

RETAIL

Retailers should focus on fulfillment, personalization this holiday season

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Retailers should perfect their curbside options ahead of the holidays. Image credit: Neiman Marcus

By LUXURY DAILY NEWS SERVICE

As brands and retailers begin preparing for the holiday shopping season, they must keep in mind evolving consumer behaviors and health concerns as the coronavirus pandemic continues to impact several facets of everyday life.

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According to Kibo Commerce's "2020 Guide to Holiday Commerce," retailers should focus on personalization, ecommerce and fulfillment ahead of the shopping season. The guide also notes a segmented customer-drive strategy may be the most successful for ecommerce.

"The holiday season is often the most important part of the year for retailers, and this year, perhaps even more so," said Lisa Kalscheur, CMO at Kibo, in a statement. "Despite the uncertainty of what in-store shopping will look like, Kibo's guide ensures that retailers are prepared to quickly pivot, offer excellent customer experience and drive the highest possible ROI across channels."

Holiday prep

Total retail sales in the United States fell 8.1 percent in the second quarter of 2020, the worst contraction since the 2009 financial crisis. The third quarter saw lockdowns lift while coronavirus cases climbed, making some retailers more cautious.

While this uncertainty has placed many retailers under financial stress, Kibo cautions retailers to incorporate consumer needs into sales strategies. This could look like ensuring ecommerce websites are prepared for higher traffic, while also tailoring sites to improve customers' experience.

Cyber Monday has seen record sales for several years, and as consumers remain weary of in-store retail, online sales are only expected to grow even more. To be prepared, brands should take the time now to make sure ecommerce sites are easy for both retailers and shoppers to use.

Ecommerce sites should be equipped to handle more than traditional online shopping, as other fulfillment options are gaining acceptance.

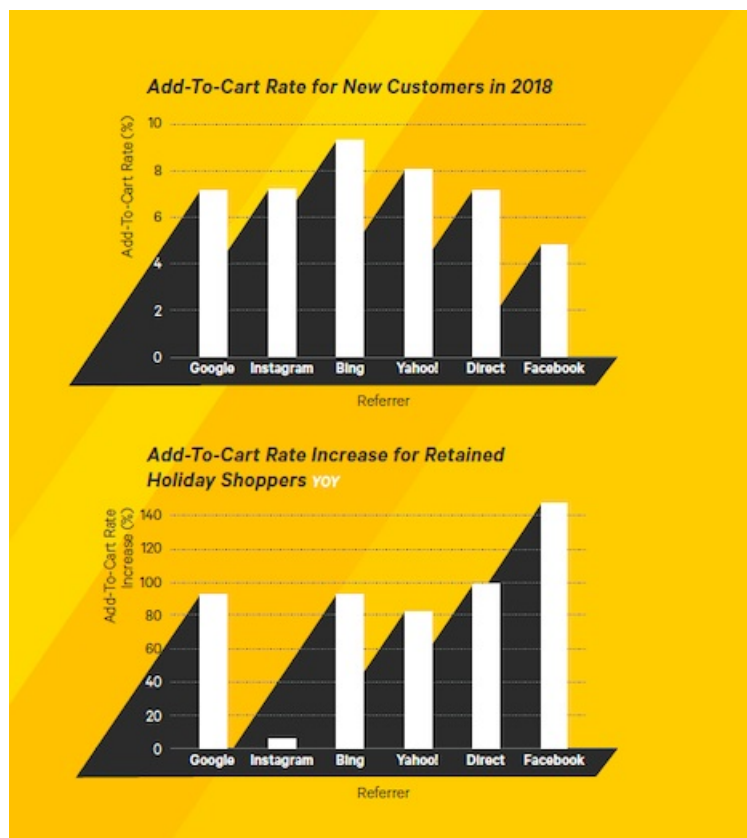
Options such as buy-online-pickup-in-store (BOPIS) and buy-online-pickup-at-curbside (BOPAC) can reduce

customers' exposure to coronavirus while remaining convenient. Online shipping timelines have increased during the pandemic, as delivery services face heavy volume while dealing with staffing shortages due to coronavirus and quarantines.

Incorporating BOPIS and BOPAC will also help retailers if stores need to close or reduce hours due to outbreaks.

However, retailers also need to communicate efficiently with customers about what to expect when picking up to make the experience go smoothly. Kibo suggests stores give shoppers specific pickup windows to reduce wait times, which could lead to tensions as consumers wish to limit potential exposure to the virus.

Retailers should also aim to offer custom experiences to new, returning and "retained" online shoppers. It is important to recognize that each of these segments is unique.



Retained holiday shoppers are more valuable than all returning shoppers. Image credit: Kibo Commerce

According to Kibo, shoppers who were new holiday customers the year before are likely to spend more when they are retained and return the following holiday season. Compared to all returning shoppers, these retained holiday shoppers have higher conversion rates and are 120 percent more valuable.

Conversion and add-to-cart rates also improve when shoppers see personalized product recommendations that take into account earlier behaviors.

Ahead of the holiday shopping season, retailers are also working to improve their supply chains.

The pandemic has accelerated ecommerce and many brands and retailers were caught off-guard by the surge in online fulfillment.

Sixty-five percent of consumers said they experienced out-of-stock issues during the first couple of months of the crisis, according to a new report from Astound Commerce called 2020 Holiday Preparedness ([see story](#)).