



# CONSUMER FINANCING BUILDS REPEAT SALES AND LOYALTY

**Not only does the right credit program increase sales,  
it keeps customers coming back, retailers report**

Retailers today must do everything they can to succeed. They must not only attract customers, but also ensure that those customers stay loyal - and make the most they can from every sale. To do this, retailers' websites entice visitors and are made easy to use. They make their stores inviting, and they train their sales associates to serve customers and close sales. But when it comes to one of the most important factors in consumer sales - how customers pay for what they want - so many retailers do not do everything they can to accommodate potential buyers? As you'll see, not only does access to the right financing for the customer increase sales, but it also dramatically improves loyalty and increases repeat sales.

It's no secret that the availability and use of credit increases the amount of average customer spend. Recent research from PayPal shows that online sales are 15 percent higher, on average, when credit is used. In addition, new research among retailers shows that, when buyers are given access to credit, customers will not only spend more but they will also spend at that retailer more often.



**ONLINE SALES ARE  
15% HIGHER WHEN  
CREDIT IS USED**

## THE TREMENDOUS OPPORTUNITY OF STRATEGIC FINANCING AT THE POINT OF SALE

According to a recent study by First Annapolis, *Growth Trends in Retail Consumer Financing for 2017*, a big gap exists when it comes to the potential for retailers to better capitalize on financing. Consider the fact that customers who are buying products in big-ticket and low-velocity vertical markets, such as home furnishings and electronics, are currently spending more than \$1.8 trillion annually; yet fewer than 15 percent of these sales are financed using the existing credit programs provided by retailers. Additionally, in all of the retail sectors First Annapolis examined, half of all primary credit applications at the point of sale are declined. The report showed that technology platforms that provide seamless, convenient, and secure credit applications using multiple lenders will increase sales, earn repeat sales, and boost customer loyalty.

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There's a tremendous opportunity here. First Annapolis found that nearly 50 percent of customers who have their credit application declined at the point of sale would actually qualify if their credit application was presented to the right credit sources for that customer. The challenge here, for retailers, is that until recently there hasn't been a straightforward way to collect shoppers' information and provide their credit application to a broader set of lenders. In many cases, by the time the sales associate tells the shopper that they've been declined and requests another credit application be filled out, the shopper wants to move on. The good news is, it doesn't have to be this way anymore.

The retailers that add multiple lenders to their customer credit strategy are successfully closing more sales and winning more repeat sales. "What is clear is that consumer financing is only likely to become more important and prevalent in an increasingly competitive and sophisticated retail market in years to come," the First Annapolis report authors wrote. In the next section, we will detail how retailers are successfully, and swiftly, achieving this as well as discuss their results.

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“ As a retailer you can set yourself apart with selection and by offering competitive pricing, but most importantly, once the customer visits the store, **you must be able to close the sale.** If a customer walks out the door and you don't have the ability to close the sale, you are not going to be very successful,”

**LARY SINEWITZ**, Executive Vice President at BrandsMart USA

## REPEAT SALES RISE WITH INCREASED CUSTOMER CREDIT OPTIONS

Retailers of all sizes have learned firsthand how Vyze's seamless and secure multi-lender platform increases sales and brings those shoppers back again and again – because of the convenient access to credit it provides. Vyze works behind the scenes: A customer starts off by applying for financing with the store's existing primary provider. Should that credit provider not be a good match for the customer, through Vyze the customer's same application is provided to a second and even third credit option if necessary.

BrandsMart USA is one such retailer who has found great success with the Vyze platform. "Vyze has enabled us to not only improve the process, but also approve many more customers who apply for financing. Now, thanks to Vyze, if somebody walks in and they want to purchase something, more than more than 90 percent of them are going to get the financing they need and leave a satisfied customer," says Lary Sinewitz, executive vice president at BrandsMart USA. To date, BrandsMart has total repeat sales through Vyze of over \$2 million, which is up 73% compared to the previous year's total repeat sales.

Home Depot is another retailer that has witnessed incredible success with the Vyze platform. For this retailer, repeat sales soared. During the first year of using Vyze, repeat sales grew 191 percent, increasing from 27,000 to 79,000 repeat transactions. The average amount customers financed during their first transaction was \$550, while the average repeat transaction was \$126.

Meanwhile, for electronics retailer ABC Warehouse, within the first six months of purchase, one in five customers became repeat buyers.

REPEAT SALES GREW **191%**



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“ Not only has Vyze allowed us to deliver a superior credit experience to all our customers, it has also resulted in newly acquired customers, increased customer loyalty, and higher sales,”

**DAVID DIRVEN**, VP of Operations at ABC Warehouse

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## CONCLUSION

Without a doubt, when it comes to attracting and keeping customers, retailers try to do everything they can to win. But it's also true that when it comes to one of the most important factors in offering customers financing – customer credit at the point of sale – there's much more retailers can do to close more sales. Retailers that have decided to turn credit into a competitive advantage have learned that not only do they close sales that they would have otherwise lost, but they can also turn those customers into loyal purchasers who return to shop again.

To learn how you can turn credit at the point of sale into a competitive advantage and earn more sales revenue and repeat sales, visit [vyze.com](http://vyze.com) today.



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Vyze is a leading financial technology company for brands. By combining full spectrum lending supply, technology, and support under one roof, Vyze is able to deliver brands simpler, more satisfying financing experiences for their customers, wherever and whenever they shop.