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## The gift of easier giving

### How retailers are empowering consumers to gift better

If occasions for gift-giving are meant to be joyous, why are they often a headache? Whatever the reason - Wedding? Father's Day? Second cousin's dog's wedding? -- there are challenges galore to getting the right gift to the right person at the right time. Why can't it be as simple as "I see it, I like it, they'll love it, I bought it"?

Contrary to what one might think, the #1 gifting event isn't a national holiday, or even Christmas or Valentine's Day, but birthdays. It's 365, every day. 15-20% of all transactions aren't for the buyer, but intended for someone else, and yet retailers have traditionally boxed gift-giving into a cyclical behavior revolving around seasonal holidays. Commerce as a whole for that matter, is essentially optimized for self-shopping. What it boils down to is that the retail system wasn't designed with gift givers in mind.

This strategic blindspot was a driving force behind the creation of GiftNow™ by Loop Commerce, a Synchrony solution, which puts the power back in the hands of gift givers and their recipients. "Gifting is extremely personal and thoughtful, and is about deepening personal relationships, but at the same time it leads to other emotions like anxiety, fear, and frustration," says Roy Erez, CEO and Co-Founder of Loop Commerce. In the end, though, "It's not just about making it a stress-free experience. It's about making it possible for people to actually buy someone a thoughtful gift, to be delivered on time, and make both the gift buyer and recipient happier."

Traditionally, gifting has been a tough go for givers, receivers and retailers alike:

**Givers** stare down a mountain of barriers, from unknown variables like shoe size or zip code, to impossible shipping time constraints.

- According to a recent survey conducted by Synchrony\*, 48% of people say not knowing what to get for someone in the first place is their biggest pain point when gifting.

- Being reminded last moment is another major hurdle. In today's digital and social era, people are reminded about others' birthdays and other key life events through the likes of Facebook. The challenge this creates is that traditionally this is too late for retailers to accommodate given their shipping cut-offs.

- Recipients** all too often face the awkward scenario of either keeping a gift they don't like or risking offense
- by asking for a gift receipt. 49% of survey\* respondents echoed this fear.

- Retailers** are ultimately left dealing with excess returned merchandise and lost sales to the tune of up to 10.6% on average in 2018.\*\* Gifted items alone make up 50% of exchanges in the apparel sector, according
- to Erez.

But while today's retail system has previously been woefully incompatible with gifting behavior, there's hope on the horizon. While businesses may be successfully catering to customers shopping for themselves, there's that whopping 15-20% of gift-shoppers just waiting to be served.

Solutions like GiftNow™ are flipping the script on how people buy gifts by "digitizing merchandise" the same way cash was digitized with peer-to-peer money transferring apps. Users can select a gift and send it in seconds without worrying about the size/color/style or even shipping. Recipients are surprised with a delightful, thoughtful and innovative gift unwrapping and acceptance experience. They then have the control to pick the gift exactly to their liking -- or even a different item entirely from the retailer's website -- and have it delivered to their door.

Pioneering companies are bridging the gap in the market by retooling the customer experience to meet their needs -- and it's paying off in three major areas:

- Minimizing returns:** By putting gift recipients in the driver's seat, retailers can get it right before even shipping. Father's Day gifts sent through GiftNow in 2018 were altered or exchanged 80% of the time before
- shipping. No need for returns or restocking. That's savings on savings on savings.

- Enhancing customer experience:** Creating a path to purchase that doesn't necessitate guessing at conventional inputs like size, color, or shipping information allows people to "deliver" a gift anytime,
- anywhere - a slam dunk in improving customer experience and brand affinity and loyalty.

- Driving incremental revenue:** Unlocking transactions that had never been possible before creates secondary customers, 50% of whom were previously invisible to retailers as the end consumer. Now they're
- engaging with the business to pick their gift online or in person.

Today, retailers can "gift" customers with an emotionally-rewarding experience. Consider these points when evaluating your retail strategy:

- Consider why customers are engaging with your business, to capture that 15-20% of underserved gift
- shoppers.

- Build a gifting strategy and functionality to tap into the gift-commerce economy, and empower gift givers
- working with unknown variables and tight timelines.
  - Make it easier for recipients to customize what they're getting before they get it.

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\*Source: Suzy.com (June 2019 Survey) \*\*Source: National Retail Federation Organized Retail Crime Survey, 2018