



# Peak Season Planning A Guide for e-tailers

Cross-border Global Trade  
2021



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# What is global eCommerce?

## Think back 25 years....

Did you ever imagine the majority of shopping would be done online?

eCommerce sales as a percentage of total retail sales grew 117.7% between 2016-2021 while footwear and clothing retailers have seen 2021 year-on-year growth hitting 46.6% increase, according to the ONS. Data from econsultancy reveals, in the two weeks leading up to Mother's Day 2021, brands saw a 47% increase in online revenue compared to the equivalent two weeks in 2020.

International eCommerce is many things - cross-border commerce, borderless business, international online retail. But more importantly than what it is, is what it isn't. Global eCommerce is not a luxury. It's not a singular strategy among many, rather shifting towards internationalisation is essential, if expansion into new markets is the ultimate goal.

### Advantages of international eCommerce include:

- ✓ Opportunity for expansion into foreign markets
- ✓ Easier-to-find product-market fit
- ✓ Building brand awareness internationally
- ✓ Lower barriers to entry



# What is peak season?

Traditionally, peak season is when demand for products like Apple AirPods or Sony's PlayStation 5 soar as consumers seek sizeable discounts from e-sellers.

It's also an opportunity for retailers to offload those out-of-season items from their inventory to make way for the Christmas rush. Fashion, DIY, Health & Beauty, and high street retailers all experience uplifts in demand too, with Singles Day the unofficial launch day. Black Friday and Cyber Monday follow later in November with the season stretching into January, representing a huge revenue generating opportunity for retailers.

Peak season is an opportunity for retailers to cement relationships with existing consumers but more importantly, build relationships with consumers new to their brand.



## Why is peak season important to e-tailers?

The growth of international eCommerce and mobile shopping has brought the importance of supply chain management and shipping across many industries into focus.

Many organisations are rethinking how they communicate with consumers, how they can adapt to ever-changing consumer expectations, buying habits, and demands around the delivery of exceptional service experiences. Amazon's everything-now-centric model has forced e-tailers to reshape their supply chains paying greater attention

to when and how consumers receive goods during peak season. A recent report by Deloitte found eCommerce sales grew on average by 14.7% for retailers during the peak season which represents a significant portion of yearly revenue.

The rise in eCommerce revenue is a clear demonstration that consumer attitudes and habits to shopping are changing. Yes, there is still an appetite for in-store shopping, but the approach between the two appears to be more blended.



Consequently, it is this restructuring of the supply chain, changes in buyer behaviour combined with Amazons everything-now-centric approach to the logistics industry, which has meant Supply Chain Managers concentrate efforts, specifically on the flow of traded goods across borders from one country to another. This has resulted in a phenomenal uplift in the total volume of internationally traded goods.

In France for example, more people than ever before have been buying goods from international retailers online. Consumers have been shopping online more across all sectors, including fashion. It's expected that retail eCommerce sales in France will total €69.01 billion in 2021, compared to €58.94 billion in 2019 (ShippyPro).

**In short, peak season presents a vast opportunity for retailers.** It's a chance to recover lost profits offline and online, win new customers and even drive new revenue streams. Importantly, if retailers don't take the necessary precautions and plan effectively, they could quickly find themselves in a situation where they are unable to fulfil customer promises. Great customer eCommerce experience doesn't just happen, it's the result of highly analytical and careful planning.

e-tailers...

## Know your peak season dates

Singles Day, Halloween, Black Friday, Cyber Monday and Christmas are the key trading days retailers must meticulously plan to deliver those much-needed revenue boosts during peak season, especially now more than ever. Notably, product categories such as Home & Garden, Health & Beauty and Retail Fashion all experience spikes during peak. Finder.com reported Brits plan to spend an estimated £6 billion online across Black Friday and Cyber Monday purchases this year, according to their latest research.



## Black Friday in context

Nosto tracked user data across multiple industry websites to demonstrate Black Friday's impact on sales revenue and other KPIs. The data highlights the median percentage differences in orders, revenue and website visits for organisations as of 12:00am UCT on Saturday, November 28th 2020 vs 2019.

Industry	Orders	Revenue	Website Visits
Health & Beauty	27%o	22%o	11%o
Sporting Goods & Hobbies	17%o	19%o	20%o
Home & Garden	68%o	52%o	55%o
Fashion & Retail	8%o	10%o	7%o
Food & Beverage	33%o	45%o	31%o

When it comes to eCommerce revenue statistics, there is one common theme: the amount of money being generated online by retailers is increasing, every year. Therefore, as with any project, your preparations will be made infinitely easier by

dividing peak season into a hyper relevant series of scheduled dates. We have developed our Logistics and Freight eCommerce Calendar with the worlds key peak season sale dates highlighted complete with a summary.

## Learn the peak season dates



# How can e-tailers prepare for peak season?

You likely have peak season planning and preparation down to a fine art but with the holiday season fast approaching, now is the time for eCommerce and brick-and-mortar retailers to strategise for a successful peak. Seasoned operations professionals will know deadlines can overrun, supply chain issues can occur and then there is always the weather, so what can you do to mitigate the anticipated flood of orders and give yourself the best chance of success?



## Utilise data

When it comes to eCommerce, rarely is there a commodity with higher value or more sought-after than accurate, reliable data. Whether it's inbound or outbound volumes, revenue figures, transactional sales data or inventory levels, being able to accurately

forecast the organisations predicted level of demand during peak is crucial. By efficiently adjusting and allocating resources based on the-most-probable scenarios in the forecast, you can, as the retailer, create strategies to maximise operational control during peak.



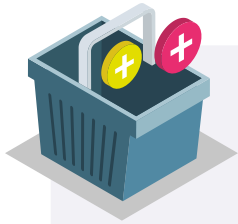
## Test operational processes

Ideally, before peak season is underway, discovery sessions should be held to determine if altering operational strategies might prove beneficial. Testing inventory tracking, order picking and understanding printing strategies help to identify potential bottlenecks caused by any anticipated increase in volumes.

For example, order picking is a highly repetitive, mundane, but important task that takes place in every

fulfilment centre. As an Operations Manager you'll be aware this is one of the organisations biggest expenses, often making up more than 50% of operational costs. Pickers typically spend more than half of their time walking the centres aisles to retrieve customers items. That's why it's critical to analyse and understand the different picking methodologies during the discovery sessions, so you can assess which is optimal.





## Promotional marketing and timing

As we emerge from the pandemic, our mindset as a collective has shifted. We've re-examined and reconsidered many areas of our lives from how we spend our free time to our expectations of brands. The 2021 holiday shopping season may seem a long way off for most people but for carrier specialists, peak planning begins in earnest 3-4 months before the height of the season.

Given you are likely to be running multiple marketing and advertising campaigns throughout your peak

selling season, our recommendation would be these are aligned with your warehouse operations and processes. Make certain that any products featured in promotions are easily accessible in the fulfilment centre, so they can be processed at speed.

It is intelligent thinking and operational considerations like this, about how promoted products are stored, picked, and packed, that will boost the productivity of your fulfilment centre when you need it most.



## Last shipping days

Deloitte recently stated in a report the firm predicts up to 30% growth in the use of parcel shipping services between November 2021 and January 2022. While peak season shopping will be very different for the vast majority of consumers, the rush in purchasing in the lead up to Christmas will likely continue. Therefore, just as click and collect has become important for consumers, coordinating last shipping dates and managing customer expectations has become vitally important in retailers' preparation for peak season

Whether it's Black Friday or Christmas careful review of your current shipping options, delivery schedules and service proposition to customers is recommended. Analyse your customer delivery promise to understand whether your chosen carrier can manage the anticipated uplift. Does a 30% surge in shipments impact your carriers ability to serve your customers? Does your carrier offer tried and tested solutions to

manage the increase in capacity/scalability as required, for example? The phrase forewarned is forearmed is appropriate. Good practice is to update delivery windows on the website and across all external communications. For example, build in some buffer time by changing from up to 3 days to 3-5 days for shipping times. Be transparent too and simply explain with higher volumes going through the networks, it is expected that delivery times will be longer than usual at this busy time.

Advanced planning like this also offers benefits to the retailer. By communicating and managing customer expectations early and in advance, customers will be more understanding should shipping schedules need to be extended if your courier partners experience problems. This should result in a noticeable reduction in customer service WISMO enquiries, which are 'Where Is My Order' removing stress from your customer experience and operational departments.





## Delivery

Sendcloud surveyed 9,000 Europeans in a recent report which states, free delivery is the leading factor in driving conversions, with 72% of individuals willing to add more products to basket to reach the minimum spend threshold to qualify for free delivery.

Of these consumers, those in the 18 to 24 age bracket were most likely to do so, followed by those between the ages of 45 and 54 years old. Interestingly though, to avoid delivery charges 55% said they would prefer to buy internationally and experience longer waiting times, if it meant that they could avoid a delivery fee altogether. However, beware if the expected delivery time slot is too long as this will deter consumers.

Finding the best courier solution can be crucial, by considering the below criteria you can strategise for the best carrier options.

- ✓ **Price** - are you willing to pay a premium for a faster and more comprehensive delivery service, such as an Express service?
- ✓ **Reputation (reliability)** - parcel carriers vary in reputation, and online feedback is usually a strong indicator
- ✓ **Speed** - think about how long your customers are prepared to wait?

# The importance of establishing carrier relationships

It is worth remembering the best carrier solution often pursues the target demographic and the best shipping options differ per industry, per product and per consumer group. Statista report carrier preference offered by retailers can influence final purchase decisions. The evidence is profound - 60% of Spanish shoppers state a strong or moderate preference for a specific delivery company. Importantly, of these consumers who state a preference 84% state the choice of carrier on offer often influences whether they will order from the e-tailer or not.



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# How do carriers influence buyer behaviour?

Carriers are vital in delivering goods to customers and handling the process of transportation across the supply chain acting as the intermediary between the retailer and the end-customer.

Nosto surveyed 1800 individuals across The United States from a variety of backgrounds and professions. The survey found 60% of Americans abandon a shopping cart if they perceive the delivery cost to be too high, whilst 18% abandon cart if delivery lead time is too lengthy.

**11%** of Americans will not purchase if the returns policy is not satisfactory, they believe the cost should be absorbed by the retailer or shared with the parcel carrier.

**60%**

of Americans abandon a shopping cart if they perceive the delivery cost to be too high

**18%**

will abandon a cart if delivery time is too long

French citizens feel strongly about shipping costs too with a whopping **44%** abandoning their cart for shipping cost related issues.



# Flexibility is key

The importance a clean delivery experience offers has been discussed at length and cannot be underestimated. The delivery experience often influences customer satisfaction and engagement with your brand. Building strategic partnerships with a select group of core carriers who offer country specific solutions can be an effective way for e-tailers to offer flexibility. The modern-day customer wants flexibility even when they have placed an order. They want to be safe in the knowledge whether it's a standard delivery, service point delivery, collection at a physical location, or next-day delivery, that they have confidence in the service.

Today, if buyers are unhappy with your delivery options, they won't hesitate to find a more attractive solution via your competitor. Thus, delivery options with carriers who use fixed networks with high shipping costs or lengthy delivery times are a thing of the past.

Working with agnostic-carriers opens up a world of possibilities to retailers to provide a greater depth of service to customers such as nationwide parcel pick-up and drop-off solutions, shorter lead times or cheaper delivery costs, for example.

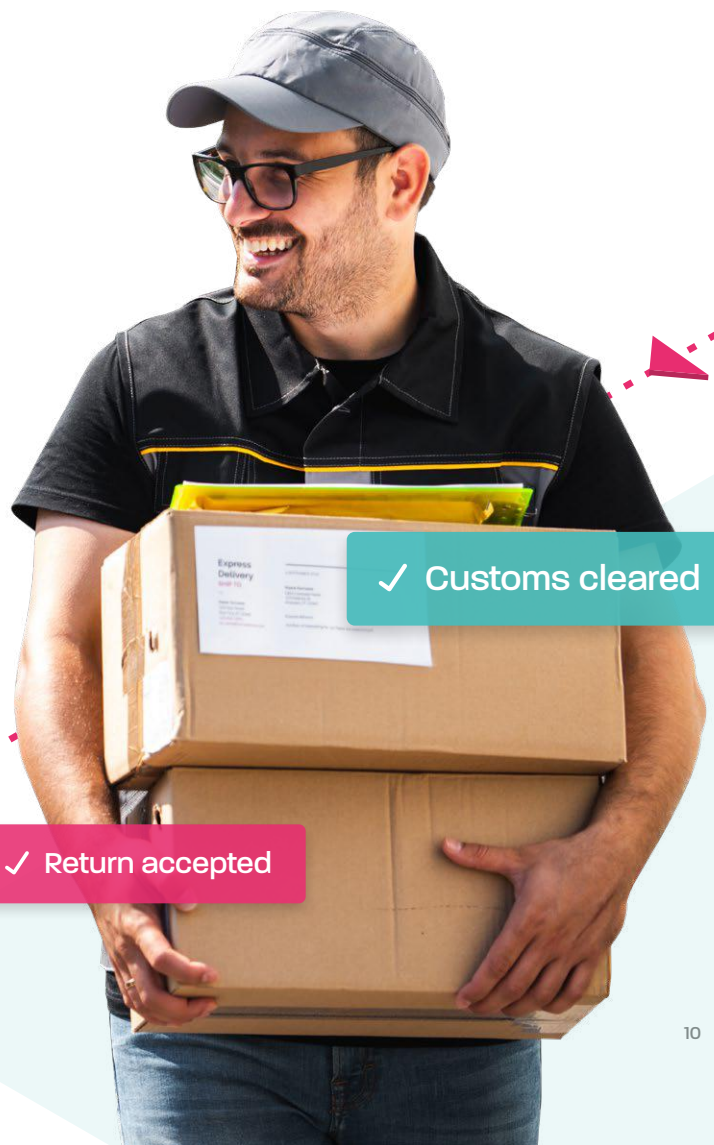
To meet the expectations of consumers in 2021, delivery methods must be diversified and fit with the busy lifestyles of your customers. By providing up-to-date, available delivery options at the point of purchase, e-tailers can build brand differentiation and loyalty through these new, seemingly personalised delivery options and realise the growth opportunities when working agnostic-carrier solution.

The solution is quite simple

Work with agnostic-carriers who have relationships across the industry that will allow the retailer access to utilise the carriers extended network coverage.

✓ Customs cleared

✓ Return accepted



# Intelligently manage returns

Consumers simply love an easy liberal returns policy which allows them to buy virtually anything they want in-store or online, in complete confidence they can return the goods without trouble. However, intelligent retailers are rethinking their approach to 'returns' as they are increasingly confronted with

rising losses via returned merchandise and the associated headaches they bring. In a recent 2020 study findings suggested returns accounted for 250bn dollars in the US with 11% of the total goods being returned. Returns are big business there is no doubt about it.

**Gone are the days where returns were simply accepted as the cost of doing business. Instead, the job of the Operations Manager is to critically examine their organisation's returns policy, identify gaps in the supply chain and find solutions which generate results. Why not...**

## Explore cost-cutting procedures?

Can the chosen carrier service offer scope for reducing costs through improved management procedures similar to the outbound shipments programme?

## Manage fulfilment process?

Are you shipping the wrong products and can new procedures be executed to reduce repeat mistakes? Can these issues be identified earlier or be traced to certain distribution centres, pickers, or specific procedural problems?

## Identify the most highly returned items?

according to an IHL study wrong sizing is the number one reason for returns. Can something be done about this from a business perspective? Often when the large majority of your brand's returns originate from the same product or a small group of products, difficult decisions may need to be asked, e.g. do you need a new supplier, is the item not as described?

## Factor return costs?

It is not uncommon for many e-tailers to expect a high percentage of online purchases to be returned, and we would advise factoring the cost into the products sales margin.



# Final thoughts...

## Consumers preferences are changing, fast.

These changes in consumer preference bring opportunity for retailers.

Covid-19 has undoubtedly accelerated a number of eCommerce related trends which were already unfolding which has impacted the speed at which consumer expectations have changed, in relation to e-tailing. Customers want what they want when they want it, and they don't want to wait. Only by strategising, and regularly communicating with your cross-border carrier early in the peak season can you, as the retailer, concentrate on customer

acquisition campaigns and order fulfilment to best ready the organisation.

Post lockdown, in a peak season like no other retailer preparation matters more than ever before. It will be those sellers who test their supply chain, adapt to consumer trends but importantly prepare for the anticipated uplift that will have enough resilience to seize the opportunities peak season brings with it.





+44 (0) 800 054 1123

[hello@weareprocarrier.com](mailto:hello@weareprocarrier.com)