



CASE STUDY



# NEW CREDIT OPTION PROVIDES BIG PAYOFF FOR ABC WAREHOUSE

Vyze's financing platform, with its streamlined process, single application, and immediate approvals helped this retailer to capture more revenue at checkout.



## BUSINESS PROBLEM:

Improve credit approvals and the customer experience when seeking credit, either when applying, or when purchasing with credit.

Since its founding in 1963, ABC Warehouse's "no frills" style to selling the household appliances and electronics that people want has helped this retailer to become the largest provider of appliances, televisions, computers, and other electronics within its region. And when it comes to pricing, ABC Warehouse makes certain it's as competitive as it can be. The retailer shops its competition every day and prides itself by being able to offer the best deal possible. In business it's true that there's always room for improvement, and there was one area where ABC Warehouse realized it wasn't closing as many sales as it could. They decided they wanted to quickly do something about it.

What ABC Warehouse found was more than half, 60 percent, of the retailer's potential buyers were being declined for its primary credit option. That's a considerable amount of lost opportunity walking out the door. These credit denials at the point of sale proved to be not only embarrassing and uncomfortable for customers, but it also resulted in many shoppers abandoning their purchases completely. This is costly in both immediate revenue and long-term sales and loyalty. The Midwest retailer decided it needed to find a way to implement additional consumer credit that would facilitate and increase sales while also providing a positive customer experience.



## SOLUTION:

Vyze's seamless and secure point-of-sale platform that matches multiple potential lenders to buyers from a single application.

ABC Warehouse began its search for a partner that could help provide more of its customers with the credit options at point-of-sale. The partner must be able to provide a seamless customer experience and swift credit decisions, against multiple credit options, based on a single fast and secure application. The goal was to not only close more sales, but also strengthen customer relationships and build customer loyalty over time. "It was important to us that our credit solution would operate seamlessly at our point-of-sale," says David Dirven, VP of operations at ABC Warehouse. "We could not risk complicating the checkout process for either customers or our associates, and potentially turning customers away," says Dirven.

## ABC Warehouse selected Vyze, the world’s leading financing technology platform

After a detailed evaluation of potential credit partners, ABC Warehouse chose Vyze to help design, deploy, and manage a convenient method for customers to get credit at the point-of-sale. With Vyze, ABC Warehouse can grow sales and improve the checkout experience for its customers. Vyze provides access to multiple lenders and financing products including revolving credit, loan and lease products and integrates with a retailer’s current systems.

ABC Warehouse integrated the Vyze platform with its point-of-sale systems. Through Vyze’s seamless and secure process, ABC Warehouse is provided with the technology to connect customers to a solution that best accommodates their credit score, through multiple lending sources. When a buyer is declined for the store’s primary credit, they are automatically prescreened to qualify for credit from lenders with broader credit requirements - no additional application is ever needed. When a customer qualifies, they use the credit card signature pad at the register to read through the disclosures and accept the credit offer – a process that often takes less than a minute. The customer is then able to instantly complete the purchase. This Vyze platform reduces the once long tedious application to being quick and stress free to complete.

### Empowering retailers with more options

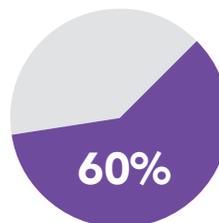
Vyze places the retailer in control over the process. One way is through a workflow known as “weighted distribution.” Weighted distribution enables incoming consumer credit applications to be routed to one or multiple lenders based on preconfigured weighting percentages. This way the retailer distributes applications among several lenders in real time. And lenders can just as easily be switched should one decide to change terms or reverse itself on a credit decision. Even though ABC Warehouse currently just has one lender on the platform, they have the ability in the future to seamlessly add others without any additional integration work. This way ABC Warehouse can focus on the core aspects of its business, while Vyze manages much of the day-to-day duties of the program including application, purchase, settlement, and reporting.

ABC Warehouse –like all consumer electronics retailers – operates within tight profit margins. There’s no room for costly mistakes. In these efforts, Vyze works with multiple lenders and negotiates the optimal credit agreements across providers. This is consumer credit that the retailer cannot only afford, but also can still return a profit on. “Over time, as lenders have transitioned, Vyze has made changes to our financing mix without requiring any additional investment,” says Dirven.

## RESULTS BY THE NUMBERS



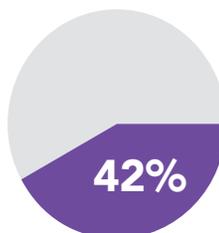
SINCE LAUNCH ABC WAREHOUSE CUSTOMERS HAVE FINANCED **\$5,000,000**



OF CUSTOMERS USE THEIR AVAILABLE CREDIT



**49%** INCREASE IN SECOND YEAR, FINANCED REVENUE



OF CUSTOMERS THAT APPLY ARE APPROVED

## More credit options mean more sales

ABC Warehouse set out to close more sales through in-store credit while also improving the financing experience for more customers. There was no room for any negative impact on the ease of checkout – either in the application for credit or during the purchase. Fortunately, ABC Warehouse found exactly all of this in Vyze.

Vyze now provides ABC Warehouse the complete platform it needs to close more sales and build brand loyalty. From the start, the application and purchase process remained easy for sales associates and customers. As a result of a seamless customer experience and swift application and decision process, Vyze not only helped to increase revenue but also helped to improve the overall customer experience.

Since the inception of the new customer credit initiative the results have been stellar: 53 percent of applications submitted have been approved, resulting in more than \$5 million in incremental revenue; and 60 percent of customers use their available credit. In the first six months of the program, the number of successful purchase transactions grew 49 percent for the same period from the prior year. “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,” Dirven said.

## APPLIANCE AND ELECTRONICS RETAILER



**SERVICE:**  
**RETAILER**



**SCOPE:**  
**REGIONAL**



**REVENUE:**  
**PRIVATE**



**LOCATIONS:**  
**43**

## WHY THIS RETAILER CHOSE VYZE TO EXPAND CREDIT OPTIONS



**EXCEPTIONAL  
CUSTOMER SERVICE**



**SEAMLESS CREDIT  
APPLICATION  
EXPERIENCE**



**NO DELAYS  
AT REGISTER**



**ABILITY TO TEST AND CHANGE  
LENDER MIX WITHOUT ANY  
NEGATIVE IMPACT ON SALES**

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-David Dirven, VP of Operations at ABC Warehouse



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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.