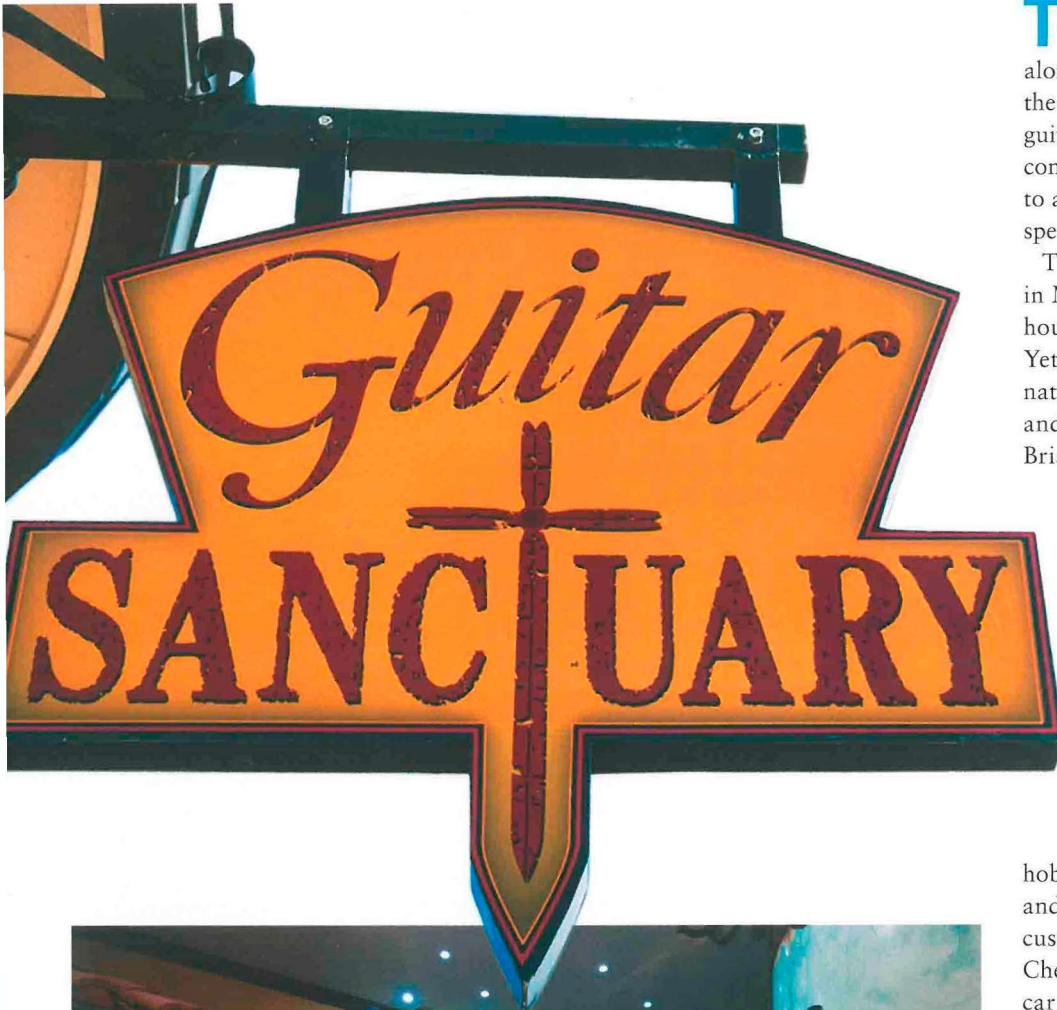


The Smooth Sound Of Sales

The Guitar Sanctuary benefits from offering customers additional payment options

by M.V. GREENE



The Guitar Sanctuary is a specialty retailer that doesn't mind strumming along for sales at the intersection of the physical and online worlds. Selling guitars and musical accessories, the company seeks an edge wherever it can to attract and meet the desires of a highly specialized clientele.

The company has one store, its base in McKinney, Texas, less than an hour's drive from the Dallas Metroplex. Yet The Guitar Sanctuary enjoys a national presence through ecommerce and social media, says sales manager Brian Meader. It casts a wide retail net and promotes its products in ways ranging from Facebook Live events and guitar shows to concerts and instructional clinics.

"Our online and in-store presence are really just kind of our global business," Meader says. "It's all about brand awareness for us and making it easier for customers to do business with us."

The Guitar Sanctuary's customer base is largely made up of hobbyists, collectors, weekend players and some professionals seeking unique, custom instruments — not "Fords or Chevys," Meader says. "If we were a car dealer, we'd be a dealership selling BMW, Ferrari, Maserati, Lamborghini and Porsche."

These customers have the means to buy and typically are successful in their own professions and businesses. "Music is a passion and a hobby for them rather than their primary source of income," he says.

But like most consumers pondering major purchases, that doesn't mean they won't think twice about plunking down a few thousand dollars for a high-end product like a guitar. Helping customers finance instruments that may range on average from \$4,000 to \$8,000 is one way The Guitar Sanctuary keeps pace with the competition.

INCREASED SALES

Studies from payment vendors have shown that the average order size of purchases increase when a financing option is available, and customers tend to come back for future large purchases to stores that offer financing. A study commissioned by PayPal found that average order values can increase by 15 percent or more for businesses that offer financing options.

Retailers embrace alternative forms of financing at the point of sale not only as a convenience to their customers but also as an engine for sales. Meader attributes an increase in online sales at the Guitar Sanctuary, in volume of sales and average number of online purchases, to the financing option available through Blispay.

“It’s one more easy way to pay,” Meader says. “It’s all about making it that much easier for our customers to do business with us. It removes one more hurdle for them.”

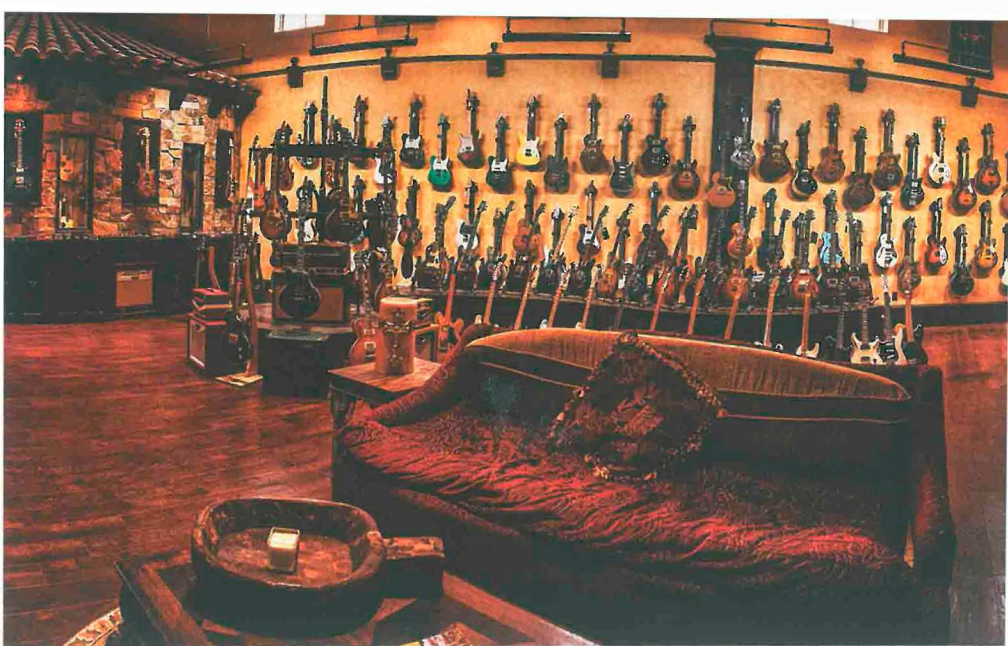
Greg Lisiewski, founder and chief executive officer of Blispay, calls micro- to mid-market retailers like The Guitar Sanctuary “underserved” in the financing arena.

While POS retail financing is hardly a new concept, Lisiewski says Blispay builds in flexibility for merchants and consumers unavailable in traditional financing programs for big-ticket purchases. The core product offers a deferred, no-payment, no-interest account on all purchases over \$199 if paid in full in six months on credit line amounts of up to \$10,000 with a 2 percent cash-back rewards feature.

The account is issued as a Visa credit card; once users have the account, they can make purchases virtually anywhere.

Lisiewski says traditional POS financing, while a valuable tool for retailers, has “tended to skew toward larger merchants.”

Smaller merchants “need a solution that is simple and easy to deploy,” Lisiewski says, who previously served in executive roles with Bill Me Later and PayPal. “They are very, very busy people. They don’t have a lot of resources or back office capacity.”



INSTANT DECISIONS

Meader says traditional POS financial programs tend to be labor-intensive for merchants and time-consuming for customers, particularly for online consumers.

“If you are going to do their traditional financing, it is all predicated on the customer being right with you in the store and being able to do address and identity verification and you have to do a long contract process,” Meader says.

Blispay offers on-the-spot, real-time, instant financing: Applications take a few minutes to complete and credit decisions are made within 15 to 20 seconds.

“A lot of time it isn’t a matter of our customers needing financing to be able to make the purchase, but more of a smarter use of their money,” Meader says. “A lot of our customers are looking to take advantage of deferred interest or same-as-cash programs where they can kind of spread out the use of their money a little longer.”

Lisiewski says Blispay is showing traction in the financial marketplace because it exists as a “messaging-only” platform — meaning there is no incremental cost and or technical integration for merchants to deploy the product.

“We are driven by the customer’s own device over the Visa platform, so there is no payment, checkout or device integration or back-office settlement or wiring of funds,” he says. “We empower our customers because they can take that financing offer with them and use it everywhere they shop.”

ANOTHER OPTION

Lisiewski says POS retail financing has been a difficult market for merchants because the landscape is dominated by a few major players, notably banking companies, who set financial terms and procedures as a means for “building balances instead of helping retailers sell more products.”

He’s under no illusions that a product like Blispay will replace bank-issued payment cards as the major form of purchasing, expecting it instead to add to the mix of options for those consumers who want it.

“Methods of value exchange, how to pay for a good and service, have evolved over time,” Lisiewski says. “One never goes away. It just becomes less and less of a share of how things get done.”

Over time, the Blispay platform became so compelling to The Guitar Sanctuary’s business that its link resides on the company’s homepage and every page that features a product for sale. Meader says the average order value for Blispay buyers is double than what is typical for the Guitar Sanctuary.

“We had been on the lookout for a financing partner that could help with our online customers,” he says. “When I read about Blispay, it seemed like one of those companies where they’re ready for the next-generation consumer that ... has grown up with the internet.” **STORES**

M.V. Greene is an independent writer and editor based in Owings Mills, Md., who covers business, technology and retail.