$300 a month, will you consider buying it today?*

The purpose of this response is to instill some doubt in the customer's mind that you might not be able to handle his want. Then, when you do get his payment under \$300 a month, he is so happy that he buys the car. What you have also done is to make the customer commit to the car once you are able to handle his question.

Customer: *I'll need to talk it over with my wife!*

Salesperson: *Since your wife will be involved in the buying decision, let's drive the car over to where she is so she can see the car you will be talking about.*

In the previous example, if the salesperson involved is not a good closer, he will probably respect the customer's wish and let him leave the dealership without any further commitment. You should pursue the sale in such a way as to not appear pushy but concerned. If the customer were to say, *"All right, let's go show the car to my wife,"* you will have a much better chance for making the sale than you would if you simply let him go. The point is, you will never know unless you ask.

Customer: *Your price is too high.*

Salesperson: *If I can get my manager to lower the price, will you buy the car today?*

Most people feel that if the manager is going to be involved, the negotiation process has become serious, and they will now be dealing with the boss, instead of a lowly salesperson. Even if you close your own sales, leave your office at this time. Go get a drink of water so you can plan your next strategy, and then come back to the customer with a new offer.

Customer: *I can't afford it.*

Salesperson: *If you could afford it, would you consider buying this car today?*

The customer really doesn't know whether he can afford it or not. Your job is to make your customer commit to buying the car if you somehow find he can afford it.

Customer: *I can't afford it.*

Salesperson: *Which part can't you afford, the downpayment or the monthly payment?*

By asking this question, you are trying to isolate the objection that is most important to him.

This way, all you have to try to handle is one objection at a time instead of all the objections at the same time. But if you don't instill this idea into the customer's head, you may go around in a circle and frustrate both of you. Now when he decides which is most important to him, you can pose the question, "I don't know if it's possible, but if I can get my manager to get you a smaller monthly payment, will you buy the car today?" Or, "If you didn't have to put so much money down, would you buy the car today?" Then simply handle that objection.

Customer: *Give me your best price.*

Salesperson: *What criteria will you use to determine the best price?*

If you do not find out this information, you will not know what the best price might be. What exactly does he mean by "**best price?**" Will he take the best offer of five different dealers, or will it be so much over invoice? This question will never be answered unless you find out his criteria for determining the answer.

Customer: *Does this monthly payment include life, accident, and health insurance?*

Salesperson: *Did you want life, accident, and health insurance?*

If the customer says no, and you already have it included in your quotation, you can go back to your finance manager and possibly include an extended warranty for the same monthly payment and let the finance manager sell the insurance to the customer.

The main point I'm trying to show you is that you really don't need to have all the answers at once to handle objections. What you need to learn are the techniques for solving them. By following these three guidelines, you will be better equipped and you'll have more confidence in yourself when an objection does arise. Here is a very simple system you can use:

RESTATE THE OBJECTION

"I think I understand what you are saying. What you're trying to tell me is that you can't afford the monthly payment, is that right, Mr. Customer?"

By restating the objection in the customer's words, you are letting the customer know that you totally understand what he is saying.

ISOLATE THE OBJECTION

"Is that your only objection, that you can't afford the monthly payment?"

By isolating the customer's objection, you have created a situation where there is only one objection to handle and that is the true objection. Remember, not all customers will immediately give you the true objection. If they were to say, "Well, it's not just the monthly payment, I really don't have enough money to cover all of the downpayment," suddenly you know that the monthly payment wasn't the true reason why they can't buy the car now. So you can reply with, "So it really isn't the monthly payment that bothers you, it's the downpayment, right? Is that your only objection?" The whole purpose of continuing is to narrow all objections down to one objection. And you will continue using this process until the customer says that this is the only and true objection.

COMMITMENT

"If it wasn't for the objection, that you can't afford the monthly payment, would you be buying this car today?"

Now that you have narrowed down the objection, you must get the customer to commit to buying the car if he didn't have that objection.

HANDLE THE OBJECTION

"If I can show you how you can afford the monthly payment, will you buy the car today?"

What you are about to do is to catch your customer in a possible fib. If you have looked him straight in the eye during the entire closing process, and if you have been as sincere as you can be, you will find out at this point whether he is a serious buyer or just wasting your time.

The only problem with closes is that a salesperson has to have the courage to use them. No matter how many answers I give you to handling objections, if you do not practice them consistently, they will not be effective. Being a strong closer is simply a matter of **technique**, **sincerity**, and **consistency**. If you don't use any system whatsoever, the number of sales you earn will be determined by luck and not by skill. In order to be a true sales professional, you

have to rely on skillfully attaining the title.

***...To be persuasive, you must be believable.
To be believable, you must be credible.
To be credible, you must be truthful.
—Edward R. Murrow***

Chapter 25

Continuing Education

...The best way to keep good acts in memory is to refresh them with new.
—Cato The Elder

Why do anything worthwhile, if you don't strive to be the very best you can be? I've known salespeople who have been in the business for years and still use the same sales techniques that they used when they started. Don't they know that times have changed? Haven't they noticed that the customer's buying habits are different? It would seem to me that if a salesperson wants to be a top achiever, he should study his business and the changing market constantly.

I began attending seminars the very first year I started selling automobiles and I haven't stopped. Some of the seminars focused on sales techniques in general, and others were strictly auto related. The subjects covered everything from how to handle objections to psychoanalyzing the customer. It doesn't seem to matter what the topic is, I become motivated just by being there. I have been taught by successful individuals whose main job is to teach others how to be successful. These are the professionals I want to emulate, the teachers of wisdom, the masters of ideas, and the powerful strategists. Attending seminars will offer you the following:

■ EXPAND YOUR KNOWLEDGE

They say that "the mind is a terrible thing to waste." Some people will go their entire lives and never really care whether they learn any more than what they already know. This seems like a good waste of talent. In my estimation, once a person makes the decision to become an automobile salesperson, it will be to his advantage to know everything he can about the customer and the business. After all, it's the salesperson's wit, cunning, and his understanding of sales and human nature that will determine how long he stays in the business. Even if your

dealership doesn't pay for these seminars, pay for them out of your own pocket. It will be money well spent.

■ GETS YOU MOTIVATED

Every time I hear of a new technique that intrigues me, I want to rush out and try it as soon as I can. Being that I enjoy learning about my business, I get a thrill when I get to experiment with a new idea on a customer. If it works, I get the greatest feeling as if I can accomplish almost anything. It makes me want to wait on another customer as soon as possible. It's this type of adrenalin that keeps the business exciting and always new.

■ KEEPS YOU IN TOUCH WITH YOUR BUSINESS

When business is especially slow, we tend to let our minds wander on matters not related to auto sales. By continuously learning new ways of selling, there will always be something new to think about. When we can keep our minds on our business, we will become successful faster and have more fun doing it.

Another way to continue your education is by reading books and listening to tapes. There are many excellent books that will peak your interest, and increase your sales abilities. You will find a list of these under "***Suggested Reading***" in the back of the book.

You can also learn a great deal from Automobile magazines and newspapers. These journals will offer the most current information on your competition, and they'll keep you abreast on what will happen in the future. A listing of these journals appears in the "***Suggested Reading***" section.

I can't say enough about continuing education without becoming repetitive. The best advice I can give is that the more you know, the more confident you will be. The world is constantly changing. You must remain current if you're going to refer to yourself as a "***professional.***"

*...After learning the tricks of the trade,
many of us think we know the trade!*
—William Feather

Chapter 26

How to Handle a Slump

...If your spirits are low, do something. If you have been doing something, do something different.

— E. Hall

Webster defines a slump as "**a decline in activity.**" But a slump is much more than that. People don't like to talk about it much because of its negative connotations. It's not something we welcome, and it has caused the decline of many good salespeople. Some of the common symptoms to look for are:

- *You become depressed because of the lack of activity, fewer sales, and lower earnings.*
- *You begin to lose your desire to go to work, as well as your desire to wait on customers while you're there.*
- *Your attitude becomes negative, which can very well affect the people around you.*

Eventually, every salesperson will experience a slump. How long the slump lasts, however, will depend upon how each individual salesperson handles it. But one thing is for sure, the more you comprehend how to get out of one, the less likely the chance will be of it affecting your sales career.

I don't think we need to understand how we get into a slump, because I don't feel that this type of information will prevent you from falling into one. Reasons could include illness, laziness, personal problems, and countless others beyond your control. Because it's difficult to always prevent a slump from occurring, I'll provide some proven ways that will help you

get out of one once you're there.

■ **GO BACK TO THE BASICS**

The longer you are in this business, the greater the temptation is to take shortcuts in your sales technique. Taking shortcuts repeatedly can cause you to lose sales, a situation that will undoubtedly affect your morale and financial status. So, pretty soon, you start getting down on yourself, and the next thing you know, you're in a slump. Nothing goes your way and you start feeling very insecure about your ability to sell cars. When you get to this point, go back to the basics.

■ **TAKE MORE DEMO RIDES**

When salespeople shortcut their presentation, they'll often eliminate taking a demonstration ride with the customer. But what makes us think that we can sell cars without ever letting customers test drive them first? I remember becoming so overconfident at times that I thought all I had to do was quote the customer a price, and I would sell the car. **NOT TRUE!!** You still have to do a complete job to be a complete salesperson.

■ **FOLLOW-UP WITH PAST CUSTOMERS**

Following-up is that busy work we do when there are no customers in the showroom. I'm well aware that, when you're depressed, you'd rather spend your free time socializing with other salespeople and talking to friends over the phone. Instead, use this time to get in touch with the people who made money for you in the past. It will keep your mind on your work, and you might just get lucky and get a referral.

■ **WALK THE INVENTORY**

Walking the inventory daily will familiarize you with all the cars your dealership has in stock. You will also learn the locations of the variously equipped models. So when a customer asks for a particularly equipped model and color, you'll know exactly where to find it.

■ **TALK TO AS MANY PEOPLE AS POSSIBLE**

When we go into a slump, our first reaction is to stay away from customers. It takes every

ounce of effort for us to leave our office for fear of experiencing more rejection. To get through this hurdle, don't even sit in your office unless you are making follow-up or prospect calls. Remaining on the floor gives you the opportunity to talk with as many people as possible. Approach people in the showroom as well as service customers waiting for their cars. Talk with anyone who will talk with you, so that you can overcome your conversational fears more quickly.

■ CHANGE YOUR PHYSICAL APPEARANCE AND MENTAL ATTITUDES

A sloppy personal appearance, low self esteem, and negative attitude often accompany depression. The old saying "*misery loves company*" comes into play. We want to look and feel bad, and form our own "*pity party.*" And, the more people we can recruit to help us remain miserable, the better we like it. When you get up in the morning, take a good look at yourself in the mirror. Is this the person you want to have ride into work with you? Are you really happy with the way you look and the way you feel? It's within your power to change your appearance and behavior whenever you want to. I have found through readings and seminars on this subject that a person generally stays in these types of downers because he wants to. And the same is true about getting out of them. By forcing yourself to take on the attributes of a positive, exciting, energetic salesperson, you will find that your current composition will change in no time at all.

■ MORE PROSPECTING

I know you hate to hear this, but prospecting will keep your mind on your business, and maybe you'll get lucky and make a sale. You have to remember that successful people get that way because they put **100%** effort into what they are doing. If you get into a slump, ask yourself what percentage of your time are you utilizing profitably while you're at work. If it's considerably less than 100%, then your chances of earning a decent living will be slim. Out of an average nine-hour work day, a salesperson will normally put in about three to four hours of solid working time. This leaves a balance of five hours, part of which can be spent on prospecting methods. Just remember, the more you sit around and feel sorry for yourself, the less chance you'll have of breaking out of your slump, and the less money you'll earn.

■ CHECK OUT OF WORK HABITS

What occurs outside your work environment has a direct effect on your work attitude. If you

feel this is responsible for your slump, you may want to review these items:

– **ARE YOU HAVING FAMILY PROBLEMS?**

If you find yourself arguing with your parents or wife a lot, this may carry over into your business life. Often, money problems may be the cause of the argument, so get back to work so you can make more of it.

– **DO YOU GET ENOUGH SLEEP?**

Being a "party animal" and keeping late hours may not always be the best thing for a successful business person. Make sure you get enough sleep so your body will be ready to handle a full day's work.

– **ARE YOU EATING PROPERLY?**

I know what salespeople eat, and we're all guilty of not taking care of our inner self. The idea, "you are what you eat" isn't just a quotation made by dieticians. Choose a sensible program that will offer you all the nutrients necessary to maintain a well-balanced diet.

– **GET ENOUGH EXERCISE**

Physical activity is also important if you want to maintain a healthy mind and body. Try to find a routine you can adhere to and exercise at least three to four times a week. I like to do my exercising in the morning before I go to work. Even though I was a professional athlete most of my life, I do not like to exercise. I do it because I have to, and the sooner I can get it over with, the better I like it. Anyway, I'm usually too tired when I come home from work.

■ **WORK CLOSER WITH MANAGEMENT**

During these times, don't shy away from your sales manager. He's there to help you with any problems you may have that can affect your business. When I was a sales manager, I always tried to help my salespeople maintain a good self image of themselves. The easier it was for them to sell cars, the more money I made. I hope your manager feels the same way!

■ READ POSITIVE ATTITUDE BOOKS

I was never one who liked to read, but I did find great value in books that positively affected my attitude, and filled me with more excitement. I could read a quotation by Zig Ziglar and it would set the stage for the rest of the day. I tried to read at least one chapter a day. Afterwards, I would write down the concepts that affected me the most. That way it was easy to review them when I felt I needed some motivation.

■ LISTEN TO MOTIVATIONAL TAPES

Just about every new model car has a cassette deck as part of its stereo system. We as business people don't always utilize this piece of equipment as profitably as we can. When you're on your way to work, pop in a tape that will motivate you to do the best job possible. There are many of them on the market, and as far as I'm concerned, if it has to do with motivation, it's a good one.

These are just some of the ways to help you get out of a slump, and increase your awareness of the pitfalls you can get into. Keep in mind, that, you have to have the desire to get out of your slump and the ambition to work at it. ***"Lip service" does absolutely nothing to help your cause. Don't just talk a good game, do it.***

...In certain trying circumstances, urgent circumstances, desperate circumstances, profanity furnishes a relief denied even to prayer.

— Mark Twain

Chapter 27

How to Use Computers in Your Business

...I will go anywhere, provided it be forward.

—David Livingstone

In **Chapter 3**, I briefly mentioned how I used a computer to start my follow up programs. I couldn't believe what a difference it made in my ability to be efficient in my business.

WORD PROCESSING

I began by composing some form letters that fit each of the various follow-up occasions. I was able to store copies of these form letters on a disk. Whenever I needed to send out a letter, I personalized my general letter by typing in the customer's name and then I inserted other pertinent information such as type of car the customer was considering, dates, etc. After a while, doing all this extra work became fun. When I needed to send out a complete mailing, I merged the names and addresses off my database (which I'll talk about later) onto the appropriate form letter. This way I was able to put together a professional letter that looked like each one was typed out individually. As I became more involved, I started sending monthly newsletters that included whatever information I wanted my customers to know for that month. ***It was a way of getting my name in front of the customer on a regular basis.*** As you recall, one of my greatest fears was that a customer would forget my name. I wanted my customer to remember me when it came time for one of his friends to buy a car. So by putting my name in front of the customer's every month, I had a better guarantee that my name would be remembered. I kept my computer right on my desk at the dealership so that during the slow times, I could work productively without having to wait till I got home.

DATA BASE

A "*data base*," in this instance, is the computer file you create to store all of your customer information. All information pertaining to previous sales can be brought up on the computer screen whenever needed. It's an efficient way to keep track of your customers' birthdays, anniversaries, telephone numbers, and any number of items that will help you follow up more consistently. For example, once you input your data into the computer, with the right computer program, you'll be able to run off mailing labels that will cut your work drastically. You can save a lot of time and energy by having your computer address all your labels, as compared to addressing each one by hand. I even obtained copies of the **Chamber of Commerce** directories and input them into the computer. Then, whenever I want to do a business mailing, I just bring out the file and produce hundreds of mailing labels. This allows me to go one step beyond the normal prospecting a salesperson does.

When purchasing a computer, make sure it comes equipped with a hard disk drive, a printer, and a monitor. The model that I'm using is IBM compatible. Most computers come with some programs, or menus, that will be suitable for your current business needs. But since computers are becoming so widespread, you probably have friends that would be glad to lend you some additional programs.

I'm not suggesting that it's imperative to own a computer in order to succeed. There are many salespeople making an excellent living without a computer. In my case, the computer enabled me to do a more complete job in a shorter amount of time. But you must feel comfortable using one, as well as being able to afford one.

Suggested Reading

...If I had read as much as other men, I should have known no more than other men.

—Thomas Hobbs

...The real purpose of books is to trap the mind into doing its own thinking.

— Christopher Morley

I've listed a variety of books that should contribute to your success as an automobile salesperson. Obviously, there are no guarantees, and not all of this material will satisfy your needs. But these are some of the books I recognize as having chapters that might peak your interest, and possibly give you some new ideas you can use in your career. These books are not the only ones I recommend, but if I listed them all, this section might go on forever.

Reading has been an integral part of almost every successful person's career. It's been said that "knowledge is power." If this is true, than reading will give you the knowledge you need to make your experiences more rewarding.

Books

THINK AND GROW RICH

Napoleon Hill

- Organized Planning
 - Imagination
 - Autosuggestion
 - Mastery of Procrastination
 - Six Ghosts of Fear
-
-

HOW TO SELL ANYTHING TO ANYBODY

Joe Girard

- It All Begins with Want
- Getting Them to Read the Mail
- Hunting with Birddogs
- Facing the Customer
- Winning After the Close

HOW TO MASTER THE ART OF SELLING

Tom Hopkins

- Creating the Selling Climate
- Learn to Love NO
- Referral Prospecting
- Power Closes
- The Objection Connection

***HOW TO INCREASE SALES AND PUT
YOURSELF ACROSS BY TELEPHONE***

Mona Ling

- Why the Telephone Will Increase Sales
 - How to Write a Presentation
 - How to Get Appointments by Telephone
 - How to Overcome Objections
 - Development of Listening Skills
-

SECRETS OF CLOSING SALES

Charles B. Roth

- Your Foundation for Closing Sales
- If You Can't Close, You Can't Sell
- Your Buyers Weakness Is Your Closing Strength
- When the Buyer Turns You Down Cold
- Let Prospects Tell You the Right Time To Close

ZIG ZIGLAR'S SECRETS OF CLOSING THE SALE

Zig Ziglar

- The Psychology of Closing
- Imagination and Word Pictures
- The Nuts and Bolts of Selling
- The Keys in Closing
- The Sales Professional

THE ART OF WINNING

Dennis Conner

- Attitude
 - Performance
 - Teamwork
 - Competition
 - Goals
-

FIRST IMPRESSION, BEST IMPRESSION

Janet G. Elsea

- The First Four Minutes
- What Do I Look Like
- What Do I Sound Like
- How Well Do I Listen
- What Do I Say

DRESS FOR SUCCESS

John T. Molloy

- Getting the Most Out of Investing in Suits
- Buy it Cheap
- How to Use Clothes to Sell Yourself
- Why Men Dress for Failure
- Putting Your Own Look Together

THE WOMENS DRESS FOR SUCCESS BOOK

John T. Molloy

- The Mistakes Women Make
 - Should Women Imitate Men
 - The Success Suit
 - Packaging Yourself
 - Sexism? NO!
-

YOU CAN GET ANYTHING YOU WANT

Roger Dawson

- What Influences People
- Body Language
- Personality Styles
- Hidden Meanings in Conversation
- How Both Sides Can Win

CUSTOMER SATISFACTION GUARANTEED

Robert Kausen

- The Angry Customer
- The Demanding Client
- The Hustler
- The Critic
- The Endless Talker

CUSTOMERS FOR LIFE

Carl Sewell

- The Ten Commandments of Customer Service
 - Under Promise, Over Deliver
 - Systems, Not Smiles
 - Creating Frequent Buyers
 - The Only Dress Code You'll Ever Need
-

NEGOTIATING TO CLOSE

Gary Karrass

- Power Is What You Think It Is
- How The Buyer Helps You Find It
- Negotiating To Satisfy
- A Better Deal For Both Parties
- The Sales Person's Bill Of Rights

Magazines

Car and Driver

1499 Monrovia, Newport Beach, CA 92663
(212) 719-6085

Automotive News

1400 Woodbridge Ave., Detroit, MI 48207
(313) 446-6000

Automobile Magazine

500 Plaza Dr., Secaucus, NJ 07094
(212) 503-5670

Glossary

A

Addendum Sticker

A sticker placed next to the manufacturer's sticker which explains additional items added to the vehicle by the dealer.

Aftermarket Products

Products sold to the customer that are not part of the option packages, and which usually are purchased from an outside source.

Application For Title

When a vehicle is sold, this application signifies ownership for the customer with the state.

Appointment

A scheduled time set to meet with a prospect/customer.

Appraisal

A set value applied to the customer's vehicle when selling it to the dealership.

Appraisal Slip

Document to complete with customer's vehicle information in order to get an appraised value.

Auto Magazines

Magazines that pertain to the auto industry. Example: *Road and Track*, *Car and Driver*, *Automotive News*.

Auto Show

Yearly presentation by manufacturers to display current year vehicles.

B

Base Price

Price of the new vehicle before any options or additional items are applied.

Benefit

Reason why a feature on a vehicle will be good for the customer.

Birddog

A gift given to the person who refers a prospect who ultimately buys your vehicle.

Body Shop

Department where the exterior and non-mechanical components of the vehicle are repaired and painted.

Brochures

Pamphlets in the dealership that describe the vehicle lines and models.

Business Cards

Advertisements to be passed out to prospects that include your name and dealership information.

Buying

The act of purchasing a vehicle through a cash transaction, or through a bank or credit union loan.

Buying Motive

Reason why a customer will purchase a certain type of vehicle. *Example: Safety, Color, Speed, etc.*

C

Closes

The number of times the customer agrees with the salesperson on an idea, option, motive, price, etc.

Closing Ratio

The percentage of deals closed compared to the number of prospects seen.

Commission

Percentage of the profit the salesperson receives as income for selling a vehicle.

Competitive Analysis

Comparing one manufacturer's vehicles with other manufacturers' vehicles.

Cost Figures

What the vehicle is worth when all options and charges are added together.

Credit

Money loaned by a financial institution for the purchase of a vehicle.

Credit Report

Report provided by an independent source that describes a person's credit history and ability to pay creditors on time.

D

Dealer Trade

When one dealership trades a vehicle with another dealership because it doesn't have that particular vehicle in its own stock to sell.

Delivery Procedure

Procedure used to consistently deliver a vehicle in a memorable fashion.

Demo Ride

Ride given to a customer before buying to further sell the vehicle.

Demonstration

Showing all the elements of the vehicle to the customer.

Deposit

Monetary faith offering given by the customer to hold the vehicle until delivery so it won't be sold to someone else.

Difference Figure

During the negotiating process, the single figure that incorporates the price of the vehicle, trade-in and the payoff, if any.

Discount

The amount of money deducted from the sticker price of the vehicle as an incentive for the customer to buy.

Downpayment

Amount of money given to a financial institution to lower the financing amount of the loan.

Driver License

Document enabling an individual to drive.

E

Emotional Element

A physical and emotional change that takes place with the customer, usually during the negotiation process.

Equity

The amount of value the customer has in his vehicle when the appraisal value is more than what the customer owes to the bank.

Ergonomics

Where all the controls are situated in relation to the driver.

Extended Service Contract

An additional service agreement sold to the customer that extends certain parts of the manufacturer's warranty.

F

Fabric Protector

A solvent sprayed on the interior to protect it from staining.

Feature

Any part of the vehicle that can be demonstrated to the customer.

Files

Dead File

File containing prospects who cannot be sold now or in the near future.

Hot File

File containing prospect names who intend to buy now or in the near future.

Sold File

File containing information on customers who have purchased a vehicle.

Finance Contract

Contract that spells out the terms of the buying agreement with the financial institution.

Financing

Money loaned to a customer by a financial institution to purchase a vehicle.

Finance Manager

Individual responsible for matters relating to the purchase or lease of a vehicle between the customer and the financial institution.

Follow-Up

Any contact the salesperson makes with a prospect or customer after the initial meeting.

Fresh Up

Any prospect who walks through the door that the salesperson waits on for the first time.

G

General Manager

Individual, other than the owner, responsible for the total operation of the dealership.

Greeting

The style used to initially meet a prospective customer.

H, I

Insurance Verification Form

Form used to determine if the customer has insurance on the vehicle used in a lease transaction.

Inventory Walk

Walk taken with a prospect or by the salesperson alone to review the vehicle inventory.

J, K, L

Lease Agreement

Contract drawn between the customer and financial institution when leasing a vehicle.

Leasing

An alternative way of financing whereby the customer uses the vehicle for an allotted period of time and pays a lower monthly payment than if financing the identical vehicle.

Letters

24 Hour Follow-Up Letter

Letter sent after a prospect has left the dealership without purchasing.

After The Sale Letter

Letter sent to a new customer explaining the ground rules for doing business in the future.

Referral Letter

Letter sent to prospects and customers asking for names of individuals who might be interested in purchasing.

Special Offer Letter

Letter sent to a customer offering a special purchase offer at a possible discounted rate. *Example: Rustproofing, Extended Service Contracts, etc.*

Repeat Customer Letter

Letter sent to the customer who has purchased multiple vehicles from the salesperson.

Newsletter

Information letter sent periodically.

Lists

Want List

List used to keep track of vehicles your prospects want and which you currently don't have.

Things To Do List

List used to organize your time throughout the day.

Mailout List

List used to keep track of all mail sent to prospects and customers.

Ups List

List used to keep track of all prospects walking into the dealership.

Follow-Up List

List used to keep track of all prospects and customers with whom you need to follow-up.

Loaner Program

Usually a Service Department program whereby a customer has the use of a dealership vehicle while his/her vehicle is being serviced.

M

Maintenance Schedule

Schedule that accompanies each new vehicle explaining when the vehicle should be serviced.

Model

Type of vehicle within a vehicle line.

Monthly Payment

Customer's monthly obligation when financing or leasing a vehicle.

N

Negotiation

Process for determining the sale price for a vehicle between the salesperson and the customer.

Night Drop Box

Service department box which permits the customer to leave keys, vehicle and service order after business hours.

O

Objection

A pause during the negotiation process when the customer has a concern and makes comment to such.

Odometer Statement

Statement the customer signs to verify the mileage on the vehicle being purchased and/or sold.

Options

Features added to the vehicle that are not a part of the basic model.

Organization

To systematically plan ahead, to use time at home and at work efficiently and effectively.

Out Of Stock

Selling a vehicle from the dealership's inventory as compared to doing a dealer trade.

P

Paperwork

All documents needing to be signed by the customer before delivery of the vehicle.

Paperwork Checklist

Checklist used at delivery to make sure all paperwork is completed and signed correctly.

Partial Payment

Another term used instead of deposit.

Parts Department

Area within the service department where vehicle parts are kept.

Payoff

The amount still owed on a finance contract.

Penalty

The amount charged to a lease agreement when the customer decides to cancel the contract before the term expires.

Phone-Up

A prospect who telephones the sales department for information.

Pre-Delivery Procedure

Systematic approach for examining a vehicle before delivery.

Prep

Servicing a new vehicle when it arrives from the factory.

Price Range

Giving the customer a range of figures, as compared to a specific cost.

Pro-active Approach

Trying to determine in advance how a situation should be handled.

Product Presentation

Demonstration given to a customer on a specific vehicle.

Profit

The amount of money between the invoice price and the actual selling price.

Program Vehicles

Vehicles repurchased from rental car companies for resale.

Proof of Insurance

Certificate issued by the insurance company verifying that the customer has insurance.

Prospect

An individual who may or may not be in the market for a vehicle, but who has not yet purchased or leased from another dealership.

Prospecting

A process for searching for and recruiting new customers.

Cold Calls

Phoning or visiting individuals or companies without notifying them in advance or setting an appointment.

Service Calls

Utilizing the hard *copies* of service records to call customers for possibly trading in their current vehicle.

Orphan Files

Current dealership customers whose original salesperson is no longer employed at the dealership.

Mailout Program

Mailing prospective customers a letter of introduction, then following-up with them within a certain time period.

Q

Qualifying

A series of questions posed to the customer so that the salesperson can gather the necessary information to create a selling presentation as compared to a telling presentation. Information gathering is important in order to create proper trial-closing questions.

R

Rational Element

The part of the negotiation process when the salesperson proceeds to handle the objection voiced. This is done after the Emotional Elements have been handled.

Referrals

Individuals referred by other prospects or customers for the purpose of soliciting business.

Registration

A document which identifies ownership of the vehicle and permits said vehicle to use public accesses.

Rustproofing

Substance applied to bare metal areas of the vehicle to inhibit rusting.

S

Sales Manager - Individual responsible for the sales department.

Selling Presentation

A presentation whereby the salesperson uses trial closes and other information gathered to sell a vehicle, as compared to merely informing the customer about the vehicle.

Service Advisor

Individual responsible for: (a) recording customer's description of required repairs and services (b) suggesting additional maintenance and services to benefit the vehicle.

Service Department

Area of the dealership where vehicles are maintained and repaired.

Service Walk

Period of time when a customer or prospect is escorted to view the service department and is introduced to the Service Manager and Service Advisors.

Shuttle Service

A service department program where by a customer is driven to the area of choice while the vehicle is being serviced.

Six Step Walkaround

System for presenting a vehicle whereby the salesperson walks the customer completely around the vehicle explaining every area.

Standard Features

Items on a vehicle that are included in the basic model.

Statistics

Keeping track of numerical stats and data in order to determine how to improve sales performance on a monthly basis. Example: Sales, Commissions, Ups, Closing Ratio, etc.

Sticker

Label on a new vehicle that explains vital information.

Suggested Retail Price

Selling amount on the sticker recommended by the manufacturer.

T

Telling Presentation

When a salesperson merely informs the customer about a vehicle instead of trying to sell the vehicle.

Trial-Closes

Having the customer commit or say yes to as many small closing questions before the final negotiation process.

U

Ups

(see Fresh Ups)

Used Vehicle

A previously owned vehicle that was sold or traded to the dealership.

V

Vehicle Identification Number

Number normally located on the dashboard that identifies that specific vehicle.

W, X, Y, Z

Walk-In Customer

An individual who strolls into the dealership to browse or to purchase.

Warranty

A written guarantee given to the purchaser specifying that the manufacturer will repair or replace defective parts free of charge for a stated period of time.

Warranty Books

Booklets that accompany every new vehicle stating the specific manufacturer's warranty.