

# Repressing Returns

Gift registries ensure that consumers' preferences are met

by SANDY SMITH

**B**y this point in December, no doubt there is someone on your holiday shopping list for whom you have yet to come up with an idea for a gift.

You wander the store aisles, hoping that perfect gift will stand out. You fret about buying the wrong thing. As the month passes, you move from wanting something perfect to settling for something great — maybe even good.

Desirelist CEO Eric Sheinkop certainly understands. A couple of years ago, he was buying holiday gifts for his nieces. His sister told him what her daughter wanted. “I went to a store and bought exactly what I was told to get,” he says. While there, he saw something that he thought his brother’s daughter would love as well.

When it came time to open the gifts, “the one who I knew what she wanted opened the gift, loved it, jumped into my arms and told me she loved me,” he says. The other niece “hated it, started crying and said, ‘You are the worst uncle ever.’”

Research from the National Retail Federation shows Sheinkop can’t be the worst, since there are so many like him. In 2015, holiday returns were expected to reach just over \$260 billion — 8 percent of retail sales.

Clearly, there are a lot of gift givers missing the mark.

Gift cards — once the default for those hard-to-buy-for people on the

list — are showing signs of fatigue. In 2015, NRF’s Gift Card Spending Survey showed holiday gift card spending dipped for the first time since 2009. It’s still hefty, however, reaching \$25.9 billion.

That’s for good reason, believes Sheinkop. “Gift cards say, ‘I don’t have time to shop for you and I don’t know what you want. But I want to give you something that you want.’” The end result, he believes, are gift cards to places where the recipient doesn’t necessarily shop. Beyond the gift cards that expire, it doesn’t make a lasting impression.

“Typically, recipients don’t remem-

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— Nancy Lee, MyRegistry.com

A flood of new gift-giving registries aim to prevent scenes like the one at Sheinkop’s holiday gathering — all while reducing the hassle of returns for retailers.

“People rarely return something that they ask for,” says Nancy Lee, president of MyRegistry.com, a universal gift registry service. “We keep the retail cycle moving in a much healthier fashion when people are asking for what they want.”

## WHAT WE WANT

While graciously accepting an unwanted gift may be something of a lost art, we do seem to be in a phase of society where we’re more willing to “tell it like it is.”

Sheinkop likens it to being “more honest. Parents don’t want their kids receiving gifts that will fill their closets and never be used.”

That’s driving an increase in the use of gift registries for children’s birthday

parties, he says. Desirelist makes it easy to collect gifts, but also allows people to chip in on an “experience” or help the recipient pay a bill.

“We’ve got wedding lists that include the traditional serving platters, but [are] adding everything from theater tickets to hot air balloons to honeymoons,”

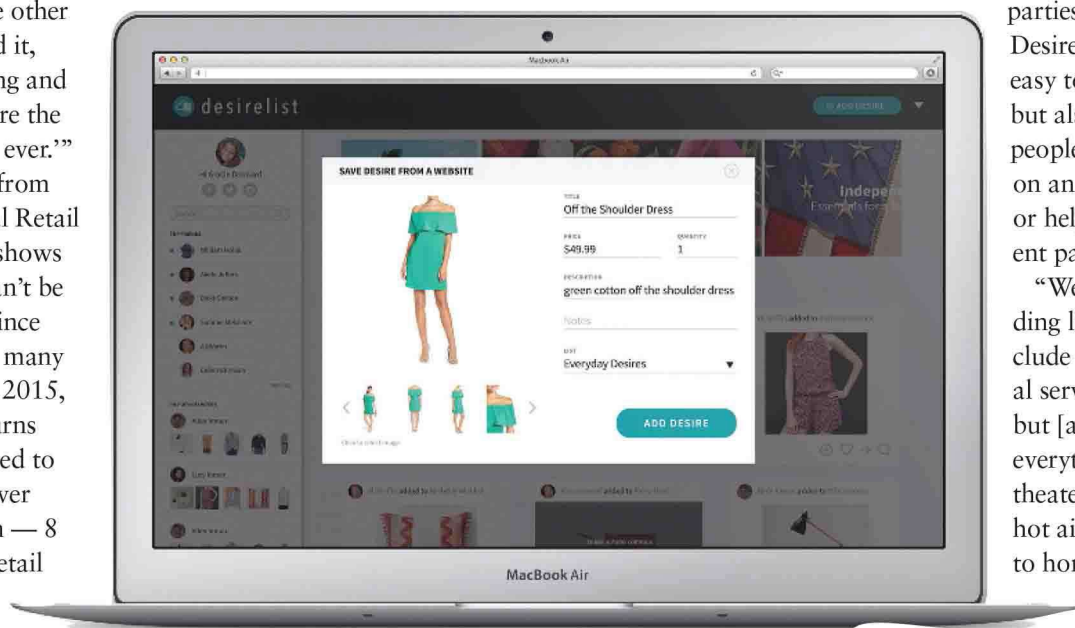
Sheinkop says.

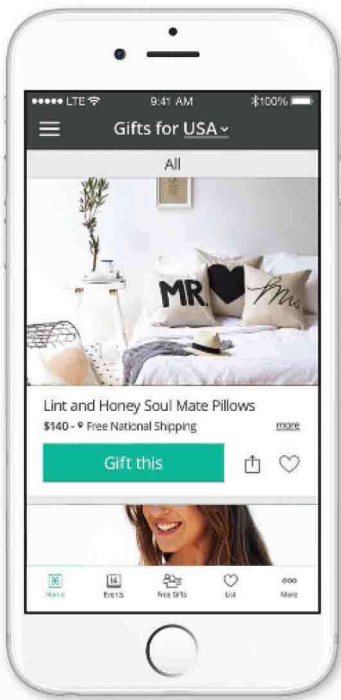
“People are

being very clear and transparent about what they’re looking for.”

That certainly helps gift-givers as

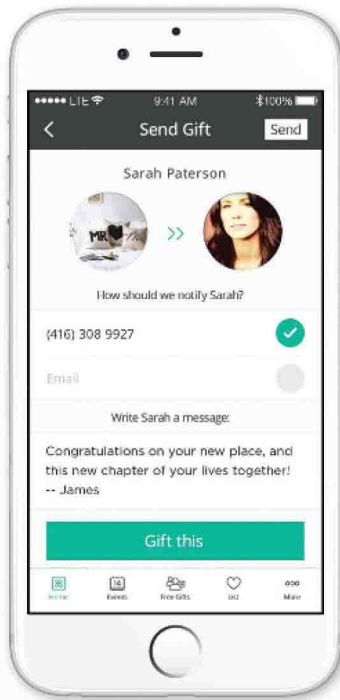
ber who gave them a gift card,” he says. “It’s not a meaningful interaction. It doesn’t enhance relationships.”





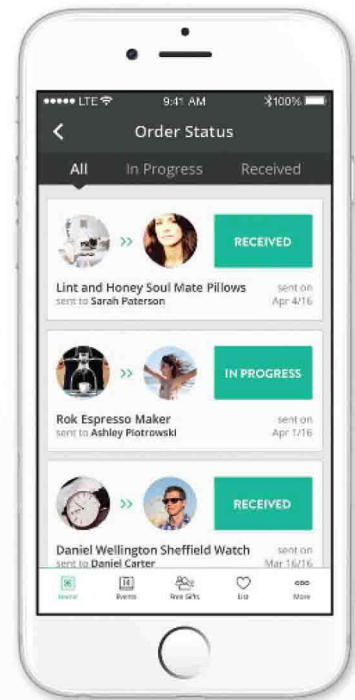
Pick a gift

From a curated category



Send a text or email

Recipient provides address



Delivered via courier

In 3-5 business days

well. Jason Reid, CEO and co-founder of mobile gift giving site Giftagram, chalks it up to the hectic lives of today's shoppers. "We don't take the time. It seems to be a last-minute rush or a last-ditch effort. There's an issue of not knowing what to get, where to get it and in many cases, one of the issues that came up over and over again in our research: A lot of folks don't have their recipient's mailing address."

Giftagram allows the giver to select a gift, input the recipient's cell phone number and Giftagram handles the rest.

### BENEFITS FOR RETAILERS

So, happy gift-giver, happy recipient. But what's the impact on the retailer? There are significant benefits, Lee says.

"Returns kill retailers," she says. "It's the effort that goes into selling it the first time, then the effort and labor of returning it. Money goes out and comes back in. It's not good for anybody."

Beyond that, gift registries offer an opportunity for retailers to find new customers. MyRegistry.com works with thousands of retailers, large — such as Best Buy, Amazon and Bloomingdale's as an aggregator — and small, and provides gift

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registry services for 300. Its services are available as software-as-a-service or as an affiliate, where MyRegistry.com is given a percentage of the sales it generates.

"We make it really easy to step into this industry with very little effort," Lee says. MyRegistry.com offers a software system that integrates a bricks-and-mortar store and website — all branded to look like the retailer.

"Our system is web-based, so it will run on anything, rickety old customer service computers or tablets," Lee says. Ethan Allen runs the gift registry on 30-inch flat screens and integrates the options with store associates; Lee says it is one of the few retailers that doesn't want customer scanning capabilities, due to the heavy customization involved.

The recipient can create a registry on a computer or go into the store and scan bar codes. MyRegistry.com manages updates of database feeds to keep

up with product stock and pricing.

In many ways, that sounds like a traditional retailer-specific gift registry. Where it goes from there, however, opens up the Internet; both Giftagram and Desirelist do as well. "If you don't have to go into a store to register, you have the ability to be exposed to far more things," Lee says. "You can select anything you want."

She mentions Q Squared NYC, a retailer of high-quality melamine dishes. "Melamine dishes are great, but that's not where most bridal registries end," she says. Once the recipient has selected one gift registry from a participating retailer, MyRegistry.com sends an email, urging her to select other items from other retailers.

"It gets these small retailers on the same gift registry as Target or Bed Bath & Beyond," Lee says. "They would never be able to get that with their own registry."

Because the retailer handles all stages of the sale, it retains all the customer information. "If you open up a gift registry, select a few items at Cost Plus World Market and send it out to 150 wedding guests, maybe some of them have never heard of Cost Plus World Market," she says.

“Every time they click on an item, they’re being introduced to your web-site. Because a loyal customer opened up a registry, the retailer is getting new eyeballs, new names, new email addresses of people who have never been exposed to them before.”

MyRegistry.com also allows customers to select items from craft marketplace Etsy; Lee says it is a popular option for baby registries. Desirelist aggregates items selected by the user and makes suggestions as well, based on preferences. It works on an affiliate relationship basis with retailers and includes a number of smaller stores.

“No one is typically going to a specialty store and setting up a registry,” Sheinkop says. “It’s also giving these boutiques promotions that we see them getting excited about. When the customer is in the store and helping them create a list, if that list is public, it’s on our newsfeed.”

It also provides boutiques the opportunity to continue relationships with customers. “What we’ve built on the backend continues the conversation,” he says. “It can be used to draw them back in, to offer a promotion or to notify them that stock is running low on the item they selected.”

Giftagram serves more as a partner for retailers, brands and distributors, selecting the items and sometimes creating marketing collaborations through email or social media. “We’re constantly looking for quality, best-in-class, thoughtful gifts,” Reid says. As a mobile-first business, the app is the main platform: Shoppers look through the items, select a gift and send it via text or email. Giftagram then connects with the recipient to determine the mailing address to which they would like the gift sent.

And no more forgotten gifts, either. The app can connect with calendar events and send reminders of gift-giving occasions. “While there is a delayed gratification to the recipient, it is instant from the sender side,” Reid says.

No surprise, flowers and chocolates



“We’re solving a problem for retailers and brands that are trying to figure out their mobile strategy.”

— Jason Reid, Giftagram

are big gifts on Giftagram, as are alcohol, games and coffee table books. Reid notes that about 60 percent of senders and receivers are women. “Our market is very much focused on active professionals or people that are more tech-savvy and want to send those thoughtful gifts. We’re also solving a problem for retailers and brands that are trying to figure out their mobile strategy.”

### CHANGING FACE OF REGISTRIES

It’s becoming increasingly clear that gift registries aren’t limited to weddings and baby showers anymore. Lee says that Christmas registries continue to grow — “that’s one of the verticals that makes the most sense of all.”

Birthdays, housewarmings and going off to college are all growing as well. “Gift registries are very, very healthy for retailers,” Lee says. “The more companies encourage people to use them for multiple events, the better.”

These days, that means the gift of experience as well: Both Desirelist and Giftagram allow senders to select an

event instead of a traditional gift.

Giftagram operates based on location and finds that experiences are popular, though most have “a local element or consideration to them.”

Desirelist can be a place to catalog “bucket list” items, but also to be upfront about the stress of bills. It allows givers to see that a recipient would rather have help with student loans than another sweater.

“That’s something that came by request from different users during our preliminary testing,” Sheinkop says. “The pain of debt is something that people are being more transparent about. They’re sharing everything and not ashamed to say they’d rather have help in paying down student loans.”

No matter the occasion, Lee believes there is opportunity to express preferences for any occasion. “People want what they want. It’s not greedy. It’s practical.” **STORES**

**Sandy Smith grew up working in her family’s grocery store, where the only handheld was a pricemarker with labels.**