



# Get your business fit for festive sales

WHITEPAPER



# The festive season is a critical time for retailers.

These days it stretches from the end of November (with Black Friday) through to late January/early February (with Chinese New Year). Many retailers rely on these few weeks to make a profit for the whole year.

Of course, you can't control everything. Several factors such as the economy, the weather and consumer behaviour can all play a part in affecting the success of the festive season.

However, there are other important factors that you can control. Here are 3 ways to help prepare for seasonal success:

- **Prepare your business**  
Make sure your technology, staff and processes are the best they can be.
- **Plan your marketing**  
Choose the best channels and design top campaigns to attract new customers.
- **Follow through**  
How will you handle returns and refunds? What did you learn that will make next year even better?

We've created this ebook to explore these ideas and offer some tips to help you get ahead for the holidays.





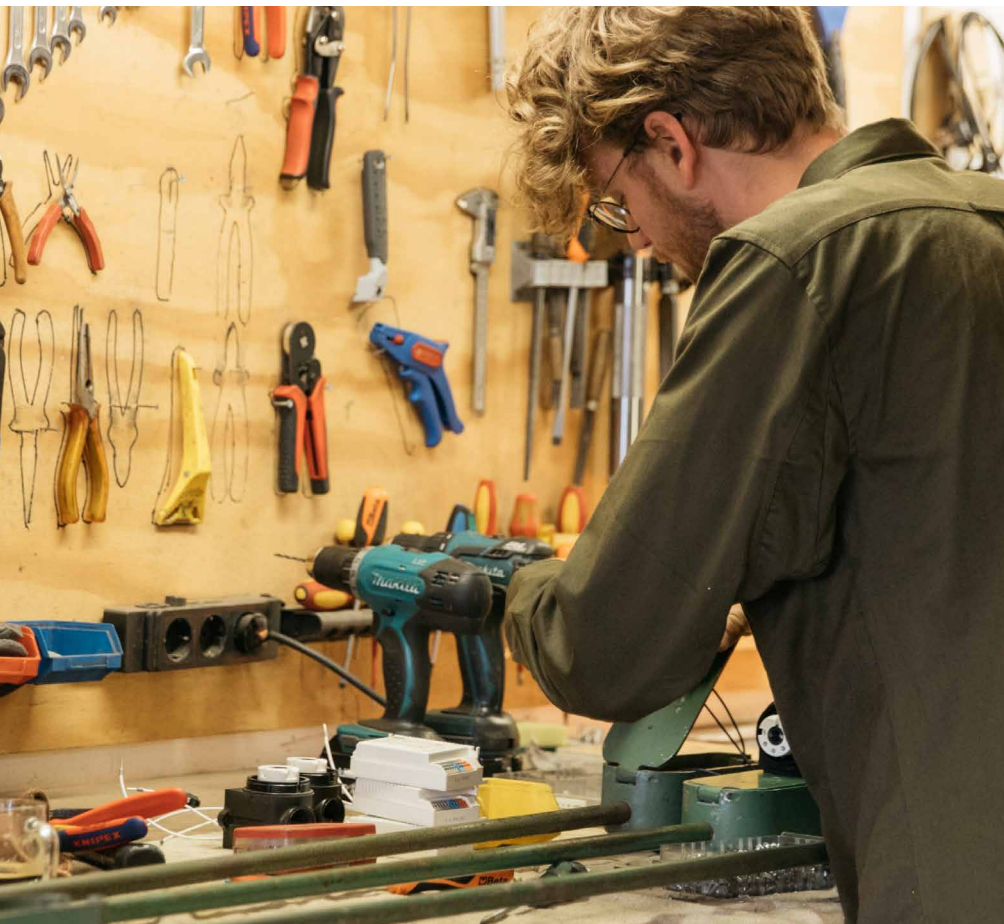
# Prepare your business

MAKE AN EARLY START  
AND GET YOUR BUSINESS READY.

Are your technology, staff, premises and processes all set for the coming season?

# Technology

To stay on top of the competition and ahead of your customers, you need up-to-date technology. Today's buyers expect information at their fingertips. They expect payments to be fast and secure. And, they want to stay in touch... on their own terms.



Here are some technology upgrades to consider.

## UPDATE YOUR WEBSITE

When did you last review your online store? Things move quickly in ecommerce. If you haven't made any changes in the last 12 months, chances are it's out of date.

- **Check for errors**  
Small errors can have a big impact. Walk through your website like a customer and check for spelling mistakes, broken links and missing images. All of these can shake a customer's confidence and make them shop elsewhere.
- **Improve load times**  
Slow page load times frustrate shoppers and can discourage them from returning. Reducing average page load time by 1.6 seconds could increase your annual revenue by 10%.<sup>3</sup>
- **Consider GDPR**  
If you sell to EU citizens, even if your business is outside the EU, then you must comply with the General Data Protection Regulation (GDPR).<sup>4</sup> For websites, one big change is the need for a Cookie Consent form to obtain visitors' permission to collect their data.<sup>5</sup>
- **Check your security**  
As of July 2018, the popular Google Chrome web browser shows users a "Not secure" warning for any site that doesn't use SSL encryption. According to HubSpot Research, 82% of people wouldn't visit a site that their browser flagged as "Not secure".<sup>1</sup>
- **Think mobile first**  
The smartphone is fast becoming shoppers' favourite device. Already, one quarter of Europeans buy on their phone 2-3 times a month. 7% purchase every day.<sup>2</sup> Make sure your site is optimised for users with small touchscreens.

## OFFER A RANGE OF PAYMENT OPTIONS

Can your customers pay the way they want? And in their currency of choice? Many buyers simply abandon a purchase if they can't use their preferred payment method. Preferences can vary with different countries, so make sure your target customers can find their favourite way to pay.

Whatever methods you offer, they need to be familiar, trusted and convenient. Two thirds of online shoppers say they will “only purchase from a website using an online payments option/brand they recognise, e.g. PayPal, WorldPay”.<sup>6</sup> Customers don't want to juggle card and phone while trying to key in a fiddly card number on a small screen.

Antony Comyns, head of e-Commerce at Hawes & Curtis explains:

*“Especially when selling internationally, you need to have some points on your website that build customer confidence. One of*

*those is being associated with a trusted brand – PayPal is one of the biggest payments brands people know. ‘Hawes & Curtis’ may mean very little to a farmer sitting in the middle of America, but they will know PayPal. That gives customers the [sense of] security they need to complete their purchase.”*

Customers are also more open to shopping on a website from another country if prices are shown in their local currency.<sup>7</sup> In fact, 3 out of 4 (76%) say they prefer to pay in their own currency. If you sell to other countries, it's clearly important to show prices in their currency.

## SET UP A CRM

Customer Relationship Management (CRM) applications used to be expensive and complicated – for big business only. But these days there's a wide range of cloud-based CRM solutions that are simple to use and cost-effective. Many are designed with small business in mind.

Why would you need CRM? In essence, a CRM helps you to manage and make sense of information

about your customers. Imagine the insights you could glean by being able to view a customer's entire order history along with any other interactions they've had with your business, including complaints or requests for support.

A good CRM system can help you comply with privacy legislation while also effectively staying in contact with customers. It can help you segment customers into groups, so you can see patterns in preferences. Subject to complying with data privacy legislation (especially gaining customers' informed consent to collect and use their data), you can also connect customers' sales records with their social media use and gain even more insight.

CRM is fast becoming an essential tool for businesses of all sizes.



*“Especially when selling internationally, you need to have some points on your website that build customer confidence. One of those is being associated with a trusted brand – PayPal is one of the biggest payments brands people know.”*

# Staff and training

Technology is important, but people matter most. At the heart of every successful business are great people. Faced with the cost of extra staff, it can be tempting to do without. But don't forget the potential impact on your business. If you are busy processing orders, stacking new stock and doing things that others could do for you, who is looking after the bigger picture?

## THINK ABOUT THE SKILLS YOU NEED

Think about the additional resources you'll need for a successful holiday season. Will they be full-time or part-time? Will they be employees or contractors? Maybe an external agency or partner business? What skill level do you need? Can you use school or college students, or do you need experienced hands?

What about location? Do they need to be local or could they work remotely, even in another country?

Whatever you need, make sure you decide well in advance, so you have time to find, hire and train your new staff before the rush begins.

## CREATE YOUR JOB DESCRIPTIONS AND ADS

You can't start looking until you know what you need. Writing a job description for every role will help you see what every person will do and identify any gaps in your overall capability. It will also help applicants understand what's expected of them.

Consider the experience and skills you need for each job and make sure every responsibility is measurable. When it comes to writing your job advert, you can use the job description as a guide.

Next, think about the best place to find the skills you need. Look for talented people amongst your family and friends. Use social media like Facebook and LinkedIn. Place your ads on popular job sites like Monster, Indeed, Fiverr, UpWork, Freelancer.com and 99designs.

## MAKE TIME FOR TRAINING

It's hard to find great staff, so it makes sense to spend time training them. By planning ahead, you'll have time to train new people before it gets too busy.

Making time for training can be a challenge for small businesses, but the pay-off in improved productivity, and happy, well-served customers makes the investment worthwhile.

## THINK ABOUT INCENTIVES

You may have decided to pay people by the hour, per shift or even on a monthly salary, but consider offering incentives, bonuses or commissions based on sales or profits over the festive season. Having weekly sales or on-time fulfilment targets can motivate staff to achieve more. In-house competitions can also work well.

Letting staff share in your success can often lead to even greater success.



# Premises and processes

Do you have enough space to store additional stock for the period? Is there room for staff to work efficiently picking, packing and posting your products? Will you need additional, temporary storage or office space? It's also a good idea to review your security and insurance cover: the holiday season is a busy time for thieves, too.

Review your business processes. If you need to change anything, make sure you do that before your peak period. This will give staff time to learn new process, and to uncover any unexpected problems.



# Plan your marketing

THE FESTIVE SEASON IS A PEAK TIME  
FOR SALES AND COMPETITION.

The right ads delivered to the right market through the best channel can make the difference between an average and a successful shopping season.



# Create a marketing budget

The first step, if you haven't done so already, is to create a marketing budget. But, how much should you allocate? €50 per month, or €5,000?

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There is no simple answer but, as a guide, most established businesses spend 6-12% of their annual revenue on marketing.<sup>8</sup> Smaller businesses, new businesses, and those trying to break into new markets will spend more; perhaps between 12-20%.

Whatever you decide, plan carefully. Start by allocating small amounts to different campaigns or strategies to learn what is most effective for your business. Then, increase your spend based on results. As Wayne Bower, the founder of costume specialist [Jedi-Robe.com](http://Jedi-Robe.com), explains:

*“When you start out, you rarely have any money, so I adopted a strategy of picking a country and allocating just £1 per day for search engine optimisation. When I got my money back, I would increase the investment and pick another country.”*





# Choose your channels

Aim to be where your customers are looking. Think about which channels to use, whether it's search engine optimisation, Google AdWords, press advertising or local radio.

## SEO AND PAID SEARCH

Search engine optimisation (SEO) and its close partner, paid search, are essentials for any online business. Shoppers today use search engines to find what they want, so you should do everything you can to help them find it on your site.

To improve your on-page SEO, review your site for the following:

- **Keywords**  
Describe your products using the same words a customer would use when searching online.

- **Descriptions**

Use meaningful descriptions for page URLs, image file names and image alt tags. "Image123" doesn't help a search engine find you, but "blue silk tie" will.

Use Google's handy, free [Mobile-Friendly Test](#) to check how your site performs. Being optimised for mobile is important for search rankings.

With paid search, you pay to have your site promoted based on the keywords that customers use in their search. Use [Google Adwords](#) or [Bing Ads](#) to find the best keywords to promote.

## SOCIAL MEDIA MARKETING

Many businesses now use social media for their marketing, because of its combination of more precise audience targeting, instant and accurate measurement, and the ability to quickly control and reallocate spending. Each social media channel attracts a different mix of age, gender, interests and nationalities, so make sure you find the right one for your business. For example, if your product is very visual – perhaps flowers, cakes or fashion – a picture-based channel like Instagram might be ideal. If you mainly sell to other businesses, you might find LinkedIn a better fit.

The big social media channels all provide guidance to help you succeed with social media. For example, check out the following:

- <https://business.instagram.com>
- <https://www.facebook.com/business/overview>
- <https://business.twitter.com>



*“One of the biggest hurdles we had was people telling us how to do things. We were told we needed Instagram and Twitter, but if you look at our demographic, Facebook was key. It’s all about lifestyle and posting pictures of babies.”*

Research which social media channels are most popular in your target market (whether at home or in a different country). Facebook is the world’s favourite social media platform, but bear in mind that social media preferences can differ depending on country. In Russia VK is preferred, while in China Qzone is most popular.<sup>9</sup>

The founder of fashion site [Want That Trend](#), Victoria Molyneux, told us: *“One of the biggest hurdles we had was people telling us how to do things. We were told we needed Instagram and Twitter, but if you look at our demographic, Facebook was key. It’s all about lifestyle and posting pictures of babies.”*

Remember that it’s easy to accept payments directly from your social networks. You don’t even need to have a website, as founder of the Milky Tee Company, Lauren Hampshire told us: *“I mentioned [our new business] on one of my vlogs back in January, before we launched, and there was such a reaction! I sold 70 tee-shirts just through Instagram, Facebook and YouTube. PayPal’s been a huge part of our business. I set up a PayPal account even before the website. Those 70 tee-shirts were all paid via PayPal.”*

PayPal gives you a couple of options.

You can easily create a personalised [PayPal.Me link](#) and send it to your

customers by email, text message or chat.

Or, you can send an [online invoice by email](#). Each invoice has a PayPal button for easy payment and customers can pay by any method: bank transfer, cheque or cash as well as PayPal or credit card.

Of course, you don’t need to do all the work yourself. Ready-made, shopping platforms like eBay, can make your first steps in international selling easier and they can provide help with issues like shipping. Take a look at [eBay’s Global Shipping Program](#).

# Markets and campaigns

Deciding which channels to use and which markets to target is key. Here are some things you may want to consider:

The festive season is a good time to explore new, international markets. Customers are on the lookout for unique gift ideas and that's one of the top reasons (given by 1 in 3) that European online shoppers look abroad.<sup>10</sup>

If you have existing international customers, explore where they come from and what they are buying. That might be a good market to target first. Do a little research and pick a holiday to target with a campaign. You might choose Singles Day in China (11th November), Hanukkah in Israel, (2nd to 10th December), New Year (31st December), Orthodox Christmas in Russia (7th January) or one of a variety of holidays in between. [PayPal PassPort](#) is a useful guide to international ecommerce that can help you find a country and celebration to target.

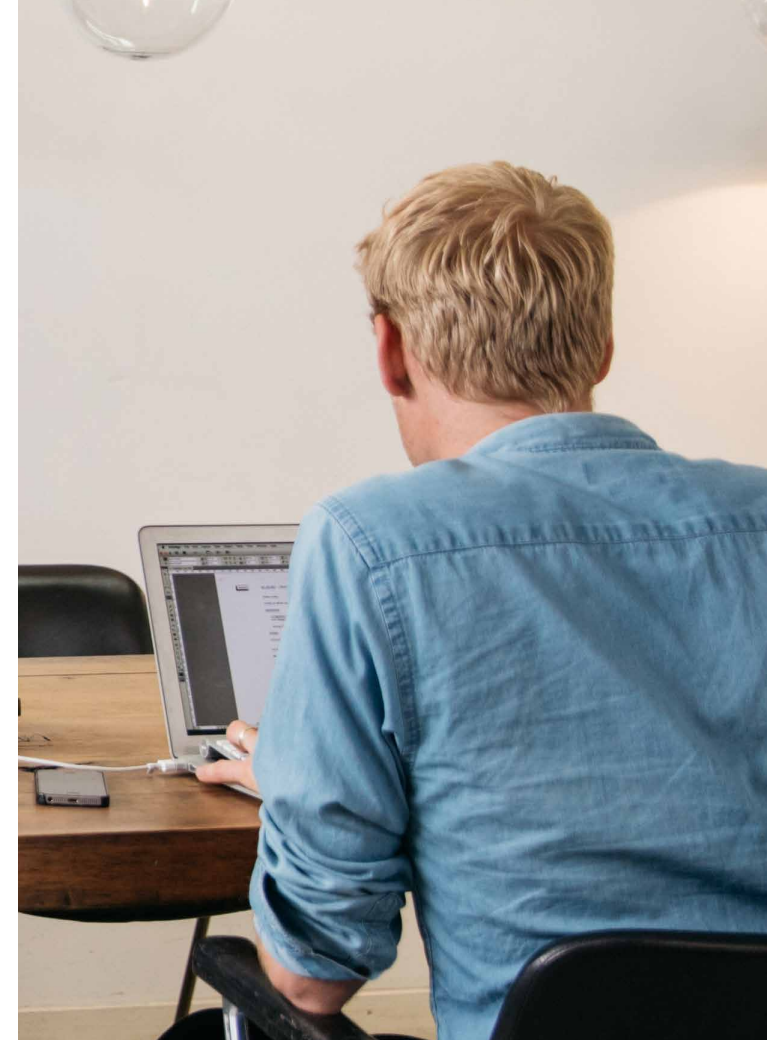
Whether at home or international, think about how your products fit with the celebration you are targeting. For example, the owner of honey producer [Bee Raw](#), Zeke Freeman, told us that "honey is an integral part of Rosh Hashanah, the celebration of the Jewish New Year."

Start by designing one or two campaigns that offer shoppers incentives or promotions. Free shipping or money off a first purchase can work well.

You could even launch an online competition to encourage interest. It could be a quiz, a prize for the best idea or customer picture. Whatever it is, remember to include a call to action such as "Visit our website now for a special buy-one-get-one-free offer."

How about a customer loyalty scheme? Remember, existing customers are more valuable than new ones. There are plenty of inexpensive loyalty apps you could use for your business. Setting one up before the festive season can encourage your customers to keep buying after the holidays.

However, if you're just getting started with marketing, don't over-do it. Brian Dagnon, the owner of [RadDog](#), an online seller of innovative items for dog owners, advises:



*"It can be tempting to run one more ad or do one more competition during the holidays, but it is important to take the time to look at the ad analytics and run a competition well in order to get a return on investment. Competition may seem easy to carry out, but sometimes they can be very labour intensive and not yield the return on time and/or money invested."*



# Measure, measure, measure!

Marketing involves a lot of trying and failing, committing small amounts to test ads and campaigns, markets and channels to see which are most effective. That can only work if you are measuring the results. Decide on success measures before you begin and keep track to see if your activities are driving the results you expect. Increased sales might be a useful measure, but also look at intermediate measures such as site visits, time spent on your site, sign-ups to a mailing list or shares on social media. These can help you understand a customer's journey before they actually buy from you.

*“Being on social media is an important part of our brand, now. A lot of mums send us photos of themselves in t-shirts and we post those on Instagram. It builds up a relationship with people and we’ve found that people who have bought 1 t-shirt then go on to buy 2, 3 or 4 more. I always try to be very friendly. I love meeting and chatting to people, whether that’s online or in person. The only marketing we’ve done so far has been through social media and we’ve sold 800 t-shirts.”*

– Lauren Hampshire, Founder, [The Milky Tee Company](#)

To understand traffic and customer behaviour on your website, many people use [Google Analytics](#).

Each social media channel provides its own analytics tools that help you see quickly what is working – and what you may need to change.



# Follow through

THE FESTIVE SEASON DOESN'T END ON THE LAST DAY.  
BE READY TO FOLLOW UP, FOLLOW THROUGH  
AND CARRY LESSONS INTO NEXT YEAR.

Festive sales can account for as much as two-thirds of annual profits for a small business. However, you can reduce your dependence on these few weeks by taking the lessons learned and applying them throughout the year.

# Have a great process for returns and refunds

In business, you're as good as your last customer experience. Poor customer service can cause lasting damage to your reputation, so it pays to make sure all customer encounters – complaints included – are handled professionally.

Many businesses now offer a “no questions asked” returns policy, often with free return shipping. In fact, promoting this sort of policy on your website can encourage sales by reducing new customers' perception of risk. Make your returns policy easy for shoppers to find on your site.

Set up a process – online or by phone – so that customers can easily return goods and receive a credit, exchange or refund. And, train your staff in customer service so that all issues are handled professionally

and sympathetically. A well-handled complaint can often result in customer loyalty.

PayPal now offers customers [refunded returns](#). Already, 6 million PayPal customers worldwide have signed up for this programme where PayPal may cover the cost of returning unwanted purchases. Return Shipping on Us is available in 46 countries and you can promote the service on your site with a [free banner](#).





# Post-holiday campaigns and sales

In many countries, customers look forward to the January sales. As well as promoting discounts and offers to all visitors, this can be a good time to re-connect with existing customers. For example, you could send a special discount code as a thank-you for their business. Find creative ways to cut through noise from the competition. Could you target existing customers by, say, offering items that complement their previous purchase?

And, of course, think about how to apply all you've learned to future celebrations such as Valentine's Day, Easter or Mother's Day.



# Review your business

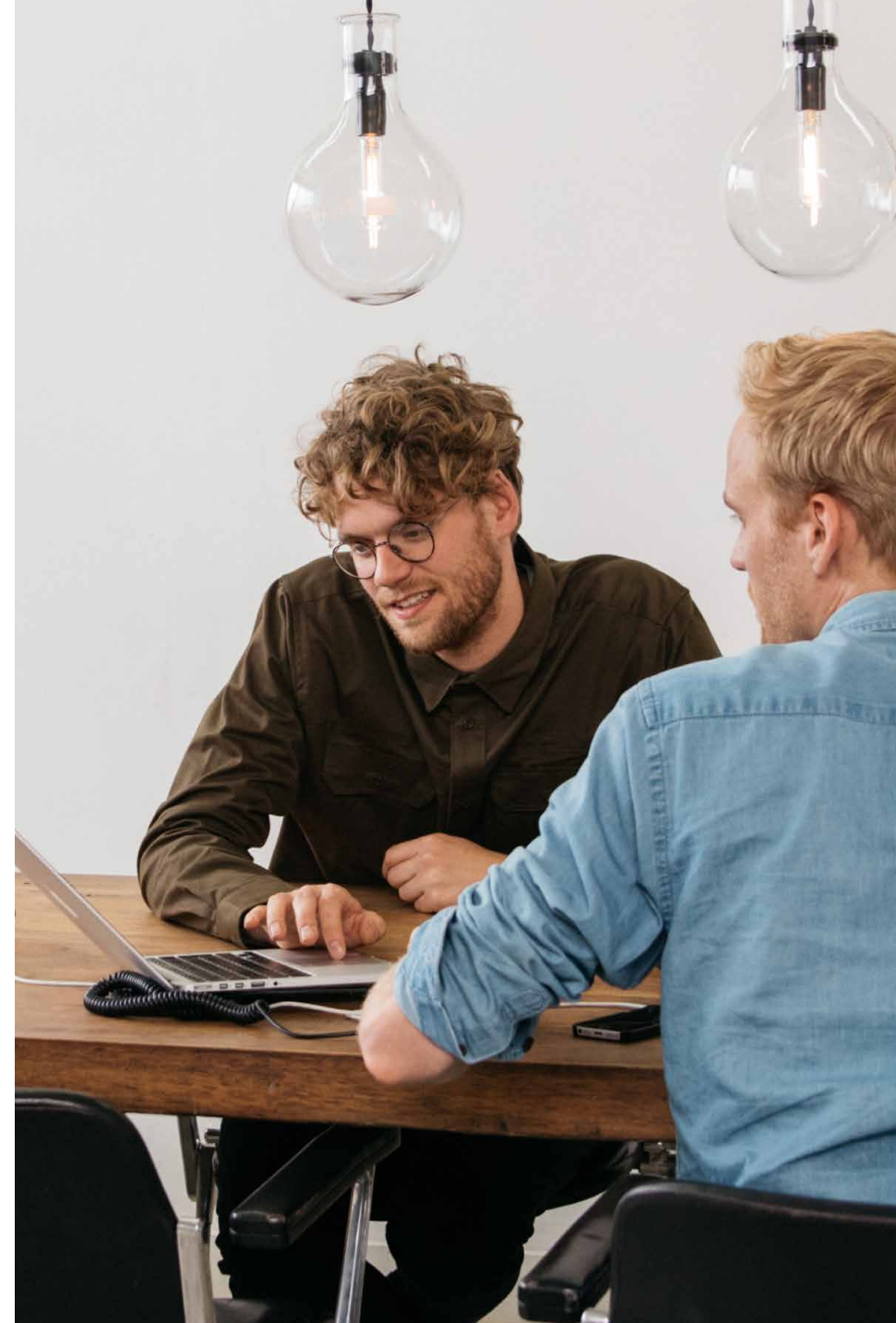
Before you rush on to the next priority, be sure to take time to review your business. How well did it perform over the festive season? What did you learn?

What worked well and what will you not do again?

Which items sold best? Which campaigns were really effective? Next year, will you start purchasing earlier, or later? What about recruiting and training staff?

Did the pressure-testing of peak performance reveal any weaknesses you need to fix? And, what lessons can you apply to other times of the year?

Finally, it's always helpful to write down your thoughts and learnings, so you can remember them for next year!





# Is your business fit for the festive season?

When you run your own retail business, there's never a quiet time. However, there is definitely a busy time – and that time is just around the corner.

Festive seasonal sales are often critical for your whole year's profit, so it pays to get ready in plenty of time. By starting early, getting prepared, planning your marketing and ensuring you follow through beyond the last shopping day, you can get your business fit for the season and ahead of the competition.

Around the world, 19 million business customers trust PayPal with their peak season transactions. To learn more about how we could help your business get fit for the festive season, visit [PayPal.com](https://www.paypal.com).

# References

<sup>1</sup> HubSpot Research (2017), *SSL matters to consumers*, <https://research.hubspot.com/charts/ssl-matters>

<sup>2</sup> Ecommerce Foundation (2017), *European Ecommerce Report 2017*, <https://www.ecommercefoundation.org/free-reports>

<sup>3</sup> Wolfgang Digital (2017), *Wolfgang 2017 E-commerce KPI Benchmarks Study*, <https://www.wolfgangdigital.com/blog/e-commerce-kpi-benchmarks-study-2017/>

<sup>4</sup> GDPR is an important regulation that is affecting ecommerce businesses all round the world.

To learn more, visit the European Commission's site at <https://ec.europa.eu/justice/smedataprotect/>.

<sup>5</sup> The European Commission provides a handy Cookie Consent Kit, here: [http://ec.europa.eu/ipg/basics/legal/cookies/index\\_en.htm#section\\_5](http://ec.europa.eu/ipg/basics/legal/cookies/index_en.htm#section_5)

<sup>6</sup> PayPal (2018), *The Mobile Shopping Boom*, primary research conducted for PayPal UK by Censuswide.

The research surveyed 1,000 UK online shoppers and 1,000 UK small businesses, [https://www.paypalobjects.com/digitalassets/c/EMEA/research/Mobile\\_Commerce\\_Report\\_2018\\_Final.pdf](https://www.paypalobjects.com/digitalassets/c/EMEA/research/Mobile_Commerce_Report_2018_Final.pdf)

<sup>7</sup> PayPal (2018), *PayPal Cross border Consumer Research 2018*, [https://www.paypalobjects.com/digitalassets/c/website/marketing/global/shared/global/media-resources/documents/PayPal\\_Insights\\_2018\\_Global\\_Report.pdf](https://www.paypalobjects.com/digitalassets/c/website/marketing/global/shared/global/media-resources/documents/PayPal_Insights_2018_Global_Report.pdf)

<sup>8</sup> Entrepreneur Europe, Laurel Mintz (2015), *How to Determine the Perfect Marketing Budget for Your Company*, <https://www.entrepreneur.com/article/243790>

<sup>9</sup> Vincos.it (2018), *World Map of Social Networks*, <http://vincos.it/world-map-of-social-networks>

<sup>10</sup> PayPal (2018), *PayPal Cross border Consumer Research 2018*

<sup>11</sup> PayPal internal data. As of August 2018.

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