

**CDK GLOBAL®**

**F&I**  
**at the**  
**Dealership**

CONNECTIONS THAT MOVE YOU

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# Overview

Finance and Insurance (F&I) continues to be one of the most profitable parts of a dealership — especially over the past few years. Yet there's a lot of debate over the need for a separate F&I department and Manager to handle these tasks.


As the car market continues to seek some form of normality, buyers are increasingly focused on affordability. At the same time, dealers are more focused on efficiency and customer experience as record profits start to wane.

That puts even more pressure on the F&I department of a dealership.

That's why CDK Global wanted to find out how car buyers feel about their experience with this part of the sales process and the current role of the F&I Manager.

The findings may indeed put a shine on the traditional F&I model, but they should also serve as guideposts for where a different approach must live up to customer expectations.

Simply put, car buyers told us they like the F&I process.

**84%** 

of shoppers said they were either **'somewhat or extremely satisfied'** with the time spent with their F&I Manager

Not only that, but they also trust the F&I Manager more than a salesperson.

**65%** 

of the shoppers said they **trust the F&I Manager over a salesperson when it comes to receiving guidance or recommendations related to purchasing warranty/post-sale products.** This number is even higher for millennials and Gen Z.

## DEMOGRAPHICS

### Total Participants

# 1,269

16%

#### Gen Z

18 to 26 years

16%

#### Gen X

43 to 58 years

19%

#### Young Millennials

27 to 33 years

16%

#### Boomer +

59 years or older

23%

#### Old Millennials

34 to 42 years

Besides the overall positive sentiment around the F&I department itself, the study uncovered a number of specific areas where the process can be improved as well as what buyers already appreciate.



#### BUYER GENDER

Male	44%	564
Female	55%	701
Non-Binary	1%	8



#### VEHICLE TYPE

New	75%	946
Used	25%	323



#### ANNUAL INCOME

Less than \$50,000	21%	271
\$50,000 to \$100,000	37%	464
\$100,000 to \$200,000	33%	422
\$200,000 to \$300,000	6%	79
More than \$300,000	3%	33

# The Most Trusted Employee

When it comes to research and studies like this, sometimes the data can surprise you. And the positive sentiment around the F&I department and F&I Manager across multiple lines of questioning was overwhelming.

The high satisfaction score and the trust in F&I compared to Sales are just the beginning. For that 65% who trusted the F&I Manager more than Sales, there were a number of additional side effects that benefit the store.

Nine out of 10 shoppers (91%) said it's likely they'd consider the dealership for their next vehicle purchase based on the F&I Manager being the most trusted employee. That percentage dropped to 78% if the respondents said they trusted the salesperson over F&I.

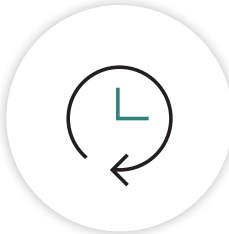
Not only that but buyers just felt good about their interactions.

These results reinforce the importance of the F&I Manager and put into question the "single-point-of-contact" sales model. Some dealerships are evaluating whether to eliminate the Finance Manager to decrease transaction times that consumers are expecting for a better buying experience.

Finance Managers tend to have longer tenures than salespeople, along with the expertise and knowledge that comes along with that role. Typically, buyers are eager for informed product recommendations and often wary of the price tag that comes along with them. They perceive the F&I Manager as a seasoned expert with their best interests in mind. Yet, this perception only holds if F&I Managers are strategic in their presentations.



**83%** of shoppers believe the F&I Manager **facilitated good communication**



**82%** of shoppers believe the F&I Manager **was patient throughout the entire process**



**77%** of shoppers believe the F&I Manager gave them the **best recommendations based on their specific needs**



**82%** of shoppers found the F&I Manager **to be honest**



**78%** of shoppers believe the F&I Manager **earned trust at the end of their interaction**

# The Product Sweet Spot

The F&I department has always been important as a revenue generator but perhaps even more so in today’s market. F&I Managers under pressure to pump up profits — and their performance metrics — may be tempted to present every product possible to their customers. However, our survey revealed the product sweet spot and what happens when F&I Managers pack too much into presentations.

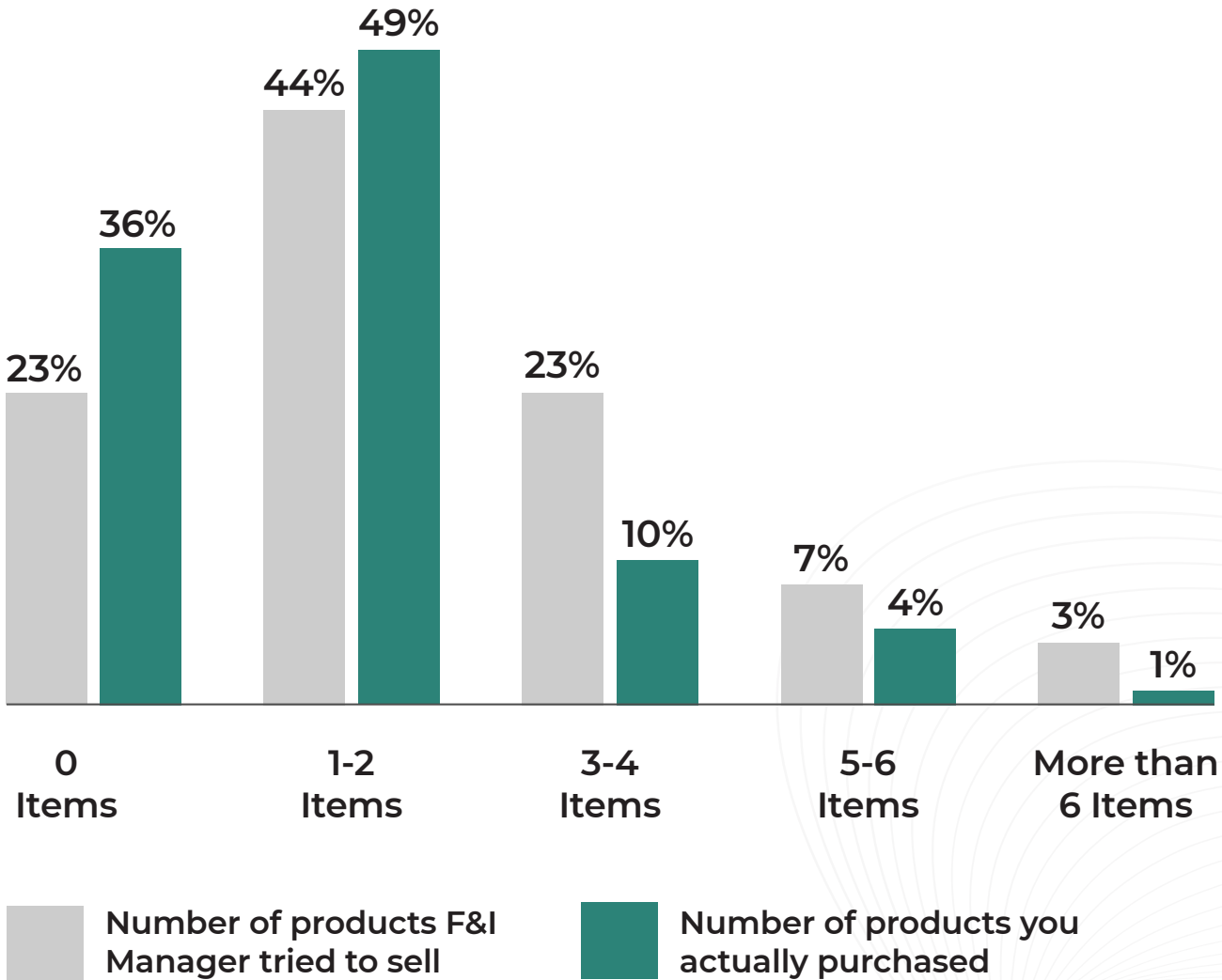
When presented with one to two products by the F&I Manager, nearly half (49%) of buyers purchased those products. That number dropped steeply as more products were introduced, bottoming out at only 1% purchasing more than six products when that number was presented.

There’s also a fine line for F&I Managers to cross when it comes to how buyers perceive being oversold. In total, 39% of those we surveyed thought they were being oversold on products once in the F&I office. That feeling increased with the more products they tried to sell, but it didn’t increase as significantly compared to how many products were purchased. Three or more items is where the number who felt oversold jumped from 26% to 56%.

What accounts for this perception? A feeling of being overwhelmed by information. In our survey, nearly half (52%) who reported feeling they were treated unfairly also reported feeling overwhelmed by the process. This is in stark contrast to the 77% who were offered fewer products and reported they were treated fairly and found the process easy. The number of products presented is likely a primary driver in how buyers feel overall about the purchase process.



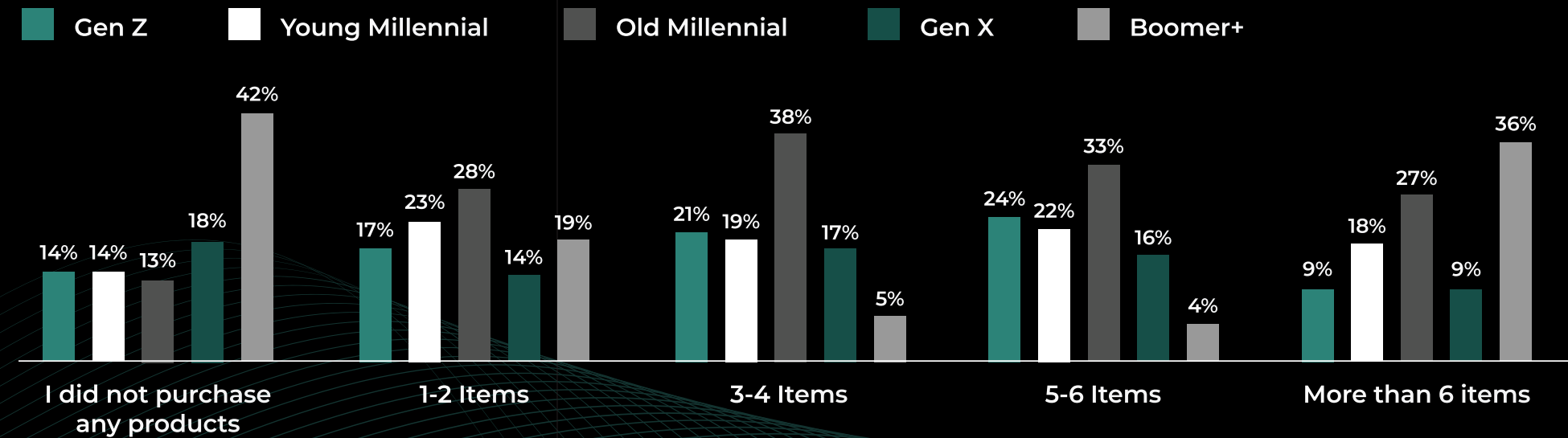
**How many warranty/post-sale products did the F&I Manager try to sell you?**



## Who Bought the Most?

When you break it down by age group, the older segment of millennials (ages 34–42) seemed to be the most likely to buy the most F&I products.

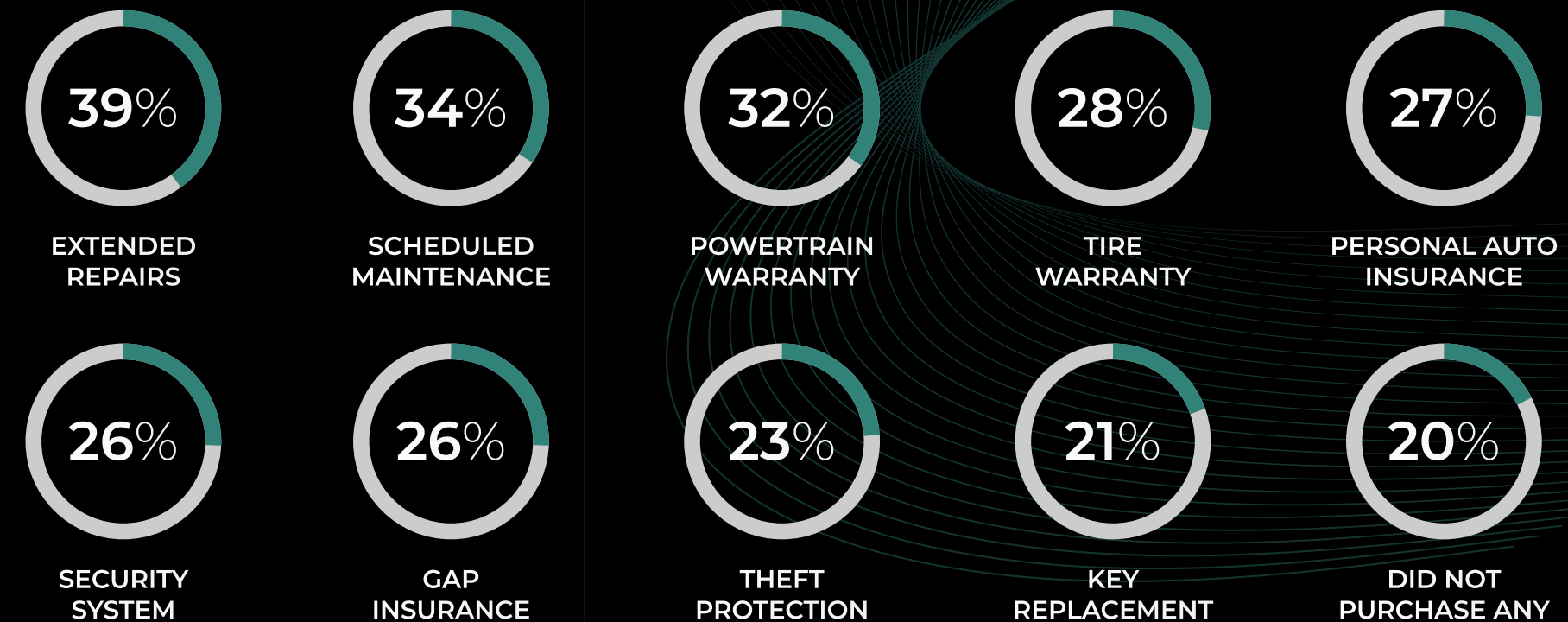
## How many warranty/post-sale products did you actually purchase?



## What Did They Buy?

Car prices are trending downward yet still remain high, which is likely why products that protect a buyer's vehicle investment lead the pack.

## How many warranty/post-sale products did you purchase from the F&I Manager?



# Digital's Role in F&I

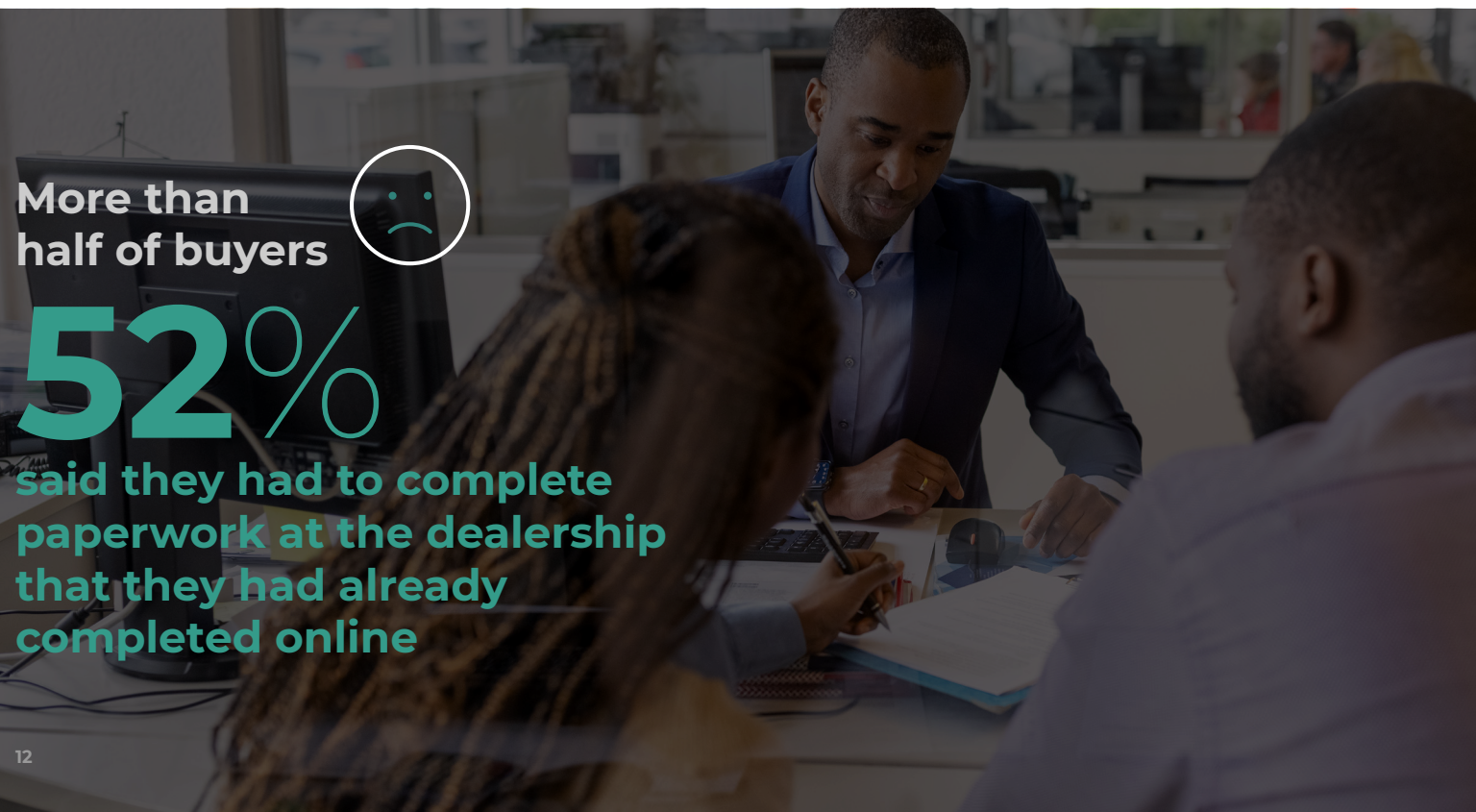
Pandemic-era market pressures shifted the car buying process in many ways, as illustrated by the large number of dealers who use a digital retail solution. However, our survey revealed that dealers still need to work on capturing and keeping the buyer's journey updated before and after they enter the dealership.

Half of all buyers (52%) said they had to complete paperwork at the dealership that they'd already completed online. Decreasing redundancy is key to meeting consumer demand for a faster buying process and better overall experience.

More respondents are open to eliminating at least some of the paper trail that slows down the overall purchase process. One in three buyers were open to doing at least part of the paperwork online. This includes a credit check (39%), submitting proof of employment (37%) and providing a Social Security number (31%).

When it came to signing paperwork at the dealership, a majority of all shoppers' signing process was done either completely digitally or with a mix of digital and paper.

Although online purchase transactions continue to be a newer trend, there are signs buyers are becoming more comfortable with the idea. Nearly one out of five buyers (17%) completed all deal documents online, outside the dealership. Boomers showed the most hesitancy here, with only 4% completing the process online.



More than half of buyers



52%

said they had to complete paperwork at the dealership that they had already completed online

# The Waiting Game

Waiting for an available F&I Manager has long been a significant issue that can transform what could be a smooth and pleasant buying experience into one of frustration.

CDK Global issues an annual report on friction points at the dealership, and the reports show that time is always a determining factor. The latest data continues to show that when a shopper spends more time at the dealership to complete a sale, it lowers their satisfaction score. Dealers can expect a drop of at least nine percentage points to their NPS score if the total time to complete a deal takes two hours or more.

However, this survey revealed that waiting on F&I didn't cause the buyer to assign blame to this step of the purchase process. While four out of five buyers had to wait over 10 minutes for their F&I Manager, overall satisfaction with the F&I experience remained high.

All the positive feedback detailed throughout this study is from buyers who spent a considerable amount of time inside the F&I office.

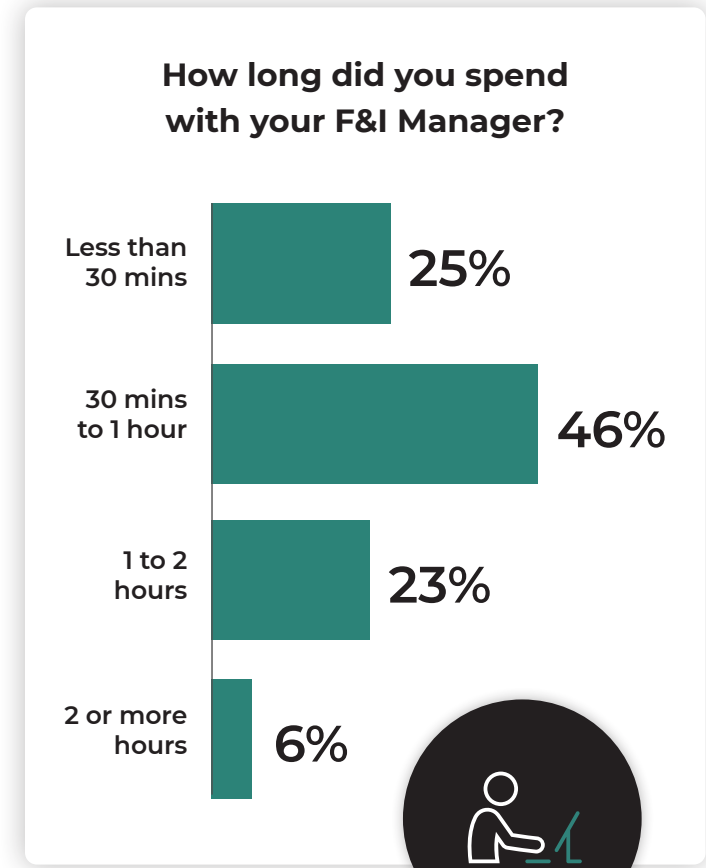
If a store wants to improve efficiency and maintain a traditional F&I Manager process, they should focus on areas that can help move the shoppers through the entire trip faster.

In a different model, the consideration should be on how to create that same level of trust and authority during the steps F&I traditionally handled with a different point of contact.

55% 

of shoppers said they spent the most time with the F&I Manager during their entire time spent at the dealership

Although buyers want to spend less time at the dealership overall, they also want to have every question answered and feel confident in their purchase. It's likely that time spent didn't hinder satisfaction because the F&I Manager delivered the high level of expertise and patience today's customers demand.



# Key Takeaways

F&I is a pivotal part of the dealership sales process. How and when you bring it into the process is vitally important to a store's operation. As we look at the data from this study, these are the key takeaways to consider.

## 1 The F&I Office Has Influence

It's been long understood that the F&I office is an area of profit for the dealer, but it's also a key piece of the overall satisfaction level of the purchase experience. The stark numbers of trust and affinity for the F&I Manager should help dealerships realize that if a single point of contact is their goal, then they need to make knowledge transfers to the single point a priority or have management coach them during the process.



## 2 Digital Tools Are Becoming More Accepted

When it comes to getting paperwork signed, credit checked and other steps along the way completed for a deal, digital tools are being used more and more. The fact that a majority of all shoppers' signing process was completed either digitally or with a mix of digital and paper proves buyers are becoming more comfortable with the idea. Digital tools can help move buyers faster through parts of the F&I process without sacrificing quality time with the Finance Manager.



## 3 Don't Be Pushy

While it didn't seem to impact the overall impression of the F&I office, 39% of customers felt they were being oversold on products. The statistics show that while a menu should always be presented, the focus should be on the one or two products that specific customer is most likely to purchase and to soft sell the broader menu.





## About This Study

CDK Global is committed to delivering insights that are both thought-provoking and actionable for our dealer customers and the industry at large. This research covers every aspect of the dealership including integral functions like F&I.



**Peter Kahn**

CDK Global Head of Research

With over 20 years of experience in researching all aspects of the automotive retail industry, Peter's work is focused mainly on how dealerships and brands can improve efficiencies and meet the changing needs of the vehicle buyer and service consumer. As the Senior Director of the CDK Global Research and Insights group since 2015, Peter has produced work that covers a range of topics, such as Artificial Intelligence in the Dealership, Women in Automotive, the State of the Automotive Retail Industry, Job Seekers in Automotive Retail and many more that help inform decision-makers in our industry.



**Maya Kassis**

Study Lead Researcher

As a Market Research Analyst at CDK Global, Maya covers topics including customer experience, women in automotive and artificial intelligence, providing key insights and guiding decision-makers in the automotive industry. After initially joining CDK as an intern, Maya returned and began her career as an analyst in September 2022. She completed her undergraduate studies at the Questrom School of Business at Boston University, concentrating in marketing and global business.



**Devika Birnale**

Market Research Analyst

Devika Birnale is a Market Research Analyst at CDK Global, where she works on a variety of research initiatives across thought leadership and the Product Technology and Marketing teams. Her research focuses on bridging the gap between end customers, dealerships and CDK.

Devika holds a master's degree in marketing intelligence from the University of San Francisco, California.

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