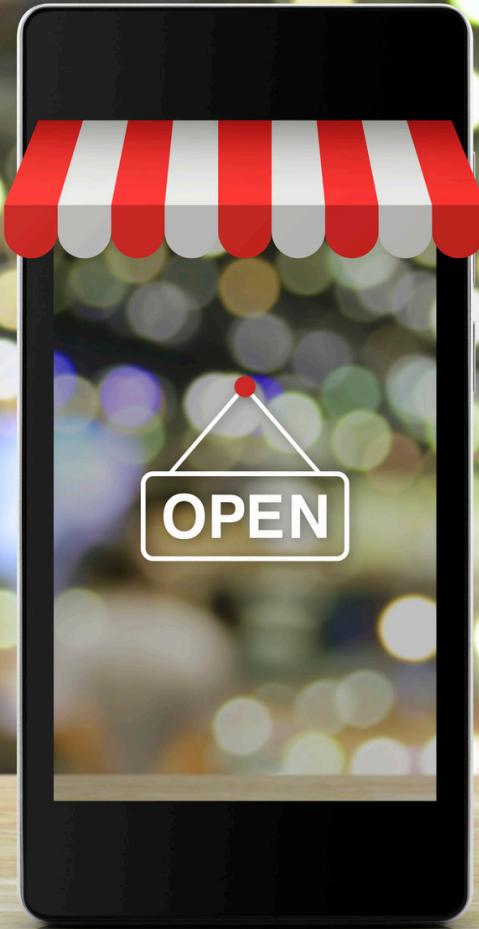


2017

# Holiday Retail Survival Guide







# Ready or not, the holiday season is here

To say this year's holiday season will be a tough one for retailers is an understatement. Foot traffic is down in physical stores, and online retail competition grows. Many retailers are crossing the physical/digital divide to meet customer needs in all channels. Amazon, Bonobos (recently acquired by Walmart), Rent The Runway, and others are all investing in in-store experiences, while Macy's, Nordstrom, and others expand their digital capabilities.

Holiday shopping is also in transition. Black Friday and Cyber Monday have merged into a months-long marathon of deals. It's an exhausting run up to the end of the year that seems to start earlier each year.

## **FEAR NOT, RETAILERS**

**Here is a survival guide with tips on how to think differently, engage shoppers, and outlast competitors in all channels.**

# The retail landscape

## THE GOOD

Retail sales worldwide (including in-store and online purchases) are expected to reach **\$26.8 trillion** this year and \$28.3 trillion by 2020.

E-commerce accounted for **8.7% of total retail sales** worldwide in 2016 and could reach 14.6% by 2020.

**38% of e-commerce sales** during the 2016 holiday season took place on Amazon, with the percentage increasing as the season progressed.

**In-store retailers** improved the customer experience faster; 40% of retailers' CX index scores rose from 2015 to 2016 while only 18% of digital retailers improved.

## THE BAD

As of June 2017, **345 retailers filed for bankruptcy**, up 32% from the same time last year.

**Foot traffic was down 12.3%** in brick-and-mortar stores in November and December 2016.

Price competitiveness in e-commerce is tough:  
**20% of prices change daily online.**

Sources: eMarketer, comScore, Internet Retailer, Forrester Research, BankruptcyData.com, Pew Research Center

A photograph of a woman with long brown hair, wearing glasses and a white cable-knit sweater, lying on her back on a bed. She is looking up at a white tablet device held in her right hand. In the background, there is a white vanity with a round mirror and various makeup items. The scene is softly lit, suggesting a relaxed, home environment.

## What retailers need to know about the modern shopper

1. Multichannel customers spend more
2. Forget about showrooming – customers are switching to webrooming
3. Customers want better, not more, functions
4. Real-time information is a must

# 1. Multichannel customers spend more

Shoppers who use more than one channel to shop spend about 4% more in the store and 10% more online than single-channel customers, reports *Harvard Business Review*. Also, the more channels they use, the more shoppers spend with one retail brand. For example, customers who used four or more channels spent 9% more in the store when compared to those who used just one channel.



Multichannel shoppers spend  
about 4% more in store and  
10% more online

## Survival Tip//

Shoppers who research a product through multiple channels likely have a strong interest in making a purchase. It's up to retailers to provide a frictionless experience. Retailers would do well to align their digital content with the in-store experience. Include information about in-store sales on your website and via social media; give customers the option to buy online and pick up in store; provide real-time information about in-store inventory online.

## 2. Forget about showrooming — shoppers are switching to webrooming



**69% of shoppers webroom,  
while only 46% showroom**

With so much information online, more shoppers are researching items online and purchasing them in stores. This practice is known as webrooming. According to a recent Harris poll, 69% of shoppers webroom, while only 46% showroom -- going to the store to research an item but then buy it online. Webroomers also tend to spend more. Conducting prior online research on the retailer's own site or sites of other retailers led to 13% greater in-store spending among omnichannel shoppers, finds *Harvard Business Review*.

### Survival Tip//

Consider why customers want to come to a store to complete a purchase and try to meet those expectations. Also focus on providing a better in-store customer experience, such as with knowledgeable sales and customer service staff, in-store pick-ups of online orders, or mobile discounts encouraging shoppers to buy in-store.

### 3. Customers want better, not more, functions

Retailers are on the right track by modernizing their stores with mobile experiences, but doing so without adding value to the customer experience is a waste of resources. In fact, 74% of shoppers would shop at a retailer that offered an improved mobile in-store experience over competitors, according to Digital Management Inc. However, customers aren't impressed by tablets mounted on store walls or a charging station if these additions don't address their needs.



**74% of shoppers would shop at a retailer that offered an improved mobile in-store experience**

#### Survival Tip//

Create in-store digital experiences that are relevant and useful to the shopper. Before investing in new technology, consider how it affects the customer. Does it remove a pain point or help customers in some other way? Answering these questions can make it clearer whether this is a must-have versus nice-to-have solution.

## 4. Real-time information is a must

No one wants to visit a store if the item they're looking for is sold out. Especially on Black Friday, consumers want real-time information on product availability. Online shopping sites quickly realized this and have provided count downs of remaining inventory and signs indicating when merchandise has sold out. In-store shoppers must either call the store or visit in person, placing customers at a disadvantage.



**Use social media to quickly alert followers about sales and inventory alerts**

### Survival Tip//

Social media is a wonderful tool for quickly alerting followers about last-chance items and restocked merchandise. Make it an event by live-tweeting inventory availability or counting down to a major sale. Using social media as a source of real-time information is also a good way to attract followers and build brand awareness.

## Be ready for the unpredictable

Today's holiday shoppers expect fast customer service that's available around the clock. Employees who work from home are a great solution for this challenge—they can provide support beyond regular store hours and don't require additional space. In addition, they can quickly be called upon to help when volume spikes, and can dial back when things get more quiet.



# Here are a few tips to enable a successful remote team for the holiday season:

**Look for remote workers on your part-time staff list.** Workers who are already familiar with your organization are more likely to catch on quickly even when working from home.

**Working remotely isn't for everyone.** Look for candidates who are tech savvy and motivated to enjoy their job and give a positive impression through every interaction. A recruiter can also help in this area.

**Make sure seasonal employees understand your mission** and strive to "wow" customers at every interaction.

**Check in with your remote workers regularly** through video conferencing platforms like Google Hangouts or Skype and make them feel part of the company.

**Keep an eye out for remote employees** who put in extra effort and let them know that you'll consider them for full-time work when you expect to have turnover. Consult with your managers since they always know who pulled their weight and who didn't.



Have a happy season, and beyond

## Maximize your chances of a successful shopping season during the holidays and after with some smart preparation.



### REVIEW THE DATA

Looking over past sales data can give retailers a more accurate estimation of which product lines and brands were successful/unsuccessful and how much to have on hand this year. It's also important to assess the number of staff that will be needed to handle the expected increase in customer inquiries and begin recruitment or hire a third party to do it.



### INVEST IN YOUR EMPLOYEES

According to PwC, 78% of consumers indicated that "sales associates with a deep knowledge of the product range" is an important factor in deciding which store to do business with. Investing in the training to ensure associates are familiar with the store's products, systems, technology, and store network is more than another task to check off—it's an opportunity to differentiate your business.



### PREPARE ALL CHANNELS

As more people shop across multiple channels, delivering a consistent experience across your website and store is critical. Verify that your website can withstand the increase in online traffic and that your employees can place an order online if stock runs out in your store.



### HAVE A CONTINGENCY PLAN

No matter how much time you spend preparing, expect something to go wrong. Having a contingency plans can minimize the impact of factors you can't control, such as delayed shipments. Create a plan for advising customers of any delays if they occur. It's also possible that customers may make mistakes during the checkout process and type invalid addresses. Address data verification technology can help to reduce the chances of address errors and optimize the checkout process.

## About TTEC

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