

# SELLING WITH FINANCE

## Retail Finance

Training Module 3

*Money your way*

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# Introduction

Welcome to the Finance Now Training Module – Selling with Finance.

Finance plays an important role in promoting sales by making the goods you sell more affordable, as well as assisting with closing a sale. This Module has been designed to give you some tips and techniques that will assist in adding finance to the sales process. It also provides general selling techniques that will help in most selling situations.

It has been specifically written for you, to be able to help walk you through some simple new techniques or re-emphasise those techniques you may already be successfully using.

At the end of the Module you will be capable of answering standard questions with regards to selling techniques, and recognising useful tips for successfully including finance in the sales process. In fact, to gain a completion certificate, that's exactly what you will be doing (answering questions) after the end of the training session. We have a short test form for you to complete so you can see what you have learned.

We trust you will find this a valuable tool.

# About Finance Now

Finance Now (FNL) is part of the SBS Bank group (formerly Southland Building Society). Established in 1869, SBS is New Zealand's largest building society having grown to in excess of \$2.5 billion in assets. Like FNL it is a wholly New Zealand owned and operated company. We have in excess of 1100 retailers nationwide utilising our Credit Sales facilities to assist in more sales.

We have 6 regional offices: Invercargill, Christchurch, Wellington, Tauranga, Hamilton and Auckland. Our team can provide your suppliers with skill sets designed to assist retailers to sell more product by utilising finance as a tool for closing more sales.

Our vision is to be "a valued service orientated enterprise and the first choice of our target markets". Specialising in retail consumer finance and insurances, we have been able to achieve this through our commitment to creating memorable customer experiences. This has been achieved by utilising leading edge technology designed with you, the end user in mind. Our philosophy is "if it is easy to sell it is easy to buy"

We customise our service delivery to meet the unique features and requirements of your business. You can process both applications and contracts by a variety of methods including fax, telephone, Internet and e-mail with a full range of finance products and terms that can be sold in-store on any sale, including interest free, interest bearing and combined interest free / interest bearing.

# Why Sell with Finance?

Finance provides you with another valuable selling tool. It does this by providing additional payment options for your customers who are unable or unwilling to use other methods of payment when purchasing goods. Finance has become an important part of the retail environment.

Finance can also be used as a marketing tool, promoting interest free and/or deferred finance options to your customers to attract interest in goods that people may not want to or be in a position to pay cash for at that present time. Not only that, you can use the finance database to market to customers as their loans are repaid, knowing they have potentially more cash to spend.

Commissions can often be earned on finance products. Interest bearing contracts, Booking Fees, and Insurance sales can all act as ways of increasing the all important revenue from a sale.

In the end what we all want is a successful sale. Let's look at this in more detail.

# Finance as a Payment Option

Makes goods more affordable to more customers

Question: Which sounds better?

**\$706.70 cash**

or

**\$9.95 a week**



Another example:     \$1000 over 24mths @ 19.95%  
                              *"That will be just \$11.70 a week, sir/madam"*

**Convenient payment methods** (Gives customers more time in their day for other tasks)

- Direct Debit
- Automatic Payment
- Phone / Internet Banking

**Don't have to use cash or credit card**

- Save cash & credit card balances for a rainy day
- Credit cards accrue interest daily  
(customers can end up paying interest on interest)

# Finance as a Marketing Tool

## Obtain database to future market to customers

- Once the loan on a previous purchase is paid in full, what can that payment now buy?

Example: "For the same \$18 a week you have been paying, you can get this new TV to go with your home theater"



## Use as a promotional tool to attract customers into your store

- Makes your goods seem less costly and more affordable
- The word 'Free' is extremely powerful

Example: "Interest Free for 12 months"

Or (using Deferred finance)

"No interest, no payment to June 09, then 24 months to pay"



# Finance to Boost Revenue

The Retail store can earn commission on:

- Interest Bearing contracts
- Customer Booking Fee
- Insurance Sales

Get normal GP from sale



Or

Normal GP

+

interest \$

+

booking fee \$

+

insurance \$

=

A greatly increased contribution



# How to Sell with Finance

(...and anything else!)

## Basic Sales Tips and Techniques

Today there are more types of sales styles and techniques than ever before. So how do you know what works and what doesn't? It really comes down to what works for you and what works for your products.

Think about your target market and how they think about your product. Do they know they need it and simply have to choose from the various brands on the market? Do they even know about all the products that are available in your store (especially finance)?

Having said this, there are some simple techniques that are beneficial in almost any market.

These tips are basic guidelines that almost any sales person can benefit from. Of course we are most interested in finance product sales and have focused on this, but we have also included some general selling tips we trust you will also find useful.

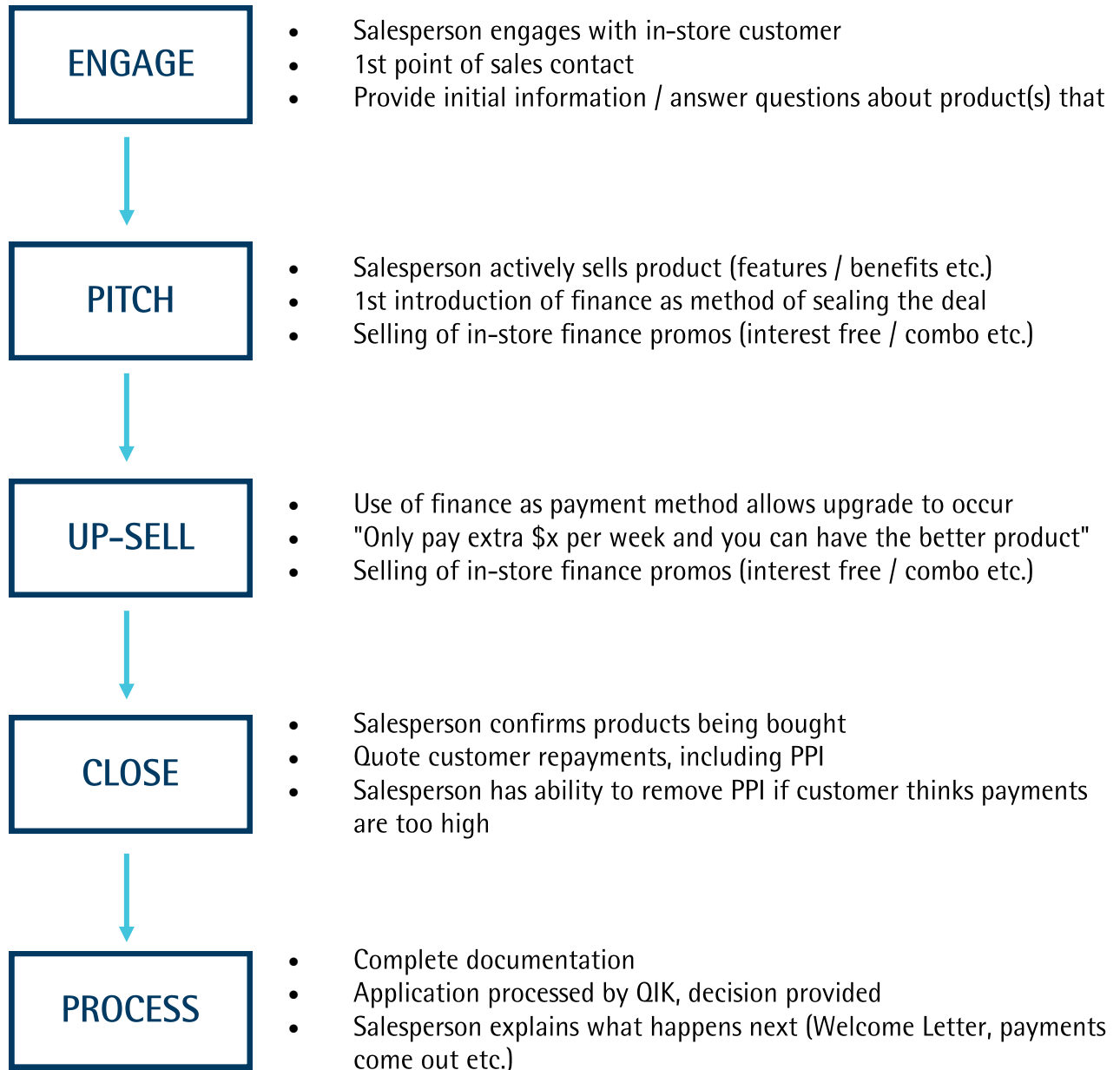
## Your Tips

We would love to hear about the sales techniques that work for you. It's great to share successful ideas - we'll post them on our website and you can keep developing your skills. It's amazing what works in different situations.

The person that sends in the best tip will win a Sunbeam Platinum MultiBlender - perfect to make those chilled summer drinks!!

Send your sales tips to [info@financenow.co.nz](mailto:info@financenow.co.nz)

# The Sales Process



# Engage

A customer enters a store, shows interest in the products being sold. A retail staff member makes first contact with the customer...what happens next?

## Selling with Finance (engage)

In order to sell with finance it helps if both the sales person and the customer know that finance is available. It's even better if the sales person has a good working knowledge of the finance products they can sell.

1. **Utilise Point of Sale Material** (posters, tent cards, price tickets etc.)

- Reminds customers and staff of finance options



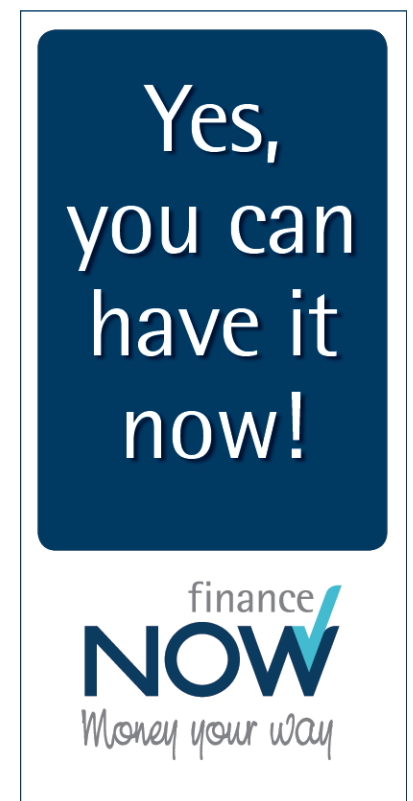
- Best kept secret can not be sold

2. **Know the cost** (be prepared)

- What are the weekly/monthly repayments?
- Use calculators or repayment charts

3. **Tell the customer what you offer** (sounds obvious, I know)

- "Did you know that most products in our store can be financed?"
- "We have several finance offers available to suit your needs"



## General Selling (engage)

### 1. Greet normally

- "How are you going?"
- "How is your day?"

### 2. Find out about your customer

- Let the customer do most of the talking—people usually love talking about themselves and what they want
- "What are you looking for?"
- "What would best fit with what you have at home?"

### 3. Listen to the answers and how the customer is feeling

- A customer in a good mood can make a great purchase experience
- A customer in a bad mood may have a purchase need which you can find a solution for
- The customer will always give clues as to what they are really after

# Pitch

You've greeted the customer, and have an idea of what they are in your store for...now what?

## Selling with Finance (pitch)

- Once the customer has expressed interest in purchasing the goods, the staff member then advises the customer of the different payment options available to them:

"We have finance options available and we also accept cash or credit cards"

- Emphasise the availability of finance to the customer, and the benefits of purchasing goods via finance.

"Items over \$195 are able to be financed from no deposit and up to xx months to pay"

- When selling the finance to a customer, it is important not to assume that the customer isn't interested. Always ask questions using open ended sentences:

"What sort of repayments would suit your budget?"

You can tailor their repayments to fit their budget. It leaves their cash/available money on their credit card free for additional purchases.

- Quote the customer a weekly finance repayment when first discussing the price of the goods  
→ weekly repayments always sound less

**Example:** "For only \$xx.xx a week, you could have it NOW" or  
"That's \$1000 or from as little as \$xx.xx per week"

Always include the Insurance premium when quoting the weekly repayments; it's easier than adding it in later.

- Let the customer know the finance is fixed known payments over a specified term

"You know when you will finish paying this off"

## What's in a Rate?

Many customers will hesitate over the perceived high cost of an interest rate. In reality there is very little difference between typical mortgage rates and hire purchase rates when it comes to the weekly payments.

See the tables below.

### Weekly Payments over 12 months

Amount Financed	24.90%	20.90%	16.90%	12.90%	8.90%
\$299	\$7.71	\$7.58	\$7.44	\$7.31	\$7.18
\$499	\$12.09	\$11.87	\$11.65	\$11.43	\$11.22
\$699	\$16.48	\$16.17	\$15.86	\$15.55	\$15.25
\$999	\$23.05	\$22.61	\$22.17	\$21.73	\$21.30
\$1,399	\$31.82	\$31.20	\$30.58	\$29.97	\$29.37
\$1,599	\$36.21	\$35.50	\$34.79	\$34.09	\$33.41
\$1,999	\$44.98	\$44.09	\$43.21	\$42.33	\$41.47

As you can see there is less than \$0.60 per week difference for a \$299 deal over 12 months.

## Booking Fee

Customers may question the booking fee and the monthly service fee that may be charged on the contract. Here are some tips to overcoming this objection:

- Focus on the affordability of the weekly payments
- Advise your customer that the weekly payments include all fees (and PPI if sold with the contract)
- Remind your customer that the Booking Fee is a once only charge
- Advise your customer that the Monthly Fee is only charged for the months that the contract is active (it is not added up for the whole term if the contract finishes early).

## General Selling (pitch)

### 1. Sell the benefits not the product

#### Examples:

- Selling a cell phone  
"You can talk to your friends from anywhere, anytime"
- A lounge suite  
"Something comfortable after a hard days work"
- A fridge  
"Perfect when you need an ice-cold drink"

### 2. Find out your customers priorities

- It's much easier to sell a customer something they want  
"How often do you listen to music at home?"  
"Do you watch a lot of sport?"  
"Do you do much texting?"

### 3. Focus on your customers needs

- Don't sell more (or less) than your customer needs  
"What is your budget?"  
"What are you using the goods for"

**Example:** If your customer is looking to furnish their bach at the beach they may not want the most expensive LCD TV in the shop.

### 4. Use language that focuses on your customer

- Using "you" and "yours" or "you'll find..." rather than "I think" or "Let me tell you about" brings your message a little closer to home and may grab their attention more quickly.

### 5. Focus on why they should buy - not their objections

- The customer showed interest for a reason  
"We now know what we're looking for. Let's see if we can find the best model for you."

# Up-sell

Your customer is in a buying mood and has given you information about their needs. This is a perfect opportunity to make a great sale by upgrading or adding in those extra products...but how?

## Selling with Finance (Up-sell)

Once your customer has confirmed that they wish to purchase goods on finance, you then have an opportunity to up-sell the customer by showing them the next product up or extras to accompany what they had originally decided on and to add it onto their proposed finance option.

### 1. Use weekly payments to make it affordable

"For only an extra \$xx.xx per week, you could have the next model up"

### 2. Utilise Credit Limit to up-sell customer

- If your customers approval comes back with a higher limit, you can sell them goods or accessories up to their credit limit
- Credit Limits are normally \$3000 - \$6000

### 3. Use cash or rebate as deposit and trade up to better quality

"You can buy this for cash, but if we can use your cash as a deposit you can get THIS for only \$xx.xx per week"

For \$899 cash

or

For \$899 deposit &  
\$12 per week



## General Selling (up-sell)

### 1. Share information with customers early in the buying process

- If you simply show the best stuff first it can be harder to introduce other options. Ask good questions to determine your customers needs, which will make them more inclined to listen to all related options

"Here's our full range of lounge suites. What's the size of the room you are looking to furnish?"

### 2. Bundle several related products together

- You will find many customers just can't resist the bundle bargain

"With this TV you'll want a home theatre system"

"This nest of tables will look great with your new lounge suite"

- If your product works much better with a complimenting item, be sure to tell customers about it. It is surprising how many products and services go hand in glove. It's hard to have one without needing the other.

"It works fine by itself, but it REALLY works when you add THIS."

# Close

You are now at one of the most important stages of selling - closing the deal. But how are you going to get that agreement to the sale from your customer?

## Selling with Finance (close)

- 1. Ask the question. Is finance the preferred payment option?**
  - "How would you like to pay for this?"
  - "Would you prefer weekly, fortnightly or monthly payments"
- 2. Confirm with the customer the repayment amount and everything it includes**
  - "So that's \$xx.xx per week over xx months including the PPI (Payment Protection Insurance), booking fee and interest/monthly booking fee (if applicable)"
- 3. Make sure your customer agrees and is comfortable with this repayment amount and what it includes**
  - "Is that OK?"
  - "How does that suit your budget?"
- 4. Move straight into the process. Presume your customer is already sold.**
  - "Let's start filling out the form"

## General Selling (close)

There are many closing techniques in sales. Here are some that you may find useful.

1. **Act as if the other person has made the decision already**  
(Presumptive Close)

"When shall we deliver it to you?"

"What will your family say when they see the new TV?"

"Where will you put it?"

2. **Summarize the list of benefits that your customer will receive, telling them the full extent of what they are getting for their money**  
(Summary Close)

"So as well as the basic product, you are getting free delivery, plus our comprehensive warranty"

"This comes in an easy-carry box and includes a remote control, with batteries included, of course!"

3. **Get your customer to agree to the sale if you overcome their objection**  
(Conditional Close)

"You say you want a red one. If I can phone up and get you one, will you take it today?"

4. **Test whether your customer is ready to close**  
(Trial Close)

"It looks like you really like this. Is that true?"

"Do you prefer the larger or smaller version?"

"How would it look on the shelf back at home?"

# Sales Tips

## 1. Never rush the sale or the customer

- It's much easier to sell to a customer that's not annoyed

## 2. Follow through with promises

- If you say the goods will be delivered by Friday - DO IT! It may not affect this sale but it will make the next one easier

## 3. Don't try to trick your customer

- If people feel tricked or cheated, they will not only not buy from you now, they may well never buy from you ever again or even turn all their friends against you

# Selling Insurance

## What is it?

Payment Protection Insurance (PPI) and Chattel & Payment Protection (CPP)

Finance Now offers Payment Protection to reduce the risk that your customers are exposed to, giving them full peace of mind when it comes to protecting their assets / credit rating.

## PPI

- An insurance policy covering the customers repayments, or balance in some circumstances, when unforeseen circumstances occur and inhibit the customer from making their installments.

## CPP

- Select retailers are able to offer a chattels cover, as well as the PPI, which covers the customers goods from accidental damage or theft. If your customer does not have contents insurance, it is highly recommended that they take this cover.

## Tips to Selling Insurance

### 1. Find out how much the customer is comfortable to pay

"How much would you like to pay for your finance repayments"

### 2. Always tailor the quote to match the customers expectation, including PPI

- Remember, it's easier to reduce the repayment amount then increase it!

"We can do your repayments for \$14.39 a week, including PPI"

### 3. Advise the customer of everything the PPI covers and the benefits of taking out the insurance

"Did you know that this policy includes a redundancy cover?"

### 4. It is important to confirm with the customer that they agree and are comfortable with the repayment amount and what it includes

"Is that OK?"

# Overcoming Insurance Objections

"Don't need it. It won't happen to me"

"No one can predict what is going to happen in the future"

"It's too expensive"

Remember to include PPI when quoting the finance payment and advise your customer of the repayments in weekly amounts

"My partner is working"

"PPI means that you don't have to change your lifestyle if one of your incomes is lost"

"I've had a bad experience with insurance before"

It is important that you make your customer aware of any exclusions that the policy holds. Pre-existing health conditions and non-redundancy job losses are the most important

"Do I have to take it?"

"No, it's not compulsory but it is strongly recommended that you take to help provide peace of mind"

"Isn't that what ACC is for?"

"ACC will only cover 75% of your current income; It's the additional 25% this is usually used to service finance repayments"

"I already have insurance"

"That's great that you realise the benefits of insurance. Are you able to confirm that your existing policy will cover this contract?"

"I have lots of sick days owing"

"Few employers will continue to pay sick leave indefinitely. For less than \$1 a day, this policy will provide you with peace of mind"

# Your Turn

Test your knowledge of the selling with finance process by answering the 15 questions below. If you're not sure of an answer, look back through this module to find out.

1. What is a 'Presumptive Close'?

- Closing the storeroom door
- Closing the sale by presuming the customer has already decided
- Assuming the customer wants something else
- Assuming the goods are unavailable

2. What is a "pocket calculator"?

- A small electric calculator
- A device to count pockets
- A weekly payments chart supplied by FNL
- A rate chart supplied by FNL

3. The products 'benefits' are?

- What the product can do
- Tax credits
- How the product meets your customers needs
- The colour of the product

4. What Payment Methods are available?

- Direct debit
- Automatic payment
- Internet banking
- All of the above

5. "PPI" is?

- Petrol Pump Inspector
- Payment Protection Insurance
- People Protection Insurance
- Payment Process Insurance

# Your Turn

cont.

6. What is 'Up-Selling'?

- Upgrading or adding to a customers purchase
- Sending the customer to the office to complete the sale
- Referring the sale to a senior sales person
- Getting taller when you make a sale

7. Is PPI compulsory?

- Yes
- Only for customers over the age of 65
- Only for customers under the age of 25
- No, but it is recommended

8. Which of these is not an example of Point of Sale material provided by FNL

- Finance available posters
- Finance available tent cards
- Finance available bumper stickers
- Price tickets

9. The 'Pitch' is?

- The level of in-store music
- Greeting the customer when in the store
- Getting the customer to sign a finance contract
- Finding out your customers needs and discussing products that meet these needs

10. Customers can make payments to Finance Now

- Weekly
- Monthly
- Fortnightly
- All of the above

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