

COLUMNS

## Preparing for the digital holiday rush

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*London's Fortnum & Mason department store has kicked off its Christmas countdown in-store, online and on mobile*

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From one busy shopping season to another, we are now past those busy back-to-school weeks and Halloween, which means that retailers everywhere are gearing up for an even busier season that often brings in more revenue than any other: the holidays.

### Holidays by the numbers

According to the National Retail Federation, 2015 holiday sales increased 3 percent from 2014 to \$626.1 billion. This growth surprised many after trends showed an abysmal year for retail.

For luxury retailers, especially, the outlook is good and getting better.

Management consulting firm Bain and Company estimates that spending on personal luxury goods in the United States grew a steady 5 percent last year to about \$73 billion.

However, as great as these numbers sound as another holiday season looms, it is important to understand that overall retail sales remained stagnant, growing by just 1.7 percent in 2015.

### So where is the growth coming from?

EMarketer reported that ecommerce sales grew by \$9.33 billion in 2015, compared with an \$8.76 billion increase in 2014. And because overall retail grew more slowly, the ecommerce share of total retail climbed at a faster rate in 2015 than in 2014, increasing a full percentage point, to 9.3 percent.

As such, new numbers from analytics provider RetailNext estimate that, overall, digital sales will climb to 16 percent of total retail sales this year. This will also impact an 11 percent decline in bricks-and-mortar store traffic in November, and 5 percent in December, as compared to 2015.

### Preparing for the digital rush

As the numbers clearly indicate, the holidays are and continue to be dominated by digital sales.

With holidays now including Black Friday and Cyber Monday as staple shopping days within the season, it is clear that bricks-and-mortar locations will receive less activity.

As more consumers turn to their phones and computers to buy gifts and goods, it is important that brands put much of their energy and resources into ensuring their online experiences are up to consumers' very demanding standards.

Studies show that digital customer experiences, both online and on mobile devices, can significantly affect purchasing decisions, thus dramatically influencing potential profits.

In fact, in a survey from WOW Local Marketing, 52 percent of customers reported that they are less likely to engage with the company because of bad mobile experience.

By following best practice, brands can create a digital shopping experience that their customers will enjoy:

**Make it clean and simple:** Whether it is creating new landing pages for exclusive items or sprucing up the current Web site, luxury retailers should focus on creating an experience that is easy for customers to navigate.

Nothing is worse than making customers jump through hoops to buy an item, especially when purchasing luxury items with a hefty price tag. The fewer barriers to purchase, the better.

If offering special pricing either via a discount code or verification method, make sure that redemption is easy and operates within the existing shopping experience.

**Be consistent:** While "omnichannel" is definitely a buzzword that many want to ignore, when it comes to holiday shopping, having a consistent omnichannel experience is crucial to success.

In fact, Aberdeen Group Inc. claims that companies with the strongest omnichannel customer engagement strategies retain an average of 89 percent of their customers, as compared to 33 percent for companies with weak omnichannel strategies.

Therefore, when updating the Web site with holiday-specific product pages and language, make sure to do the same thing to the mobile and social channels.

Customers want a consistent experience, no matter where and how they shop, which means it is up to the retailer to provide it to them.

**Enlist your best customer service team:** As the holidays are sure to bring increased traffic and purchases to your online, mobile and social channels, customer service is key to ensuring customer satisfaction and resulting purchases, especially for customers shopping with luxury retailers.

As much as 82 percent of consumers have stopped doing business with a company because of bad customer service, according to data reported by Zendesk, which is a completely avoidable statistic.

To keep churn down and revenue high during the November and December months, retailers must have a customer service team that is trained and available to respond to all customer service issues quickly and positively.

Whether it is through a chat agent available on the Web site as customers shop, a dedicated team to respond to issues reported on social media channels, a team of phone and email agents, or a combination of each which is what I recommend customer service should always be a priority.

WHILE BRICKS-AND-MORTAR locations will definitely see increased foot traffic and transactions, it is the digital channels that are the true stars of the 2016 holidays.

With just a few short weeks until the season truly kicks off, brands that put an emphasis on a creating a positive experience across their digital channels will likely see better conversions and a stronger balance sheet come January.



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