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PRESS RELEASE

Sweeter the tills never ring:
Seven tips for a successful Christmas business

Düsseldorf, 24.10.2019 – Christmas: no other holiday puts people into such a panic every year. Although Christmas, unlike Easter, has a fixed date, Christmas always seems to come "all of a sudden". And this despite the onset of gingerbread sales in September, the first Christmas discounts in October and Wham on repeat from November to January. The only people who are more stressed than the gift seekers are the retailers. For them the pre-Christmas period can be a huge success or a massive fail. In figures: In 2018 in the German retail industry, the turnover of the Christmas business was 98.7 billion euros, i.e. almost 20% of the total annual turnover (525 billion euros). A strong Christmas business is essential for the annual balance sheet. With the help of Artificial Intelligence (AI) and other tips, retailers are on the road to success.

1. Preserve the tried and tested and explore untapped potential

"Last Christmas" is a famous, often sung about learning curve. Someone does something, the desired effect is not achieved, a year later the process is optimized. Retailers should do the same. The key question here is how the Christmas business went last year. Which products sold like hotcakes and which were real slow sellers? Do the old bestsellers have what it takes to be popular again this year or will they be outshone by new trends? How does this change how products should be displayed? Where were there bottlenecks or omissions and where was the best return? Did all suppliers deliver to full satisfaction? How was the team prepared for the challenges? In short: A definition of potentials, goals, and measures is needed.

2. Use the calm before the storm

The beauty of the pre-Christmas season is that everyone is stressed. No matter who they are or what they do, people have the right to be stressed in December. Accordingly, the Christmas shopper should be treated like a raw egg. Unnecessarily long waiting times at cash registers must be avoided at all costs. Before Christmas sales slowly begin in the second half of October, several stress tests should be completed. The IT infrastructure must function reliably. Scalable servers can be very helpful for online shops to provide customers with a fast and comfortable shopping experience, even with a sudden increase in the number of visitors. In the analogue world, sales staff must be mobilized to provide good service in the store. Customer service must also be prepared for an intensive two to three months in order to deal quickly with questions and possible complaints.

3. Position brick-and-mortar retail as a haven of peace in the digital discount battle

Customers should not only be encouraged to shop in the online store, but also in brick-and-mortar stores. This busy species is best lured into the high street and the shopping centers with a very rare commodity in the pre-Christmas period: time! The store must be a place

where the customer can pause for a moment, look at the products, touch, smell or taste them. Moreover, this is where customers can get direct advice from a real person. In such a service paradise, customers will enjoy looking around.

4. Offer the customer so much service that the turnover does not leave the shop

Let's face it, nothing is more depressing than empty shelves. At least from the customer's point of view, because this is where the frustrating feeling of being too late creeps in. For retailers it is also an uncomfortable situation, because they could have potentially sold more products and in the worst-case scenario, customers will flee to the competitor two stores away. Therefore, shops should resemble a land of milk and honey, the shelves should always be well stocked. AI-cameras can help with this, checking the level of inventory and coordinating the re-stocking of displays. If a product is completely sold out, retailers can still help customers get what they want. Using digital devices, such as tablets available in stores, customers can reserve the desired product in a nearby store or order it via the associated online shop. This way, customers always leave the store with a sense of success and the retailer has still secured his turnover.

5. The online shop deserves increased attention

The competition on the net is even tougher than on the high street. This is not least due to the fact that more is always bought online than directly on the spot. Particularly important for Christmas shopping is that customers can quickly and easily navigate to what they're looking for. Personalized product recommendations based on articles that have previously been viewed or purchased can help. Chat Bots can also provide support. In addition, it is advisable to offer several different payment methods, otherwise you run the risk of losing customers. According to a recent study, 80 per cent of customers break off an order if the only payment method offered is pre-payment. In Germany the most popular payment option is Paypal, followed by the classic invoice and credit card. Speaking of customer loss: If the shipping costs are too high, many customers will also break off the order. So the question is not whether retailers can afford free shipping, but whether they can do without it.

6. Stand out from the crowd

With the digital overabundance, it is important to carefully position oneself - also visually. This an be achieved through detailed product pictures, for instance, from several angles and on models of different types. Also, a clear categorization of the offered products according to target group (for him, for her, for a friend, for a significant other) is helpful. In addition to the visual appearance, transparency is also a key to success. Customers should have the opportunity to rate products and services. It is also advisable to have a wide selection of delivery options with different delivery times and desired dates on offer. After all, nobody wants to sit under the Christmas tree without a gift and have to say, "it's on the way". Lastly, since in addition to last-minute shoppers, there are also forward-thinking gift buyers who prefer to get everything done on Black Friday, your online shop should also be prepared for this event.

7. Have an eye for the right decisions with artificial intelligence

With all the short time discounts, special offers and special winter editions, it can be easy to lose track. Inventory planning and price optimization are even more complicated than usual. Retailers should rely on the support of AI - and not only in the pre-Christmas period.

The inhibitions regarding AI implementation are high due to the technical effort involved. The AI solution provider aifora helps companies to master the rapid entry into industry 4.0. aifora forecasts customer demand across all products and channels and uses this as the basis for calculating optimal product prices and inventory levels. Special events such as Christmas or winter sales are also taken into account by the AI, making the application the perfect partner for the entire financial year.

About aifora
aifora enables retailers and brands to optimize their prices and inventories across all channels and to automate the underlying processes. Through the use of artificial intelligence, data is processed on the aifora platform in such a way that it achieves maximum benefit. This results in a significantly higher level of profitability. The aifora SaaS solutions are quick and easy to integrate, can be individually configured and thus deliver a very fast return on investment. Clients include companies such as NKD, Reno and Peek & Cloppenburg Nord.

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