



## STRATEGIC CREDIT OPTIONS BUILD SALES, LOYALTY

This case study details how the Nation's largest home improvement retailer increased revenue and strengthened customer loyalty with expanded credit.



### BUSINESS PROBLEM:

Provide credit options to the one-third of its customers that don't qualify for its in-store financing.



### SOLUTION:

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

The modern retail market is extraordinarily competitive. Every marketing dollar invested in gaining store visits counts, as does converting as many shoppers into buyers as possible. To succeed, retailers need to serve their customers how customers want to be served. Few know this better than this national home improvement retailer that has customers from every walk of life. With annual sales that exceed \$70 billion, and with more than 1,900 stores in the United States, this retailer knows and is willing to do what it takes to succeed.

For instance, the home improvement retailer recently learned that about one-third of its customers didn't qualify for its store-branded credit card. And, as a result, the customers couldn't complete the purchases they wanted to make. This is a tremendous opportunity cost for both buyers and the store, as independent research has shown that roughly 90 percent of consumers say that, if they are declined credit at the point-of-sale, they would consider additional credit offers, but they want that option from the same application process. More than half the shoppers surveyed say they are not as likely to apply for additional financing if they are forced to complete multiple credit applications.

Winning these lost sales proved an important challenge the retailer needed to solve quickly. Because the home improvement market consists of a high percentage of big-ticket sales, this retailer, and their customers, are among those with the highest demand for point-of-sale credit options. It didn't want to lose any more revenue because many of its customers were being turned away from its store-branded credit card at the point-of-sale. These were customers who wanted to buy but were left option less because they simply couldn't get the financing they looked to receive.

These lost opportunities didn't just cost sales; they also created an undesirable checkout experience that shook customer loyalty. "We knew that we needed to find a way to reach the customer that wanted financing in our store, but wasn't able to meet a very high creditworthiness bar," says the executive VP at this retailer.

The retailer sought a better way.

## Search for more credit offers, better customer buying experience

In its effort to find a way to improve its credit program, the retailer decided it would do so in a way that would enhance the customer experience while making sure more customers who sought financing were approved. With a customer service initiative built solidly on the principles of simplification and putting the customer first, the retailer wanted to make certain the program did not complicate the checkout process or interfere in any way with the customer-associate relationship. To get there, the retailer had a number of firm criteria: a fast application process; no delays at the register; and a streamlined customer experience that would enable the concurrent vetting of multiple credit options.

The new system also must be able to securely handle a large volume of credit application transactions through this high-traffic retailer. Just as importantly, it must provide affordable, consumer-friendly lending options that would strengthen each of the store's customer relationships over the long haul. After an evaluation of potential financing providers and platforms, the retailer selected Vyze. In Vyze, the retailer found a partner that met all of its requirements and then some. Vyze also offered the guidance necessary to deliver continuous sales results and customer satisfaction.

## SUCCESS BY THE NUMBERS



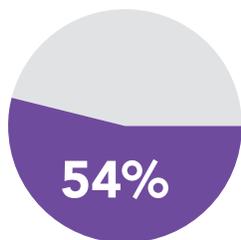
TOTAL PROGRAM  
FINANCE VOLUME  
NEARED **\$36M**



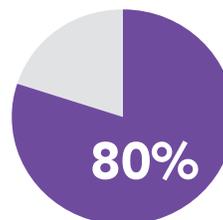
REPEAT FINANCE  
VOLUME EXCEEDED  
**\$19 MILLION**



REPEAT SALES GREW  
**191%** IN ONE YEAR  
FROM **27,000+** TO **79,000+**



TOTAL SALES WERE  
REPEAT SALES



OF FINANCED  
SALES WERE  
**INCREMENTAL**

## Vyze's strategic credit options

Through Vyze's seamless and secure platform, the buyer is matched to the best credit offer available from the retailer after filling out a single application. Here's how it works: Vyze provides the retailer with access to multiple lending sources. The retailer then selects the credit providers they want to work with. The Vyze platform is then fully integrated with the retailer's existing point-of-sale system. When customers are declined for the store's primary credit card, they are automatically prescreened for credit offers from lenders with different credit requirements—no additional application is ever needed. When a customer receives a credit offer, they use the credit card signature pad at the register to read through the disclosures and accept the offer, which is a process that takes less than a minute. The customer is then able to instantly complete the purchase. Later, the physical card is sent to their home.

Vyze delivers this exceptional checkout experience for every channel and for every customer through the smartest, most adaptable credit solutions available at the point-of-purchase. Because Vyze provides weighted distribution, a process that allows incoming consumer credit applications to be routed to one or multiple lenders, based on preconfigured weighting percentages, retailers gain maximum flexibility to make changes in real time.

Now, through the Vyze platform, the retailer uses three revolving credit providers, and each buyer's application is automatically routed to certain lenders based on conditions pre-established by the retailer. This retailer has the ability to adjust these conditions as business direction, and what provides better profitability to the business, change.

The retailer also can test approval rates and credit limits, and add or switch lenders with ease. This means that even if unforeseen events occur such as a lender changing their underwriting or reducing its lending capacity, another lender will seamlessly take its place avoiding any possible disruption to the program or the customer experience. Most importantly, when adding new lenders, the customer experience doesn't change, and a new system integration is not needed such as it is with a single lender setup. "Through a very streamlined process at the point-of-sale, Vyze finds customers the financing they need, and we close more sales," the executive says.

This means the retailer can focus on the core aspects of its business, while Vyze manages much of the day-to-day duties of the program on the lender side, including application, purchase, settlement, and reporting. With more than one lender on the platform at the same time, this retailer has the confidence that they will meet the demands of as many customers as possible.



### WHY RETAILER CHOSE VYZE FOR EXPANDING ITS CREDIT OFFERINGS



PROCESS IS **SECURE** AT CHECKOUT

ONE **CONVENIENT** APPLICATION MATCHES BUYER TO BEST FINANCING



CONVENIENT FINANCING **BUILDS SALES AND LOYALTY**

PROCESS **EASILY** **INTEGRATES** WITH EXISTING POINT-OF-SALE SYSTEM



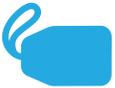
## The results are in

The retailer launched the pilot credit program in October and completed the rollout to all U.S. and U.S. territory stores by the following March. Through the Vyze platform, in addition to its primary credit provider, three new lenders were added to the retailer's credit program. The program is delivering incredible initial results, including more than 95,000 incremental sales transactions that comprise more than \$35 million in new revenue. In addition, more than half of the total sales have been repeat sales. These repeat sales constitute \$19 million. The average amount customers are financing during their first transaction is \$550, while the average repeat transaction is \$126.

And repeat sales soared. Over the year, repeat sales grew 191 percent from the existing 27,135 repeat sales transactions to 79,059 repeat transactions. Also, an astonishing 80 percent of sales financed were incremental revenue.

Based on program results and future projections, the company has found that the cost and time for the program implementation paid off through an increase in approvals and revenue and higher customer experience satisfaction. "As we finish our second year with Vyze, we are eager to continue to leverage Vyze and the financing program they've helped us build as a way to increase sales, meet revenue goals, and provide a customer experience that is incomparable," the executive says.

## NATIONAL HOME IMPROVEMENT RETAILER



SERVICE:  
RETAILER



SCOPE:  
NATIONAL



REVENUE:  
\$83 BILLION



EMPLOYEES:  
370,000

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-Home Improvement Executive



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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.