Entering E-Commerce With an Edge

Giant Bicycles didn't become the world's largest producer of high-quality bikes overnight. The company started out small—founded on the idea that by creating better products, they could help more people fall in love with the cycling lifestyle.

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Giant is the only truly authentic bicycle brand in the world—encompassing everything from design, to engineering, to handcrafting, to distribution. Giant distributes its products to retail partners worldwide so consumers can then purchase Giant's top-notch cycling gear and apparel in their local brick-and-mortar shop.

In 2016, Giant took their mission to expand cycling accessibility one step further, introducing their own online store for the first time but with the same distribution model intact. Now, customers can buy the bike of their choice directly on Giant's website and pick it up at their local, neighborhood bicycle store.

A Better Online Shopping Experience Begins with Flexible Payments

Giant made it a priority to bring their authentic, direct-to-consumer experience with them to the online marketplace.

"As we started the e-commerce process, we wanted to have that very honest, open, authentic experience for the consumer," said sales operations manager Allen Needle. Financing options were a powerful step towards building that experience, and the flexibility would allow more customers to afford Giant bikes, many of which typically cost thousands of dollars.

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But Giant wasn't willing to incorporate just any financing tool onto their site. In order to build an authentic buyer-seller relationship, finding the right financing partner was essential.

The Giant staff didn't have to look far. One of the company's credit managers had recently used Affirm to purchase a mattress. She raved to coworkers about the experience and how Affirm was integrated directly into the retailer's site, receiving a loan decision in real-time. "She was very impressed with the overall experience, and felt like [Affirm] was an extension of her purchase that reflected well on the mattress brand," explained Needle.

Through smarter underwriting that quickly and more accurately assesses credit risk, Affirm makes financing available to more people who can responsibly repay. Prioritizing simplicity and transparency, Affirm shows customers exactly what they'll owe upfront—eliminating the uncertainty associated with traditional credit.

And with a mission to bring honesty to the financial industry, Affirm's values aligned seamlessly with Giant's

own. A partnership with a trustworthy, consumer-friendly brand was a key step that helped Giant gain online shoppers' trust—and their business.

GIANT   With **Affirm**

GOAL

Create authentic relationships with online shoppers and make cycling more accessible.

BUSINESS IMPACT

$ **250%**
Avg. Order Value Increase

☺ **44%**
of Affirm users are 18-34

MOST RECENT 0% APR PROMOTION

↑ **58%**
of Total Loan Volume

⟳$ **100%**
Increase in AOV vs. non-0% APR

PLATFORM

CUSTOM E-COMMERCE PLATFORM

Affirm

Affirm is Impacting Every Stage of the Purchase Funnel

The Affirm partnership has had an overwhelmingly positive impact on Giant's business. A substantial AOV lift and a better strategy for offloading excess inventory have been among Affirm's key advantages. It's not hard to see why payment flexibility would boost average order values (to the tune of nearly 2.5x): when shoppers are able to break up an item's cost over time, they can now afford a higher end model, along with any of their numerous accessories like a helmet, lock, or gloves.

Affirm has also served as a powerful means of offloading excess inventory. Giant has taken advantage of Affirm's Multiple Financing Program (MFP) to hand-select exactly which bikes are eligible for financing. When the company found themselves heavy on a particular set of higher-end bikes, for example, they leveraged Affirm to offer 0% financing—enabling them to boost sales without lowering the product's market value.

"We experienced a very nice bump in sales—so much so that we extended that 0% offer for an additional two weeks," said Needle.

And because any bike sold through Giant's website is delivered to a brick-and-mortar store for customer pickup, Affirm's benefits have extended to Giant's retail partners. It is the retailer who ultimately takes on the bike's professional assembly, service, and the direct consumer interaction. "Our e-commerce program, called WebLink, is also designed so our retailer shares the profit margin on the online sale of our bikes and gear," explained Needle. "And in many cases, almost 40% of the time, an online-purchased bike already exists in the dealer's inventory. We don't ship the ordered bike to the retailer, because the bike is already on the retailer's floor."

"Now, the retailer has a great relationship with the consumer, too," added Needle. "The consumer was able to get the 0% rate—something they otherwise couldn't have achieved at their local bike shop."

By promoting financing offers on their site's homepage, Giant is also able to use Affirm as a powerful marketing tool. The company recognized how many shoppers were being compelled to convert when presented with consumer-friendly financing. Now, they promote Affirm via homepage banners, direct product callouts, social media posts, and email campaigns—the most recent of which was sent out to 40k unique email addresses. When a banner promoting Affirm on their homepage was recently removed, Needle says traffic to the targeted products decreased significantly.

In the bicycle industry, how to best approach e-commerce has been a hot topic for years. By introducing honest financing options, and directing online consumers to their retailers, Giant was able to enter the space in a manner that boosted its own sales and customer relationships, as well as those of its retail partners.