

HCN

News • Products • Market Intelligence

Part 1 of
a Digital Series

Financial services report: **LBM Extra**

New Ways Pro Dealers Can Use Trade Credit to Grow

Sponsored by



The Right Fit



NORTHERN[®]
TOOL + EQUIPMENT

Northern Tool + Equipment's Partnership with BlueTarp Financial Exceeds Expectations

When Rick Thonet joined Northern Tool + Equipment (NTE) nine years ago, he led an initiative to leverage the powerful and lucrative link between their business customers' purchase size and their use of trade credit — the higher the credit line available to them, the more they purchased.

When the multi-channel retail company, which has more than 2,000 employees nationwide, realized that offering these benefits on their own would put them outside the company's cultural comfort zone due to higher risk and lack of expertise in managing a full-service program, they began exploring the viability of using a partner to manage the entire credit program. After an initial partnership with a large commercial credit vendor, they found themselves wishing for a more custom program with higher rates of approval and more competitive rates over a traditional in-house credit plan — the most common in the building supply industry.

"We were confident that higher approval rates and large lines of credit would bring in more dollars per purchase, but we also needed a partner that could be flexible and, most importantly, meet our financial goals," recalled Thonet, director of credit marketing. "Plus, our customers really wanted a custom program built to suit their special needs in the building supply industry. They wanted to issue a purchase order, attach an invoice and show they had made a check against payment."

NTE's search for a provider that could deliver this level of comprehensive trade credit service led them to the only company in the country that provides one that works for small- and medium-sized retailers: BlueTarp Financial.

BlueTarp Financial is the leading trade credit and marketing services provider dedicated exclusively to the building supply industry. Headquartered in Portland, Maine, they've been helping dealers grow with customized trade credit and marketing programs since 1998.

"Similar to our friends at Northern Tool + Equipment, dealers all over the country are looking for a strong partner to help them meet the demands of their customers, not just reduce their risk," said Scott Simpson, CEO of BlueTarp. "Our suite of services is designed to be a custom fit and help them maximize their potential."

Now, nearly a year into the contract, BlueTarp is managing the entire continuum of NTE's business credit process.

"They receive and process applications, make credit issuance decisions, process sales against accounts, issue invoices, apply payments and make collection calls," Thonet said. "They expanded our service offerings and allowed us to more effectively target the needs of our customers. We asked a lot of BlueTarp — and they have exceeded my expectations. I couldn't be happier with their service and attention to detail."

This edition of "Financial Services Report: LBM Extra" is the first in a series of three digital documents created by HCN editors and BlueTarp Financial experts.

**For questions or comments please contact:
Caroline C. Kendall Director of Marketing
207-321-6620 (office)**

BlueTarp Offers eMarketing Services to Boost Store Visits



The fiscal crisis impacted the building trade deeply, forcing even some of the most savvy small- and medium-sized building supply dealers to make dramatic cuts to top-line growth drivers like marketing in order to stay afloat. Although it's debatable whether the cost-benefit of doing so results in a net positive, the reality is that as the economy recovers, many dealers find themselves behind the curve without an effective marketing structure in place to capture their share of industry spend.

During the course of working with thousands of dealers on its core trade credit product, BlueTarp saw that its customers had one thing in common: most did not have active email marketing campaigns, and even if they did, they often didn't get the attention needed to be effective. As 91 percent of contractors check email daily and 60 percent indicated they would like special email offers from their building suppliers, BlueTarp saw an opportunity to put their dealers ahead of the curve by offering to send emails and surveys to customers on their behalf. These eMarketing Services work hand in hand with the trade credit program to deepen customer relationships and ultimately increase sales.

“Through BlueTarp eMarketing Services, dealers are able to hold a regular conversation with contractors by maintaining a presence in their inbox and on their smartphones or tablets,” said Caroline C. Kendall, director of marketing, BlueTarp Financial. “The very fact that a dealer’s name appears in a customer’s inbox can translate into staying top-of-mind and give them a leg up over a competitor whose marketing efforts are dormant or non-existent.”

The discounts or special events publicized through this channel of communication will be seen by customers and garner significant and immediate attention.

Along with anecdotal research, early results show that building supply dealers agree the need for email marketing is real. During pilot phases of the product launch, contractors who received emails visited the store 7 percent more than those who did not. They showed high engagement in reading the emails and responded in higher numbers to in-store events. Dealers have enjoyed the boost because they do not have the capacity to create, execute and manage an effective email marketing effort. They can however commit the two to three hours per month in order to ‘say yes’ to a promotional calendar. BlueTarp eMarketing Services then works in tandem with the customized trade credit program already in place to increase dealer sales — which is good for everyone.

Spreading the word about in-store specials, new product demonstrations and sending surveys to collect feedback directly from customers is an effective method to foster relationships, inspire loyalty and create buzz about a business.

“Allowing BlueTarp to do the heavy lifting behind the scenes through eMarketing Services frees up valuable man hours that can be re-directed to more customer-facing services,” said Kendall. “Customers want to be engaged and doing so via targeted email marketing simply makes sense.”

