

AS SEEN IN

CANADIAN AUTOWORLD

Switching the customer from new to used



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Columnist

As old car dogs like to say, the “switch” from new to used is a viable option which can greatly benefit the customer and the sales team when done professionally.

The value of the strategy is proven by the statistics, which show that 75 per cent of customers make a major or minor change in make, model, package, colour, new, used or demo or method of payment than they had in mind when they came into the dealership.

Forty per cent of buyers who walk out of the dealership switch themselves during their next showroom visit while 90 per cent of people buy a used vehicle at some point in their lives.

Sales people must learn how to spot the used buyer. The first opportunity comes when you qualify the buyer when they first set foot in the dealership. Learn the buyer's needs, wants, likes and dislikes, their budget and pattern of owner-

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ship. Have they owned a used vehicle? Ask if they were happy with it. If their talk is about nothing but new, a switch is at this point is unlikely.

Find out if what they are after is their first or second car.

Make sure every customer you qualify knows your store has a used department. How? Tell them.

Let's say you have a customer who tells you they want your best price on a new Ford Focus and they've been to every dealer in the area. You know that if you sell them what they want, you won't make any money on the deal. By asking if they would consider a one or two-year-old Focus with the same or more equipment for less money, should the customer be interested, you've changed the situation. Now, there's a new game where you can make more money.

The used conversation could come on closing when the customer starts to waiver or admits they have a credit problem. Some may legitimately be shocked at the rejection of their credit app. Now is the time for the sales person to show the customer a used model half the price with a good ownership history. Maybe, some of the original

warranty remains or a warranty is available.

Perhaps, the car they originally wanted has features that weren't necessary, so the used alternative is just as good or better. Maybe the used car has more features than the new one for less money. Maybe, the store has a CPO program.

Remember, the sales person has to massage the conversation. Never apologize for looking at used.

To work the switch, the sales person has to know their inventory – used as well as new.

Most stores let the sales people sell used and new, so there's no excuse for not knowing the used inventory.

A good sales manager knows when to tell the sales person to suggest used. The sales manager's desk is often the best place to start discussing the switch with a little deal coaching just before or after the demo drive or when preparing the figures.

A conflict comes up when the new-car manager, who is paid to sell new, is reluctant to move the customer to used or the used manager wants everyone to buy used. You need a manager who is a team player.

Don't give up if you are not able to switch the customer.

Everyone who comes into the store should be thanked by management when they leave. You'd see a houseguest to the door. Treat the customer the same way. Never let them walk out alone. You might even consider walking them to their car.

If the managers know about the sale, they should take the time to ask the customer if they would consider used; point out what's available.

Don't give up. A good sales manager will review the situation – and other unclosed deals – at the follow-up meeting and suggest a follow-up offer.

The sales person should call the customer and find out what happened. Remind the customer your store sells used. If you have a CPO program, tell them about it. Offer an appointment to come in and see what's in stock.

Whenever you talk about your used inventory, remember: sell what you can see; never see what you can sell.

In other words, never ask the customer if they want cloth or leather upholstery if you don't have leather. This is crucial when you are moving someone over to used.

Always use the consultative approach. It shows you are interested, have the customer's interests at heart. Take time to build a relationship.

Properly timed and presented, the used option is a way to move along a stalled sale as it forces the customer to say yes or no. It tests the customer's commitment to their selection. Call it a trial close.

It also fulfills the customer's need to compare without having to leave the dealership. By offering used, you stop competing with other stores on product and price as used cars are all unique.

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