



Issue in Focus

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Buy, Buy, Baby (Retail Goodbye): The Impact of Buy Buttons

This brief discussion of an "Issue in Focus" contains candid observations and opinions from staff members of the Office of Inspector General.

Remember the days of going to a mall, visiting store after store in search of the perfect gift? Those days may be behind us. In an age when consumers want everything as soon as possible, marketers are pursuing avenues for instant action. Hassles, including going to the store, searching for a product online, or simply remembering to reorder a common household item, reduce the chances of the consumer making a purchase. In order to create a more convenient online shopping experience, marketers and retailers are exploring new ways to help consumers purchase quickly and easily with buy buttons.

The buy button is typically a small, clickable icon that appears next to a featured product on a website or mobile application. It allows for a one-click shopping experience that is extremely convenient for consumers and increases the odds of an impulse purchase. While buy buttons have primarily been utilized by social media websites, marketers are exploring ways to utilize tangible buy buttons as well as interweave online buy buttons with physical advertising. Their innovations could be significant for stakeholders on both ends of the two-sided postal market. This Issue in Focus explores the landscape of buy buttons and discusses some ways the technology can be used to enhance the value of mail for advertisers and consumers.

Online Buy Buttons

Online retailers have sought to simulate many aspects of the traditional shopping experience. This includes the classic appeal of impulse purchasing, which is enabled through "buy buttons." Social media, in particular, has enabled retailers to market to the impulses of online shoppers through the one-click payment method.

The buy button, which takes similar forms across various websites, gives consumers the option of buying an advertised product quickly. After clicking a buy button on a featured product, the consumer is prompted to enter shipping and payment information. To simplify the process and promote future purchases, consumers have the option to

store this information through a third party money manager, such as PayPal, to avoid entering it each time they shop.

This is especially helpful for streamlining shopping on mobile devices, where inputting information is particularly difficult and time consuming. Buy buttons have specific value for social media platforms like Facebook, Twitter, and Pinterest, because the newest online buy buttons allow consumers to instantly buy a variety of products from third party retailers without ever leaving their website. This enables social media platforms to create a smoother shopping experience for customers while providing sales attribution to the retailers.

Physical Buy Buttons

One useful function of buy buttons is to make the reorder process for everyday products easier for consumers. For many daily household items, consumers only remember to purchase them when they realize they are out. With these items, consumers may not wish to shop around or make a separate trip to a local store, but instead want to make an immediate purchase. To try and meet this need, Amazon recently created physical buy buttons that integrate instant purchase opportunities into household routines.

Consumers can purchase physical buttons, called Amazon Dash Buttons, which are linked with a single product, such as Tide detergent (Figure 1) or Glad garbage bags. The adhesive back allows consumers to conveniently place the button by the frequently used items to re-order with one click. To avoid accidental multiple orders, the button only responds to a single press. The consumer receives an alert of their purchase on their phone, which they can access in the event they need to cancel or add to their order.

Figure 1: Amazon Dash Button



Amazon also offers the Dash Replenishment Service (DRS) to shorten the buying process. Connected devices can order physical goods from Amazon when supplies are running low, such as an automatic pet food dispenser ordering more food before it runs out. With the DRS and Dash Buttons, Amazon makes it likelier that these recurring purchases are completed through their platform. As a result, package volume flowing through the postal network could increase, as last minute purchases in local stores are replaced with home deliveries.

Buy Buttons in Print

To stimulate a purchase earlier in the buying process, advertisers are combining the convenience of buy buttons with the advantages afforded by a print campaign. Mailers

have already utilized digital integrations with Quick Response (QR) Codes, which can reliably direct the user to the correct website and provide accurate attribution. However, this option is increasingly unappealing because QR codes can be clunky to use and the appearance can be off-putting for consumers and advertisers alike.

Newer, user-friendly options are emerging to allow a simple image to drive a seamless purchase experience. For example, fashion house Louis Vuitton released a mobile app, called Louis Vuitton Pass, which allows Apple's iPhones and Android phones to directly scan pictures of Louis Vuitton products instead of a separate QR code. Images that are available to be scanned are indicated by an icon, with a prompt to download the Louis Vuitton Pass app. After a consumer scans an image, the app's visual recognition technology directs them to a complementary, digital campaign where they can purchase the product. Consumers also get access to "behind-the-scenes" information about the image, product details, and a store locator. This instantaneous purchase capability eliminates the need to visit another ecommerce website or make a trip to a store. Thus, a physical ad that arrives in the mail can drive an immediate purchase.

The Louis Vuitton app demonstrates how some companies are using visual recognition technology to bring customers to a buy button within the company's own app. Under this model, visual recognition technology is embedded into apps that users have already downloaded and have integrated into their habits. Thus, this model of digital marketing allows companies to bring buy buttons directly to their customers without the hassle of downloading and learning to use a new app.

Figure 2: Scannable Target Ad in Vogue



Another model for marketing with visual recognition technology is to leverage an app that is not the company's own, but instead has an existing user base and markets ads across a variety of brands. One example of this model is Shazam, which is a mobile app that recognizes and identifies music, and has over 100 million users. In May 2015, Shazam introduced visual recognition technology too; it can read QR codes, augmented reality, and Digimarc Barcodes, which are like QR codes but hidden within an ad, allowing for reliable scanning. Shazam has partnered with a number of companies to embed their print media into its visual recognition technology catalogue. For example, in *Vogue Magazine's* September 2015 issue, Target partnered with Shazam to showcase its Digimarc Barcode and enabled users to access a "shop now" button by scanning pictures that featured Target products. This campaign, along with the Louis Vuitton example cited above,

demonstrate innovative ways that retailers direct customers to digital buy buttons embedded in print ads.

Can Buy Buttons Enhance the Value of Mail?

Marketing campaigns integrating digital and physical media are easier than ever to deploy, and consequently, there are increasing opportunities to tie direct mail advertising to mobile buy buttons. These campaigns not only enable mail advertising to leverage large social media user bases, but they also allow advertisers to create a total profile of the consumer. With cross-media integration, it is easier for advertisers to track the consumer decision process through different media and link the activities of a specific consumer online with the physical world. The use of mobile technology to scan a direct mailpiece or catalogue ad provides advertisers with attribution data, so they can better evaluate their campaigns. Advertisers are actively seeking this connected, personalized perspective to develop a more effective advertising mix and create targeted messages for the consumer.

By embedding mail with connections to digital buy buttons, advertisers could harness the advantages of physical advertising to drive impulse purchases. In the OIG's paper, *Enhancing the Value of Mail: The Human Response*, the study's results indicated that physical ads trigger the area of the brain associated with value and desirability, and signals a greater intent to purchase than did the digital ads. Integrating buy buttons into direct mail ads would allow advertisers to spur immediate digital sales from priming effects that are distinct to physical advertising.

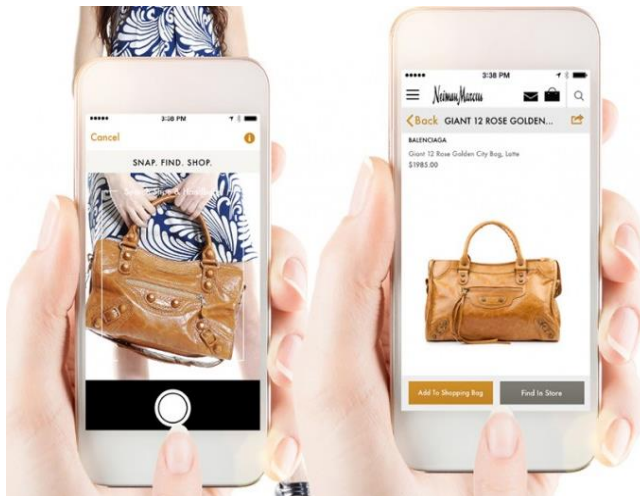
The OIG's prior research has also demonstrated that Digital Natives show a preference for one-click shopping; it even trumps their privacy concerns with storing personal billing and shipping information. Thus, as mobile technology continues to evolve to meet the preferences of Digital Natives, the connection between the physical advertising and digital shopping experiences will grow increasingly integrated for consumers. Mail needs to stay relevant in the instant gratification economy, and buy buttons embedded in print media can link a mailpiece directly to a real-time shopping experience.

Image Recognition and the Future of Purchases

Imagine you are at a friend's house and you see a toy that is perfect for your nephew, whose birthday is next week. Wouldn't it be convenient if you could buy the toy by snapping a picture of it on the spot with your cell phone, rather than taking that weekend trip to the mall? New technology has made this instant gratification shopping experience a reality.

In 2014, Amazon led the way in physical image recognition through an app called Flow, which is able to identify products in stores by scanning a picture of package covers, logos, and artwork. Flow was created to bolster the "showrooming effect" of ecommerce, in which customers use physical stores as a showroom for products they purchase online. Instead of customers having to type keywords into their smartphone to check for better prices online, Flow allows shoppers to instantly check Amazon for better prices by simply taking a picture of the product in the store.

Figure 3: Slyce Technology in Neiman Marcus Mobile App



The visual search provider Slyce has expanded the showroom, by creating image recognition technology that can scan the physical items themselves, regardless of the product being in its original packaging or not. Slyce can also recognize products in printed ads. Its technology is integrated into individual retailers' apps. Within those apps, the consumer can take a picture of a physical product to check if it is offered by the retailer, and if so, the consumer can make a purchase. With this technology, the entire world can become the customer's showroom. Slyce also offers its own app, called Pounce, which uses this technology to direct the consumer to the product offered by any number of retailers, such as Target and Macy's.

However, nascent image recognition technology is not yet entirely reliable. Currently, image databases are not large enough to provide a seamless user experience. But companies like Amazon and Slyce will continue to build their databases to improve efficacy. Image recognition of actual products would make every social or public outing a potential shopping experience. Widespread adoption of these apps would bring the instant gratification economy to a new apex.

Conclusion

Consumers' needs are constantly evolving, and advertisers must adapt in order to take full advantage of the market. To satisfy consumer demand for more convenient shopping options, retailers have turned to buy buttons, which they hope will reach a broader audience and inspire both impulse and future purchases. By saving their purchasing information, consumers can easily buy a product with just one click. The growing convenience of ecommerce will continue to help the Postal Service through the growth in shipping and packages. However, in order to provide value to both advertisers and consumers, mail needs to innovate with marketing strategies and consumer demands. Companies such as Louis Vuitton, Target, and Amazon have demonstrated novel tools for connecting physical objects and advertising to buy buttons. These innovations offer valuable new ways to make mail a direct conduit to a consumer purchase. Indeed, it may soon be essential to include these features, as users come to expect instant gratification on all communication channels, digital or not.

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