

The Ones Who Got Away

How financing options improve customer confidence & lead to new sales

By Andrea McCullion

If you are not offering financing, you are not closing every possible sale. Period.

When you say that to dealers or salespeople who are not using financing, there is usually pushback. "You don't know that. I don't need financing to close my sales," they say. Or "All my customers pay cash," they respond. All your customers? What about the ones who got away?

The Ones You Never Met

John and Sue are considering purchasing a water treatment system for their home. Like most major purchase

shoppers, they are concerned with value and price, so they do research online. They visit ABC Water Co.'s website and see "Affordable monthly payments" and "Six months same as cash available." They see ABC Water Co.'s TV ads and hear "Payments as low as \$80 per month." Then they visit your website and see nothing regarding affordability or special financing. They know they do not have the cash to pay for a system outright, so who are they more likely to call?

The 2015 Synchrony Financial Major Purchase Study found 80% of major purchase shoppers (defined as a purchase of \$500 or more) conducted research online and 34% researched financing. If you are not advertising clear financing options in all of your sales and marketing channels, you may never get the chance to get in front of those potential buyers for whom financing is an important consideration.

The Ones Who Objected

Unless your closing ratio is 100%, you likely have heard some objections to your sales pitch. "I have to check with my spouse." "I need time to think about it." "I'm happy with my current situation." But are these the real objections?

As you are going through your sales pitch, listing the features and benefits of your products, think about what your customers are thinking. For many, it is "What is the price tag going to be?" Every time you list a new feature, instead of hearing the benefit, they hear, "Cha-ching!"

By letting customers know up front affordable financing is available and by selling on monthly payments rather than a lump sum amount, you can remove the financial fear from the sales process. You have now made it easy for the customer to focus on how the system will enhance his or her life, rather than on how it will drain his or her bank account.



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The Ones You Undersold

Sure, you closed the sale, but it was just for a reverse osmosis system because the customer would not be able to pay for the whole-house system until she got her bonus from work. And in the next house, you sold a whole-house system but did not get the add-on for the air filter you also tried to sell because the customer balked at spending another \$1,000.

Using financing as a sales tool makes it much easier to up-sell customers because you are speaking in terms of monthly payments. If a customer can afford \$50 per month for a whole-house system and you also can improve the air quality in the home for just \$10 more per month, that is a much easier leap for buyers to make.

No More Missed Opportunities

Of course, financing is not a magic pill that guarantees you will never lose a sale or overcome every objection. But it will allow you to maximize the opportunities you do get by making sure your customers know they will have affordable monthly payment options available. There is little risk in doing so:

- Most finance companies do not charge dealer enrollment fees, and getting set up is usually fairly simple.
- Many finance companies have at least some low-cost promotional plans (comparable to taking a credit card) or even free options you can use, depending on the buyer's credit.
- Some finance companies provide free promotional materials you can use to let customers know financing is available.
- Most finance companies offer training resources to help you and your staff get comfortable discussing financing with your customers.

Talking about financing with customers is not nearly as scary as some salespeople imagine. Partnering with a finance company that offers training and simple programs will boost your confidence in your program knowledge. By advertising financing in all your sales and marketing channels, your customer already should know the purchase will be affordable. Then it is just a matter of consistently offering a payment option to every buyer: "The cash price is \$4,000, or we can do low monthly payments of \$60 per

month. What works best for you?" Or "We can offer you six months same as cash today so you can start enjoying great-tasting water now, but still pay no interest when you pay the loan off with your tax refund in a few months."

So while there is no magic pill when it comes to sales, by using financing as a sales tool, you

can ensure you are maximizing every opportunity and you will not be filled with regret down the road about the ones who got away. **WQP**

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