

Promoting payment plan options to cash-strapped customers is win-win

By: Andrea Young



These rather uncertain economic times make promoting payment and pricing options the right idea. With the value of the dollar at record lows, and energy, food, and the price of just about everything else on the rise, cash-strapped consumers are looking for relief. Make your company a hero by offering customers helpful options.

Don't miss a win-win opportunity. If funds are cut from the LIHEAP program, as suggested in the president's recently proposed budget, low-income propane customers should be on a payment plan to help them get through the winter. Propane marketers often require even budget payment customers to be credit worthy. But, if the payment plan is structured and managed properly, the customer should never have a negative balance. Spring is the time to start getting customers signed up so they can build a cash reserve for next winter. You'll get cash payments earlier in the year and enjoy accumulating more cash flow going into fall. Customers (and potential customers) will find managing a monthly payment, instead of worrying about paying a large lump sum, a welcome relief.

It's time to get payment plan information into customers' hands now while winter heating bills are top of mind. Marketing strategies could include invoice stuffers, direct mail campaigns, company letters, promotions via newsletter and web articles, customer referrals, etc. Propane Resources has seen results ranging from an invoice stuffer moving 50 customers onto a level pay plan within two weeks, to a direct mail postcard resulting in more than 100 customers enrolling in a budget plan; or a postcard campaign netting a whopping 10 percent response rate. These are the kind of results that prohibit your receivables from becoming too troublesome.

One big way you can help your customers, and win some loyalty points in the process, is by informing them that you are making every effort to keep your propane prices as stable as possible. Explain the specifics about how you are doing this. Inform them of the geopolitical and market conditions causing energy prices to escalate, LIHEAP funds to

evaporate, etc. Keep them informed. Consumers share a common myth that gas companies inflate their prices to gouge them. In layman's terms, explain why this isn't the case with *your* company and that higher prices are hurting you, too. And, don't forget to remind consumers of the benefits when clean and efficient propane is used. Help take the sting out of bad news and create positive feelings.

Spread the word that your company is always working hard to provide better services. Make sure your customers know you are doing everything possible to help them. Toot your own "horn." If you don't, rest assured someone else will. With higher energy bills and other unsettling economic factors, now is the perfect time to promote helpful payment options to customers and potential customers. Improve both parties' cash flow and position everyone to be a winner!

Andrea Young regularly consults with retail propane companies regarding their comprehensive marketing strategies. Young is also a regular contributor to industry publications and speaker at industry events. She holds a B.A. in Communications Studies, Journalism and Mass Communications from the University of Missouri-Kansas City and has more than 20 years' experience in communications, public relations, and marketing.

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