



Commerce Services

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2018 Holiday Readiness Guide

Tips, tricks, best practices and helpful ideas to help you get ahead during the 2018 holiday shipping season



Welcome Retailers,

Without a doubt, the holiday shipping and return season, November through mid-January, is the most important time of the year for your business. This make-or-break period is exciting, yet stressful. The spirit of the season brings joy and excitement for the business opportunities ahead, but also added pressure to make sure everything goes smoothly for merchants, and ultimately for the end consumer waiting at home to receive their packages.

To help you prepare for the holiday season, we have compiled some important shopping and shipping dates, tips and tricks and best practices. We hope you'll use this guide to operationally plan for the season ahead, and we hope you find some key nuggets to help you engage with existing and new customers.

Be prepared for this holiday shipping season. Here's to a successful and stress-free holiday shipping season.



Important Shopping Days 2018

Nov. 11 Veteran's Day	Nov. 22 Thanksgiving	Nov. 23 Black Friday	Nov. 24 Small Business Saturday
Nov. 26 Cyber Monday	Nov. 27 Giving Tuesday	Dec. 2 Hanukkah Dec. 2-Dec. 10	Dec. 10 Green Monday
Dec. 14 Free Shipping Day	Dec. 25 Christmas Day	Dec. 31 New Year's Eve	Jan. 1 New Year's Day

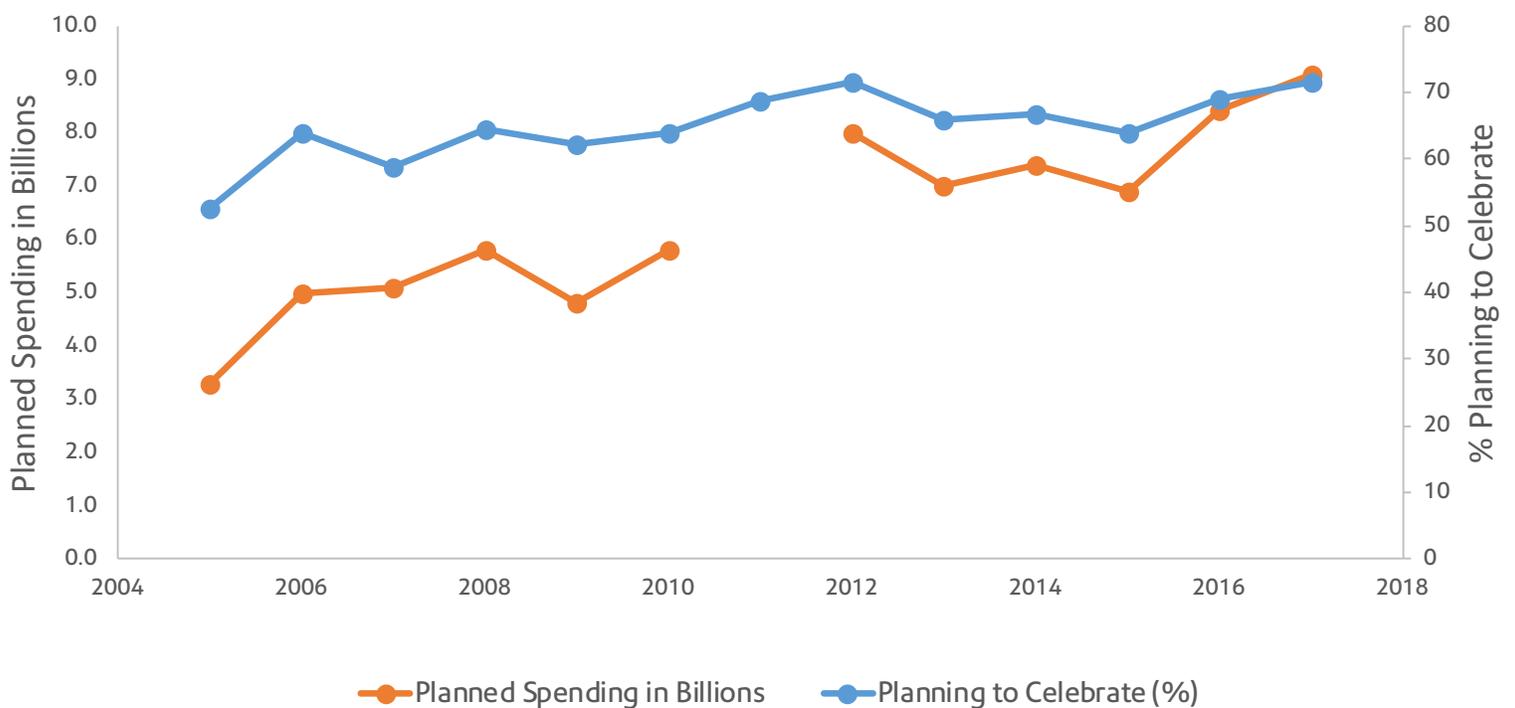


Halloween

Trick or Treat! Consumers kick off Q4 with preparations for Halloween. That means shopping for costumes, decorations and even candy. Halloween sales are a leading indicator of how strong the holiday shopping season is going to play out, according to Forbes.

That National Retail Federation (NRF) reported that Halloween retail spending was \$9.1 billion in 2017, with a whopping 179 million people celebrating annually. Forbes also projected that US males spent close to \$100 celebrating in 2017. With the US economy growing, those numbers should rise again in 2018.

Halloween Spending



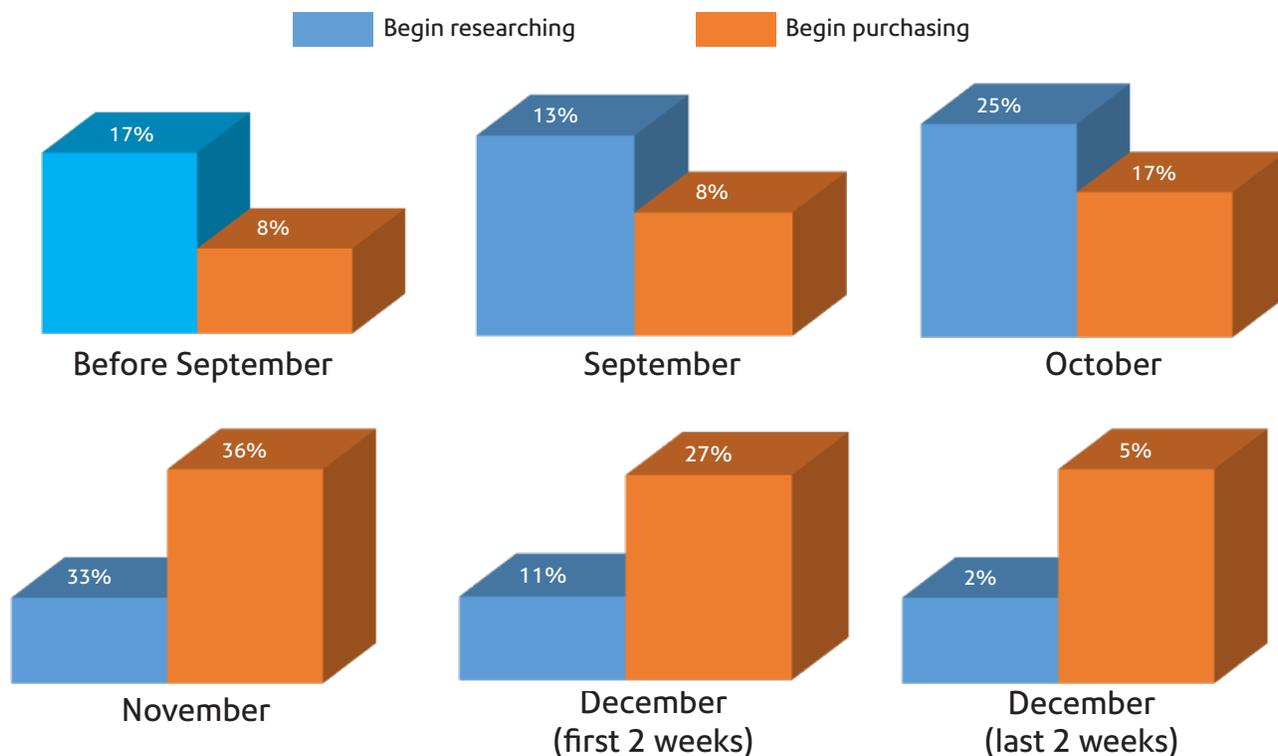
Figures from www.nrf.com

November

By early November, merchants have already processed all of their Halloween orders but are dealing with those returned items. Merchants should have done all of their holiday preparations by early November as well - building out inventory and shipping supplies, hiring staff and even expanding warehouse hours. Other important infrastructure upgrades should have already been completed, including website stress testing.

According to the NRF, more than half of holiday shoppers have already started their holiday purchase research in October (or even earlier), but two-thirds make their actual purchases in November and the first two week of December.

Holiday research vs. purchasing timeline



Figures from www.nrf.com

Key Shopping Days

November

November 11 - Veteran's Day

In November, many think of the countdown to Black Friday and Cyber Monday deals, but today's savvy shoppers know that there are major deals to be found during Veteran's Day. Companies from Amazon, Kmart, Nordstrom, among others offer deals from anywhere of 10-75% off merchandise.

As a merchant, know that this is the first major gift-buying time for the holidays. This might be a good time to clear some inventory out before Black Friday or Cyber Monday. Figure out what items you want to sell, and create some enticing offers.

November 23 - Black Friday

Black Friday isn't just for brick-and-mortar retailers anymore. In fact, online spend increased 16.9% year over year during Black Friday 2017, according to Adobe Digital Insights, while actual in-store traffic declined. Customers continue to get smarter and their shopping habits continue to shift online.

As a merchant, make sure your website can handle the increased traffic. The last thing you want is your website crashing during the busiest time of the year. Also, make sure you've optimized your shipping mix so your shipments meet your customers' delivery expectations. Make sure your returns policy is clearly stated on your website. Don't make prospective customers hunt for a buried policy. It reduces sales and creates a bad experience.

November 22 - Thanksgiving

Being grateful is the season's greetings, but the key indulgence other than turkey, is shopping. According to eMarketer, the average shopper spent \$335 over the Thanksgiving weekend in 2017.

In recent years, there's been a push from some larger retailers to close their doors on Thanksgiving. As a merchant, figure out what strategy works for you, your customers, and your employees and go full steam ahead.

November 24 - Small Business Saturday

Small Business Saturday encourages customers to shop at, and support, local brick-and-mortar businesses. The first Small Business Saturday took place in 2010, and while it's not as big as some of the other shopping events, NRF reported in 2017 that 76% of shoppers planned to support Small Business Saturday.

November 26 - Cyber Monday

Get ready merchants. Cyber Monday is typically the biggest online shopping day of the year. Cyber Monday could be a make-or-break day for your business. In 2017, per Adobe Digital Insights, sales on Cyber Monday were up 16%. US consumers spent \$659 billion online in 2017, the largest US online shopping day in history.



Key Shopping Days December

December 10 - Green Monday

Lesser known compared to Cyber Monday, but Green Monday is just as powerful. It occurs on the second Monday in December. It's the second biggest day for online holiday shopping, right behind Cyber Monday.

December 22 - Super Saturday

This is the last opportunity for procrastinators to finish their holiday list purchases. Most shoppers will head into their local brick-and-mortar stores to pick up those last-minute gifts. However, many online retailers also offer next day expedited shipping ahead of the holidays.

December 14 - Free Shipping Day

Created in 2008 by the founders of Freeshipping.org, Free Shipping Day has become one of the favorite commercial holidays of the season. On this day, thousands of merchant offer free shipping to their customers. We highly recommending merchants take full advantage and prep for this day!



How to master the post-purchase experience

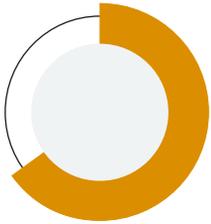
1 Get inventory closer to the consumer

By getting inventory closer to the consumer, you're able to reduce delivery time and shipment cost, creating a better consumer experience.

2 Pick the right carrier, every time

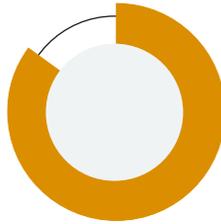
Deploying a true multi-carrier strategy has many benefits - from faster delivery to better tracking to cost optimization. Understand what items you're shipping (weight, size, item cost) and where you're shipping them to (residential/commercial addresses) to better understand how you can leverage all carriers

86%
of US consumers
would prefer free
shipping with a longer
delivery time



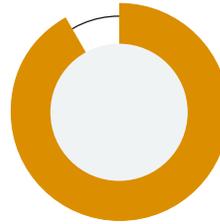
65%

of domestic parcel volumes are handled by commercial carriers



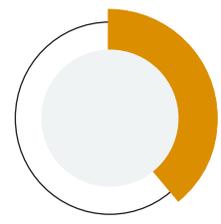
85%

of respondents use carrier-provided, single-carrier shipping systems (even though they may actually use more than one carrier and/or more than one system)



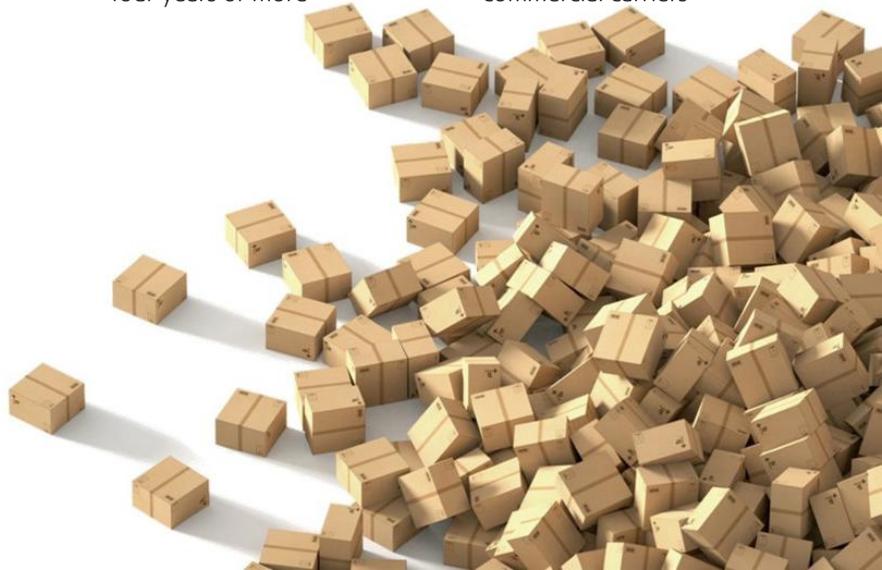
91%

of midsize retailers (**60 to 1,999 shipments a month**) have used their current parcel shipping system for four years or more



39%

of parcels are shipped **more than 350 miles**, where the USPS offers very competitive rates and transit times compared with commercial carriers



Mastering the post-purchase experience continued

3 Communicate: It's all about the data

Waiting for a package to arrive is oftentimes the hardest part for consumers. It's better to over-communicate with customers about where their package is and when it's expected to arrive. If a customer does return an item, remember to communicate with them about when their package is accepted and when they can expect their money back.

8
the average
number of tracking
requests for every
parcel shipped

4 Make returns easy

Merchants want to be able to easily find a merchant's return policy. The process of returning an item might be your last interaction with a consumer, so make it clear, easy, and straightforward.

46%
of US consumers
have kept an unwanted
purchase because
the return
was inconvenient

5 Don't forget your international consumers

The first decision merchants need to make is going cross-border. If they do (93% of retailers are operating globally or plan to go cross-border), make sure you understand what the decision entails. Fraud and compliance, conversion optimization, marketing, post-purchase customer care, and of course logistics are just some things merchants need to think about.



Here's how retailers can be successful

1 Optimize your website

The holiday season is the time to boost those keyword campaigns. Optimize your site, streamline your order process and make sure your search functionality is fine-tuned. Make it as easy as possible for customers to find, order and return items. Create call-out promotions that draw the visitors' eyes to specific items you want to promote.

2 Promotions and campaigns

Now is the time to use that customer data that you've been capturing all year. Use targeted emails to promote your store items. Follow best practices on email strategy (customize the "from" line, write clear subject lines, personalize your offers, create a strong call to action) but always remember to capture more data so you are better positioned for the future.

3 Go mobile

Data from Statista shows that there are over 224 million US consumers now own smartphones and it's estimated that about 60% of smartphone users have made a purchase online using their mobile device in the last 6 months. If your site isn't optimized for the mobile experience, you're missing out on sales and engagement. Even setting up a simple mobile site can significantly boost your bottom line during the holiday season.

224
million
smartphone device
owners in the US.



6 other keys to success during the holiday season

1 Offer faster free shipping and same day delivery

Customers want their orders as fast as possible, even if delivery is free. If you can get that item to your customer in 2-3 days, you'll be meeting their expectations. Better yet, offer them the option of same-day delivery.

2 Offer guaranteed delivery

Find a carrier that will guarantee delivery dates and/or times. Shipping partners like Pitney Bowes provide a 3-day guarantee delivery, meaning that you can get a refund on the cost of shipping if your package isn't delivered in 3 days or fewer.

3 Use stores for fulfillment

Among high-growth domestic retailers (25%+ revenue growth), 64% use brick-and-mortar stores as fulfillment centers. Only 55% of low growth retailers (<10% growth) do.

4 Sell subscription-based services

The growth of subscription-based services has been immense. From razor blades to pet products, subscription-based services provide recurring revenue and provide plenty of opportunity for up-selling. 65% of high growth retailers have subscription based services vs. 25% for low growth retailers.

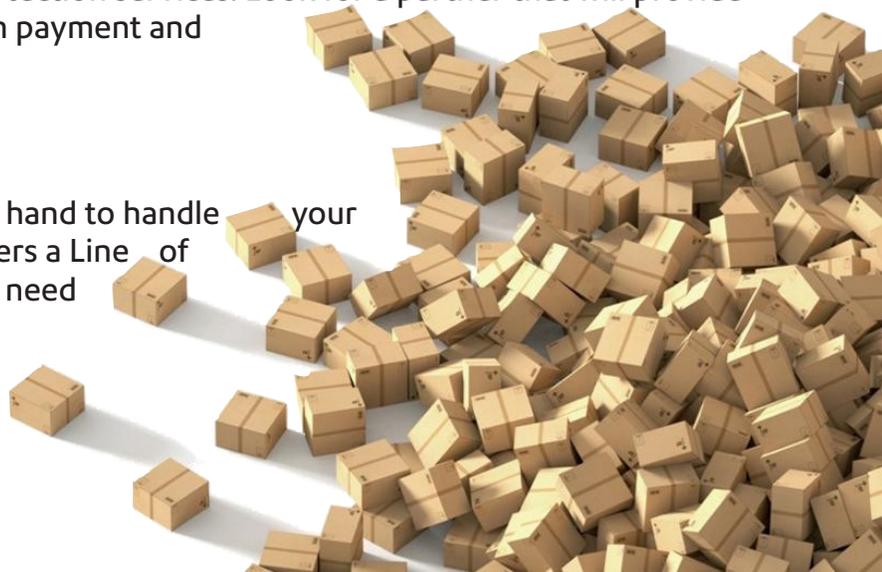
5 Understand the value of insurance

Knowing which shipments of yours tend to get lost, stolen, damaged, or mis-delivered will allow you to better leverage parcel protection services. Look for a partner that will provide competitive rates, quick turnaround on payment and a simple claims process.

6 Financing and capital

Make sure you have enough capital on hand to handle your high growth periods. Pitney Bowes offers a Line of Credit to help you when your business need additional staff, supplies, or inventory.

65%
of high-growth
retailers offer
subscription services



Post-holiday returns best practices

1 Make returns fast and easy

Create a clear, easy-to-find returns policy that allows your customers to quickly and easily return their order. Your focus should be on getting money back to the customer so they can shop again. The longer the customer waits, the more likely they are to spend their money elsewhere.

39%
of shopper are not satisfied with the returns experience

2 Challenge your real motivations

Decide if you're going to use returns as a profit center. Are you looking for near-term profit or are you looking for repeat purchases? Remember, it's easier to market to current customers than to find new customers.

70%
shoppers likelihood to buy again significantly increased if refund is received in 24 hours.

3 Make the label easy to find

Even if you are using returns as a profit center, make sure your customer can find the returns label. There is no reason to bury your returns policy or the label on your website.



The ultimate Pitney Bowes holiday checklist

1

Understand how the holiday calendar will affect your orders and shipments.

2

Promotions, like free shipping for orders over \$49, work. Try a few different promotions and see how they increase new, and returning, sales.

3

Decide on your returns strategy. Is it a revenue generator, retention play or both? Make sure your policy is easy-to-find on your website.

4

Now is the time to build out marketing programs. Remember, it's easier to keep customers than acquire new ones, so make sure to re-market to your holiday customers. And always remember to measure your marketing efforts.

5

Incorporate the USPS into your shipping mix to ensure you're maximizing your savings on shipments.

