



## LESSON 2: THE IMPOSSIBLE “F” CUSTOMER

In 1995, I learned about the “F” customer in an F&I class that I attended, and they are still a challenge today. I was taught that approximately 10% of all customers are laydowns, 80% must be closed, and the 10% remaining... They were “F” customers.

I commonly heard statements like: *“These customers do not budge”*, *“They never buy anything from us”* and *“They are impossible”*. We’ve all heard the phrase, *“Misery loves company”* and some people just want to fight when they come to buy their cars.

When we’ve had enough of anything, we may *feel* the desire to fight back, which kinda makes sense when it’s directed at the right target - but sometimes the desire to fight becomes a desire to fight about everything, or with anyone. This can even happen when the confrontation is not in our own best interests, like skipping a VSC or GAP coverage, when it’s needed.

I think this is some of what drives “F” customers. A deep frustration with something that may, or may not, be related to your transaction. Regardless, if someone is feeling defensive, they are more likely to “tune out” or simply say “no” to your presentation.

I believe the “F” in “F Customer” should actually stand for fear. They could easily be afraid of you, or salespeople in general. They could be uncomfortable because they bought elsewhere in the past and it wasn’t a pleasant experience, or they left feeling ripped off by someone that was just being really nice at the time. Of course, they could just be in fear of a higher payment, when they should really be afraid of a major repair. So, they must make the choice... Fight or Flight.

Flight is easy to recognize. They’ll say something like... *“Can I think about it?”* or *“Do I have to decide today?”*. Often, stalling the decision isn’t about considering their options, it’s just simply a verbal form of running away.

Fighting is different. It looks like... *“Nah, I never buy any of that stuff”* or *“Don’t waste your time”*. I sometimes hear F&I managers explain to me how “dumb” their customers are for skipping a VSC or GAP. This could be true, but it is more likely that a good portion of those “dumb” customers are actually in “fight-mode” and the Finance Manager is misinterpreting their actions.



In her landmark book, *The Ego and the Mechanisms of Self Defence*, Anna Freud (daughter of Sigmund) coins the phrase “psychological self-defense”. She explains that our minds will play tricks on itself, or even lie to itself, if needed for self-preservation. A common example is denial, but then she unpacks 47 more examples of emotions that all people adopt to protect themselves.

When the mind cannot deal with something, it will often rearrange or edit the truth. At least until it’s safe to deal with the situation. Similar behaviors occur in the box. We’ve all had a customer \$5,000 upside down refusing GAP. Why? Again, it’s fear, and reflexively they say “NO”. Their fear of being taken advantage of is greater than their fear of skipping GAP coverage.

Getting through this is NOT impossible, but it will take courage and patience on your part. There are only 2 rules for communicating with “F” Customers:

**Rule # 1: You must share some undeniable information with your customer - in a very gentle way.** What kind of “undeniable information” you ask? The undeniable fact that they actually want to be covered. They want safety, they want to be protected, or otherwise removed from risk. In short, the customer actually wants the Service Contract coverage. They actually want the benefit that GAP gives.

**Rule # 2: You need to demonstrate that you actually care about them, and their outcome.** Remember **F&I Law # 2** - It is dysfunctional not to want the most warranty available on anything. No matter what product you buy, you will always WANT a guarantee. You will always WANT the longest guarantee also. You may not be willing to buy more coverage, but that doesn’t mean you don’t WANT it. And your customer WANTS it too.

They want the most coverage available, the more, the better. So, what’s wrong with reminding the customer that we all want guarantees? And that they should at least review the product, and then make “an informed decision”. Nothing, as long as you’re also obeying rule # 2. Being genuinely concerned about your customer’s future. This allows you to authentically discuss the value of the VSC, GAP or other products with them without triggering their Fight or Flight response.



Test it below



If possible, give an example of a time you volunteered or forfeited your warranty coverage on anything?

You probably can't think of one. Because it would be dysfunctional, even irrational to decline a product guarantee.

In short, we KNOW people want guarantees.

We KNOW more warranty is desired as opposed to less. People may not want to pay for it, but they do want the "guaranteed" feeling. We all do, on every product we buy, every time. Not wanting the longest guarantee on any product would be dysfunctional. It would be irresponsible.

Right?

Be well,

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For more information like this, please check out my book, **The Art of F&I** available everywhere.