

So, you've got a Discounter

It seems that every dealership has to deal with a discount house only a few hours away that's advertising outside of their local market to lure distant customers, often across state lines, to purchase at highly discounted prices. How can they do it? Why are they doing it? What can we do to keep our local customers from spending all day driving just to save a few hundred dollars? Let's take a closer look...

Let's say that out of 100 customers who enter your dealership, 20% of them actually know about the nearest discount house. This may seem like a low number, but 20% is probably an exaggerated figure. This means that more than 80 out of 100 customers that enter the dealership don't know about the discount house. Here are some tips to help focus on the 80%.

1.

First and foremost, you must understand that the culture of your sales team starts at the top! If you let the discounter shake you, that lack of confidence will infect your entire team. When management is constantly talking and complaining about the local discounter, staff members begin to do it too. Shake it off and look ahead. Don't let the discounter bother you. Whenever a price shopper mentions the discounter, take that as a sign that you have a serious buyer and a legitimate opportunity to make a sale.

2.

Instead of assuming everyone knows about the discounter, assume everyone doesn't know. Track every opportunity on a traffic log over a 30-day period, and then analyze the data. Prove it to yourself and your team that most customers don't mention the discounter.

Quick Tip:

Call all internet leads

Even though an internet lead has e-mailed a quote request, it is important that you follow up by phone. Set up your auto-responder with a generic "Thank you for your request..." e-mail so customers get a timely response, but then call them. It is very difficult to interview the customer and develop rapport over e-mail.

3.

Don't ignore "Just Lookers." They are legitimate sales opportunities; that's why they are looking. This includes the "Just Looking" parts customers, service customers, and even the UPS guy.

4.

Half of the hardball price shoppers are not as tough as they appear. If handled properly, they can be converted into profitable sales. Slow down the sale and follow the Sales Process. Build value in yourself, the dealership and the products you offer. Many hardball customers will be reasonable and willing to pay more.

5.

Never invite negotiations by using terms like "asking price", "we'd like to get", "we'll work with you", or "MSRP." These terms invite negotiations. The only adjective that should ever go in front of the price is "only."

6.

Don't let your sales people fall into the sympathy trap. Sales people often feel guilty because they know about the discounter. Remind them that every model you offer is worth the retail price because of the value your dealership offers. Remember, a price objection simply means that value has not exceeded price. Your sales team needs to understand the value of a professional sales staff that believes in providing service after the sale. Pick up and delivery, parts and accessories, and certified factory-trained technicians are all added value the customer receives when they purchase from you!

7.

Training, training and training. Educate your sales team on the importance of not assuming every customer is a price shopper, and how to handle those who are. Stay positive and keep morale up, remember that this is not just a challenge in your local market, or only in our industry. Discounters and price shoppers are in all industries. How you handle price shoppers is what makes the difference. *

Know the Numbers



Do you complete a daily or weekly report that provides you with key statistics on your department's performance? If so, do you analyze those statistics and look for ways to improve? Make sure you can answer these questions:

- Who is your #1 sales person? How many units did he or she sell over the last 90 days? What was the G.P. per unit sold? Have they been compensated, and is it possible for them to mentor a newbie?
- Who was your worst sales person? Why is he or she underperforming? Does this individual clearly understand what is expected? Has he or she been given a specific action plan for improvement?
- What is your average closing ratio? Are all sales opportunities recorded accurately in a CRM or Traffic Log?
- How many write-ups have you had compared to logged customers? How can you improve your write-up ratio?

Be sure that you are working towards building systems and processes that allow you to manage based on the facts and not perceptions.

Wouldn't it be great to ask **Tory Hornsby** a question about Sales or Sales Management? **Now you can!**

As seen in Powersports Business Magazine
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Submit your questions at www.DealershipU.com/AskTory

Selected questions will be featured on Dealership University website and future issues of Dealership P.R.O.

- A. Increase Unit Sales
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