SOUNDCOMMERCE

ARE YOU PREPARED FOR THE HOLIDAYS?

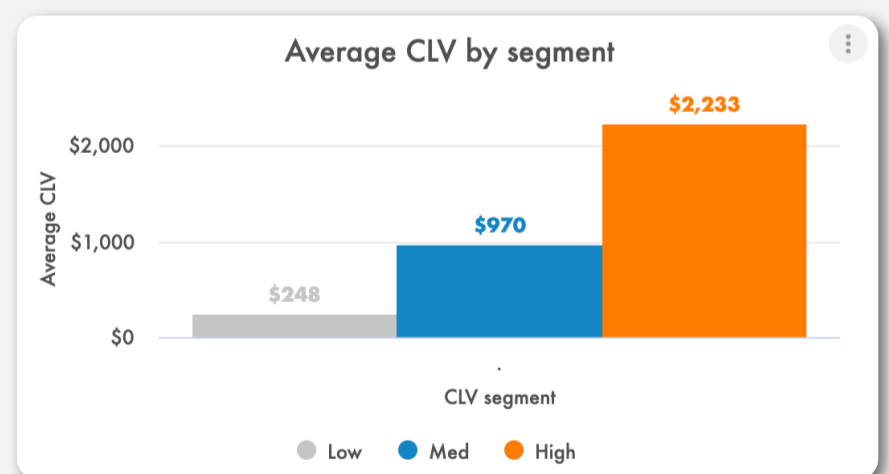## Solid preparation well in advance of the holiday season is key to success.

There are countless, unpredictable variables at play for what this year's holiday shopping season will offer for retailers and according to the National Retail Federation, 46 Percent of shoppers will start their holiday shopping earlier this year compared to 2021. Retailers that are focused on profitability across all aspects of their business – marketing campaigns, product discounts, and operational costs – will be best poised to handle all the curveballs the challenging economy throws at them.

The following is a list of actionable steps retailers can take now to best prepare that they'll be profitable regardless of dynamic market conditions during the holiday 2022 season.

Stress test your data

The most successful retailers measure and optimize all marketing programs based on profitability and not just revenue. Align your various business systems now to establish a solid baseline for profitability metrics, including shopper lifetime revenue and shopper lifetime profit, ahead of the holiday season.

☐ Elevate your metrics. Move beyond ROAS and AOV to metrics that measure your most important business considerations like customer lifetime value, profit per order, customer engagement, and others.

☐ Confirm your reports capture all the profitability metrics and KPIs you need to know to make "real-time" informed decisions.

☐ Check that all your data integrations are processing as expected.

Average CLV by segment

$2,233

$970

$248

$2,000

$1,000

$0

Average CLV

CLV segment

● Low ● Med ● High

Read more: See how SoundCommerce's Lifetime Value Models elevate you from revenue-based metrics to profit-based metrics.

Solidify your marketing and promotions plan

Do a deep analysis of past promotions and other seasonal deals you've offered previously to identify what drives profitability and what does not so you know which you should or should not repeat. Leverage data from past successful promotions as a baseline to drive new strategies for a holiday season we know will be challenging given the current economic environment and consumer considerations.

- ☐ Calculate which promotions and ad campaigns delivered the highest profitability and customer lifetime value last holiday season and during other recent key promotion periods.

- ☐ Identify top-performing customer segments by promotion type and/or marketing channel.

- ☐ Identify different marketing campaigns for different target shopper profiles.

- ☐ Consider adding a retail data and analytics platform to your tech stack to help identify specific ways to reduce product discounts, know what product discounts will result in the highest profits, and which marketing campaigns certain products should include, while also highlighting opportunities to increase profitability across all marketing campaigns and promotions.

See it in Action: Watch how you can use QueryBuilder to understand who your most valuable customers are, and what products they purchase first.

Communication is key

Offering a variety of digital purchase options including ship to home, same-day home delivery, and in-store pick-up, in addition to payment options such as buy now, pay later can all help guarantee customers will shop with you. According to an NPD survey of US consumers, 85 percent of consumers will include online shopping in their holiday plans. Transparency and over-communication around return policies and online orders can only help your customers to have a positive shopping experience. Marketing specific campaigns to targeted customer segments will create a more personalized brand experience for social media followers.

- ☐ Identify ways to personalize digital experiences to help customers shop how they want to shop.

- ☐ Plan how you will manage customer expectations through your pre-and post-purchase engagements.

- ☐ Build segmented customer lists and create dynamic, personalized for your social media channels to increase engagement.

Learn from other retailers: Read how SoundCommerce customer Bala identified new customer segments and product kits to increase Average Order Value by 30%.

Is your website holiday-ready?

Your website is a key component of your brand's success. Set traffic and order goals for the holiday season and work with your development team to stress test your website. Be sure to have plans in place in anticipation of possible problems, ensuring you never risk an opportunity to capture a sale or retain a loyal customer with a positive shopping experience.

- ☐ Double (or even triple) test that your website will be able to handle the increase in traffic and orders that you are planning to have this holiday season.

- ☐ Confirm your website is optimized for great customer experiences on mobile devices.

Read more: See how SoundCommerce Campaign helps retail marketers to first-party data to reveal granular shopper and order profitability insights by connecting, mapping, and modeling data across digital marketing campaigns and channels, web analytics and e-commerce storefronts.
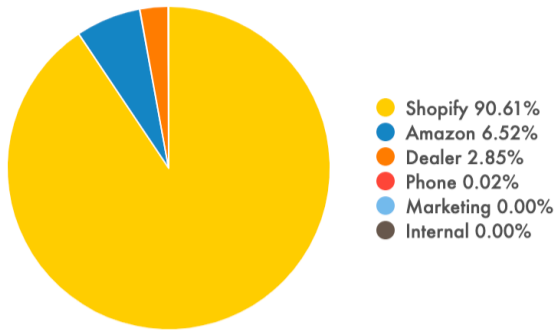
$14.0M
Demand sales ⓘ
▲ 4.4%

$12.5M
Shipped sales ⓘ
▲ 2.1%

Demand sales by Channel

- Shopify 90.61%
- Amazon 6.52%
- Dealer 2.85%
- Phone 0.02%
- Marketing 0.00%
- Internal 0.00%

Use the SoundCommerce Shipped vs Demand report to understand what was ordered, and how much of it was actually fulfilled. Schedule a demo to see more.

It's all in the details

Identifying possible inventory, availability, and shipping cost risks as early as possible allows time to prepare alternative plans to ensure maximum orders and maximum profitability during the holiday season. According to McKinsey, 70 Percent of shoppers faced with out-of-stock products have switched retailers or brands.

☐ Quantify and forecast product demand through the lens of new and existing customers to help inform purchasing and producing enough supply of each product.

☐ With rising shipping costs, calculate that your free shipping thresholds and paid shipping tiers are priced to maintain order profitability.

Warehouse efficiencies

Establishing new warehouse processes and efficiency opportunities now will save you headaches later and will help to guarantee your customers have a positive holiday order experience.

☐ Review your warehouse or 3PL processes for picking, packing, and shipping orders. Identify and implement changes that will increase the efficiency and speed that you fulfill orders.

☐ If your warehouse or 3PL may have problems staffing for the holiday season, identify incentives you can offer to secure seasonal hires.
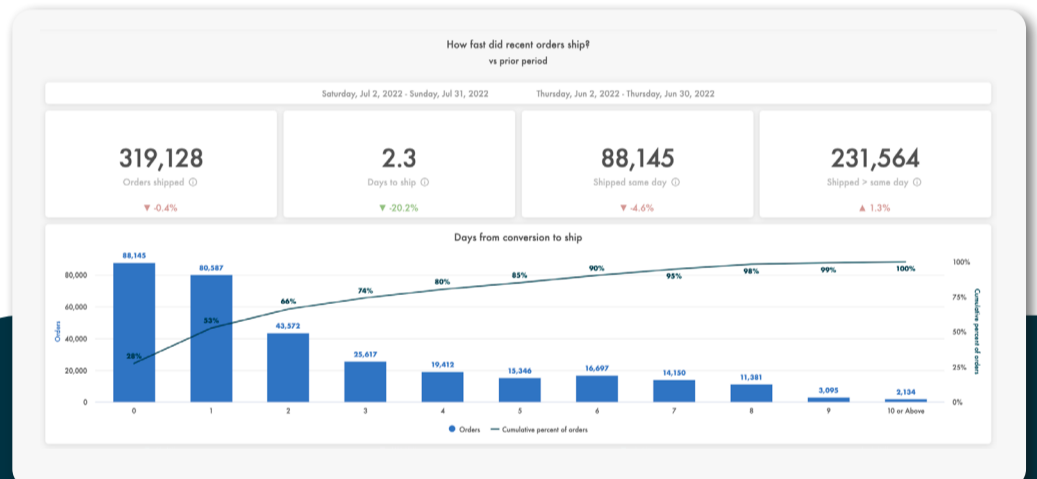
Read more: SoundCommerce's Order Fulfillment Latency Dashboard provides a hub for the information you need about speed to ship - down to the individual order level.

Set your customer service team up for success

In tandem with ensuring your warehouse processes are optimized, it's imperative that your customer service team is set up for success. Spend the time now outlining processes and procedures, including a detailed manual for seasonal hires.

☐ Review the processes, systems, and staff in place to handle the volume of inquiries you anticipate.

☐ Identify processes and backup staff to handle unexpected spikes in customer inquiries.

☐ Decide if there is any software such as a chatbot or live chat that you should add to help improve the speed that customer service inquiries are responded to.

Take the time to prepare well in advance for the 2022 holiday season.

Consider adding a retail data and anlytics platform like SoundCommerce to your tech stack to help identify specific ways to increase profits and customer lifetime value. SoundCommerce leverages real-time data and predictive decisions to improve the unit performance of every customer, campaign, order, product, shipment, and supplier. The platform will help to set you apart from your competition and guarantee that you're in the best possible position to have record sales and the most successful holiday shopping season yet.
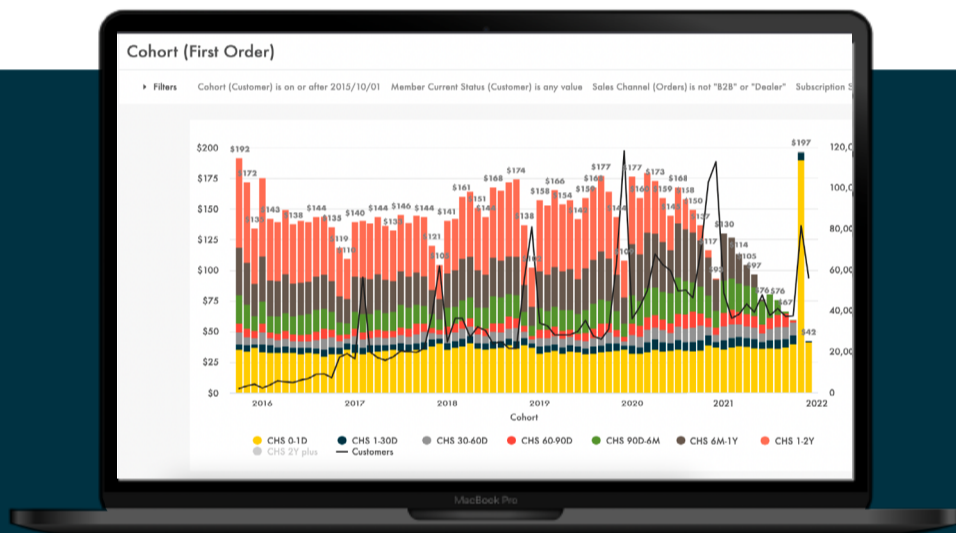
There's still time to level-up your holiday strategy.

Book a demo today!

www.soundcommerce.com

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SoundCommerce is an end-to-end retail data and analytics platform that connects and models marketing, operations, and merchandising data so retailers can optimize order and shopper profitability across all business functions. Built for retailers of any size or complexity, SoundCommerce transforms your unique data infrastructure into an easy-to-use, no-code environment that's accessible to everyone — no engineering degree required. With SoundCommerce, retailers have confidence that every decision and dollar drive profitable growth from first click to doorstep delivery. Founded in 2018, notable customers include: FTD Proflowers, Bed Bath & Beyond, Eddie Bauer, Bala, and Rainbow Shops.