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FIT FOR PRINT: NETFLIX, PAYMENT MODELS, AND CUSTOMER CHOICE



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As featured in **PRINT** **RESELLER**



The Netflix's model may well be the most effective, reliable way for printer resellers to turn a profit at all.



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The way we purchase things has radically changed in the last twenty years – for businesses and consumers alike.

These changes have come about in response to shifts in technology, shifts in economies, and shifts in customer demand. People want to lease, rent, or pay monthly because the value of their big purchases tends to deteriorate rapidly, and new billing structures offer a rather more consistent experience.

Of course, where office equipment is concerned, this payment structure is hardly a new phenomenon. If you're working in this industry, you're likely somewhat ahead of the pay monthly curve.

Still, the tech titans of today can teach printer resellers a thing or two. If you're a reseller, you'll benefit from learning these lessons before your immediate competitors

1. OFFER PRODUCT CHOICE

There's a tendency among some resellers to treat all customers as if they have the same interests and expectations. The problem is that where offices are concerned, one size certainly does not fit all.

The same could be said of your average Netflix customer. But its platform accounts for the eclectic viewing tastes of its customers: action films, period dramas, stand up-comedy, and more. Over time, it also develops a clear idea of each user's habits and preferences, and will be able to make an informed guess as to which film or programme from Netflix's vast library they might like to watch next. These recommendations are good, but crucially, they're also very easy for the customer to act on.

Printer resellers would do well to adopt a similar approach: provide a wide variety of products, offer them a la carte, and support and guide the customer throughout the buying process. If there is an opportunity to draw up a contract that discounts related items on a pay monthly basis (for example, toner and paper) you should inform the customer.

When the customer feels like you're always trying to accommodate their needs and provide the best deals, you'll be at an advantage when they sign up – and when it's time to renew.

2. OFFER CHOICE PRODUCTS

Music taste is rarely consistent: even if you've always preferred a specific genre, you're liable to get sick of a particular song or artist. When you buy an album for £10, you get 10-13 songs on average; over several commutes and car journeys, you'll likely be itching for something new – whereupon you can buy another album.

Of course, just because you can doesn't mean you should. Streaming music services like Spotify and Tidal give you unlimited access to thousands of popular and obscure artists' entire discographies for a nominal monthly fee. For the price of one album, you can get access to millions.

Resellers might not be able to offer the same value ratio, but the basic idea holds. The money a customer has budgeted for new office equipment will get them new office equipment – but they'll eventually grow out of it. When they do, there's no assurance that they'll come back to you for an upgrade. If they can lease monitors, PCs, printers, phones, and everything else at a fraction of the original cost, and with the promise that they can upgrade the minute new versions of this equipment are released, it'll be much easier for them to justify the initial outlay and any future renewals.

You'll forge a relationship, not process a transaction.

3. OFFER BOTH ON DEMAND

For better or worse, the shape of a business changes over time – and not always in ways the owner can anticipate. Where one printer might serve a team of 5-10 employees reasonably well, it might buckle under the strain of 25+. If a company needs to scale up urgently but didn't anticipate the cost of the new item in their budget, they'll have to find the money elsewhere – or simply go without.

Equipment leasing providers already provide a viable alternative, but they'd be well-advised to seek further inspiration from Netflix – and make it even more convenient for customers to bolster their office setup.

If you're signed up to Netflix's single-screen plan, for example, you pay a certain amount per month. That gets you a single screen with standard definition viewing: if you're one person watching it on a tablet or a phone, that'll likely suit you well enough. But what if you get into a relationship and want to share your subscription with your new partner? Opt for an upgraded plan, and you get one additional screen. Let's say your relationship goes well, and you rear a growing brood of TV-mad children. In this case, you can pay a little more for their premium plan: 4 screens, Ultra HD – for a little more money.

The genius of these price plans is that they effectively scale with the customer's life trajectory. If you can do the same with your business customer's requirements and allow them to upscale at their pleasure, you'll profit from it.

In fact, this model may well be the most effective, reliable way for printer resellers to turn a profit at all. Customers are increasingly disinclined to pay for items that have built-in obsolescence. You'll always get a good selection of movies and TV programmes from Netflix; your Spotify subscription will always give you access to a vast archive of old and new music; Adobe CS6 will give you industry-leading design tools at a manageable price point.

Buying vital equipment outright forces the customer to compromise. The trouble is that customers no longer feel like they have to compromise. For the most part, this is a good thing. When printer resellers and customers alike are in it for the long haul, both will benefit.

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