

The Power of the Payment

By Gary Lukoski

Does your dealership offer financing? I hope not. That may be a shocking statement coming from the sales manager of a finance company, but allow me to explain.

Pick up your local newspaper or listen to a local radio station—everyone from plumbers to roofers “offers financing.” If you or your staff are using those words when speaking to customers or in advertisements, then you are just one of the pack. Your message lacks focus and becomes meaningless, which could cause customers to drift away, thinking they cannot afford to buy a quality water system for their home.

There is a simpler, more effective way to gather prospects and close sales: Be specific and quote affordable monthly payments.

Choosing a Finance Company

There are several easy steps that can help your dealership use financing more effectively. The first step is to find a good finance company specializing in water treatment products. It needs to have a menu of plans available—not all customers’ financial needs are the same. Establish a good relationship with that company and understand its financing terms well enough to convey them to your customers accurately.

Make finance training a requirement for your entire office and sales staff. Once properly trained, they will be confident promoting sales of your products with the power of the payment.

Benefits of Ownership

Customers respond to low monthly payments when choosing water treatment equipment. The residential water treatment business was built on rental programs for two reasons: zero- or low-cash outlay and low monthly payments. The customer realizes the benefits of good water and the low monthly payment does not disrupt the family budget. Millions of people have been introduced to water treatment equipment through rental programs.

The downside of renting is that customers never own the equipment.

Many times they end up with used or outdated rental equipment that gets the job done, but guzzles large amounts of salt, which they have to pay for. Rental programs also mean a never-ending payment for customers and a trickle of cash flow into your dealership.

Rental can be a losing situation for you and your customers. They will prefer ownership if given the opportunity, especially if the monthly loan payment competes favorably with local rental rates. Your dealership could see thousands of dollars in new sales, rather than having to chase rental customers for money each month.

A New Sales Approach

To achieve better results with prospecting and closing, be specific with repayment terms. Build your advertising, direct mail, telemarketing and sales presentation around a financing benefit such as:

- “No money down, payments as low as \$49;”
- “No payments until January 2013;”
- “Enjoy bottle-quality drinking water in your own home for only \$35 per month;” or
- “Rent or own, the payment is the same: \$49.”

Train your sales force to use a low-payment plan to their advantage. Taking a payment of \$75 a month and breaking it down by 30 days translates into less than \$3 per day. Have salespeople show customers how much they are spending on bottled water and cleaning supplies on a daily basis.

Once the prospect has a specific payment in mind, it is much easier to handle objections about price. If the payment is low enough and the sales presentation has built value, the prospect will want to “qualify” for financing and will be eager to fill out the credit application.

To help visualize this concept, put yourself in the customers’ position for a moment. They have a lot to absorb when reading your advertisement, looking at your postcard or sitting in their kitchens during a sales presentation. Their decision to schedule a

water test or make a purchase is based on interest in the product and how it affects their allocation of disposable income. They need specific numbers that do not scare them away.

Most importantly, you need to be able to deliver on your promise of a low payment. It will be much easier to get referrals when word gets out about your dealership’s high-quality water conditioning equipment and low monthly payments and interest rates. The monthly payment quickly will become a lead source for you. It could even become your company’s motto or slogan: “ABC Water Conditioning: Perfect water for only \$49 a month.” Keep repeating it, and soon your dealership will have a relatable identity.

Conquering the Competition

In most markets, your competitors will be vague about the payment or interest rate, or quote a monthly payment more than \$100. If pressed by the prospect, they will quote an interest rate of 18% or more. Once you get to a three-figure payment for water treatment equipment with double-digit interest rates, your chances of making the sale decrease dramatically.

Watch your competitor’s advertisements. Would you get excited if you saw “financing available” in the small print? “Perfect water for \$49 a month” sounds more appealing to me.

I hope you will be able to implement these tips at your dealership to start using financing in a more effective way. If you put some energy into your company’s financial offerings, you will see almost instant results. Once prospects know about the low cost and budget-friendly way to buy water conditioning equipment from your dealership, your new sales will break records and leave your competitors scratching their heads. So get going, stop offering and start selling. *wqp*

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Improving sales
with effective use
of financing