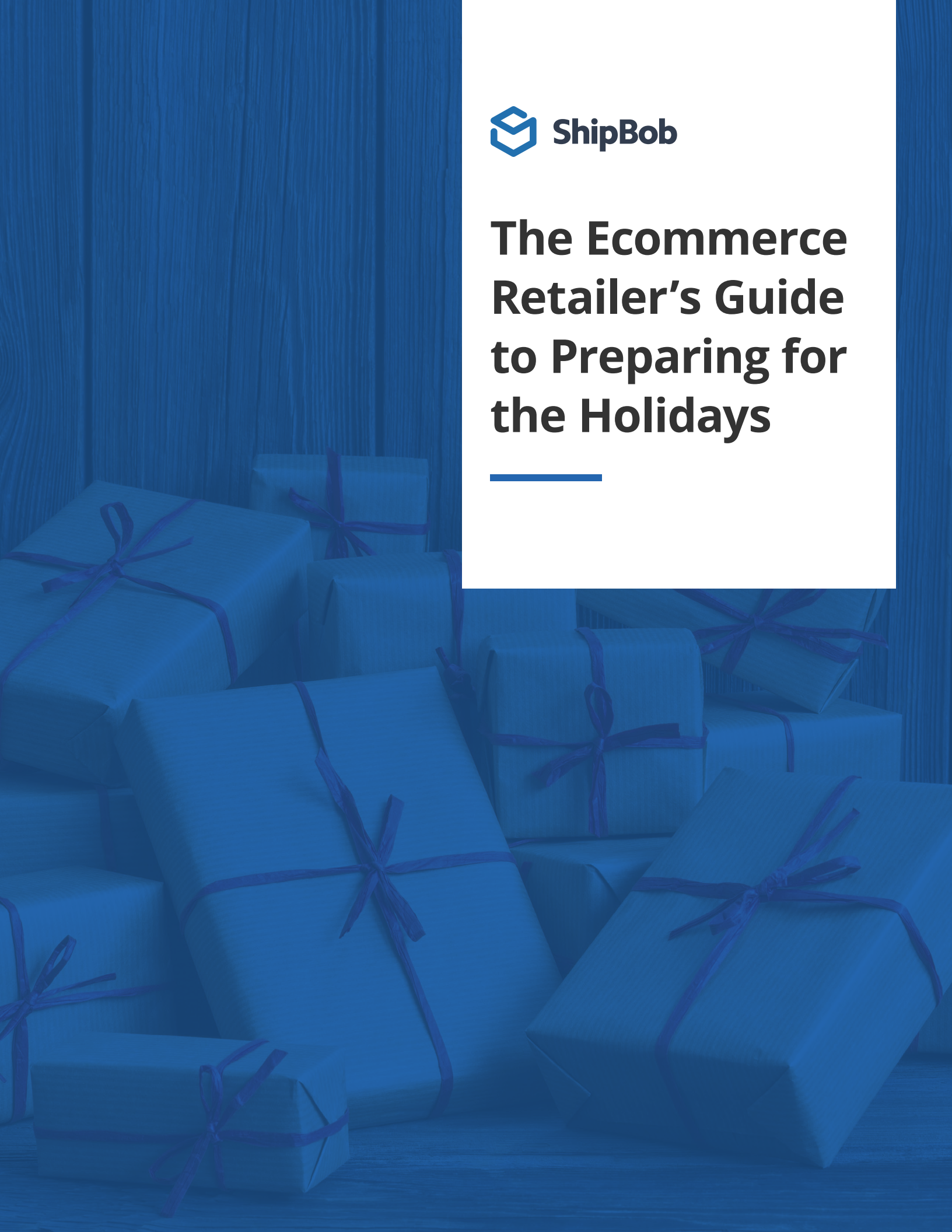




The Ecommerce Retailer's Guide to Preparing for the Holidays





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1 Introduction



It probably comes as no surprise that the busiest time of the year for ecommerce businesses is the holidays. Since 2012, about a quarter of total annual retail ecommerce revenue has been generated during the holiday season. With gift-giving traditions and shopping holidays aplenty, 'tis the season to shop! And while a lot of holiday shopping still takes place in brick-and-mortar stores, online retailers are getting a bigger and bigger slice of the pie each year:

Cyber Monday 2018 was the largest online shopping day in US history, with spending close to \$7.9 billion. 78% of online merchants experienced up to 30% growth in Cyber Weekend sales compared to 2017, while an additional 11% ecommerce businesses saw up to 50% growth in revenue.

Shoppers are gearing up to make this year's holiday spending the highest yet. However, as Benjamin Franklin said, "By failing to prepare, you are preparing to fail," so we recommend that ecommerce businesses start holiday preparations over the summer.

Come Black Friday and Cyber Monday, if your business isn't ready for an influx of website traffic, orders, customers, and even returns, the holidays can become a stressful time — and may even cause your business to lose money.

That's why we've created this guide — to help you make sure that your ecommerce store is ready for the holiday season. The most important part of preparing for the holidays is alignment: every part of your business, from your supply chain to your marketing team, must be on the same page. The operations of your business leading up to and during the holidays must be a well-oiled machine.

Introduction

To set your company up for success, here are the main elements that must be in sync and ready to take on the holiday rush:

1. User experience
2. Marketing and promotions
3. Inventory management
4. Order fulfillment and returns

In this guide, we will cover how to make sure that all of the pieces above work smoothly and efficiently together to make sure you — and your customers — have your best holiday shopping season yet.

The 2019 holiday season

- Thanksgiving: November 28
- Black Friday: November 29
- Small Business Saturday: November 30
- Cyber Monday: December 2
- Free Shipping Day*: December 14
- Super Saturday**: December 21
- Christmas: December 25

*Participating merchants offer free shipping on all orders, with promised delivery by Christmas Eve.

**The last Saturday before Christmas is historically a huge shopping day for brick-and-mortar retailers.

2 Providing a great user experience

Gift givers and bargain hunters alike make for great potential customers during the holiday season. But if you aren't able to give them a best-in-class shopping experience, it can be hard to convert browsers into buyers. Preparing your website for the holiday rush can help keep your conversion rates high and your customers happy.

A quick note: When we talk about user experience in this chapter, we mean the experience that a customer has when interacting with your brand and website online. The customer experience as a whole continues well beyond checkout; a great order fulfillment (and returns) experience is also vital to building brand loyalty and customer satisfaction, as we'll cover in Chapter 5.

Check out your checkout

Cart abandonment is an issue faced year-round by ecommerce businesses of all sizes, and while it may seem like an uphill battle, there are steps you can take to increase conversions all year long. With an influx of website visitors during the holiday season, it's especially important to turn as many shoppers into customers as possible. One of the biggest culprits of cart abandonment? A bad checkout experience. Here's how to improve your checkout.

Keep it simple

[Baymard](#) reports that 28% of shoppers have abandoned online carts due to too long or complicated of a checkout process. Buying from your website should be an easy, enjoyable experience for customers, and unnecessarily complex checkout forms can frustrate and drive away would-be customers. The average checkout contains about [15 form fields](#), which is twice as many as necessary to gather the customer information you need to process and ship their

order. The fewer steps in your checkout, the more likely a customer is to complete a purchase.

Optimize for mobile

As smartphones become ubiquitous, mobile shopping is on the rise. During the 2017 holiday season, smartphones and tablets combined drove [52% of traffic](#) to retail websites and accounted for [33% of all online holiday revenue](#). Make sure that your website and checkout are optimized for mobile well before the holiday shopping season starts. Some ways to do so include choosing a mobile-optimized theme on your ecommerce platform, showcasing security, giving ample product information throughout the checkout process, being transparent with costs, and simplifying navigation.

[Learn more about creating a great mobile shopping experience.](#)

Showcase security

According to Baymard's [report on checkout usability](#), 20% of online shoppers in the US have abandoned an order due to security concerns. You could be missing out on revenue from one in every five customers if your website doesn't inspire confidence, especially on your checkout page. You can encourage customer trust by presenting recognizable trust badges, making sure that your website has an SSL certificate, and offering trusted alternative payment methods (e.g., PayPal or Apple Pay).

Providing a great user experience

Meet shoppers' shipping expectations

Customers expect both fast and affordable shipping at the click of a button. A [Forrester study](#) shows that 44% of online shoppers who abandon their carts do so because of shipping and handling costs. Offering both affordable shipping and [2-day shipping](#) options can help you meet varying customer expectations. (More on this in Chapter 5.)

[Learn more about preventing shopping cart abandonment.](#)

Decorate for the holidays

In the weeks leading up to the holiday shopping season, it's important to make sure that your website is looking its best. Give your website a festive feel by posting more holiday-themed content, such as themed product pictures and blog posts; highlighting holiday sales and promotions; and sharing holiday-centric user-generated content.

You can also include a countdown to big sales days, such as Black Friday and Cyber Monday, or one that lets customers know how many days left they can order for guaranteed delivery before Christmas.

The latter not only serves as a useful reminder but can also encourage shoppers to buy thanks to the scarcity principle.

The same psychological rule applies to showing the number of a discounted item that remains, or how many other shoppers are viewing a certain item at one time; when customers are worried that they might miss a deal or opportunity, they'll be more likely to buy.

If you have a wide variety of products, gift guides

are another great way to get your online store into the holiday spirit. Curate and highlight collections of suggested gifts as a way to show shoppers that your products make great gifts.

Prevent a traffic jam

The influx of site traffic can be a burden to your servers, potentially causing your site to run more slowly or even crash during the holiday season.

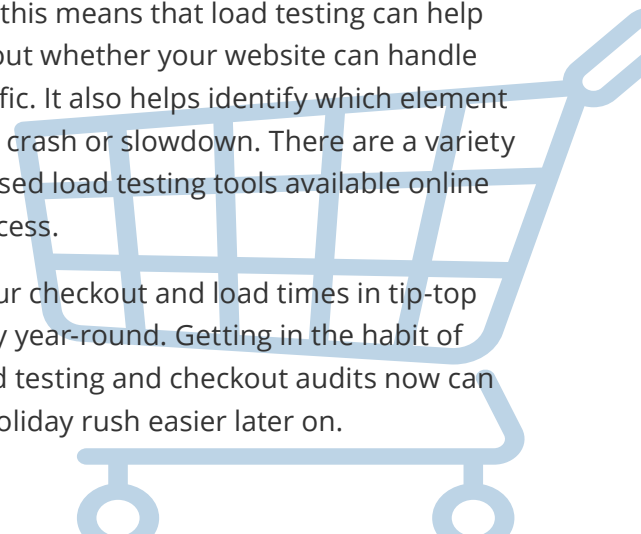
During Cyber Weekend in 2018, [23.85% of online merchants](#) saw downtime in excess of five minutes, while 5.5% merchants went down for over 30 minutes.

Since [47% of online consumers](#) expect a website to load in under two seconds, it's critical to make sure that your website can handle the busiest shopping season. Keeping your user experience simple not only increases conversions but can also decrease load time.

In order to make sure that your site can handle peak traffic, regular load testing is essential. Load testing is a kind of performance testing that determines how a system will react under both normal and anticipated peak load conditions.

Essentially, this means that load testing can help you figure out whether your website can handle holiday traffic. It also helps identify which element is causing a crash or slowdown. There are a variety of cloud-based load testing tools available online for this process.

Keeping your checkout and load times in tip-top shape is key year-round. Getting in the habit of regular load testing and checkout audits now can make the holiday rush easier later on.



3 Marketing your store

When it comes down to the wire, it doesn't matter how festive your website looks, how seamless your checkout is, or how quickly your website loads if you aren't bringing visitors through the (virtual) door. By strategically offering and advertising seasonal promotions, you can maximize your holiday site traffic and create customer loyalty.

Email marketing

Email marketing can be a hugely effective tool to bring customers to your site during the holidays and get the word out about holiday promotions, but in order to send out emails, you need a list of shopper email addresses.

To collect shopper emails, we recommend including prominent calls-to-action on your homepage and checkout. Consider using a popup on the homepage that lets customers know what benefits they'll receive in exchange for their email address, such as exclusive promotions.

Begin collecting customer emails as soon as possible — if you wait until the holiday shopping rush, your marketing may get lost in all of the seasonal promotional noise.

According to [Adestra](#), 85% of subscribers to email lists signed up because they received a discount to do so. Make sure to continue sending special offers and promotions to your email subscribers once you acquire them, especially around the holidays. In the same Adestra report, customers rated discounts in email as the biggest influence on their purchase decisions.

In that vein, let your email list know about Black Friday or Cyber Monday sales ahead of time with an announcement email hinting at certain deals, then

a reminder email the day before or day of the sales day(s). Consider offering an additional exclusive discount or presale code for email subscribers to build a sense of exclusivity and encourage customer loyalty.

Social media

In the digital age, social media defines word of mouth marketing. Social media can be a great way to engage in conversation with your customers, as well as a way to share promotions and content to attract customers to your site.

Different audiences are active on different social channels, and some may be more receptive to social media ads than others, which is why it's so important to understand where your target audience spends its time online.

Over the holidays, you can offer social media promotions as an incentive for customers to share your website with their social circles by sharing or liking posts on Facebook or Twitter. For example, offering either 10% off or a free small gift when a customer retweets a specific tweet.

Similarly to email marketing, offering social media-only promotions can help customers feel like they're part of an exclusive group, making them more likely to purchase.

Marketing your store

Referral marketing

Referral bonuses are another great way to encourage customers to share information about your store with their friends and family, especially during a time of year when most people are ready to shop.

You can offer individualized referral codes for each loyal customer to share with their social circles. When your customers' friends use their code, both the original customer and the friend who uses the code will receive a discount.

This encourages customers to make repeat purchases, share their codes and, more importantly, recommend your store to potential customers both during the holidays and into the new year.

4 Managing your inventory

It's simple math: more demand = more inventory. However, too often ecommerce businesses find themselves scrambling to stock their stores adequately for the holiday season, especially for big sales days like Black Friday and Cyber Monday. Stockouts can create unhappy shoppers — especially potential new customers who are visiting your store specifically for the deals promised to them in your marketing.

Stocking up

Make sure to communicate early and often about the status of inventory with your supplier or manufacturer.

Share specific figures around predicted order volume so that you can make sure to produce and order enough product well before the holiday shopping season is underway.

Using inventory management software can help you analyze your historical inventory and sales data.

If you were in business in previous holiday seasons, you can use historical data to predict sales levels this year, allowing for a more strategic ordering of inventory.

Be conservative in your estimates; too little inventory can cause stockouts, while too much can lead to low inventory turnover and high spend on storage, products becoming obsolete, and/or too much capital tied up in inventory.

Side note: If you ordered a bit too much inventory during the slower ecommerce seasons, Black Friday and Cyber Monday sales can be a great way to clear out old stock.

Tracking inventory levels

Working with a third-party logistics (3PL) provider that offers complete inventory management will help ensure that you have enough inventory in stock come holiday shopping season.

Within the ShipBob dashboard, for example, you can track how much stock you have available at ShipBob's fulfillment centers at any given time, plus set and receive reorder notifications.

Reorder notifications automatically alert you when your stock dips below a predetermined level.

For the holidays, we recommend increasing your reorder notification point; this will give you ample time to order additional inventory and build in a buffer just in case something goes wrong on the supply end.

This helps set you up for success — and happy customers.

It's also important to work with a 3PL that syncs your inventory data with your ecommerce platform(s) and/or marketplace(s).

Your 3PL should enable you to connect your store in just a few clicks without requiring a developer to set up an integration.

4 Managing your inventory

Once your products are listed on your online store, you can make sure all of your SKUs are pulled into your inventory management software.

If you sell on more than one platform or marketplace, you can sync inventory again as you add new products without duplicating effort.

You should also be able to use your 3PL's inventory management system year-round to edit important product details, bundle products for promotions, kit items to be assembled a certain way before they are shipped to customers, and prepare inventory transfers or wholesale shipments.

[Learn more about inventory management.](#)

“We have access to live inventory management, knowing exactly how many units we have in Texas vs. Chicago vs. New York. It not only helps with our overall process in managing and making sure our inventory levels are balanced but also for tax purposes at the end of the year. ShipBob made that entire process very simplified for our accountants and us.

- Matt Dryfhout, Founder & CEO of [BAKblade](#)

5 Fulfilling holiday orders

You have ample inventory in your 3PL's warehouse, your marketing is festive, and your site's user experience is a dream. Now, it's time to fulfill your customers' orders. It can be harrowing to handle peak season order fulfillment on your own or with a small team, which is why we recommend outsourcing fulfillment to an established third-party provider. Here are some important elements.

Communication is key

As we talked about earlier, a successful holiday season is all about operational alignment, and the order fulfillment piece of the puzzle is no exception. This is why it's vital to work with a fulfillment provider that values communication and transparency throughout the process, from receiving your inventory to shipping out orders and handling returns.

Odds are your 3PL wants to help make this your best holiday season yet by getting your orders out quickly, but to do so, they need your help. If you are running a Black Friday/Cyber Monday deal or other sales promo, let your 3PL know so that they can prepare for a sudden increase in orders.

We also recommend sharing any forecasting data you have, an anticipated percentage increase from normal volume, and any planned marketing or social media blasts — and the expected resulting increase in orders.

“Over Black Friday and Cyber Monday, we will release many new products and we anticipate selling two months of unit volume in that weekend alone. I feel confident that ShipBob will make Black Friday and Cyber Monday a success for us, helping us live up to our customers' expectations and deliver on time.”

- Carl Protsch, Co-Founder of [FLEO](#)

Fulfilling holiday orders

Expectations vs. reality

With big-box ecommerce companies offering two-day shipping and free shipping options, customers expect fast and affordable delivery at the click of a button — especially around the holidays, when timeliness can make or break the gift-giving experience.

But with two-day shipping as the standard set by Amazon and other retail giants, it can seem daunting or impossible for smaller businesses to offer the same speed.

While Amazon has a large network of warehouses, as well as the customer base and order volume to support their two-day shipping model, small to mid-sized businesses can leverage their 3PL's network of fulfillment centers to distribute inventory and offer fast, affordable shipping.

The key to making two-day shipping affordable (and meeting customer expectations) is to leverage ground shipping, which is a fraction of the cost of air.

“It’s paramount for people to feel confident that they will receive their products in the shortest amount of time possible. We’d hate to see our customers go somewhere else because we don’t offer 2-day shipping, so during our third holiday season with ShipBob, we used their 2-Day Express program.”

- Francesca Cavallo, Co-Author of [Rebel Girls](#)

By working with a fulfillment provider that allows you to distribute inventory across several locations, you save time and money by shipping from the fulfillment center closest to your customer.

This reduces the number of shipping zones that each order has to travel, making shipping faster and less expensive.

[Learn more about distributed inventory.](#)

Speaking of customer expectations, make sure to be clear (and conservative) about order cutoffs for guaranteed delivery before Christmas. Shipping times can be delayed by both weather and volume of shipments on the carrier’s side, which is out of you and your 3PL’s control.

The major shipping carriers announce their cutoffs in September; we recommend adding a few days longer than what the carriers say to account for order picking and packing, as well as any unforeseen delays.

Handling returns

The more you sell over the holiday shopping season, the more returns you’ll be dealing with during the first few weeks in January. In fact, between December 26 and January 31, [45% of Americans](#) will try to return at least one gift. And about [30% of items](#) bought online year-round end up being returned.

How can you get ahead of the inevitable influx of returns? Before the holiday rush heats up, make sure to have a straightforward returns process that is clearly communicated across your website.

Work with your 3PL to figure out if and how they manage returns for their clients. Your 3PL should be able to help automate the returns process in a quick and cost-effective way, including providing your customers with a shipping label and tracking information once their return is shipped.

Fulfilling holiday orders

You can have returned goods sent back to your 3PL's warehouse(s) or directly back to you, and view all tracking information for returns, from the moment a return label is generated to when the fulfillment center receives it and the item gets restocked.

Whether you handle returns yourself or leverage your 3PL's returns management services, make sure that the returns process is as painless as possible for your customers.

Even though they're returning an item, a great returns experience can encourage them to purchase from you again — and potentially turn a seasonal customer into a year-round one.

[Learn more about managing ecommerce returns.](#)

Working with a new 3PL

Whether this is your first holiday season at a quickly-growing business, or you need to switch 3PLs before the holiday rush, the sooner you get in touch with a new 3PL, the better.

There is a definite sense of urgency when it comes to choosing a solid fulfillment partner in time for the holidays.

If you think you'll need more staff or outside help to handle the increase in orders, make sure you get it squared away by the end of October at the absolute latest to ensure you get the service you need.

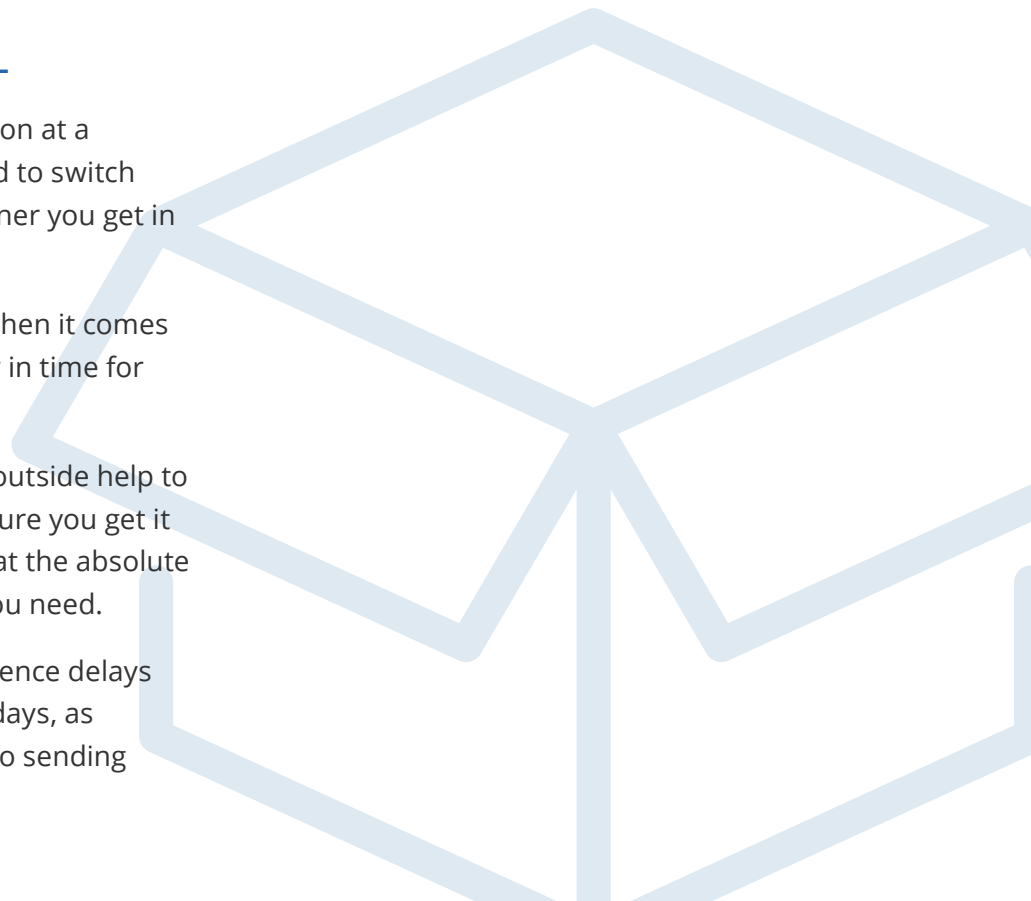
Fulfillment centers are likely to experience delays in receiving inventory during the holidays, as thousands of other customers are also sending more product, more frequently.

Remember, this is the craziest time of year for anyone in the logistics space. If you are looking to work with a new 3PL for holiday fulfillment, be as proactive as you can.

"We went from zero units sold to 5,000 in the first month and have been growing ever since. I know it would not have been possible to do without ShipBob, especially during the holidays."

- Steve Staffan, founder and CEO of [Brummell](#)

[Learn more about what to consider when selecting a new 3PL.](#)



6 Conclusion

“We are pleased to have a strong fulfillment partner during Q4 and throughout the entire year, and hope to 3x our holiday shipments this year. We are lucky to have ShipBob by our side.

– Steve Staffan, founder and CEO of [Brummell](#)

Overall, the holidays can be daunting for any ecommerce business. But with online sales expected to break records again this holiday season, your business can't afford to be unprepared.

The best way to meet customer expectations and finish 2019 strong is to start preparing for the holidays now by making sure every part of your business and supply chain are aligned.

Working with a 3PL can help take the stress out of the hectic holiday season.

To learn more about how the right 3PL can help you manage inventory efficiently, streamline order fulfillment, and create an excellent customer experience year-round, check out [ShipBob](#).



About ShipBob

ShipBob offers simple, fast, and affordable fulfillment for ecommerce businesses and crowdfunding campaigns. With a network of warehouses across the US, ShipBob lets you split inventory across locations for faster and more affordable delivery. ShipBob's software seamlessly integrates with the leading ecommerce platforms to automatically fulfill orders as they are placed online. Learn more at ShipBob.com.