

The Top 3 F&I Trends Currently Sweeping the Auto Finance Industry

As the automotive industry gets into a new normal, dealerships are fast realizing long-term effects on how they conduct business. This is especially true for your Finance and Insurance (F&I) department. One thing you should expect is that customers are going to want to purchase more things related to their vehicle.

Other opportunities exist inside the dealership in the future, including in the F&I office. You must position your dealership to exploit these F&I trends to survive.

3 F&I Trends Shaping the Automotive Finance Industry

Marketplace fluctuations make it difficult to predict the exact future of automotive sales and financing. However, there is plenty of data and forward-facing trends invaluable for the proactive dealership that wants to cement its future success. Here are three trends you should know.

1. The New Car Buyer is Coming Back

Many buyers are delaying their plans to purchase a new car – not canceling the plans completely. Manufacturer incentives such as 0% financing are now incredibly popular with customers. An impressive [90%](#) of new car buyers believe this is the best time to get a deal on a vehicle.

Introducing aggressive manufacturer incentives helps offset the impact COVID-19 has had. Plus, it helps the U.S. automotive finance market move customers away from leases and toward loans. The number of customers likely to return to the market and get a loan has [increased to 33%](#).

Unfortunately, the new vehicle inventory is limited, so dealerships have to come up with attractive automobile financing options. Stay ahead of the competition by engaging with customers with firm financing offers on all your new vehicle sales. This means your sales, F&I, and marketing teams have to work together directly.

2. F&I Sales Numbers are Rising Too

The average F&I profit per vehicle is \$400 higher than it was in 2019, according to the [largest dealership U.S. groups](#). Customers today are purchasing more coverage than ever before. They have a low-risk tolerance and want to make sure they are in an excellent position when the unexpected happens.

One thing that contributes to increased F&I sales is increased training. Dealerships have realized they may not have as many opportunities to sell F&I products. Maximizing profitability now means putting a focus on improving F&I managerial skills.

3. Integrating Online and Offline Channels

Most customers carry out their research online before they visit your dealership. It is now more common for the customers to find more information they want and even shop digitally.

Position your dealership for success by utilizing both online and offline channels to offer customers a comprehensive experience. Parts customers want to do online instead of in-person include:

- Searching for a car
- Determining the final price
- Scheduling appointments to receive the car
- Valuation of cars for trade-in
- Carrying out credit checks and financing
- Reviewing and purchasing insurance or extended warranty products

Doing this will provide your customers more time to explore their options before stepping foot into your dealership.

Auto Financing is Easy with Vantage Financing

Working with a financing company specializing in dealerships is key to leveraging these F&I trends and the “new” normal in auto finance. Vantage Financing works with auto dealership transactions every day and can anticipate challenges you may face while adding value to your sales.

Focus Keyword(s): F&I trends