



September 2018

THE MOTOR DEALER REPORT FROM AUSWILD & CO
PO Box 527 Kogarah NSW 1485
Chartered Accountants and Dealer Management Services

Website: www.auswild.com.au
Telephone: (02) 9588 0100
Facsimile: (02) 9588 7865

The Window to the Buyers Soul Is Their Trade-In

Over 80% of automotive transactions involve trade-ins. The trade-in, more than any other factor, can give the biggest clues to how someone will buy their next vehicle; yet, most sales processes and sales training promote waiting till the end of the buying process to address the trade-in.

Ninety percent of society is repetitious in their actions and buying habits. The law of familiarity states that we tend to act, based upon what we know and are comfortable with. The one common denominator with most customers is what they are currently driving.

According to sales and management expert, **Mark Tewart**, pushing the trade-in to the end and hoping to handle all objections at once is like sweeping manure under a rug and hoping the stink will go away.

There are three comfort zones in which most people spend 90% of their time: home, work and their vehicle. So when a customer brings their vehicle to the dealership, make them comfortable in their environment by utilising their trade-in quicker and more effectively in the process.

Most sales people are taught to land a customer on a vehicle and then in the write-up process get the vehicle appraised. By shoving the trade-in to the end of the process you will create more fear in the customer and create potential roadblocks to the sale.

Tewart says that since the trade-in is a major hurdle in most buying negotiations, your sales people should to go to the trade-in first before even selecting a vehicle.

Tell the customer you would like to walk over to their vehicle for a minute for two reasons –

1. To get more information from the vehicle, so that when the vehicle is appraised later on, you will save the customer time by having the information up front.
2. More importantly, you would like to find out what they like and don't like about the vehicle so that you can better assist them in selecting a suitable vehicle, and that you can come up with ideas to help them or save them money.

You are not telling the customer you are getting the vehicle appraised at that time. Don't ever be dishonest in your reasoning for viewing the trade.

When a sales person selects, demonstrates and presents a new vehicle without reviewing the customer's present vehicle, they will be practicing the 'spray and pray' method of selling.

When a customer comes to your dealership and tells you what they are looking for, and you immediately show them the vehicle, what do you really know about the customer, their wants and needs, the type of buyer they are or what motivates them?

When you review the trade-in first with the customer, you are gaining time to establish rapport in their comfort zone. You are also gaining information that will give you answers to their "HFG" - Hope for Gain. This will enable the process to slow down in the beginning, so that it will speed up in the end.

You will lower the customer's objections and will be able to understand your customers' psychological and emotional profile better. You must have a game plan based upon the customer's pace. Trying to quicken the process of buying just for sake of speed is a recipe for a lot of lost sales.

Once a sales person has reached the write-up stage with the customer, use third party information such as Kelly Blue Book to help the customer to better understand their trade value.

It is amazing that in today's age of the educated consumer, some dealerships are still afraid to give their sales people the tools they need to logically explain the figures they give a customer.

Show people in writing your justifications. People tend to be more visual than auditory in nature, they tend to believe what they see more than what they hear from sales people. Managers can go over book values with the sales person with any adjustments for mileage, reconditioning, market adjustments etc.

Tewart says that you should give your sales team the tools they need instead of asking them to say, "What were you thinking?" or "What would it take?" when the customer objects to the trade-in values. Those questions violate all rules of negotiations and make customers become shoppers who leave your dealership mad.

If you know that the vast majority of your customers will object to the trade-in values that you give them, try to pre-frame the potential objection in a more positive light. Be prepared for the logical explanation and negotiation. Utilise the trade-in quicker in the process. The trade-in is the window to the customer's soul.

Mark Tewart is a recognised sales and management expert who has assumed every auto retail role from salesperson, general manager and executive manager to trainer, consultant and speaker. He is also the host of the TV show "On the Mark" on CBT News and the author of the best seller "How to Be A Sales Superstar: Break All The Rules and Succeed While Doing It". Mark Tewart presented two workshops at this year's NADA Show.
Tewart Enterprises Inc., 307 East Silver St, Lebanon, OH 45036, USA)

For additional information, please contact your
Auswild Dealer Management Services Team

Vincent Choy Greg Jepsen James Dick Lee Payne

(02) 9588 0100

Important: This is not advice. Clients should not act solely on the basis of the material contained in this bulletin. Items herein are general comments only and do not constitute or convey advice per se. Also changes in legislation may occur quickly. We therefore recommend that our formal advice be sought before acting in any of the areas. This bulletin is issued as a helpful guide to clients and for their private information. Therefore it should be regarded as confidential and not be made available to any person without prior approval.