

RETAIL

How luxury retail can capture last-minute holiday shopping

December 17, 2019



The holiday shopping season is in the bag. Image credit: Neiman Marcus

By SARAH JONES

With about a week left before Christmas and Hanukkah, retailers have the opportunity to simplify holiday shopping by offering a seamless omnichannel and stress-free purchase path.

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Despite the shortening timeframe before the holidays, retailers still have a chance to appeal to procrastinators with last-minute ideas. Delivery is going to be a key differentiator for retailers, whether it is free shipping on online orders or same-day fulfillment driven by bricks-and-mortar inventory.

"With a late Thanksgiving, holiday shopping is very condensed this year," said Rich Siefert, senior consultant at **FitForCommerce**, Short Hills, NJ. "Those retailers that can offer later shipping cutoffs will gain valuable extra shopping days. Work with fulfillment and delivery partners to make sure you can ship as close to the holiday as possible and have gifts arrive on time.

"Also, remember that gifting offers opportunities to delight, or if done poorly, to disappoint," he said. "So, execution of delivery is critical as it will reassure customers through the holidays and build confidence going forward to ensure they return to shop with you again.

"Communicate frequently and accurately about delivery and meet the delivery commitments made. For any and all delayed gift deliveries, make sure your customer care team is ready to proactively help track packages down and are empowered to make sure customers are satisfied."

Present for procrastinators

This holiday shopping season is shorter than some years, with only about four weeks between Thanksgiving and Christmas.

Most consumers started their holiday shopping early. By Nov. 21, the National Retail Federation said that half had begun buying gifts, and on average they had completed a quarter of their shopping by then.

However, an OpenX report found that 13 percent of shoppers do the bulk of their shopping after Black Friday.

Catering to the last-minute gifter's needs, retailers are running marketing that prompts them with merchandise suggestions and services that will make finding presents easier.

For instance, a consumer-facing email from Salvatore Ferragamo tells shoppers, "It's not too late for holiday gifting."

In emails, many retailers are leading with delivery cutoffs in the subject line or email header, helping to ensure that gifts arrive on time. For instance, a message from Louis Vuitton includes a countdown clock, giving consumers an exact idea of when they can last order for holiday delivery.

Unwrap the LOVE [#CartierLOVE](#) [#CelebratewithCartier](#) [#holidayseason](#)

Time is almost up to receive your gifts in time for the holidays with express delivery. <https://t.co/tZHziHMEJj> pic.twitter.com/AcgtvIK7x

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Mr. Siefert suggests having the notification about shipping cutoffs on both a retailer's Web site and email communications to shoppers.

While standard delivery for many retailers is wrapping up, luxury consumers have shown a willingness to pay for expedited shipping.

According to a Dotcom Distribution study, 31 percent of luxury clientele will pay for faster shipping, compared to just 20 percent of other shoppers. Luxury buyers are also more apt to use same-day shipping, even when the service is free ([see story](#)).

There is also the opportunity for store-led speedy fulfillment.

From Dec. 16 to 22, Bergdorf Goodman is working with perfumer Jo Malone London to offer same-day delivery on purchases of \$250 or more that are made before 3 p.m. to areas of Manhattan between 34th and 96th Streets. In a branded touch, the packages will arrive in a Jo Malone London Morris Minor car.



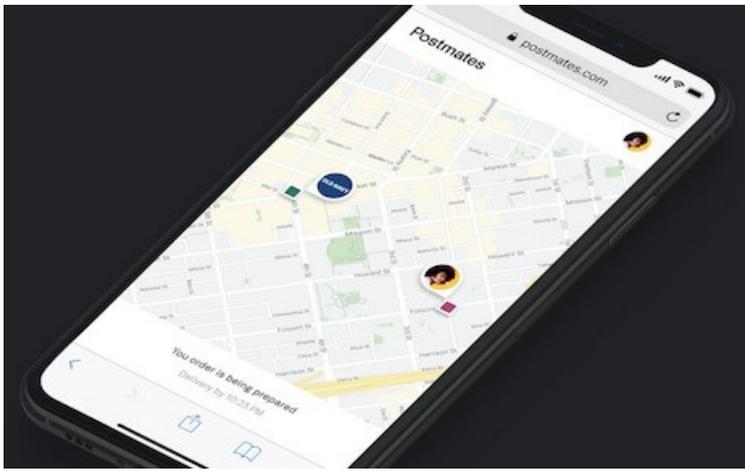
A Jo Malone London Morris Minor car. Image credit: Jo Malone London

Secondhand seller 1stdibs is also offering same-day delivery on some jewelry through Dec. 23.

Luxury retailers can also take inspiration from Old Navy, which is teaming up with Postmates to offer same-day delivery. While Postmates is typically more well-known for on-demand food and grocery delivery, it is working with Old Navy on a service that is an alternative to buy online, pick up in store.

"As we enter the last week before Christmas and Hanukkah, delivery becomes a key differentiator for retailers," said Kathleen Fischer, director, retail marketing at [enVista](#), Carmel, IN. "Customers need purchases as soon as possible to complete their shopping lists in time for their holiday plans.

"Amazon, Target and Walmart already offer last-minute delivery options even Old Navy jumped on the bandwagon this holiday season with the offer of same-day delivery of online orders," she said.



Old Navy is leveraging Postmates for same-day delivery. Image courtesy of Postmates

Consumers in eligible areas who choose BOPIS as a fulfillment option will get the complimentary option to instead have their items sent directly to them from the store, allowing them to avoid the crowds.

An Adobe report found that a record number of people will use BOPIS this holiday season, growing 39 percent year-over-year ([see story](#)).

In an email marketing its gifting services, Burberry spotlights its click-and-collect option, which makes packages available for pickup as soon as the next day.

"Pushing cutoffs as late as possible, including offering expedited or overnight shipping either free or at a discount, will make the most of the scarce holiday shopping days," Mr. Siefert said. "Then, use all available omnichannel tools to best serve the customer.

"After the final delivery cutoff, continue to drive customers to visit retail stores, providing customers with key details around location and holiday hours onsite and through marketing," he said. "This is also a great time to promote buy online, pick-up in store for those who offer it, as it makes the shopping journey as quick as possible for time starved holiday shoppers.

"E-gift cards are a great last-minute option that can be promoted up to and through the holiday, as they can be delivered up to the last minute, even on the holiday itself, and offer the gift of choice."

Making shopping easy

Convenience is the number one factor that consumers equate with a positive shopping journey, calling for retail experiences that deliver seamless service both before and after a purchase.

According to a report from Oracle Retail, retailers' priorities are not aligned to consumers' expectations. This is playing out in stores, as sellers place the most emphasis on experience while 56 percent of consumers crave convenience.

Shipping is a make or break part of the online shopping experience, and 13 percent of consumers would not return to a retailer if they failed to deliver at the promised time ([see story](#)).

Data from Google shows that consumers are open to new brands as they seek out presents for their friends and loved ones, making search a valuable tool in driving discovery. As gifters look for guidance during what can be a stressful time of year, being visible on search engines is one way to drive traffic and sales as well as establish new customer relationships ([see story](#)).

"Convenience and uniqueness are the key for luxury brands," Ms. Fischer said. "Offer items that can't be found elsewhere to cater to the luxury crowd, but make sure the items are easy and convenient for the shopper to purchase and get where it needs to go."

Best practice tips for reaching the last minute shopper:

- Rich Siefert, FitForCommerce:
 - "Provide gift ideas/guides grouped according to how the retailer knows their shoppers like to shop, for example by recipient, interest, product type, price point. Feature gift ideas that are in-stock and ready to ship first and foremost so the shopper knows that what they select will be available.

- "Leverage knowledgeable associates by encouraging customers to visit stores or contact the care center for additional help with gift ideas.
 - "Emphasize gift services like personalization and gift wrap that can help make the gift that much more special and ready to present. And, market e-gift cards for the truly last-minute gift shopper."
 - Kathleen Fischer, director, retail marketing, enVista
 - "While gift cards are always a safe, albeit boring, fallback gift, retailers would be best served to offer consumers gifting ideas that involve entertainment or experiences. Maybe it's a ticket to a special shopping event at a store or a special promotion that combines a retailer shopping trip with a dinner or movie out anything that adds a little uniqueness to the gift while still being convenient for the purchaser."
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