

AS SEEN IN



FOCUS ON FINANCE & INSURANCE

Earn a slice of the growing non-prime market

DO YOU HAVE A PROCESS IN PLACE TO ADVERTISE TO AND ATTRACT THESE CUSTOMERS?
YOU SHOULD! THEY REPRESENT NEARLY A THIRD OF SALES



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Non-prime or sub-prime financing is now about 1/3 of the Canadian automotive landscape.

To help dealerships survive and thrive in this environment, it is important to have an F&I team that understands the market and the needs of these specific consumers.

Still, despite representing such a large piece of the market, I still find some F&I specialists lack even the most basic understanding of the non-prime/sub-prime customer base. And since we all tend to avoid what we don't understand, there is little chance of improvement on its own.

Dealers who are successful in this market have a solid foundation in place. After a credit challenge is identified, the standard sales process is generally suspended and the inverted sub-prime or special finance sales process commences.

If your dealership does not have a special finance department, a professional finance and insurance specialist needs to be adept at this unique sales process.


I've sat on all four corners of sub-prime: sold and delivered, handled their F&I, reviewed their credit and also repossessed them. Here is what I consider to be the basics building blocks for a profitable sub-prime system.

- Educate staff and customers regarding the finance and credit industry and its role in the car business today. Most people would be surprised to know the numbers



- so be sure your data are up to date.
- Take on the role and language of credit re-establishment services and client credit education.
- Create a structured sales process that differs from your standard sales process.
- Establish an appropriate inventory of vehicles using lender booking charts and loan-to-value guidelines.
- Have effective radio, web and in-store marketing campaigns that are that are compliant and ethical. It is important you reach your customers with messages that describe how you can help.
- Consider buying quality leads from a quality source and work those leads properly and thoroughly
- Complete the credit interview and ensure the information on the credit application is correct.

- Secure the appointment if it's an email or phone lead.
- Secure financing and select an appropriate vehicle.
- Deliver a car.

Having F&I professionals that can turn declines into deliveries in this market could be invaluable. In my next look at non-traditional lending, I will focus Beacon/FICO scores, credit bureaus and how to navigate the murky waters of credit approvals. 

Duane Marino is the principal of Duane EN Marino Automotive Solutions and Virtual F&I Portfolio Management remote deal coaching to turn declines into deliveries. He can be reached at 1-888-735-6275, info@duanemarino.com or www.Duane-Marino.com