

Editorial

Use Financing Programs to Move Bikes During Slowdown

With bike prices expected to soar in the latter part of 2008 and in 2009, customers will increasingly treat a bike like any other major purchase. It's likely that they will expect the opportunity to finance a bike purchase just as they would a mattress, flat screen TV or car purchase.

Consumer electronics and home appliance retailers regularly entice

customers with offers of zero-percent financing for 12 or 24 months.

Financing offers are critical to customers who need to delay or spread out payments.

But these deals, while especially appealing in the current credit crunch, aren't just for cash-strapped folks. Even higher-income earners have become accustomed to taking advantage of these

offers. They may want to keep cash handy for other investments or boost their credit score by making regular payments.

Consumers are justifiably paranoid in the current economy. That may make it harder for them to justify an expensive purchase. Giving them some cushioning in making payments will help ease their minds.

As the larger retail climate becomes more dour retailers need to use all available tools to maintain prices and move older models off the floor. Consumer financing is a sophisticated business tool that IBDs should exploit.

Ultimately, offering attractive financing options may be the difference between closing a sale and watching a customer walk out the door.