

Second-look Financing Unlocks

New Sales Opportunities and Builds Customer Loyalty



SECOND-LOOK FINANCING

Increases Sales, Builds Customer Loyalty, and Encourages Repeat Purchase Activity



Competition is fierce in today's economy making it critical for merchants to find additional ways of attracting and retaining customers. Many businesses though are losing valuable customers every day by ignoring a huge market segment: consumers who are turned down by primary lenders, but are really just below the threshold served by prime banks.

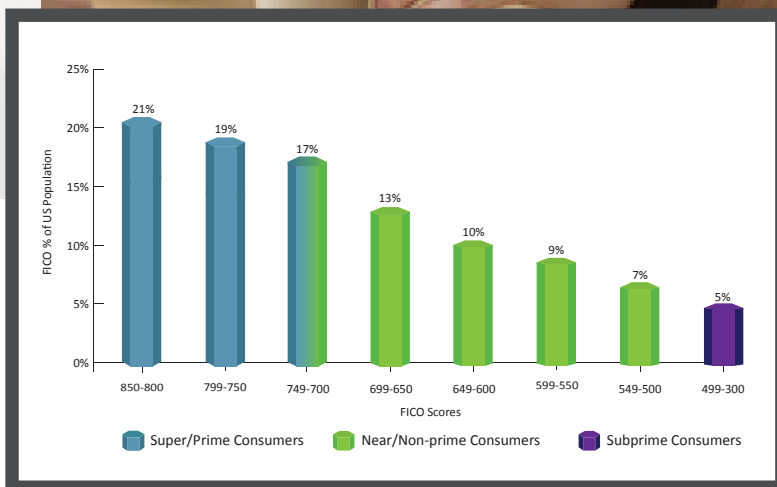
Providing a second-look financing option supports an underserved market and helps businesses unlock new sales opportunities by providing non-prime consumers with high-quality credit solutions. With second-look financing, merchants capture more customers, generate sales that would otherwise be lost, increase ticket sizes, and build brand loyalty. Also, by offering more credit options like the Genesis Credit second-look program, retailers are able to engage with an expanded demographic and develop customers for life, thereby creating consistent repeat purchase behavior.

Large Untapped Market Opportunity

Nearly half of consumers are classified as non-prime and approximately 30% of those consumers qualify as near-prime



Approximately 30% of non-prime consumers qualify as near-prime, meaning their credit scores are just below the prime threshold.¹ Considering it can take up to 10 years to overcome a negative credit history, a middle income consumer whose past financial issues remain in their credit report could be declined by a prime lender despite their ability to afford payments. The FDIC found that 21% of consumers from households with incomes between \$50,000 and \$75,000 lack access to traditional financing.²



¹"The Consumer Credit Card Market" Consumer Financial Protection Bureau, 2017
²"Who Are the Millennial Shoppers? And What Do They Really Want?" Accenture, 2013

Graph Data Source: Fair Isaac Corporation 2017. Distribution is representative of the FICO Score 8 Version of the FICO Scoring Model.

Underserved Market for Merchants

Up to half of the non-prime market is comprised of millennials

The non-prime market is comprised of millennials who are just starting to build a credit history and entering a period when larger ticket purchases are needed. Accenture estimates that millennials spend \$600 billion each year in the U.S. alone. These consumers are solidly middle class, with fixed incomes, and steady employment. They are not interested in high cost, lease-to-own options that do not help build credit history. They are credit-worthy consumers with the ability to make monthly payments, but don't qualify for primary financing due to a lower credit score. These non-prime consumers need financing options, like Genesis Credit, that are not solely determined by their FICO score.





The truth is credit scores alone do not provide an accurate evaluation of a consumer's credit worthiness

Second-look providers like Genesis Credit determine a consumer's credit value using a systematic approach in analyzing extensive data points. Credit worthiness should be evaluated on more than just a FICO score. Some consumers are young and just starting to build a credit history. Others fell behind on payments because they lost a job or suffered financial losses during the recession. While others are considered "credit invisible", because they've yet to buy homes, cars, and other products to establish credit history—all issues that negatively impact a credit score. Merchants should consider partnering with a quality second-look provider like Genesis Credit because they not only use a unique system that analyzes almost 30 data points to evaluate a non-prime consumer, their programs are nonrecourse; meaning Genesis Credit assumes all the risk of financing the purchases of a non-prime consumer.

SECOND-LOOK FINANCING

Promotes Customer Satisfaction and Loyalty

A photograph showing a group of people, likely customers, sitting around a table in a casual setting. They are all looking at their smartphones, suggesting they are using mobile devices for transactions or information. The scene is brightly lit, possibly from natural light coming from a window.

Research indicates **85%** of customers, on average, reuse credit at the same location when approved for private label (second-look) financing.³

Merchants who understand the value of non-prime consumers and integrate a second-look nonrecourse financing program into their point of sale system will gain significant efficiency in the financing process and reduce “consumer fatigue” that often happens during the application process. Integrating a second-look program that is easy to use, provides instant approval decisions, and promotion transparency will gain increased sales, improved market share, and stronger customer loyalty.

With nearly half of U.S. consumers being classified as non-prime, second-look financing programs provide merchants the opportunity to significantly increase their customer base. Non-prime consumers appreciate the opportunity to finance large ticket purchases and will continually seek out retailers that work with them; driving increased customer satisfaction, and up to 78% increase in repeat purchase rates.⁴