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EXECUTIVE SUMMARY:

CAPTURING THE IMPULSE BUYER

Capturing and Captivating the Impulse Buyer

BY TIM PARRY

Summer's here and the time is right… for buying a new cooler. That teal and white Igloo-brand wheeled cooler you bought for office softball games back in the 90s is sitting out in your shed, cracked and covered in cobwebs, and it's definitely time for an upgrade.

That's your potential customer's dilemma. Now, where is your impulse buyer going to buy his new cooler?

Back in the 90s, the buyer just said to himself, "I'm going out to buy a new cooler." Then he threw a flannel shirt, hopped into his Nissan 300ZX, and headed to Cal-

Transparent Inventory Management Will Help In-store Pickup Grow

According to a recent survey by global management firm Accenture, 20% of shoppers said they have increased the use of the pickup in-store option this year.

With that kind of penetration, Lauren Freedman, president of research firm the e-tailing group, said she thinks you're going to see a lot more retail adoption of in-store pickup.

With in-store pickup, the biggest convenience for the impulse buyer is the ability to see if an item is in-stock at a local store of choice and making that purchase before heading out to a store to pick it up.

"I think where you're seeing the smartest activity is with inventory transparency, giving the buyer the ability to check online before they go to the store and make a decision about what store to go to," Freedman said during an interview with Multichannel Merchant at IRCE 2015. "You're beginning to see more retailers adding product lookup on their site and more retailers offering in-store pickup."

Buy online, pick-up in store programs are convenient for the impulse buyer. But they aren't as simple for retailers to roll out.

For example, despite rolling out its buy online, pickup in-store program (called BOPS) last June, it struggled with forecasting and staffing the initiative through the 2014 holiday season.

Macy's Director of Store Operations and Strategies Kevin Gardiner told IRCE 2015 attendees that the department store merchant now has some operational history and data to help it more accurately forecast buy online pickup in store (BOPS) demand.

And Gardiner predicts BOPS demand will be three times higher this peak season than it was last December.

"When we started BOPS last June we did have forecasts, but it was wrong every day, by a lot," Gardiner said. "Some days it was 50% or even 100% higher (than forecast), so it was not easy to come up with adequate staffing. This year we're seeing (BOPS volume) three times as large as it was pre-holiday last year, and we expect holiday to be three times higher as well. At least this year we have some order history to fall back on."

Gardiner said Macy's sets its safety stock for BOPS – the level of reserve merchandise needed to prevent stock-outs – at about two to five of an item before promising it's available for pickup, adding the figure can vary based on merchandise category. By comparison, safety stock levels for standard online orders can be as low as one or even zero.

"Inventory integrity is so important (with BOPS)," Gardiner said. "Sending an email or
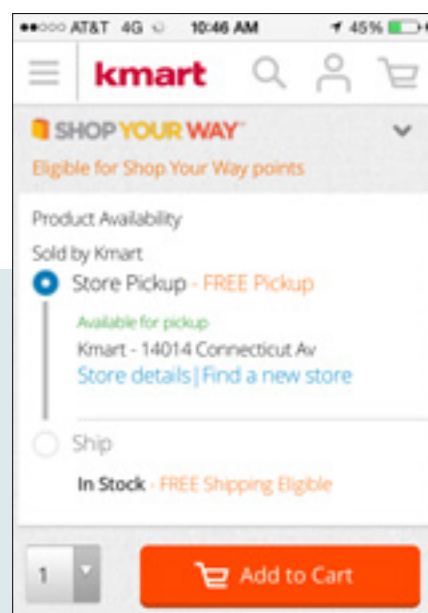
making a phone call (to let someone know an ecommerce shipment is delayed) is a bad customer experience, but if they're taking the time to come to the store and you don't have the item, it's exponentially worse."

To delight the impulse buyer, Gardiner said Macy's store employees go out of their way to pick each order in two hours or less, even though its promised to be ready for pickup in four.

But just how convenient is it for the impulse buyer to buy online and pick-up in store? According to a December 2014 study by StellaService, buying online is a piece of cake. But it may not be easier than just walking into a store to find and buy an item.

StellaService found that for buy online, pickup in-store shoppers, 58% of their time in-store was spent at the checkout desk (3.1 minutes on average). For context, the checkout process for in-store shoppers was more expedient – representing only 15% of their in-store time (1.1 minutes).

—*Mike O'Brien and Tim Parry*

dor, Woolworth, or Herman's World of Sporting Goods.

Then, six hours later, after he hit all the stores and found that teal and white Igloo-brand wheeled cooler, he pulled his Velcro wallet out of his fanny pack, and paid the cashier in cold, hard cash he earned as manager of the local Kenny Rogers Roasters.

But now it's 2015, and that same potential cooler customer calmly grabs his laptop or tablet and does an internet search for the product he wants. He may just search the word "cooler," or he may get more specific and look for a "Yeti cooler."

Your potential buyer will most likely be doing that cooler search on Google, but there's a chance instead he's finding out what his friends like by searching hashtags on Twitter, or checking out his Instagram, Facebook or Pinterest accounts for ideas.

Even when he's at the beach, the impulse buyer may take out his smartphone and buy a new cooler. Are you ready for him?

Content is King

To convert the impulse buyer, you need to provide all the information the customer needs to make the quick – and smart – purchase decision. That's something Moosejaw Mountaineering CEO Eoin Comerford thought his company had been doing by providing vendor-provided information to its customers.

It turns out that wasn't enough. By way of a customer survey, when Moosejaw asked customer "if you came to us wanting to buy, and you didn't buy, why?" one of the biggest reasons besides maybe that they found it cheaper elsewhere was that we didn't have all the content they needed to make a decision.

"They wanted better reviews, they wanted better sizing information, they wanted 360-degree views of the product, they wanted to see it on-model and not just a flat image," Comerford said during an interview with Multichannel Merchant at IRCE 2015.

When customers land on one of its product pages, Comerford said he wants them to have everything there that they need to make their decision.

"Clearly, the game has changed that we can't just rest on our laurels and rely on what the vendor gives us," Comerford said. "So we're making a major investment this year in content. Even in more how-to content, to make it an even stickier experience for the consumer."

—Tim Parry, with Daniela Forte

But your potential customer may not be searching from home. He may be at a friend's cookout and notice he's got a sweet new Coleman cooler storing his drinks. And that's what reminds him that he needs a new cooler.

He could simply ask his friend, "Where

Your impulse buyer might have cooler envy, and he'll buy from you if you can put all the information he needs at your fingertips.

did you buy your cooler." But if he wants to get one on his way home from the cook-out, chances are he's not going to be able to get it online… unless he lives in a select market and can get same-day delivery from a web merchant like Amazon.

That's when the power of the smart-phone comes into play. And that's also when the power of local search comes in. So if you're a merchant with bricks and mortar locations, you need to make sure you have your your product listing ads up to speed, or you may miss out on that impulse buyer.

And then there's the question of operating systems, because your cooler buyer may be doing a search by voice on his smartphone. If he's using an Android-based phone and is asking, "Ok, Google, where can I buy a cooler?" the phone will call up a Google search.

But if your potential buyer is on an iPhone, and asks the same question to Siri, the corresponding search will come up in

Mobile Makes Matters More Important

Just because you have your search engine optimization figured out doesn't mean you've mastered mobile SEO. And that could keep you from capturing impulse buyers this holiday season, considering that mobile accounted for 45% of all holiday ecommerce traffic in 2014.

"It's not something that's just automatic, you have to work at mobile SEO," Stephan Spencer, co-author of The Art of SEO, said during an interview with Multichannel Merchant at IRCE 2015. "There are technical issues, depending on which direction you are taking your mobile experience."

For example, if you're building a separate mobile website, Spencer said you have to have bi-directional linkages between your mobile website and your desktop website, so Google can see those two websites are related and not duplicate content of each other.

But if you're taking a responsive design approach to convert mobile, then it should just work without the URL or HTML changing.

Spencer said dynamic serving, or changing the HTML, is a very powerful approach for sites which are very image-heavy and very weighty with HTML, because you can cut a lot of the HTML bloat out of the page so the page loads faster.

"Because if you keep the HTML the same with responsive design, it's a slow-loading page, and mobile users don't take well to slow-loading pages," Spencer said.

A merchant's emphasis on mobile is more important than ever, Lauren Freedman, president of research firm the e-tailing group, said during an interview with Multichannel Merchant at IRCE 2015.

"It's about understanding the media, and how you can work with it, and how you need to lay out the page differently," Freedman said. "It starts by understanding what needs to be done on a phone and what works well. Even little things like a 'skip me back to the top' button is a valuable feature that gets it done.

Freedman said e-tailers also need to think about how their images render on smartphones, how search results need to come up, and how does it tie to the store.

And especially for the impulse buyer, Freedman said there needs to be a focus on the retail store locator.

"Are you merchandising it correctly, do you have all the information, the phone number, the store hours, the map," Freedman said. "Even connecting into customer service is important for the omnichannel shopper."

Impulse buyers are not just B2C shoppers, and restaurant supplier Restaurant Equippers put that into consideration when it launched its mobile commerce site on May 20.

The new m.Equippers.com mobile commerce site carries rich features and functionality over to the small screen, yet does not use screen scraping as the primary methodology for the build. Using Unbound Commerce's cloud-hosted mobile-specific design and best-practices build process mean ultra-fast pageload times, rated as up to six times faster than responsive design and up to three times faster than transcoding, said Eric Myers, Director of Ecommerce Operations at Restaurant Equippers.

"As we watched U.S. smartphone adoption cross 60% and mobile traffic to our site increase exponentially, we wanted to deliver the best-possible consumer experience, while integrating with our current ecommerce operations," Myers said. "Mobile buying behavior is different, and we wanted the flexibility of a dedicated mobile
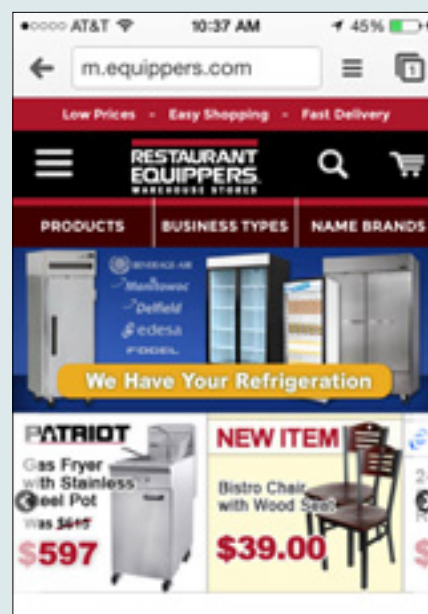
site, allowing us the option to deliver mobile-specific features and functionality, downstream, as mobile commerce grows and evolves."

Ratings and reviews and product-specific social media integration help make the mobile site a rich, tracked customer engagement tool. The new mobile site also features a location-enabled store locator, pick-up in-store options, and customizable mobile banner displays, so specific promotions can be used to drive traffic and tracked conversions. Custom landing pages can be generated and QR codes produced at the click of a button to link offline, physical touch-points to new mobile conversions.

According to the results of MCM Outlook 2015, 57.7% of merchant respondents said their companies have mobile commerce sites to cater to small-screen shoppers. However, 30.8% of respondents said they are not using mobile commerce.

— TP

Selling on Social Media is Certainly a Trend

With 1.5% of ecommerce web traffic being driven from social media, for most merchants today, social media is still an emerging channel.

But Lou Paglia, chief product officer and co-founder of customer insights firm Jirafe, said social media has gained traction with the new wave of buy buttons and could be a potential game changer for merchants.

"Buy buttons are designed to speed the purchase decision by targeting buyers where they see the promotion and can instantly allow them to buy from the location where they're typically browsing," said Paglia during a recent webinar.

Paglia said this represents a huge shift in the industry and huge revenue opportunities for brands that begin planning now.

"We believe that the wave of buy buttons will gain share from traditional forms of advertising due to their ability to target, to get much closer to intent-based medium and to instantly convert customers," said Paglia.

Paglia said allowing merchants to put a buy button right in a post simplifies a number of steps consumers have to go through to complete a transaction.

Social media is on the rise: Paglia said 74% of consumers rely on social media to guide the purchase, 33% of consumers bought a product because of a promotion on a brand's social media page and 43% of consumers are likely to buy a new product when learning about it on social media.

Paglia said based on the Jirafe study, Pinterest and Facebook were the two largest drivers of commerce revenue. He said Facebook drives 96.9% overall social orders while Pinterest drove 3% across the Jirafe network.

"Regarding average spend, Facebook visitors have been spending 3.5 times more than the average visitor to Pinterest," said Paglia. "Facebook traffic converts better, 17% better than Pinterest visitors."

Paglia said that even with a higher conversion rate, conversion rate from social sources across a network are still converting at less than 1%.   He said that while social is still driving fairly low conversion rates compared to other marketing channels, it is still expected to grow.

—*Daniela Forte*

Bing. That means you need to make sure your focus on SEO and SEM also includes an emphasis on Bing, or you may lose out on local shoppers.
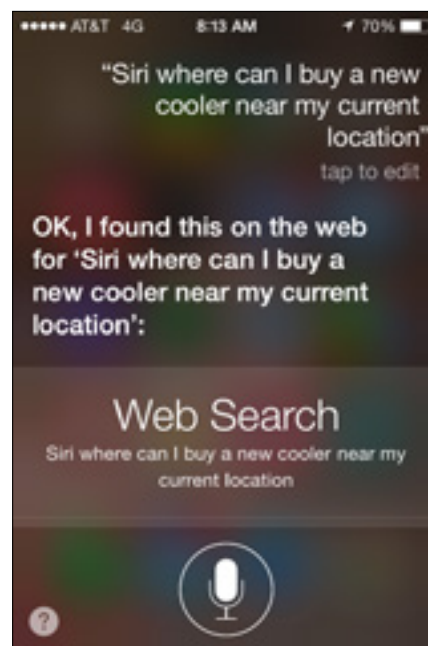
Once you've captured the impulse buyer, you need to captivate him. Whether the customer is on a desktop, tablet, or a smartphone, content is king. You need to provide the customer with all the information he needs to make the purchase.

That's not just product descriptions and specs, but also ratings and reviews, 360-degree product imagery, product comparisons, and videos. If the shopper cannot easily find the information he needs to buy that cooler from you, he's go-ing to buy it from someone else.

But – and this is most important for the impulse buyer – your desktop and mobile sites also need both a store locator, and to offer the customer a transparent look at inventory on-hand at the desired location. Whether or not the customer decides he wants to buy that cooler online and pick it up in your store, or just walk right in and grab it off the shelf, that kind of information is essential to the impulse buyer.

Now what do you do if he decides to buy that cooler from you online, whether he wants to pick it up right now in your store, or can wait a few days and have it shipped to his home or office? Once that item is in the shopping cart, it's time for the upsell. What related items can you offer him to go with the cooler? He could probably use a bottle opener, can cozies and some ice packs. And you can go a step further by offering accessories for the outdoors, such as lawn chairs and beach umbrellas.

Also, how is he going to pay for the cooler? Do you offer his payment method of choice, and is it easy for him to check out on his device of choice? Does he have to input a 16-digit credit card number on his smartphone, or can he use PayPal, or even a stored payment on his smartphone such as Android Pay (Google Wallet) or Apple Pay? And for that matter, will you let him just put the product on hold and let him pay for the cooler when he gets to your store?

Customers want it fast, they want it now (or as soon as possible), and they want it as convenient as possible. They also have more ways of getting that cooler than ever before. The days of all-day excursions to a boatload of stores in hopes of finding that perfect cooler are now obsolete, now that we're in the omnichannel age. ■