



EFG Companies Says 2019 Dealership Revenue Demands a Bridge Between F&I and the Service Drive

DALLAS, TX (November 8, 2018) EFG Companies, the innovator behind the award-winning Hyundai Assurance program, sees an on-ramp to profit via an elevated bridge between the F&I office and the service drive. The relationship between the F&I office and the service drive has always been a tertiary strategy. Road savvy dealers now recognize that failure to accelerate that relationship will sub-optimize revenue potential and detour long-term customer relationships. To watch EFG's CEO John Pappanastos' comment on the highway to the future success of retail automotive, visit <http://bit.ly/2RB7acg>.

Disruptive business models, like Carvana and Vroom, have grasped the concept of utilizing customer service as a means to more efficient conversions. A high level of customer service is becoming a requirement for doing business, especially among Millennial consumers who demand their needs be met on their terms. According to Cox Automotive, only 66 percent of this demographic is satisfied with the dealership experience, and 79 percent want to learn about F&I on their own, before they visit the dealer. In addition, 63 percent of shoppers across all age demographics are more likely to purchase F&I products if they could learn about them on their own time before purchase.

Read the Road Signs

At EFG's recent annual Agent Council, top-tier agents from across the United States discussed ways to accelerate the relationship between service and F&I.

"Our dealership clients are under pressure from the OEMs to increase customer retention," said John Kane, Co-Founder of Empire Dealer Services. Empire Dealer Services took home EFG's Top Agent Award at this year's Agent Council. "However, even if you take out that pressure, it's still clear that the most successful and cost-effective way forward is customer retention. And, the best road that I've seen toward achieving repeat business is by aligning all dealership departments with this goal."

This culture shift of placing extreme emphasis on customer service involves training the sales and service team members on the benefits of the F&I products sold in finance to both the dealership and consumers. "Unit sales has always been priority number one in our industry," said Mike Dunahoo, Owner of Star Auto Group based in Abilene, TX. "While that priority remains, never before in history has the service drive been potentially the greatest lever for future success. Now, the service drive is as important as sales to continuously and genuinely please customers through value-driven information and motivating incentives for service."

The industry has already seen tech-based relationship-building tools, like EFG's Driver's Advocate Mobile App System, enter the market. "We're starting to see greater utilization of digitally-based products, like Driver's Advocate, to create more relevant and timely communication between consumers and dealerships, facilitating a more one-on-one relationship," said John Pappanastos, President and CEO of EFG Companies. "In the next

few years, F&I administrators and dealers need to work together to fully realize the potential these tools provide when it comes to customer service and retention."

Additionally, the industry can expect to see a resurgence of maintenance programs in terms of both implementation within the dealership as well as an evolution of the programs' features and offerings. "While maintenance programs have always been around, our dealer clients are asking for support in how to best utilize them," said Kane. "Most dealers fail to recognize that a maintenance program's sole purpose is to foster customer retention. That means selling the product at, or near cost to increase product penetration, and therefore, customer retention."

Lastly, recognizing the need for greater customer service goes hand-in-hand with an increased focus on training in the service center. "Dealers don't have to reinvent the wheel to remain competitive. Integrating operations between the service drive and the F&I office creates a natural customer retention cycle," said Pappanastos. "However, this integration will take more than selling F&I products. It will require dealers to invest in the service center by providing service managers more comprehensive training around customer service and sales. For example, EFG has taken proactive steps to build out a full portfolio of training services for virtually every aspect of the dealership, including service manager training."

Utilizing F&I products and training to align dealership operations toward the common goal of customer retention is one step forward on the road to boosting customer service and dealership revenue. Once those rumble strips have been cleared, winning dealerships can then tackle increased transparency in the F&I office, online tools for customers to educate themselves on the benefits of consumer protection products and deliver a more consultative approach to sales.

About EFG Companies

EFG Companies drives the industry's highest-reported compliant F&I profitability through its distinct engagement model in which the company operates as an extension of the dealer's management team. EFG addresses total dealership performance, and its client satisfaction Net Promoter score is higher than national corporate leaders such as Southwest Airlines, USAA Banking and Finance, and Nordstrom. Learn more about EFG at: www.efgcompanies.com.

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