



Redcats USA Successfully Sizes PayPal.

When this leading direct marketer of clothing and home goods sought to increase sales, it turned to PayPal.

Redcats USA — a leading direct marketer of women’s and men’s plus-size apparel, home/lifestyle products, and sporting goods/outdoor gear — is a dynamic, multichannel, web-driven home-shopping retailer that has many successful brands in its portfolio: Woman Within®, Jessica London®, Roaman’s®, KingSize®, fullbeauty.com, and BrylaneHome®, as well as OneStopPlus.com®, The Sportsman’s Guide®, TGW.com - The Golf Warehouse®. Redcats USA is a division of Redcats Group.

New customers and new sales

Like most retailers, Redcats is always looking for ways to attract new customers and increase sales. To do that, they considered the idea of adding alternative payments to its website. After evaluating the alternatives, Redcats USA focused on PayPal because of its broad customer acceptance and market adoption. “On the web, PayPal is one of the largest payment providers out there, other than credit cards,” says Yann Tanini, VP, E-Commerce at Redcats USA. “So if we were going to be in this alternative payments game,” he recalls, “it was going to be PayPal because they are the market leader.”

While knowing consumers broadly use PayPal, Redcats wanted to know how its own customer base might respond specifically to PayPal. Its analysis proved promising. “When we conducted customer surveys, we got a healthy percentage of customers, over 11 percent, who said they would use PayPal regularly if we provided the option,” he says.

The survey found that the typical PayPal user profile overlapped with the typical Redcats USA customer profile, and that many customers would value the security and convenience provided by using PayPal. “We looked at the profiles and it seemed to us that existing customers would shop more if PayPal was an option, and we would find incremental customers as well,” Tanini says.

“Our goal was to provide our customers more choice, and hopefully increase sales and attract new customers in the process. By that measure, we’ve seen a great success.”

Yann Tanini,
VP, E-Commerce at Redcats USA



Giving customers what they're looking for

There's good reason for that assumption. Customer demand for payment alternatives beyond credit cards never has been so strong. Research firm Forrester reported that three-fourths of U.S. online consumers already are using advanced or alternative payment options, showing just how ubiquitous these forms of payment have become. Consider these statistics: more than 100 million active PayPal users across 190 markets look for PayPal when it comes time to pay – and PayPal is adding, on average, more than 1 million new accounts per month. That broad base of users is just one of the reasons why millions of merchants – of all sizes – trust PayPal to process their payments.

To quickly start accepting payments using PayPal, Redcats USA set up PayPal Express Checkout. Express Checkout runs smoothly: customers select items they wish to buy; then, from their shopping cart, they simply choose “Check Out Now with PayPal.”

Buyers then are transferred to PayPal's secured and hosted web pages to log in and complete the transaction. These pages can be customized to match the look and feel of existing merchant websites. Once the transaction is completed, customers are returned seamlessly to the merchant's site. Express Checkout integrates smoothly with back-end systems and workflow for easy management of fulfillment, sales tracking, and order history.

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Yann Tanini,
VP, E-Commerce at Redcats USA

Building a better customer experience

This made Express Checkout ideal for Redcats USA to complement its existing payment options with the ability for tight integration with existing order and sales systems. According to Tanini, as a trial, Redcats USA launched both PayPal standard and PayPal Express simultaneously on its Kingsize Direct website. A week later, Redcats USA deployed the payment option across all of its web properties. “The integration went great, and in the first week, the site we launched went to 11 percent payment share through PayPal,” he says. “When looking across all sites, we are at 9.6 percent PayPal adoption.”

However, the technical integration and customer adoption of PayPal weren't Redcats USA's only concerns; it was also anxious over potential impact on the use of its existing private-label credit currently offered to its customers.

“There were concerns that PayPal would hit private-label demand,” he says.



The good news: any cannibalization has been negligible, if existent at all. “We saw an opportunity to add a new payment that would increase convenience for our customers and thereby incremental sales as well,” he says.

The results

To date, the results have been encouraging: customers are shifting from paying with their traditional credit cards to paying with PayPal, and PayPal is bringing new customers to Redcats USA’s various websites. “According to our reports, approximately 50 percent of those choosing to use PayPal are new customers,” Tanini says.

Building on this success, Redcats USA plans to advance customer PayPal adoption even further. “PayPal transactions comprise nearly 10 percent of all of our online transactions, and we haven’t even promoted PayPal yet. We are hoping to increase its adoption by incorporating it within other media, such as our catalogs,” he says. “Our goal was to provide our customers more choice, and hopefully increase sales and attract new customers in the process. By that measure, we’ve seen a great success.”

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Redcats USA brands

OneStopPlus.com

womanwithin

ROAMAN'S

JESSICA LONDON

BrylaneHome

KINGSIZE
THE BIG AND TALL EXPERTS

fullbeauty.com
bras in sizes 36B to 50N

tgw.com
THE GOLF WAREHOUSE

THE Sportsman's Guide
The Lowest Prices. The Best Quality. Guaranteed!