



# REACHING TODAY'S MOST PASSIONATE AND SAVVY SHOPPERS

Many of today's shoppers are making purchase decisions based on a mix of emotional and financial factors. In times of uncertainty and disruption, people want to save money, reduce frustration and feel confident about their purchase decisions. Shoppers need to believe they are doing the right things in the right ways.

The most successful marketers understand shoppers' emotional and financial needs and address them with deals and rewards campaigns.

## UNDERSTANDING SHOPPERS' FINANCIAL AND EMOTIONAL NEEDS

In a late 2020 consumer behavior study by Honey, the PayPal-owned smart shopping solution, 58% of respondents reported a decrease in household

income since the pandemic's start, and 38% believed they hadn't been doing a good job of saving money during that time.

Understanding the powerful feelings consumers grapple with as COVID-19 continues to affect their lives enables retailers and brands to tailor experiences to:

### EASE NEGATIVE THOUGHTS.

- Two-thirds of Americans experienced fear of missing out on deals when they decided not to buy a discounted item they saw and wanted.
- 61% experienced buyer's remorse within a few hours of making a full-price purchase.
- 38% had anxiety about paying full price and nearly one-quarter felt guilt about doing so.

## AMPLIFY POSITIVE EMOTIONS.

- 67% of respondents felt less guilty about purchasing if they found a deal, discount or coupon.
- One-third said a promo code or price reduction felt like eating comfort food.

## REWARD THEIR EFFORT.

- 81% of respondents searched more frequently for promos, online deals and rewards than before the pandemic began.
- 37% of participants spend between one and two hours a week looking for coupons.

## GETTING TO KNOW THE SAVVY SHOPPER

Savvy shoppers are a valuable market segment because finding a good deal is part of their identity. For example, three-quarters of parents in the Honey survey believed getting a good deal was a sign of being a good mom or dad, and more than half of all respondents found thrifty people attractive.

These shoppers aren't indiscriminate coupon clippers. They're dedicated deal-seekers who prefer experiences that help them make confident buying decisions and processes that make shopping easier and even fun. Brand name, quality and retail source matter to them, and they embrace the idea that the pursuit of a great deal reinforces their image as smart, savvy and thrifty.

Honey's membership represents savvy shoppers who belong to desirable demographics: Nearly two-thirds of the company's 20 million members have household incomes of \$100,000 or more, and 65% of new Honey shoppers are between the ages of 18 and 34. These savvy shoppers are 166.6% more likely to buy than people who don't use Honey.

## DESIGNING MORE EFFECTIVE CAMPAIGNS

With more people shopping online and more brands aiming for share of wallet, it's crucial to deliver personalized experiences tailored to shoppers' needs and tastes. According to the Honey survey, appealing to the financial and emotional needs of customers with deals, promos and rewards pays off.



### MINI CASE STUDY

## Incentivize Purchases and Increase Revenue Per User



**A**n American electronics retailer collaborated with Honey to increase customer retention. The retailer instituted Honey Gold redeemable reward points for multiple product categories in its online store.



**During the campaign, the brand saw a 10% reduction in comparison shopping, a 28% lift in average order value, a 30% rise in conversions and a 73% increase in revenue per user. ■**



## MINI CASE STUDY

# Propel Conversions With Better Offers

A leading fast-fashion retailer launched Honey Offers to drive more e-commerce sales. Within just a few weeks, the retailer had **reduced initial ad spend by 27% and increased return on advertising spend by 29% while maintaining revenue levels.** Conversion rates also rose 45% for a 149% total lift. **Shoppers who engaged with Honey Offers were 43% more likely to revisit the site and 16% less likely to shop with competitors.** ■

## MINI CASE STUDY

# Leverage The Honey Halo Effect

"Shoppers don't just see us as a provider of good deals, they rely on us from the beginning through to the end of the shopping journey," said Celiena Adcock, head of GTM and Global Business Marketing at Honey and PayPal Digital Commerce. The Honey community of passionate users, fueled by the power of PayPal's global community of shoppers, creates a high level of trust that transfers to partner brands. In Honey's customer research, **80% of respondents considered Honey helpful and trustworthy — two key influencers of purchase decisions.** Honey members also view the platform as a reliable source of great value that makes shopping easier. In turn, they say Honey makes them feel better about shopping online. ■

## HERE ARE THREE STRATEGIES TO REACH THE MOST PASSIONATE AND SAVVY SHOPPERS:



### 1. OFFER THE BEST POSSIBLE BUYING JOURNEY.

Entice and reward shoppers with an experience that eases negative feelings and amplifies positive emotions at key stages of the buying journey:

**⚡ DISCOVERY/SEARCH:** Shoppers use the web and email marketing to locate deals. Reach new customers organically at the start of their shopping journey.

**⚙️ TACTIC:** Make deals easy to find on your site and through trusted online communities. Honey's search and discovery platform allows members to browse products and deals across partner stores.

**⚡ CONSIDERATION/EVALUATION:** Shoppers apply their evaluative criteria to narrow down choices.

**⚙️ TACTIC:** Personalize the experience for each user and offer rewards and other incentives to frequent shoppers. Honey solutions support decision-making and reduce comparison shopping. Droplist allows members to monitor the price of their favorite products over time so they buy when they're ready. The patented Savings Finder browser extension reduces cross-site shopping by facilitating discount codes and boosting shopper confidence.

**⚡ TRANSACTION/PRODUCT CHOICE AND PURCHASE:** Shoppers decide when, where and how to buy.

**⚙️ TACTIC:** Incentivize buying. Honey Gold helps incentivize purchases with points-based rewards. Shoppers spend more to save, which drives conversions and high-value purchases without traditional discounting.

**⚡ POST-TRANSACTION/POST-PURCHASE USE AND EVALUATION:** Shoppers decide whether the product was worthwhile and may share feedback to influence future behavior.

**⚙️ TACTIC:** Evoke feelings of satisfaction, goodwill and shopping smarts. Honey Gold participants receive post-purchase personalized emails with their current points value and a reminder that they can redeem points for gift cards at Honey partners or donate them to a charity of their choice.



## 2. DESIGN THE RIGHT OFFERS.

Capitalize on shoppers' desire for a great deal with the right offer at the right time:

- 39% of respondents in the Honey survey are likely to make an immediate purchase if they find a coupon or discount on a product they want.
- 22% of respondents are likely to make an immediate purchase on an item they weren't planning on buying if they discover a coupon or discount.

For example, Honey Offers are limited-time opportunities redeemable for Honey Gold that can be shown throughout the shopping journey and delivered to customers' inboxes. Partners using Offers see a 322% increase in conversions and an 18% reduction in comparison shopping.



## 3. COLLABORATE WITH TRUSTED PARTNERS.

Instill confidence in your brand by partnering with names shoppers already know and increase convenience by delivering offers in the communities shoppers already participate in and enjoy.

## CONCLUSION

"Honey works closely with our partners to offer programs that align with their business models and objectives," Adcock said.

Honey's insights allow retailers and brands to effectively tap into each part of the shopping journey. They can design campaigns and offers that appeal to shoppers' emotional and financial needs with messages customers need and want to hear.

Offers are personalized to Honey's partners, just as deals and rewards are personalized on a more granular level to their members. As a result, retailers and brands drive incremental sales, increase average order value and discover and retain higher-value customers.

"Honey provides customers with a great way to shop and partners with smart and cost-effective ways to drive sales, customer retention and repeat business in ways that align with their business model and objectives," Adcock said. "It's a win-win for everyone." ■

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## ABOUT HONEY

We are an online shopping community built on trust. We empower our shoppers with a better way to shop, and merchant partners with a better way to help drive sales. Our 29M+ shoppers globally shop with confidence knowing they can get great value from each Honey shopping experience with our personalized shopping tools. We then connect brands with our loyal shopper base, helping them attract, retain, and convert high-value customers.

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