

Win in the flat world

Presenting a Great Gifting Experience with Registries

– Seth Lively

Abstract

Gift registries – where people expecting gifts on special occasions can make and share wish lists with friends and families – are gaining importance as a serious revenue stream and marketing tool for multi-channel retailers.

This paper shows how understanding and addressing the needs of the registrant and the gift giver for a great shopping experience, deploying the best of breed systems and seamlessly integrating them with in-store and online systems by leveraging the appropriate methodologies can help retailers maximize the benefits of their investment.



Overview

A gift registry is multi-channel retailing at its best. Registrants are 'customers' expecting gifts from family and friends on occasions such as weddings, anniversaries, house-warming parties, births, birthdays, and other special days. These registrants create wish-lists or registries so each gift-giver can select the item(s) they would like to present. Leading retailers use these registries to drive customers across channels (web sites, stores, and catalogs), while capturing data about the customer and their purchase.

Registrants are the retailer's best customers. They drive traffic to different channels. When a bride-to-be, mother-to-be, or new home owner creates a registry, they have essentially led to 25-100 visits by gift-givers to the retailers' selling channels. Gift buyers can use the registry in the store or via the internet as a convenient way to purchase gifts without the hassles of physically shopping, wrapping, or transporting their gifts.

A gift registry tests the multi-channel capabilities of a retailer. Registrants choose their channel based on their preference. Registries target gifts from friends, siblings, parents, grandparents, etc. Each party can exist in a different segment, with a different shopping pattern, yet must be tied in with the same list with merchandise that covers this broad spectrum of segments, geography, etc.

TheKnot.com, a popular ecommerce site focused on weddings, estimates that \$72 billion was spent on weddings last year – with \$19 billion, or more than 25 per cent of the sales, coming from wedding registries. According to the Conde Nast Bridal group, the median registry value or average sales from a registry has increased 30 per cent to \$4,300. These figures reveal the growth and importance of the registry concept. That is excluding baby, housewarming, and charity registries. Gift Registry can create a network effect of visits to the retailer's different channels by

- *Becoming a valuable tool in managing events in the customer's life*
- *Providing options and convenience to the Gift Giver*

Best Practices Summary

Best Practice	Description	Benefits
1. Integration	Integrated profiles between channels	<ul style="list-style-type: none">• Network Effect; Cross-Marketing
2. Email Reminders	Collect dates via profile creation and trigger key emails	<ul style="list-style-type: none">• Continuous marketing through pregnancy• Marketing for related events (Birthday, Anniversary)
3. Group Give	Allow multiple parties to contribute to purchasing an item	<ul style="list-style-type: none">• Higher revenue items; Warranty and service opportunities
4. Evergreen Merchandising	Creating an assortment dedicated to registry that is unlikely to have seasonal or clearance items	<ul style="list-style-type: none">• Less stock-outs; Better customer experience

The Registrant

The registrant is a valuable customer. Through the registrant, the retailer gains access to the larger pool of customers, the gift givers. When a customer creates their registry, they usually announce it to a group of 50 to 500 people.

Integrated Gift List

Integration of channel devices is important for a multi-channel retailer. The key integration point is the gift list. The gift list should clearly track purchases and item availability besides being printable in-store or online. Gift list functionality is important for a good shopping experience.

Integration is also important for POS, kiosk, and online transactions. The gift list should be updated real-time with quantities and item status. Clear messaging on items – whether clearance or seasonal, along with sales price and incentives – is vital for a positive user experience. The same applies for in-store and online-only items. The gift list needs special consideration and should go beyond being a list of links to product pages.

Email reminders

Email reminders allow retailers to build a relationship with the customer through the process of following up after the special occasion. For example, reminders for a Baby Registry can combine helpful hints for different stages of pregnancy along with promotions for recommended products.

By recording birthdays, event dates, and other information, the retailer can take the next step of email marketing. Emails can be sent out marking milestones in a child's growing years and can be used as a brand-building tool for baby and childcare products. Other emails could be sent suggesting wish-lists for birthdays and anniversaries. Depending on the occasion, customers and buying preferences, the possibilities are limitless.

The Gift Giver

The Gift Giver is somewhat restricted to the customer's gift list. It is not common for Gift Givers to go outside the gift list to purchase presents unless the list is exhausted. However, registrants usually register at two or three different locations. They are most likely to register at the store that gives gift givers the easiest experience. These shoppers do not want to take the time to shop for the perfect wedding gift – they need convenience and choice.

Group Giving

Registries are no longer restricted to wedding and baby merchandise. The concept is extending to Housewarming, Tools for pre-nuptial bachelor tool parties, and large charitable events. As a result, more high value items are increasing revenue per registry. However, since it is rare for a buyer to spend over \$200 on a gift for a special occasion, some retailers are expanding their

registry offerings with the “Group Giving” concept. This allows multiple friends and family members to combine finances for big ticket items such as appliances and furniture.

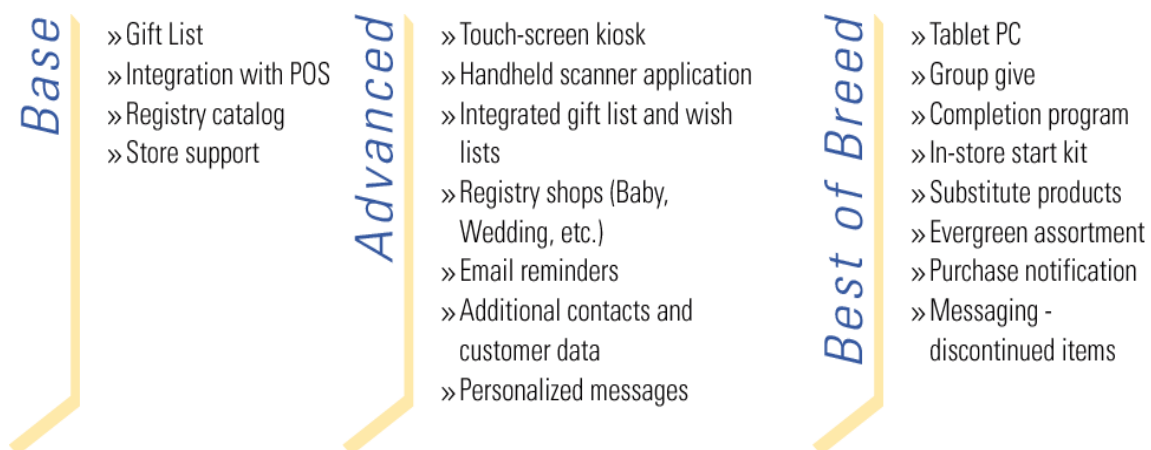
Group Giving brings convenience to the gift giving experience. Further, it increases the value of the registry by making big ticket items feasible as gifts. It also increases the possibilities for follow-on and service revenue as many of these items involve complimentary products, warranties, or maintenance.

Merchandising

One of the challenges of a general merchandiser is timing and availability of an SKU. Most customers create their registries 4-6 months prior to their event. Registrants often leave their registry open for purchases up to a year after the event. As a result, there is risk of items being out of season or discontinued. For example, a registry could list summer clothes for a baby, but a buyer may land up at the store in winter when the item on the wish-list would likely be unavailable. Retailers such as Target and Sears are introducing dedicated assortment for in-store “evergreen” registry merchandise. This reduces stock outs and disappointing customer experience due to the unavailability of products on their registry.

Functionality List

Many large retailers maintain different levels of registry functionality. The table below shows the three stages of maturity for a multi-channel registry. Small and mid-tier retailers tend to contain more advanced and best-of-breed functionality. Larger retailers and general merchandisers are often restricted to base functionality due to complexity of payment and fulfillment systems.



Key Players

Ecommerce software vendors like Venda, Blue Martini and ATG all provide gift registry functionality. Among the major vendors only IBM has spun off a product (Gift Center.) All of these offerings require a fair amount of customization to ensure a superior customer experience, especially from the front-end and user interface perspective.

IBM's Gift Center, for example, comes with a less than desirable user interface out of the box. Its backend integration, however, is much easier to implement. It shares profiles and order management capabilities with the standard Commerce Server (WCS) package.

Other players have additional online offerings and services. Felicite.com offers registrants the ability to register with any one of their strategic partners*. It allows Group Give and linking registries to a myspace.com account.

Perhaps the most significant challenge multi-channel retailers face with gift registry is the in-store customer interface. In-store hardware is the most critical investment made. It is difficult to provide a great user experience with handheld scanners and kiosks. None of the major vendors offer plug and play with a great user experience. Other registry software providers integrate with POS but not online apps. A recent Forrester survey rated a handful of multi-channel registry program in-store experience. Only Crate and Barrel received a reasonable score for software usability on the kiosk.

Consistent messaging through signage, prompts and store personnel is the key to getting a return on in-store technology along with ensuring a good experience for the customer. Without any of these components the end result of the significant investment will be low returns and frustrated shoppers.

Infosys Perspective

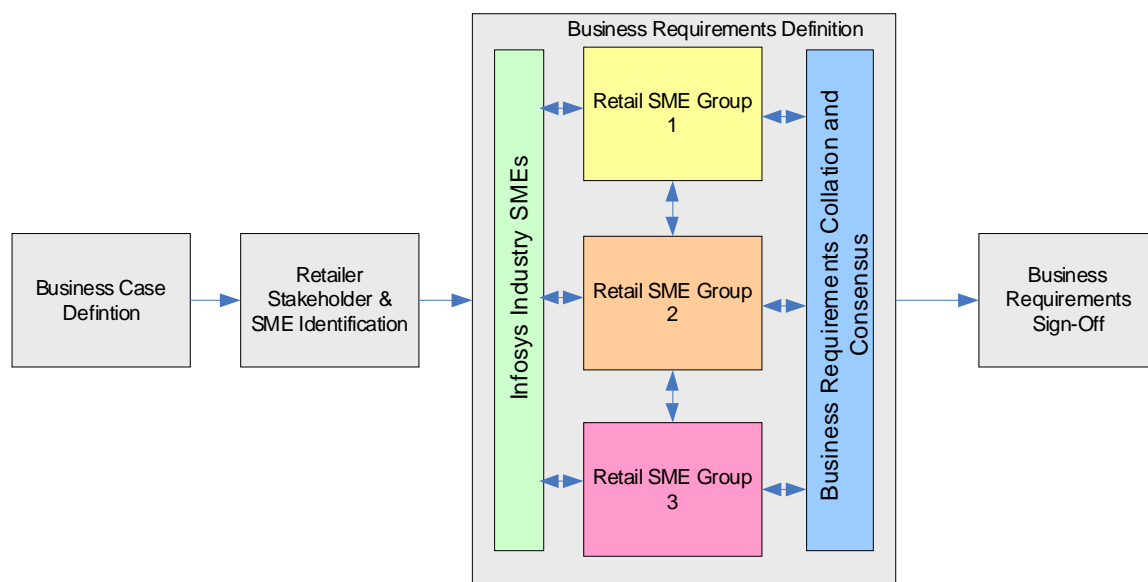
Integrating gift registry operations with the customer's life relies on successful integration of the registry with online presence and store operations. It can significantly reduce marketing expense per customer as one event in a customer's life can lead to several potential customers among friends and family through the registry.

Further, integrating registry with an online presence allows the customer to manage multiple facets of their life. Take a scenario in which a customer visits an online retailer to check activity on their Housewarming Registry. She can simultaneously check her 15-year-old daughter's wish list for her sweet 16 party. She emails that wish list to the extended family (grandparents, aunts, uncles, godparents) stored in her profile. The child's aunt then purchases a dress for the party, but at the same time is cross-sold another recommended product. A year later, child is sent an email 2 months before her 17th birthday suggesting she build a new wish list. The potential, as this scenario shows, is immense.

To maximize the network effect involved in marketing registries, a seamless experience is essential to ensure that the customer is comfortable with the store, the site, and the brand being part of their life. For the online registrant, the store experience needs to be positive for their friends or family who are more comfortable in the store. For the store registrant, the feedback needs to be positive from online gift-givers. The end result will be a “sticky” experience creating hits to the website as well as store visits as a daily or weekly routine to manage one’s gift giving needs.

* Source – “Gift Registry at your Fingertips” <http://www.felicite.com/presskit/CNNcom-Transcripts-Felicitecom.htm>.)

Infosys Approach



Infosys’ methodologies allow the retailer to view their requirements simultaneously across all channels. Analyzing a store or web requirement for impact against the other channels is the key to determining the benefit of each feature across channels.

Infosys’ experience in running workshops and requirements sessions help maximize efficiencies in creating multi-channel offerings. These multi-channel workshops enable retailers to quickly identify and resolve cross-channel issues.

Conclusion

Multi-channel retailers can maximize the network effect while touching customer's lives by expanding the marketing reach to their friends and families through gift registries.

Key success factors in this initiative are addressing customer and gift givers' needs, providing the right features and functionalities along with consistent messaging for a good shopping experience, leveraging the appropriate technologies and methodologies, and seamless integration with online and store systems.

About the Author

Seth Lively is a Senior Consultant within Infosys' Retail Practice. He is a subject matter expert (SME) in the development of Ecommerce and Multi-Channel Commerce Operations. He can be reached at seth_lively@infosys.com

© 2007 Infosys Technologies Limited.

ALL RIGHTS RESERVED

Copyright in whole and in part of this document "**Presenting a Great Gifting Experience with Registries**" belongs to Infosys Technologies Limited. This work may not be used, sold, transferred, adapted, abridged, copied or reproduced in whole or in part in any manner or form or in any media without the prior written consent of Infosys Technologies Limited.