

Federal Requirements can be Selling Opportunities

by : Gil Van Over

I took a taxi from my hotel to my dealer this morning. The hack asked me if I was going to the dealership to buy a car, trying to figure out why this fare wasn't headed to the convention center.

I shared with him that I was on my way to a dealer client who retains me on a regular basis to ensure that an identity thief would not steal a customer's identity from the dealership.

His immediate comment, "That must be a good company to do business with."

We chatted further, and as it turns out, his cruises the town in a 23 year-old Chevrolet Celebrity and had been thinking for some time that it was time to buy a new car.

After we agreed that his repair bills were more than a monthly car note, he gave me his name and cell phone number. He wanted the sales manager to call him about a new car.

This simple little story is mindful of our opportunity to take a fresh look at the federal regulations surrounding identity theft and use our requirements to our advantage.

Regulations

The Safeguards Rule and the Red Flags Rule are in place with the intent of stemming the tide of identity theft in this country. They are very similar in the component required for compliance. The primary difference is that Safeguards requires you to protect your customer's information from an identity thief while Red Flags requires you to have processes to detect and prevent identity theft once a thief has a victim's information.

Resistance

When it comes to Safeguards and Red Flags, many dealers roll their eyes and complain about being deputized by the federal government. I can certainly understand their frustration. They got into this business to sell cars, not to fight identity theft. But times have changed.

Most dealers are also very adaptable. Objections are but a step to the sale.

Rapport

Another important step to the sale is building rapport. This is where you can use the Safeguards Rule and the Red Flag Rule to your advantage, as a sales opportunity, instead of as another stupid task that must be completed. Or unfortunately, ignored.

One dealer I know spends about five minutes during the sales process to show the prospect its Secure Document Area signs. Using this visual and combining it with word tracks that explain the lengths that the dealership takes to safeguard personal, non-public information has proven effective in establishing rapport. Many customers express appreciation that their identity would be protected. Because even though they hadn't mentioned it yet, it was a concern. The referral business has also seen a nice increase because of this presentation and comfort level.

Response

Consider duplicating the process this dealer has successfully implemented. Share information about your Safeguards and Red Flags programs with your customers early during the sales process.

After all, one of the best things a customer can say about your dealership is that, "It must be a good company to do business with."

Gil Van Over is the president of gvo3 & Associates, a nationally recognized dealer compliance consulting firm. He assists dealers with F&I and sales compliance.