



Adstral

Planning for Peaks

Make the most of seasonal sales



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Introduction

Black Friday, Cyber Monday, Christmas, January sales – the list goes on. It seems as one sale ends, another one begins. So how does an online retail business make the most of seasonal peaks? The answer is planning.

Before the internet, the rise of out of town shopping centres, and large supermarkets that sell everything from food to large electricals, everyone did their shopping on the high street – whether that was a small local market town or a large city. Sales were few and far between, and so the January sales was something to be looked forward to.

Fast forward thirty years, and internet sales now account for 19.2% of all retail sales in the UK for the year to October 2019^[1] – up 1.1% on October 2018's figures. What's more, it is predicted that by 2029, internet sales will account for over half of all retail sales^[2] in the UK.

In the last five years, according to the Office of National Statistics (ONS), internet sales have continued to rise steadily, however, the statistics do show a pattern forming. Sales are shown to reach their yearly peak in November whilst August shows the lowest amount of sales each year over this same five-year period. By looking carefully at these statistics, companies are able to plan ahead.

Reports show that 2019 has been a tough year for British retail – both on the high street and online – due to many factors, one being the economic uncertainty of Brexit and a General Election. At the beginning of November 2019, the IMRG (the UK's online retail association) predicted that online sales for the Black Friday period could show only a small growth of 2-3% - but with a possibility of no growth at all - and in December 2019 a growth forecast of 1-2%^[3]. The ONS suggested that retailers were bringing forward the sale of Christmas product lines to earlier in November than in previous years^[4].

Taking all of this into account, evidence suggests that although internet sales are on the rise to the detriment of the high street, that growth is slowing. It is therefore imperative for online retailers to take stock of their operation and create detailed plans for making the most of seasonal peaks.

This document sets out the things that online retailers should consider prior to seasonal peak periods such as Black Friday and Christmas.



Steps to plan for peaks

Preparation for seasonal peaks such as Black Friday or Christmas will often be different to the preparation for seasonal sales, such as the January sales or summer sales.

The former is about maximising sales across the board, whereas the latter may be about clearing less popular, out of season, or old stock. Whether planning seasonal peaks or sales, there's quite a lot to get ticked off a to-do list:

- Identify seasonal peaks and sales periods that correspond with your business sector
- Carry out a thorough review of your current stock
- Define stock that needs to be phased out
- Explore possible new lines
- Contact suppliers re: order timescales
- Decide on offers and promotions
- Identify key dates
- Review staffing and processes

Take stock of your product range

Anticipating demand during the sales season isn't easy. Order too much stock that doesn't sell is a costly mistake. On the other hand, not ordering enough means that customers will end up going elsewhere when stock runs out – and may not return.

Before making any decisions, take a look at the sales data of corresponding months in previous years. What sold well? What were the best sellers? What's not moving? What new products can be added to the product range? This is also a good time to do a stock take – if it isn't already being done on a regular basis – and contact suppliers to find out their lead times.

Once a complete analysis of stock has been undertaken, you'll know exactly what sells, what doesn't, what needs to be discounted to sell, and how much stock of the best sellers needs to be ordered ready for seasonal peaks and sales. The analysis will provide a clear picture of the overall online sales operation and will give detailed information to enable companies to forecast demand, as well as predicting sales peaks.

At the same time, it pays to look at your storage facilities. Is your current storage situation able to handle an increased amount of stock? If not, new premises need to be sought, secured and fitted out before any further stock is ordered.





Plan for increased sales

Contact suppliers well in advance of planned sales

As part of carrying out detailed analysis of sales, businesses will have a complete breakdown of each supplier and the lead times they require. Running up to seasonal peaks such as Black Friday or Christmas may mean that suppliers will have increased their lead times to meet demand, so it is vital that orders are submitted well in advance.

Work out your promotions

Slow-moving stock or discontinued lines are ideal for discounting or promotional offers such as 'free gift with purchase', whilst your best sellers should have no problem selling both at peak sales times and off-season periods. However, it is important to plan well in advance what offers and promotions you will be applying and to what. Decide whether you will be applying discounts to your best-selling items, or whether you would like to clear old stock or stock that's not selling. Offers can take the form of discounts on some or all stock, buy-one-get-one-free, free gift with purchase, free delivery when purchasing over a certain amount, or a voucher towards future orders.

It is essential that each sales period is planned as much as possible so that you not only have time to ensure that you have enough stock, but also time to carry out marketing activities such as, e-shots, direct mailing, or advertising on your business' social media platforms and any other sales channels you plan to use.

Identify key dates

Depending on the type of online sales, there are many sales opportunities over the year. However, peak sales tend to be between the middle of November and the end of January.

- Black Friday - This is the day after Thanksgiving, which is celebrated in the USA on the fourth Thursday of November each year. Although it has been a tradition since the 1950s in the US, it has only been observed in the UK since 2013. According to Barclaycard, sales on Black Friday in 2019 were 7.2% higher compared to 2018.[5]
- Cyber Monday – The first Monday following Black Friday. Having only been running for 15 years, Cyber Monday was started as the online sales community’s equivalent to the high street’s Black Friday. Initially a US-only event, it has now swept worldwide and has outgrown its high-street rival.
- Free shipping day – Starting in 2008, free shipping day was started in an effort to extend the online shopping season past Cyber Monday. It is an annual event, usually held during mid-December where online retailers offer free shipping with all orders placed on that day, ensuring that delivery will be before Christmas.
- Super Saturday (or Panic Saturday) – The last Saturday before Christmas and the last day many customers have a chance to visit the high street to buy their Christmas presents and essential items. For online businesses, however, Super Saturday is more like ‘super week running up to Christmas’.
- Boxing Day – Traditionally the start of the post-Christmas and January sales.
- Peak Returns Week – Usually the second week of January, where everyone is wanting to return or exchange Christmas presents.

In addition to these key dates there are many other opportunities for sales throughout the year – Easter or summer sales for example, or sector-specific seasonal peaks. Once all potential opportunities

to increase sales have been identified it is then possible to create a detailed sales forecast picture for the coming sales year.

Audit your processes

Processes that are already in place may be sufficient to handle orders at the current volume, but are they robust enough for a large increase in orders? Processes should be audited to ensure that no orders are missed, and when picking and packing mistakes with product selection are minimised. Customer satisfaction is paramount, so it is essential that all processes are geared to ensure that order accuracy is achieved, as well as delivering high quality customer service.

Staffing

There are a number of questions that need to be asked in respect of staffing – do you have enough staff to cope with increased orders? Does your current staff have the necessary skills or experience to handle increased orders? Do you need to hire more staff and, if so, do you have time to train them?

Order fulfilment

If current staff are not able to handle an increase in orders, it may be necessary to employ temporary staff to cover busy periods. However, this comes with its own set of challenges such as training and an increase in employee costs.

Outsourcing order fulfilment is a solution that not only solves any employment issues, it also solves storage problems. Order fulfilment houses will have large fulfilment warehouses and trained personnel to handle seasonal peak fulfilment requirements.



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Outsourcing fulfilment – the perfect solution

Increased sales may, however, come at a cost. If a business doesn't have room to store any extra stock or the staff to fulfil the orders, it can be costly and time consuming to hire and train new employees and rent or buy new premises.

This is where an order fulfilment house like Adstral can help. We offer a cost-effective order fulfilment and warehousing service that saves you the time and money associated with hiring new staff or sourcing new premises.

Whether you need help with order fulfilment for seasonal peaks or an all-year-round service, we have the expertise to help. Our flexible and prompt fulfilment service can be tailored to meet the individual needs of each customer, providing them with a seasonal cover or a long-term plan.

Our large, modern, secure and fully fitted warehouse can comfortably store millions of items of stock. This together with a team of professional fulfilment specialists, enables us to handle a wide range of fulfilment projects.

All products are securely stored, ready for immediate picking, packing and shipping by our team of fulfilment professionals. Products are packed appropriately, minimising the risk of damage during transit. As expected during January, some orders may be returned, and we will manage the return process in line with your particular requirements.

We follow strict quality control procedures, which ensures that we keep a tight control over stock management, as well as ensuring full order accuracy fulfilment at all times. Our 3PL Manager[®] software links with all online sales channels and integrates with most popular website eCommerce platforms. It automatically checks our customers' websites and other online sales channels for orders, as well as being able to import orders from in-house systems using file attachments via email or data transfer.

For more information about our reliable, cost-effective and bespoke order fulfilment service, please contact us by using our online enquiry form, or telephone +44 (0)1793 725043.

Sources:

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[3] IMRG Black Friday and Christmas Online Retail Sales Forecast 2019

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[5] Black Friday sales 2019 www.bbc.co.uk/news/business-50644138





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