

INTERNET

DVF, Lancôme makes gift giving stress-free with ecommerce feature

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DVF holiday gifting promotional image

By SARAH JONES

Diane von Furstenberg and Lancôme are among the retailers using Loop Commerce's egifting tool this holiday season to let consumers send a thoughtful gift without worrying about specifics like size or color.

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Through the SaaS solution, which uses a turnkey, consumers can "egift" an item from the product page, sending the gift to the recipient's email, allowing them to make the final selection or any adjustments. For luxury brands, this offers a more personal gifting option that gift cards while still ensuring that giftees get what they want.

"It's easy to see why consumers are increasingly preferring to give and receive gift cards," said Roy Erez, co-founder and CEO of **Loop Commerce**, Menlo Park, CA. "It's simple, immediate and eliminates the risk of getting the wrong thing.

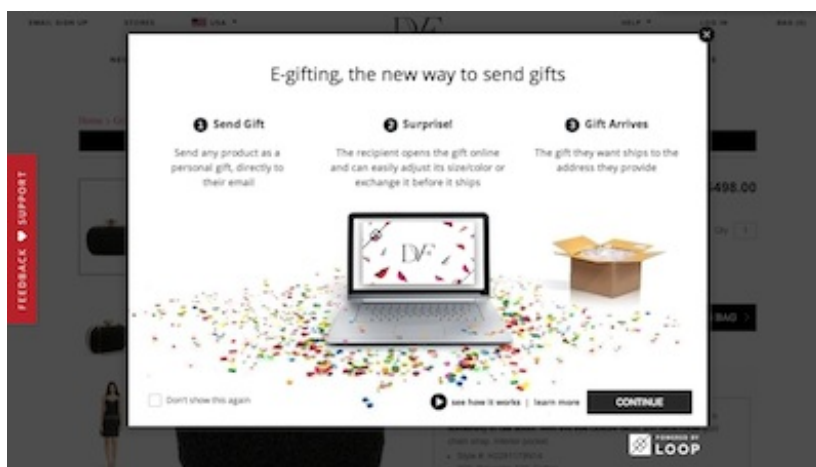
"But that's a double edge sword, as these are also the limitations and drawbacks of gift cards, and the reason many shoppers will just not buy them, as consumers cannot show the thought process and effort in choosing and buying a personal gift for their friends and loved ones," he said.

"Loop's solution provides the best of both worlds. Mirroring the flexibility and convenience of a gift card, while taking this one step higher and bringing back the thoughtfulness and personalization for the gift giver who's able to select any specific product as a gift, while also allowing recipients to express their preferences before receiving the physical gift, so the outcome is really that perfect gift."

Making a suggestion

The use of gift cards has been rising over the past few years, due to more flexibility in what the recipient can receive. Egifting looks to take the ease of gift cards and make the selection process more personal.

On participating brands' Web sites, there is an egifting button next to the add to cart option on individual product pages. Once selected, the gift giver writes the recipient's email address and a personal message, and pays for the item.



Egifting pop-up on DVF's ecommerce site

The recipient then gets an email telling her that she received a gift. She clicks a link in the email, which takes her to the ecommerce site.

On the site, a box opens to reveal her gift. She is able to modify size, style and color before having the gift sent, or swap it out for a different product.



Video still from DVF

In an age where consumers are more apt to know their friend's email address than mailing address, this service also eliminates that need, since the recipient fills out that

information.

Last-minute shoppers are also taken care of, since the gift is delivered immediately digitally. For those that plan ahead, an email can be timed to be sent up to 12 months in the future.

If an item becomes unavailable or goes on sale, the retailer credits the recipient with gift card, allowing them to shop the site for something they will love.

Once a physical gift is received, if it turns out to not work for the recipient, they can still return it for store credit, much like a regular gift.

Both Lancôme and DVF used brand-specific emails to explain the service to their consumers.

Embedded Video: [//www.youtube.com/embed/072q55j9J14](https://www.youtube.com/embed/072q55j9J14)

Makeup & Fragrance Gifts / E-Gifting by Loop Commerce & Lancôme

This service helps to bring new customers to a retailer, since more than 50 percent of gift recipients have never shopped with the ecommerce site before.

"Increasing sales is only a fraction of the benefits Loop's retail partners expect to receive," Mr. Erez said. "Data coming out of Loop's e-gifting solution already shows that the sales are increasing, as shoppers who already buy for themselves at these stores are now able to easily buy products they love as gifts for others.

"Not to mention new customers that those retailers might have never attracted before," he said. "Consider your average male trying to guess the taste, size or color of cosmetics or women's apparel, [who] would rather avoid getting the wrong thing and buying a 'safer' gift elsewhere."

In addition to boosting ecommerce sales, brands do not have the cost of returns. Forty-five percent of recipients exchange their gift virtually, showing the potential rate of physical returns for traditional gifting.



Lancôme gifting promotional image

Loop says its clients have noted that using egifting with help them have more control over their inventory, since they will know about orders before they ship.

It also expands the product categories for gifting, since seven of 10 egifting purchases are made for hard-to-gift items like apparel, shoes and cosmetics.

"Loop's solution seamlessly integrates with customers' online stores and backend systems, saving them years of building and perfecting their own egifting solution and the costs associated with it," Mr. Erez said. "Not to mention the expertise Loop has gained around optimizing gifting for conversion and customer satisfaction, and the insights from across the retailers running on the Loop network, driving best practices and other value add opportunities for Loop's customers.

"This enables our partners to quickly establish themselves as a gifting destination and drive increased sales and overall business, reduce costly returns and exchanges that are associated with getting the wrong gift, and enhance customer acquisition and loyalty."

Digital giving

In addition to apparel and accessories, this tool might have a place with hotel chains, which frequently market gift cards during the holiday season, since it would allow a giver to suggest a destination.

Four Seasons Hotels and Resorts is aiming to swell traffic in 2015 with an updated holiday gift card campaign.

Instead of focusing solely on the rooms that guests can book, the hotel chain is emphasizing the experiences that can be purchased with the cards. In doing so, Four Seasons is reminding consumers that its properties are more than places to sleep, although guests who enjoy this feature can use their cards to purchase Four Seasons mattresses ([see story](#)).

A recent report by the Shullman Research Center found that consumers across demographic categories, especially the ultra-affluent, will be shopping at online-only retailers this holiday season.

Although consumers will also be spending time in department stores and other retail locations, the prevalence of online-only retail preference speaks to a growing demand for convenience. As consumers weigh their purchasing options, the outcome often comes out in favor of online shopping ([see story](#)).

Egifting has an appeal for consumers, both gift givers and receivers.

"The feedback from consumers has been overwhelmingly positive, with most of them noting the ease of use in online gifting that only Loop provides," Mr. Erez said.

"Gone are the days where they had to either make educated guesses on size, color, etc. or ruin the surprise by asking gift recipients for their shipping address," he said. "Delivery time constraints is also eliminated now as consumers can purchase and deliver thoughtful gifts last minute through the e-gifting experience.

"Gift recipients have also noted how much they enjoy being part of the gifting process. Not only can they customize their gift to suit their taste, but they also can swap out the gift for something else they prefer without the headache of the physical exchange process or offending the giver. And they're also in control of where they want to receive their gift."

Final Take

Sarah Jones, editorial assistant on Luxury Daily, New York

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