



8 TIPS TO INCREASE ATTACHMENT RATES

EXTENDED SERVICE CONTRACTS

How to sell more
product protection



How Can Retailers Increase Attachment Rates?

Consumer spending is setting records and extended service plans are an important feature that increases confidence and improves the probability a purchase will be completed.

Whether in-store or online, consumers prefer brands that offer product protection plans.

When products fail, customers expect a seamless service experience to resolve their issues. Offer your customers a solution that you are confident in that protects their products against unexpected failures. Here are some Best Practices for retailers to train their sales staff to sell more of these profit-generating extended service contracts that will result in improved customer loyalty.



SET SIMPLIFIED RETAIL PRICING



It may sound basic, but make sure your store has simple retail pricing, so your sales staff is not slowed down trying to figure out the pricing of product protection for each qualified purchase.

Salespeople should be able to seamlessly integrate the pricing into their sales discussions while on the sales floor.



UNDERSTAND DETAILS OF THE PROGRAM BENEFITS



Make sure your sales team understands the benefits of the product protection and the exact coverages offered so they'll be able to sell it confidently to their customers.

Train the sales staff to build a rapport with your customers and ask them open-ended questions like, "What is most important to you?" or "What brings you in today?"

Recommend the extended product protection using a statement summarizing one of your favorite features of the plan such as cost savings, parts replacements or 24/7 service.

Tailor your comments to the plan you are presenting and the product that is being purchased. A good opening statement would be, "I highly recommend our Protection Plan because"

And don't wait until the last minute to mention the product coverage. Studies show that product protection is an important part of the sales process and should be mentioned early and often in your sales conversation.

Always start with the longest available coverage term and make the offer with the price at the end.



KNOW HOW TO OVERCOME OBJECTIONS

There are a few different reasons why customers may object or just question whether they should purchase an extended service plan. By listening to the customer, a salesperson can better understand and respond to misunderstandings about coverage or fear they will not be protected.

Listen to your customer's objection, understand their concern, respond with key points about the Extended Service Plan and then confirm with an open-ended question that allows them to think about what you've said.

Here's an example: "These headphones built to last and have a manufacturer's warranty so I don't need to buy any added protection."

A salesperson's response: "I know how you feel. If you pay for high-quality headphones, you expect them to last. I have seen cases where there are accidental events that cause the headphones to break. Our protection plan covers drops and spills that could cause your headphones to break. Wouldn't you agree that investing a little up front could save you money on repairing or replacing in the long run?"

Stay positive and confident and show the customer that you recommend the plan. Ask every customer every time on every qualifying product.





COSTS OF UNEXPECTED REPAIRS

An interesting stat to remember:

63%

of Americans say they can't handle an unexpected \$500 repair.

Extended service contracts help protect your customers over time by investing in protection at the time of product purchase.





UTILIZE POINT-OF-PURCHASE MARKETING

4.

From signage and tent cards to consumer brochures and stickers on qualified products, point-of-purchase materials are your silent salesperson.

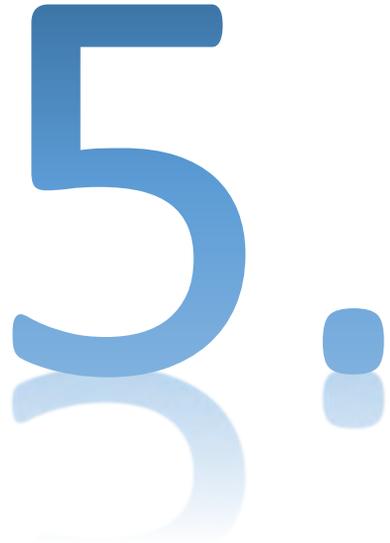
It's important for customers to have a visual cue that product protection is offered on the product they are considering purchasing.

Marketing materials may be able to answer your customers' most frequent questions and give them additional information on coverages available, average cost of repair costs and much more.

In addition, point-of-purchase materials can provide sales support for your staff, reminding them of specific product features and benefits.



MANAGEMENT BUY-IN & FOCUS



The most successful service contract programs have support at all levels of an organization, especially at the top. It's critical that the sales team knows that management expects them to sell service contracts. Management can demonstrate their commitment by rewarding and recognizing top service contract sellers.

In addition, retailers should create a compelling commission structure to motivate the sales staff to sell extended service contracts. While giving your sales team an opportunity to earn more money, a proper commission structure also boosts a retailer's profitability. A scaling commission structure based on sales margin or attachment rate increases also drive the right behavior of your sales staff.

Contests can motivate the sales team throughout the year to sell additional product protection plans. Be sure to focus on sales results and offer incentives to the sales team for selling high-margin product protection plans.



IMPLEMENT A TRAINING CULTURE

6.

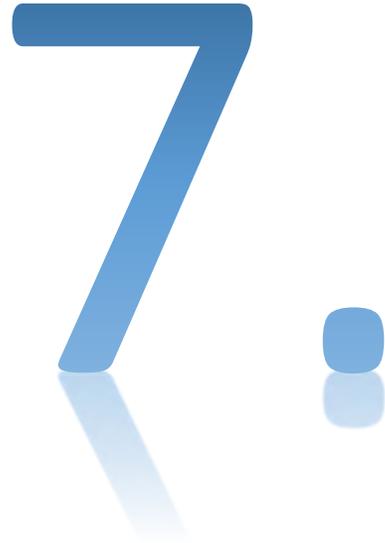
Foster a culture of ongoing training, not just when new sales staff are hired. Training energizes your team and usually results in a spike in attachment rates and retailer profitability.

From virtual training and on-demand webinars to in-person individualized training, Centricity has offered a variety of sales training content that have improved our retailers' results.

Some retailers have seen an increase of up to 30% in plans sold after ongoing training was instituted for their sales team.



TRACK AND SHARE RESULTS



Management thinker Peter Drucker is often quoted as saying, "you can't manage, what you can't measure."

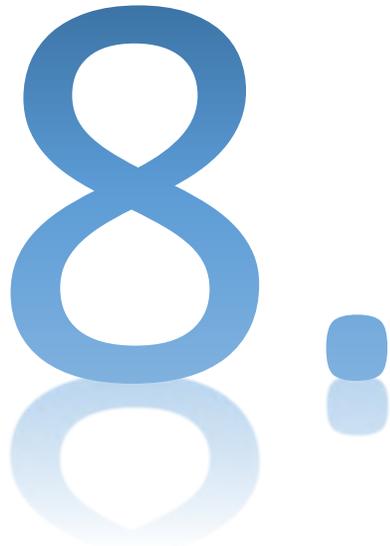
That statement means you won't be successful unless you set specific goals and track whether you achieve them.

The most successful retailers are the ones that talk about service contract sales on a daily basis and measure their sales and attachment rates. If sales of extended service contracts start to drop, stats are visible to managers and the sales team.

Associates can take part in additional training designed to increase attachment rates. Successful sales team members are rewarded for their performance.



IMPLEMENT ECOMMERCE BEST PRACTICES



It can be easier for customers to decline coverage online than it is in-person, so it's essential that successful retailers make their online eCommerce site as user friendly as possible when it comes to selling extended service contracts.

Just as in-person shopping, it's essential to present extended service contracts to customers at multiple stages of the buying process.

Your product pages should emulate your in-person shopping process to optimize the online web sales including showing product protection options on your product pages.

Don't wait for customers to add products to their shopping cart before showing them the extended service contract options. A landing page with details on all the plans available can also be helpful to answer customer questions.

SUMMARY

Plan to maximize revenue from extended service contract sales by implementing these 8 tips. You'll build customer loyalty that lasts a lifetime and grow your business.

[Centricity](#) partners with retailers and manufacturers to provide customized product protection solutions that drive revenue resulting in happy, loyal customers.

If you want to learn more about our product protection plans and customized implementation and training, [contact us](#) today.

