



Savings On the Go

Shoe Carnival sees unexpected success with mobile coupons

by LAURI GIESEN

Like a lot of retailers, executives at Shoe Carnival weren't sure how many of its customers wanted to use digital wallets to pay for goods. More importantly, they didn't know how many customers wanted to store and redeem digital coupons from their mobile phones.

Then Thrive Commerce, a technology company Shoe Carnival had been working with to develop proprietary coupons on its website, suggested trying a system that would allow customers to receive, open, store and redeem coupons on iPhones.

"We didn't really have a lot of expectations going into this pilot," says Kent Zimmerman, Shoe Carnival's vice president of digital. "We weren't sure if customers were ready yet to use their cell phones to redeem coupons."

Unsure what to expect, executives were pleasantly surprised when many

customers who had downloaded coupons on their phones redeemed them at Shoe Carnival stores.

POP-UP INCENTIVES

In a pilot that began in the first quarter of this year, Shoe Carnival sent emails to customers who had opted into the chain's online promotion program. The emails contained links customers could use to download discount coupons to their phones. Customers could then use their phones to redeem the coupons at the chain's 411 stores.

The results were shocking: Of the 2,245 customers who saved the coupons to their Apple Wallets, 38 percent redeemed them in stores. More than 75 percent of the chain's stores had coupons redeemed at their locations.

"That is an amazing percentage," Zimmerman says; Shoe Carnival is so

impressed that it is turning the pilot into a full-blown program that will run indefinitely.

"When we saw the first results, we knew we wanted to continue," he says. "The first month's results were compelling enough for us to continue. Even now there is no reason not to continue with the offering."

With traditional paper coupons, customers may clip one out and store it in a wallet or pocket and forget they have it — or throw it away.

"If you download a coupon to your phone, you have a constant reminder that you have a coupon for our stores," Zimmerman says.

While customers can open the coupons from computers, most open the emails and access the coupons directly from mobile phones, he says. Customers often remember they have a coupon

when they visit the store and then do a simple search on their phone to get the coupon to pop up as an incentive to make a purchase.

Discounts offered by Shoe Carnival vary, but typically range between \$5 and \$20 off on a purchase with a minimum amount. Zimmerman says Shoe Carnival had to do little on the technical side to implement the program, as Thrive managed most of those components.

“We looked at different options and chose Thrive because we already had a relationship with them and their solution was lightweight to implement,” he says.

Shoe Carnival used different codes on mobile wallet coupons versus electronic coupons customers got at the company’s website to track which were being redeemed. “It was more work for us to develop the program this way, but it was important to us for measuring the results,” Zimmerman says.

The mobile application is an extension of an electronic coupon program Shoe Carnival has had with Thrive for over a year. The earlier effort included the development of proprietary “saving centers” at the Shoe Carnival website where customers can look for both online and in-store coupons.

“These savings centers helped us improve our search results,” Zimmerman says.

While outside parties also offer Shoe Carnival coupons, Thrive worked with Shoe Carnival so that when customers do a web search for its coupons, the proprietary site is pushed ahead of outside offers.

“When customers Google for Shoe Carnival coupons, we want our results first, not our affiliates,” Zimmerman says.

Shoe Carnival is already looking at expanding the mobile wallet program. Possibilities include tying the efforts to promotions on social media, such as Facebook and Twitter.

DRIVING TRAFFIC

While many retailers work with Thrive to develop electronic coupons that can be accessed at their websites, few retailers are sending digital coupons via email, according to Thrive CEO Scott Bohrer.

The Shoe Carnival test should be evidence to other retailers that digital coupons are effective at getting customers to make purchases in bricks-and-mortar outlets. “This shows you can drive people from their phones to the stores where they spend more,” Bohrer says.

It also shows that customers will use their digital wallets if they are given an incentive; while critics have complained that digital wallets such as Apple Pay have been slow to take off, Bohrer says this program shows hope.

“This is why digital wallets have not taken off before — customers did not have a good reason to use them. Retailers have not used the wallets properly up until now,” he says. “But this shows that customers will use their wallets if you give them a better reason than just payment. And what better incentive is there than to get a discount?”

While few retailers are implementing programs similar to that of Shoe Carnival, Bohrer says there is a lot of interest.

“They are looking for tools to drive traffic to their stores,” he says. “A lot of stores are suffering now and this is the perfect tool to get customers into the stores.”

In addition to a button to download the coupon, retailers can also provide a direct link to a store locator so that customers can see the nearest place to use the coupon.

Bohrer says the coupon should appeal to any retailer with bricks-and-mortar stores that can also send electronic coupons.

“There is no one type of retailer that this appeals to. Anyone that does digital marketing and has physical stores should benefit,” he says.

Size is also not a factor. “We work with some large national chains as well as one small retailer with a single location,” he says. Even online retailers can benefit by having customers use their coupon to make online purchases.

Thrive’s next goal is sending digital coupons through text messages as well as emails. “That is something we have not done yet, but plan to offer,” Bohrer says.

Zimmerman expects the success of the program to get even greater as more people use mobile wallets to pay for goods and redeem other discounts.

“Mobile payment is still in its infancy,” he says. “As consumers become more tech savvy and the use of mobile wallets becomes more prevalent, we expect to see even more customers redeeming our coupons in our stores.” **STORES**

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