

# 2017 HOLIDAY SALES RESULTS SIGNAL THE START OF A RETAIL CREDIT MOVEMENT

## The numbers are in from the 2017 holiday shopping season, and the results are overwhelmingly positive.

The National Retail Federation (NRF) reports a 5.5 percent increase in year-over-year holiday spending, to the tune of \$691.9 billion in retail sales, making it the largest increase in retail sales since the economic recession in 2008.

With thousands of store closures and bankruptcies taking the headlines, retailers and analysts alike were eager to see how retailers would fare during the holidays in the age of the multichannel customer. Of total holiday sales, \$553.5 billion took place in physical stores, while \$138.4 billion represents a combination of online and non-store sales. Online and non-store sales continue to make gains, increasing from \$122.9 billion in 2016.

Though sales as a whole increased, results from individual retailers were mixed. Amazon reported preliminary numbers in late December, including 4 million new Amazon Prime memberships in a one-week period and a staggering 70 percent jump in shopping via the Amazon App. On the other hand, Target released data showing a 1.3 percent drop in comparable store sales, despite doubling down on advertising and holiday promotions.



OVER 50% OF CUSTOMERS PLANNED TO USE A CREDIT CARD DURING THE HOLIDAYS.

## Optimizing the Customer Experience to Drive Results

From the results it's evident that the retailers that took the time to invest in their customer experience from browsing all the way to checkout, fared the best this season. In Forrester's report "Surprise, Retail is Growing", they expand on this sentiment:

“Retailers must focus on technologies and solutions that help make them great retailers – rather than technology innovators – and remove their customers' many unique pain points throughout the shopping journey. In a world where most retailers are falling behind on delivering great experiences for customers, simply delivering a great experience is a differentiator.”

Innovative, customer-focused retailers are always searching for ways to better serve shoppers and increase sales. They know that it's not just about what they sell but largely how they make it available and affordable to their customers. Much discussion is given to improving the overall shopping journey, but the last mile is one that is often left undiscussed and that's how consumers pay.

According to recent Vyze research, over 50% of customers planned on using a credit card to make a purchase during the holiday season. Meaning that customers were actively looking for flexible payment options that make the products they want more accessible and within their budgets. Credit is a proven way to improve the experience and drive sales, especially around the holidays. That's where Vyze comes in.

## Retailers Meet Holiday Sales Goals with Retail Credit Platform

As a financial technology platform, Vyze helps retailers build customer loyalty by optimizing their credit program with multiple lending options and superior customer experience. In using Vyze, a handful of retailers came out on top this holiday and exceeded their sales goals.

### Build.com triples holiday ticket sizes

Build.com is the largest online-only home improvement retailer, bringing together personalized customer service and an endless selection of quality home products - with the convenience of shopping online. In early November of 2017, just prior to the surge in holiday shopping, Build.com introduced a private-label credit program using the Vyze platform. This credit program offers a variety of retail credit options to Build.com customers, via the Build.com website or Build.com's call center.

"As an online-only business, we're always looking for innovative technology that can drive a better customer experience and ultimately long-term growth," said Build.com Project Manager Cory Iler.

During the 2017 holiday shopping season, Build.com exceeded their Cyber Monday sales targets by 23 percent. In addition, Build.com tripled average ticket sizes for purchases made on private-label credit cards, as compared to customers paying with a non-store credit card. And with the launch of the private-label credit program, Build.com achieved an 88 percent approval rate for customers who submitted credit applications.

"Vyze delivers a financing platform that allows more customers to complete the home improvements they want and need to move their lives forward," said Iler.

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—Cory Iler, Build.com Project Manager

### Adorama more than doubles average holiday ticket sizes

Adorama is one of the world's largest photography, video, audio and computer retailers, serving customers for over 40 years and growing from the flagship New York City store to an online destination for imaging and consumer electronics.

## ADORAMA'S AVERAGE PURCHASE AMOUNT WENT FROM



**\$500** → **\$1,325**

WITH A CREDIT PROGRAM

Just before Thanksgiving and the impending Black Friday shopping event, Adorama launched special financing for electronics purchases. The financing offer includes no money down and interest-free financing if paid in full for purchases over \$500 or \$1000 within 6 or 12 months, respectively. Adorama customers can apply for the new financing terms prior to making a purchase, or in the online checkout process.

"Adorama's new financing options significantly improve the online experience we offer to all shoppers, while easing the stress during the critical holiday season," said Adorama CMO, Lev Peker.

The launch of Adorama's new credit financing options paid off with some stellar holiday sales results. Adorama's average purchase amount went from \$500 with no credit program to \$1,325 with a credit program! And with 31 percent of customers accessing financing via mobile device, expect mobile to be an area of focus in terms of driving sales.



## ICON Health & Fitness boosts Black Friday credit sales and financed amounts

ICON Health & Fitness, an ecommerce company based out of Logan, Utah, is the largest online manufacturer and distributor of fitness equipment, behind fitness brands like Gold's Gym, NordicTrack, and Proform.

With average ticket sizes hovering around \$1,500, ICON had to make its big ticket fitness equipment fit into varying customer budgets. ICON turned to Vyze to develop a way to offer multiple credit options - and turn shoppers into buyers in the process.

"Vyze played a critical role in growing our direct-to-consumer business by taking the time to really understand our business," said Ryan Dunkley, VP of Marketing.

Coming out of the 2017 holiday shopping season, ICON's results include a 122 percent increase in year-over-year credit sales and a 70 percent increase in year-over-year ticket sizes - both as compared to Black Friday 2016.

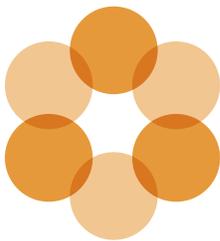
ICON EXPERIENCED A  
**122% INCREASE**  
IN CREDIT SALES AND A  
**70% INCREASE**  
IN TICKET SALES

## Vyze: the retail credit platform that makes it all possible

Over Black Friday 2017, 51 percent of customers applied for financing online, 49% applied in-store. With over \$1 billion in credit given to date, Vyze is a proven way for retailers to drive growth, both in-store and online.

### Key takeaways from the 2017 retail credit movement

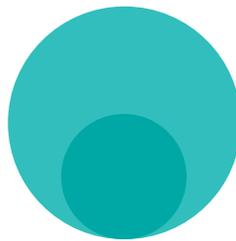
Retail Credit Ticket Sizes Soar with Private-Label Financing Options



**200%**

higher average order value

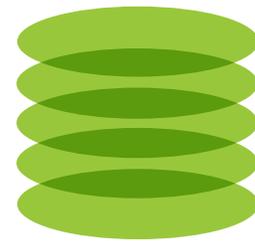
Customers Demonstrate Loyalty Through Repeat Purchases



**20+%**

higher repeat purchases

Enhanced Customer Experience Drives High Approval Rates



**up to 90%**

approval rate



#### About Vyze

Vyze is a leading cloud-based financing technology company for retailers. By combining technology, a comprehensive lending supply, and support under one roof, Vyze delivers businesses more satisfying financing experiences for their customers, wherever and whenever they shop.