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'Trigger Leads' not shooting blanks

by Gil Van Over

Deal pilfering is a way of business in our business.

Captives used to call their dealer when another dealer not within their network called for a payoff. "Hey, Bob, ABC Motors just called for a payoff on your customer!" Bob would get on the phone with the customer and try to steal the deal.

Insurance companies regularly try to steer your customers to their banks and pay you off early, creating chargebacks on reserve and F&I products the insurance company ends up selling.

I call that aggressiveness.

Now, however, a traditional player that is embedded in almost every sales process is in the game of pilfering your deals with a process called "Trigger Leads". And the process just doesn't pass the smell test.

Trigger Leads

Your buddies, the credit bureaus, have modified a process it has used in the mortgage business to the car business.

Essentially a one-off pre-screening process, it works like this.

Lenders provide the bureau with an algorithm to screen a consumer's credit report with the objective of providing a firm offer of credit. Historically these offers are mailed to consumers, like the barrage of credit card offers that litter your mailbox. That is the basic pre-screen process.

The one-off, or trigger lead, is so named because the consumer whose credit report is pre-screened is selected based on a trigger event...a car dealer inquiring into the consumer's credit report.

The lead is delivered to a lender who calls the consumer's cell phone offering a lower APR or better price on a service contract or gap, or both if the consumer finances directly with the lender. If the consumer accepts, you lose the financing and potentially the deal.

Plausible Scenario

I can see this happening. A consumer is interested in a vehicle and provides a credit application early in the sales process. Your saleswoman trades the credit app for a set of keys. The Sales Manager runs the credit report while the consumer is on a test drive.

Cell phone rings. Firm offer of credit is discussed promising a lower APR and Gap.

Consumer arrives back at dealership and trades keys for driver's license and is off to the dealer participating in the trigger lead.

Just doesn't pass my smell test.

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