



WINNING IN THE HOLIDAY SHOPPING SEASON

SYNOPSIS:

Winning during the holiday shopping season isn't just about surviving but thriving.

What are some of the most common problems that consumers encounter while shopping which could derail your victory? What can you do to mitigate those issues, whether this season or the next? How can you ensure your trading partners are keeping up with their commitments? And what should you do if you experience a retail emergency in the middle of the busiest time of the year?

In this episode, hear industry professionals with varied and deep experience offer advice for having a winning holiday shopping season – this year and into the future.

ON THIS EPISODE:



Host: Sam Olson, Account Executive, SPS Commerce

An alumni from Luther College in Iowa, Sam helps customers work better and grow together with their trading partners. He specializes in working with suppliers in Quebec after more than 15 years studying French and seven years in international business and sales.



Guest: Katie Jobin, Customer Success Director, SPS Commerce

Katie has more than 15 years of broad and progressive experience in retail operations, account management, merchandising and vendor relationship management. Her background includes successfully supporting enterprise revenue, merchandise selection, trading partner relationships, and promotional goals at Amazon, Target, Hot Topic and NBC Universal. She's been applying her varied skills at SPS Commerce since 2016, helping customers to be more successful in their business.



Sam Olson (SO): Welcome to the Mastering the Retail Game podcast from SPS Commerce where we explore the new rules of retail and provide real world advice on how to win by learning from your peers and industry experts.

I'm your host, Sam Olson, and in this particular episode we'll be talking about not just surviving but thriving during Black Friday, Small Business Saturday, Cyber Monday and this busy holiday shopping season.

We'll be talking about some of the most common problems that consumers encounter when trying to shop, ways to address those issues, and what to do if you experience a retail emergency in the middle of the busiest time of the year.

Joining me is Katie Jobin, Customer Success Director at SPS Commerce. Her retail experience spans more than 15 years, having worked in merchandising at Amazon, Target and Hot Topic before joining SPS four years ago. She also worked on the vendor side during her time at Universal Pictures, where she supported major retailers including Amazon.

So Katie, let's tackle the most common issues one by one and get your advice. You ready?

Katie Jobin (KJ): I sure am. Thank you for having me.

SO: Okay, let's dive in. So the first problem is simply not carrying the item a customer wants. What can you do?

KJ: Well, that definitely is not a great customer experience-

SO: No.

KJ: -and as many retailers know, if you don't have the product on your shelf or online in inventory, you run the risk of your customers going elsewhere and potentially losing them as a loyal shopper. Hopefully throughout the year you've been paying attention to what your customers want by analyzing their shopping habits as well as their search patterns. What that does is it allows you to really look at the trends and historical buying patterns based on region, based on size. With point of sale analytics, you can, you should be watching these trends and also tapping into their historical buying patterns. So analytics is going to show you where the customer wants you and your products to be. That way you can always make sure you have the inventory in the right time at the right place.

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SO: Knowledge is definitely key.

KJ: Definitely. Another important part is really managing your inventory. You're going to want to partner very closely with your vendors on this. Making sure they're sending updated statuses, not just online but also for your stores so they know what they can expect from an allocation perspective and being able to quickly be nimble and transfer inventory as needed where sales end up being.

So a key example of this is you want to make sure that with- in Minnesota with a snow storm coming, you have ice scrapers here. People in Florida, they don't need ice scrapers. If you live in Minnesota, you want to make sure that you have your winter coat, you want to make sure you have your hat, you want to make sure you have all your winter accessories, so when you get a huge blizzard, you're prepared.

SO: No, you definitely do. And, and I actually have a client that I work with in Quebec that actually sells a premier brand of ice scraper. And inventory has been absolutely critical for them this season. They've been working with me since, oh, I would almost say July or August to make sure that their inventory feeds are completely prepared and that they are able to manage visibility of inventory across not only, themselves, their warehouses, but also the third party warehouse and logistics firms as well, just to make sure that they have that kind of visibility into their entire supply chain. So that way when it comes down to it, you know, they have plenty of ice scrapers for when they need them because believe me, up there and go back as well as here in Minneapolis, Minnesota, you're definitely going to need those ice scrapers when the, when the blizzards come around, it gets pretty cold and very snowy.

KJ: Yeah. And as we know, winter is coming.

SO: Winter is coming.

KJ: I had to add that in.

SO: No, it's funny. So Katie, the second challenge is finding out your online store is light on details compared to other outlets. What is something that you can do in that scenario?

KJ: One of the biggest drivers of purchases and ways to convert customers to buy the product you're selling is by having robust product pages. In today's retail environment, you can never show too much information about the products through romance copy videos and more. Customers expect this and they'll choose to buy from the site that gives them the details to make an informed decision. The more descriptive the text, the more important the keywords you use, the better your results will be. The solution is really to partner with your suppliers to secure or even create this content collaboratively.

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KJ: Hopefully you've addressed this already, but if not, it's not too late to make those improvements, especially changes that bring you to the top of the Google search results for shoppers.

Another key piece is reviews. Consumers rely on reviews to make their decision and it is often one of the biggest influences in making a purchase. Think of how many times you might be on a site that sells an item and you go to Amazon to check reviews. They use that as an informed, as a place of information- honestly, not even when they're purchasing online, but even in store. They'll use those reviews to determine what product and what type they want. So having reviews and that customer testimonial will also be key and converting to a purchase.

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SO: Agreed. I actually just bought a new dog bowl for my seven month old yellow Labrador. She's absolutely adorable, had to get her a brand new dog bowl because it's the holiday season – why wouldn't I do that?

Well, I was on Amazon and I was looking actually at two different suppliers that we're pretty sure selling the same item. But I ended up choosing the supplier that had more item details because it just seemed like they put more visible effort into the process for their customers and it made me feel more secure as a consumer.

They also had more reviews and I'm pretty sure that that is a direct consequence of that. More more people purchased that item, therefore there were more people available to review it.

KJ: And one of the things I love that I've seen retailers start to do is also allow pictures. So one of the keys, and one of the hard things that retailers had to combat, is how do they sell clothing? How do they sell apparel?

So one thing I've seen Amazon do is customers can now take pictures and post those as well, so they really understand what the fit would look like. And at least for me personally, that is absolutely converted me into a purchase on Amazon. Anthropologie is another retailer who does a great job of letting customers be the voice of that product and not just simply relying on the text.

SO: So along with that, once a consumer has actually placed an order and made the purchase. What sorts of issues are going to completely ruin their shopping experience?



KJ: So one of the biggest things that will ruin a shopping experience is not being reliable. No one wants to get that email apologizing that an order is delayed or needing to be canceled because the item is out of stock. Nothing is going to frustrate a customer quite like telling them their purchase is going to arrive late.

SO: Absolutely the worst.

KJ: Agreed. Especially this time of year.

So one of the things you can do to really avoid this dissatisfaction is again, making sure your inventory counts are up to date. Working with your vendors, making sure they're sending, sending that inventory information. Having that integrated into the systems is going to be the best way to do that, but even for those who manually upload, really making sure that your vendors – especially during this critical time of year – understand the expectations of how often they need to send that inventory information.

This is going to give not only the retailer, but the suppliers as well, better visibility across all the different sales channels and can be what helps save the sale. I mean at the end of the day that's what everyone wants a good customer experience and to drive sales.

Another key thing is really making sure if you're out of stock, that you're posting this on the website. That way customers aren't going to place an order and then be disappointed. You're better off not having that item available, then you are having somebody place an order and have it not be able to ship because someone is out of stock. You can also direct them to a similar product and that's something we did quite a bit at Amazon, where if we had a product or a buy box that was pulled, we would often take a similar item. We had placements for older, newer or like version, so customers could still make that sale and get the product they want.

SO: Completely agree. If you're out of stock, please let us know. As consumers, if you happen to post an item and then we're not able to get it because it's out of stock, there is nothing that is more dissatisfying and more of a tease. And even potentially if there is an item that is there that we might want and you do manage to steer us towards another purchase, there might still be a little bit of an echo of resentment there. So it's definitely best to avoid that in the first place. If you're out of stock, just let us know.

KJ: I agree. It's all about managing expectations.

SO: So it sounds like if I had to sum that up, it sounds like a lot of this really comes down to clear communication.

"You're better off not having that item available, then you are having somebody place an order and have it not be able to ship because someone is out of stock."



SO: You know, if you can clearly communicate expectations with the customer and really provide them, “Okay, this is what you’re going to get, this is when you’re going to get it” – that is the best way to satisfy the customer. And it’s only when you don’t align those expectations with reality that the problems come in. Does that sound about right?

KJ: Sam, you are so smart.

SO: I’m just trying to keep up with you.

KJ: Perfect.

SO: And speaking of communication reviews often show customers complaining about being in a black hole and never hearing back from the retailer about the status of their order. What should retailers do to avoid this?

KJ: So once a customer places an order, the retailer’s customer service department must be able to answer key questions. Those include anything around shipping status, finding tracking numbers. It could even be help with the product specs.

You also want to make sure that your customers can contact you in the way that they want, whether that’s phone, chat, email, or even on social media.

Now let’s go back to Amazon. You know, it’s one of the things that they do is just the level of visibility again and the expectations when they are shipping an item. So not only do you get three notifications when the order was placed, when it left a warehouse, and it when it gets left at your front door, but I know now they’ve even added in how many stops it is away. So recently I had ordered something off Amazon. It said, okay, the item is 10 stops away from your door.

So again, just kind of that reassurance and really building that trust in your ability to successfully deliver the product to a customer’s door is going to be key. This is what all consumers are really expecting. If you don’t provide that communication, you must find a way to do this. You know, you want to decrease the number of calls to your call center, and one of the best ways to do that is by increasing the visibility and making sure you have a reliable supply chain. The more visibility, the better the customer experience and likelihood they’ll come back.

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SO: I completely agree. And one thing that you mentioned that that really caught my eye, or my ear, is that you know, you mentioned the multiple channels that we need for support, whether it's via phone chat, email or social media. I know for me a really big game changer is having that chat feature. You know, going on, being able to go onto a website for a retailer and easily chat a representative through a built-in chat feature is just so much easier than having to go through multiple channels, engage in multiple emails, wait on a phone queue. Definitely much more appealing and feels like a very, very modern approach to customer to customer service.

So I think that that's definitely important and something that I would like to draw attention to as well. If you really want to build that, that loyal customer and have them coming back time after time, it's definitely important to have that that really beautiful customer service experience as well.

KJ: Sam – well said and very insightful.

SO: Thanks Katie. So then the next question is more about then delivery timelines, which is kind of right in hand with visibility. You know, I personally expect my shipments in two days here in the days of Amazon. But can all retailers deliver on that expectation?

KJ: Well, I'll just say one thing: Amazon, they sure have spoiled us, haven't they? Like you said, it's even beyond the two day shipping now where a lot of times as I'm shopping, I'm looking for same day shipping.

But not every retailer or drop ship supplier can do that, especially when we're thinking about a busy black Friday week or cyber Monday. So looking for ways your company can offer similar shipping services, whether that's cheap, free shipping for higher dollar orders or even options for interest or delivery and buying online, picking up in store.

I recently had a great experience with REI where I purchased two different sweaters. One of them I received within three days of when I ordered, expecting it to not arrive until a week after I ordered. So that's a great example of a retailer leveraging their stores and other methods of shipping to not only meet, but exceed that customer expectation.

SO: Yeah, something I always think is, you know, the only limitations that exist are sometimes those that you choose to perceive, and that's really a great example of that. You know, just because you can't do something one way doesn't mean you can't win and excel in another way that can still surprise and delight a customer.

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KJ: Exactly. Yeah. And I mean I think that is one of the big things: Retailers have to get creative. Customers between, you know, having cell phones, internet everywhere. Retailers have to think, how do I- everyone wants everything now, so how do I fulfill that and continue to drive a positive customer experience with so many options out there? And so simply, by thinking away, thinking through different ship methods and ways that you can, not only meet but exceed a customer's expectation, is really, again, what will drive that loyalty for them.

SO: Absolutely.

KJ: So additionally, Amazon has also started asking if it's okay to not be delivered within the two days. There might be things that you're stocking up on and you don't need right away. So really allowing customers to choose their desired delivery date can help prioritize the orders and buy you more time to get them delivered.

SO: Absolutely. Then then at least at that point, from their own perspective, not every single order that they're going to be getting is that prime order that's going to be a two day demand. Now they can kind of space everything out and make sure that they have the time to have everything taken care of.

"Allowing customers to choose their desired delivery date can help prioritize the orders and buy you more time to get them delivered."

KJ: Agreed.

SO: Okay, so the order has made it to their door, but the customer isn't happy. They received the wrong item or they got the right one, but it's broken, or the box never arrived at all. What can you do to make it right? Let's address these one at a time. Let's start with what if the wrong item shipped? What do we do?

KJ: Well, the first thing you want to do is ship the correct item out immediately. More importantly, you want to investigate the source of the error so it doesn't happen to another order and can cause a multiple multitude of mishaps as well as a number of customer complaints.

Check to make sure the product description is accurate, that the item master is correct and that the warehouse has it in its proper place. Many of these are easily corrected and you can avoid those future errors.

So having visibility to every step is critical while the order moves through your systems. You want to make sure you have this insight to help quickly identify the issue so it can be resolved. This is especially key if you are running a drop ship business. Having insight into your supplier systems to make sure at the end of the day that customer is getting the product they ordered and getting it delivered in the time they expect.



SO: That insight can definitely help you quickly identify an issue so that it can be resolved. But you know what if the issue to be resolved is that the product never arrives. The consumer's expecting it, but it may have been stolen or miss shipped. How should retailers respond?

KJ: So you really want to understand where the breakdown occurred. Was there something wrong with the address? Was the address label printed incorrectly? Did the picker forget an item? Was there a carrier issue? Really examining your process closely because you want to make sure this doesn't happen again. If a product didn't arrive, replace it quickly to satisfy the customer even if the carrier lost it. A good order management process includes great communication about orders. So this has the capacity for order volume spikes, as well as any carrier integration, and alerts as orders keep moving along so they are delivered when a customer expects it.

SO: I completely agree. And you know, it's also been said that once a customer has a bad experience, they'll rarely go back. Did you say this is true and if so, and hopefully not, how can retailers reverse this sentiment?

KJ: It's absolutely true and one word: returns. Make them easy for the customer, period.

SO: Returns?

KJ: Returns. So returns are one of the biggest hurdles retailers have yet to clear. The easier returns and exchanges are for the customer, the more likely they would be willing to purchase from you again in the future. Part of Amazon's appeal is practically anything can be delivered to your door in two days, but that's really only half of the equation.

The other half, is if it's the wrong thing, it's pretty easy 99.9% of the time to have that corrected. Both Amazon and Zappos have returns down. Every shipment gets a return label and free shipping. Refund show up as a gift card or the amount is refunded to your credit card.

And even now, some brick and mortar retailers like Kohl's will accept those returns in their stores.

SO: And I recently just had an experience where I was able to get the credit back to my account almost immediately. You know, it wasn't like I was waiting a couple of days or even or even three weeks like it used to be. Notice this money was returned to my account immediately so that I was able to then go back and reinvest in that retailer. That was definitely a game changer for me because it kept me shopping.

KJ: Exactly. And you often see that with Amazon and Zappos. You know, as I just mentioned, they're kind of a game changer – the retail leader in this part.

"Returns. Make them easy for the customer, period."



KJ: So one thing to remember, too, is returns are part of the shopping experience and problems can be the final straw. So even if you lose money on returns or exchanges, that can really be made up in that customer loyalty as that customer lifetime value continues to go up.

SO: And as more and more people shop online and have their orders delivered to their home, you know, so many boxes from so many places showing up. Is there a way for retailers to stand out? You know, I don't know about you, but I personally think that those little happy boxes with their big smiles from Amazon are pretty iconic.

KJ: They definitely got their branding right. Branded packaging is really going to be your best bet in reinforcing that brand after the sale. So from branded shipping materials that remind consumers who they ordered from in the first place and if they had a positive experience and they like how that brand or retailer performed, they're going to be more likely to buy online or in the store.

You can also do this with branded boxes, branded packing slips and return labels. And best of all, you can even ask your drop ship suppliers to print those branded packing slips for you. And that should be a requirement. The customer expects it from the retailer, not from the drop ship supplier, so you want to make sure that they are meeting the requirements that you have for those branded packing slips.

"Branded packaging is really going to be your best bet in reinforcing that brand after the sale."

Now, there's more to branded packaging than a logo on the packing slip. When online orders are delivered to a customer's doorstep, they should include information on how to manage those returns. Returns are often one of the last things retailers think about when they want to start drop shipping. But it should be at the top of the list because returns are a constant in the e-commerce world. Including return information and deliveries makes it easier for customers to send the items back to the correct location. And when that return process is easy, it reflects well on the retailer, going back to again, creating that customer lifetime value.

SO: Yeah, I completely agree. And you know, I actually just received a package the other day and I opened it up and the first thing that I saw was a slip of paper that was almost impossible to miss. And it said, "DIG IN" in big letters, but in smaller letters right next to it, it said, "We know you're going to love this, but on the off chance that you don't, or it just doesn't work out, here's three easy steps. If you just turn this over on how to return this order or make an exchange." And that was absolutely a game changer for me. I know that it's so important to have, you know, a really buttoned-up returns and exchange process. And, and what you just said only made that even clearer to me.



KJ: And I bet you'll go back and you'll purchase. I bet that they're creating that loyalty by creating that positive experience.

SO: Absolutely. Well and they made it fun with the messaging too, you know. Returns and exchanges can definitely be, you know, a bit of a pain sometimes, but that doesn't mean that you can't still make it fun and still have that message very intentionally branded to make it a just a more fun part of going back to shop at one of your favorite retailers.

KJ: Definitely.

SO: Okay. So Katie, do you have any final advice to give for how to weather the retail holiday shopping storm?

KJ: So Sam, as you mentioned, a lot of what we talked about today does and will take more strategy, budget, and especially time, to improve. You don't want to make big changes to your systems or processes in the busiest time of year.

So what should you do? Well, January is a great time of year to do post-holiday analysis. Asking yourself questions like, did you run out of stock? Did you have a lot of abandoned carts? Were returns excessive? What about markdowns? Did customer service report any particular patterns and complaints? Or was there an influx of orders for a particular fulfillment model?

Now related to that, how did your trading partners perform? If you're a retailer with drop shippers, were they accurate and on time? Remember those drop ship suppliers are representing you as the retailer and your brand. Really dig deep to find out what you can do to improve. Use the spring and summer to make your next retail holiday shopping season a smashing success.

SO: Oh sure. It's just like some of the best sports teams in the world wouldn't be where they are without doing a very strategic post-game analysis. They really take the time to dig into the minutia of every single game that they play. They're going to take hours to go through sometimes of the film of exactly what happened, go through play by play. It should be the same way in retail.

KJ: I agree. Absolutely, and having those tools and resources available to easily do that is going to be the key to not only the success for your customer, but for those people working at your company that are trying to drive the sales.

"January is a great time of year to do post-holiday analysis."



SO: Thanks so much, Katie, for everything that you've done for us today. A lot of the information that you've provided has been completely eye-opening for me and I know both for this season and for the coming holiday season, even next year. Everything that you've said just about, you know, great returns policies, from also just having everything integrated into systems. You've offered a lot of great advice, so thank you so much for helping us master the retail game.

KJ: Absolutely. Thank you Sam and happy shopping.

SO: Thank you. Happy holidays. Thanks for listening to this episode of mastering the retail game. You can read transcripts of this podcast review show notes and listen to other episodes by visiting spscommerce.com/podcast or by subscribing through your favorite podcast streaming service. Join us on the next episode of Mastering the Retail Game for more tips on how to win on the new retail environment.

Until then, this is Sam Olson signing off.

“Use the spring and summer to make your next retail holiday shopping season a smashing success.”