

## SELLING VALUE: PRICELESS



by Jan Kelly

In his blockbuster first book, *Selling the Invisible: A Field Guide to Modern Marketing*, popular business author and speaker Harry Beckwith calculated that 70 percent of customers think our pricing is fair; 20 percent of our customers give us some price resistance; and the remaining 10 percent believe any price we quote is overstated.

Setting a retail sales price is strictly a matter of business. And it is a sound practice for every dealership in the business to establish standard pricing for all F&I products they offer to customers. Standardized pricing keeps everything simple and puts emphasis on the value of products, where it belongs.

F&I presentations must clearly demonstrate the value of products and services from the customer's point of view.

Without value, all you have is price. And once price is the only item on the negotiating table, no number is low enough for the customer.

The key to selling value is to first establish the customer's needs for the F&I products and then present the products to meet those needs. A remedy without a reason has no value. Without value, there is no sale. With this in mind, there are 10 steps you can take to negotiate value into dollars:

- 1) Set a standard price for each F&I product the dealership offers.
- 2) Determine the customer's needs for F&I products.
- 3) Present the value of the products in a Feature-Advantage-Benefit (FAB) format, from the customer's point of view.
- 4) Ask for the business, using a menu to close the sale.
- 5) Identify the difference between what the price is and what the customer is willing to pay; discuss the money in terms of the difference.
- 6) Reduce the difference into a weekly figure and show the customer how to reallocate funds in their budget in order to purchase the product.
- 7) Ask for the order.
- 8) Isolate the customer's objections.
- 9) Provide proof statements to turn the objections into opportunities to close the sale.
- 10) Ask for the order again.

Without value all you have left is price, and there is always someone who will sell for less. Value is invisible until the customer needs it. Value is what the customer will gain from purchasing the product. Value is seldom part of the product; rather, it is what the product will do for the customer. Value is essential in every successful transaction. Do you meet your minimum daily requirement?

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