



Phase 2 – Points Redemption

Kindle Points Program (Japan)

High Level Findings

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Overview

In order to offer a unique and previously unexplored method for extracting more value from customers over the product lifecycle, in June 25 – June 26, 2019, we conducted a qualitative research study on Kindle purchase Points redemption experience to understand the customers' perceived value of using their points in their Kindle purchase. We spoke to eight current Amazon customers who were low to high points users to evaluate the Points Redemption experience. Customers varied from intermediate to advanced users. Most were frequent Amazon customers, and none was a new or infrequent Amazon customer. All of them have used points to pay for their online purchases before. This document describes insights as well as "shoppers" frustrations identified through direct observation of customers. These insights and frustrations provide us with greater understanding of our Kindle customer, as well as identify opportunities to improve the points redemption and purchase experience on Amazon.

Summary

Customers use points for a variety of reasons including apply points to get a discount on any purchase, apply points on a huge purchase, save points to redeem on huge purchase. While most customers we spoke with have a good understanding on how to use and apply points on a purchase, we want to understand if providing an option to use all or some their points is an effective way to increase points user engagement. The following factors influence a customer's perceived value of using their points when making a purchase:

- Feel challenged understanding how Points work and hesitate to use or apply points
- Use all their points for each purchase because their perceived value of Amazon Points is low
- Prefer a simple and fuss free way to track and use their points
- Feel "forced" if they can only choose to use all of their points or none at all.
- Like the freedom to decide how they want to use their points
- Tend to do mental math to decide if they should apply points on a purchase
- Save their points to redeem a huge purchase or offset purchase tax
- Do not track their point history because they earn very little points to begin with
- Get confused when presented with different ways of applying discounts
- Do not perceive their Amazon Point as discount
- Perceive Amazon Point and Gift Card balance as "my money"

Key Findings

1. General insights on Points

1.1. When making a purchase, customers use all their points because it is “simple” and “easy”.

5 of 8 customers use Points when they purchase online. Most customers use all points because it is "simple" and "easy". 1 customer finds it challenging to understand the "merits and risk" of how Points works. She feels discouraged and usually does not bother using Points unless it is necessary. 1 customer does not trust the online Points system. She prefers to earn points using her reward card when making purchases in physical store e.g. grocery supermarkets ("I trust earning points on my card" - P3).

“Basically, prefer to use it all. To make it simple.” (P2)

“Once I have 500pt, I use all and save again. When I have no enough money to pay, I use all points.” (P3)

“Use all points at once. I don't care how many points I have. I don't want to care how many points I earn (100 or 1000). I don't want to keep track of points or earning history. Points are a bonus for me.” (P5)

“Use some points. I don't care because we pay with credit card and use points to pay off the taxes e.g. My payment could be 1010 include tax and I use some of the points e.g. 10pt.” (P7)

“I use all points or nothing. I don't think about why I use all or no points. When I use points, the amount to spend is for one-time shopping. When I use a lot of money to pay, I use point. Only use point when the purchase amount is huge. Over ¥3,000, I would apply points.” (P6)

“Use them all. Why not? No benefit in keeping the points. It's not like they are piling up and give you bonus or anything.” (P8)

Recommendations:

- Make it easy for customers to understand how to use Points with engaging content e.g. video, manga style animation
- Get data to understand how many Amazon customers apply all points versus some points
- Get data to understand the median amount of points Amazon customers have

1.2. Most customers do not understand how Points percentage is being calculated.

Most customers do not understand how the points percentage is calculated. They tend to make assumptions e.g. was it calculated from the print or Kindle book? They would get perplexed why X points equals to 1% (friction). 1 customer questioned if the 1% came from the physical or Kindle book. Most customers seem perplexed why there is % beside point.

“1% is very low. 1% of the List Price.” (P3)

“Why 1% is 10p.” (P5)

“(1%) It is not a lot. I don't use (Point) a lot. Don't know how it is being calculated.” (P2)

“I don't know for sure what is this.” (P7)

Recommendations:

Remove points percentage to enable customers to earn Points with ease (Reduce customer friction).

1.3. Most customers were unable to find and/or apply Points during retail checkout.

Most customers experience challenges when being asked to apply Points before checkout. They scroll up and down the page several times to try and find Amazon Points. Only 1 customer succeeded in finding Amazon Points (secondary page via the Payment section) but feels “there are way too many steps”.

“I cannot find any to select the Points I will use. I don't know why. I use Desktop. On the desktop, I can easily find and apply points. Not on mobile.” (P1)

“I cannot see any points on the checkout.” (P5)

“Oh! I can't find!” (P6)

Recommendations: Move Use Points functionality on primary retail checkout page, not hidden under Payment section. (Discoverability, visibility & ease of use).



2. Price Block Display – Detail Page

2.1. [Trust buster] Customers were left “confused” and “disappointed” why their Amazon Points were being perceived as Discount (割引).

All customers have no problem reviewing the price summary. They found it "clear" how the final price is being calculated. What they cannot comprehend was why Savings was used as Amazon Point. They do not equate Savings as Amazon Points. They felt the inconsistency confused them. On detail page, what they perceived as discount turned out to be Amazon Points. To them, Amazon Points and Discounts were two separate entities and should be treated as such.

“I notice I am about to use Amazon Points 200pt. It is odd. In the previous page (Detail page), I thought this 200 is Amazon discount. But when I go to the price break down, this page says you use Amazon points. I am a bit surprised. 200Y is not discount but my points I am about to use. So, this is confusing.” (P1)

“(Price summary) This is very clear but now I don't understand why the discount ¥200 comes from Amazon Points I have. That is not a discount but a deduction of the price using my Point.” (P5)

“Ahhh... ¥200 is the discount from the Amazon Point I have. I am not sure about Amazon Point. Is it points from my account or just points provided to customer as discount like a coupon? It is not discount because they are using your point to deduct.” (P4)

“I am not quite sure where this 100pt or 200pt is coming from. I wonder if this 100pt is from my point account. Then how much point balance do I have? If it says My Amazon Point it probably comes from my account.” (P7)

Recommendations:

- Consider “Points applied”
- Work closely with JP translation lead & legal to come up with a text label with strong information scent.
- Benchmark with other JP top retailers.

2.2. Customers ignored the text link Price Breakdown (支払い方法の詳細) because they perceived it as a mean to change or manage different types of payment methods.

Most customers felt the link means to change or manage different types of payment method. The link does not provide a strong information scent to apply points. They ignored the link because they don't change their payment method often. 1 customer assumed the link is about his payment details and how much is he going to be charged.

" You go to this link and explains everything about payment and how you are going to pay." (P3)

"I can choose a credit card, Amazon pay. I can choose payment methods." (P4)

"Probably take me to the help page how to pay, payment method, details about payment." (P8)

Recommendations:

- The link should be explicit & actionable (in Japanese) to drive customers to apply Points.
- Work closely with JP translation lead & legal to come up with a text label with strong information scent.
- Benchmark with other JP top retailers.

Opt-in/out of points

Use all or some of X points



3. Price Summary

3.1. [Delighter] Customers found the price summary “very clear” and “really simple”.

Customers have no problem reviewing the order summary. They found it "clear" how the final price is being calculated. It was straightforward and easy for them to understand.

“Total amount is ¥378. It really simple. I like it.” (P3)

" This is very clear." (P5)

“I am no sure about the Amazon Point. Is it points from my account or just points provided to customer as discount like a coupon?” (P4)

“If it says My Amazon Point, it probably comes from my account.” (P7)

Recommendations:

- Recommend “Use my points” (マイポイントを利用) with an emphasis on “my” to provide a strong information scent that this is coming from the customer’s account.

3.2. Customers are “confused” whether the Amazon Points come from their account or from someone else’s account.

What they were unable to know for sure was whether Points were coming from their Amazon account or someone else. 1 customer asked if Amazon granted her free Points without making any purchases.

“Kind of confusing where it is coming from. It may not come from my account. Maybe I want to know where the Point is coming from. Is it coming from my original Points? I would assume it is coming from my account.” (P2)

“The discount is there but it doesn't say it is my point. As a first-time customer (to this experience), I could not figure out what is this Amazon Point?” (P3)

“I am no sure about the Amazon Point. Is it points from my account or just points provided to customer as discount like a coupon?” (P4)

“If it is coming from my account, I will be disappointed and wasted (referring to Points).” (P7)

Recommendations:

- Recommend “Use my points” (マイポイントを利用) with an emphasis on “my” to provide a strong information scent that this is coming from the customer’s account.

3.3. Although customers do not change their payment method on a regular basis, customers like the option to change payment method

While the ability to change payment method is a delighter, customers change their payment method 1-2 times per year. 1 customer changes her payment method if she is making a purchase on behalf of someone else e.g. her parents. 1 customer mentioned he will change his payment method if he uses points. 1 customer mentioned she will change her payment method whenever she receives a new credit card.

“Very rare. I always use the same credit card.” (P1)

“Not very frequent. Once a year. If I need to pay with parents' credit card, I use their credit card?” (P5)

“Usually I never change my payment method unless I want pay with points.” (P9)

Recommendations:

- Use data to inform if there is a need to include an option to change payment method during 1-Click Kindle purchase.

4. Points Summary on Thank You Page

4.1. [Delighter] Customers found the Point Summary helpful because it lets them know about the available point balance to make the next purchase.

Most customers like the Point summary because it enables them to find out the total balance. They do not have issues with the Japanese text labels for Points Earned (獲得ポイント) and Points Balance (合計). When asked what they would expect to see if they select Manage Amazon Point (Amazon ポイントの獲得・利用履歴の確認), they would like to see how many points applied and/or earned with each purchase, point balance. 2 customers don't find the summary helpful because their next step is to download the book and read. 1 customer found the page gets busy with a lot of information. 1 customer mentioned he will not bother with the points summary because he can always check on the global navigation bar. When prompted to find it on the mobile site, he cannot find it (“It's not here” – P8). He mentioned he doesn't know where to check and will go to the desktop site or contact customer service.

"I rarely use this link (Manage Amazon Point) because when I bought a Kindle book, the next action is to read and enjoy it. I don't think I will frequently check my Points history. This page is busy to me." (P1)

"It is helpful. I can check the how much I earn with each purchase. Check which item earns which point." (P2)

"Yes. I feel I have points to spend." (P4)

"How many points I have? How many points IU earned on this purchase? I also want to see list of earning and spending history." (P5)

"Yes. It is very clear how much Point I get with this purchase." (P6)

Opt-in/out of points



Use all or some of X points



5. Opt-in/out of Points versus Use all or X Amazon Points

5.1. Customers like the freedom to decide how they like to use their points on their Kindle purchase.

In the beginning of the study, 5 out of 8 customers prefer to use all or none of their points because they have a perceived low value of Amazon Points. However, once they were presented with the option to use X points and available point balance, they realized they can use their points balance to help them decide on what is the best way to apply points to make a purchase. They felt that even if they did not have not many points to begin with, they prefer to have the option to use all or some of their points. Customers were able to track their points balance from here (Note: Currently, customers were unable to track their points on mobile). There wasn't any friction when they complete the task entering and applying X points to the Kindle purchase. Some customers mentioned this option did not make them feel "forced" to use either all or none of their points. 3 out of 8 customers prefer the ability to opt-in/out to use all their points because they like to keep it "easy" and "very simple" and do not need to spend too much effort to use points.

"Prefer use all or none because it is easy. Usually I will not use that use some point." (P1)

"I am not forced to use points and you can select how many points I like to use." (P2)

"Prefer the checkbox. It is very simple." (P3)

"I have a choice to use all or partially one. I feel better that I have a choice. Like Rakuten, they let you use some choice. The feeling is better." (P4)

"I can use my point. Regarding how many points I want to use, I can choose all or some of point. Giving me more choices is better. Still work for me even if I have less point. Like the progressive disclosure of info (I love this one)." (P5)

“It is easier. This obviously I have a choice. Much better if it did not pre-select use all points. Prefer to select myself.” (P7)

Recommendations: In order to determine if we should allow customers to opt-in/out of Points or use all or X points, we should get data to help us make an informed design decision. For example, if the overall median amount of points is low e.g. 300pt, the opt-in/out option is an easy method for customers to apply points to their Kindle purchases.

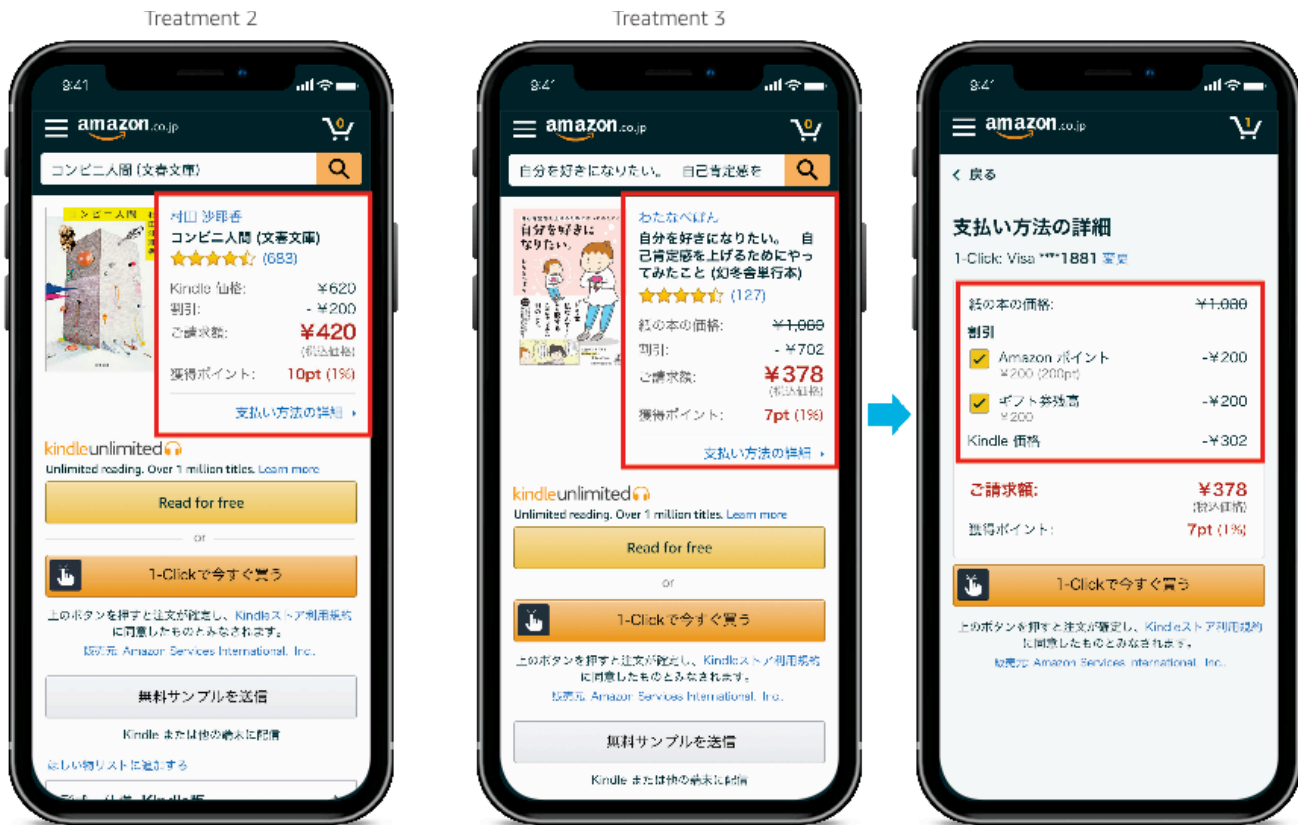
- Get data to understand how many Amazon customers apply all points versus some points
- Get data to understand the median amount of points Amazon customers have

5.3. Customers find the downward caret intuitive and understand there is more information

Customers face no friction when they attempt to apply X points to their purchase in the section expander. They would tap on the downward facing caret to reveal more information. 1 customer mentioned she preferred to have all the information exposed which made it easier for her. 1 customer missed the caret the first time and mentioned she will go to Your Account but as she looked at the page again, she found the caret.

“(Tap on the caret) Oh now I understand. Now I can configure the points I want to purchase. Notice the green text.” (P1)

“Means hiding something. That is why I tap on it.” (P5)



6. Design Evaluation – Price Block Display & Price Summary

6.1. [Trust buster] Customers were skeptical about the large discount. They were confused and surprised when most of the discounts were basically deducted from their points and gift card balance which they deemed as “my money”.

Customers were confused why their Points and Gift Card Balance were used as discounts. The multiple type of “discounts” made them skeptical about the total amount of discount. 1 customer was a little shocked his discounts come from his own Gift Card Balance.

“Wow. The Savings is not from the discount. Also, GC balance is also my money.” (P1)

“702 is too high for a discount so there is something wrong?” (P3)

“Ohhhh ... I see there are three discounts.” (P6)

“Definitely easier adding my Amazon Point, my Gift Card Balance then it is not discount.” (P7)

6.2. Customers were confused what exactly was Kindle savings.

Customers do not understand what is Kindle savings. It caused friction when reviewing the price summary. They had to do mental math to figure out how the Kindle savings was being calculated. 1 customer assumed the savings came from the price difference between Print List Price (PLP) and Kindle Book Price. 1 customer felt it should say Kindle Price instead and would not want a minus sign beside the price. 1 customer wondered if she was buying a print or Kindle book. On the detail page, she saw only Print List Price strikethrough pricing and

assumed this is a print book. When she saw the Kindle Savings on the Secondary View page, she was confused if she was getting a print or Kindle book.

"It is kind of confusing. I assume the discount comes from the physical book price. Discount is considered an offer from the retailer." (P1)

"What is this Kindle price -302?" (P2)

"Kindle savings is not a discount to me, it is not, it is just a price difference between print book and Kindle." (P4)

"I got 200 point, 200 for gift card and I did not know I am going to buy the Kindle version." (P6)