Digitise + Thrive

Get Your Business Holiday-Ready

How to prepare and protect your business for a fruitful holiday season

PayPal

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The holidays are the season for sales

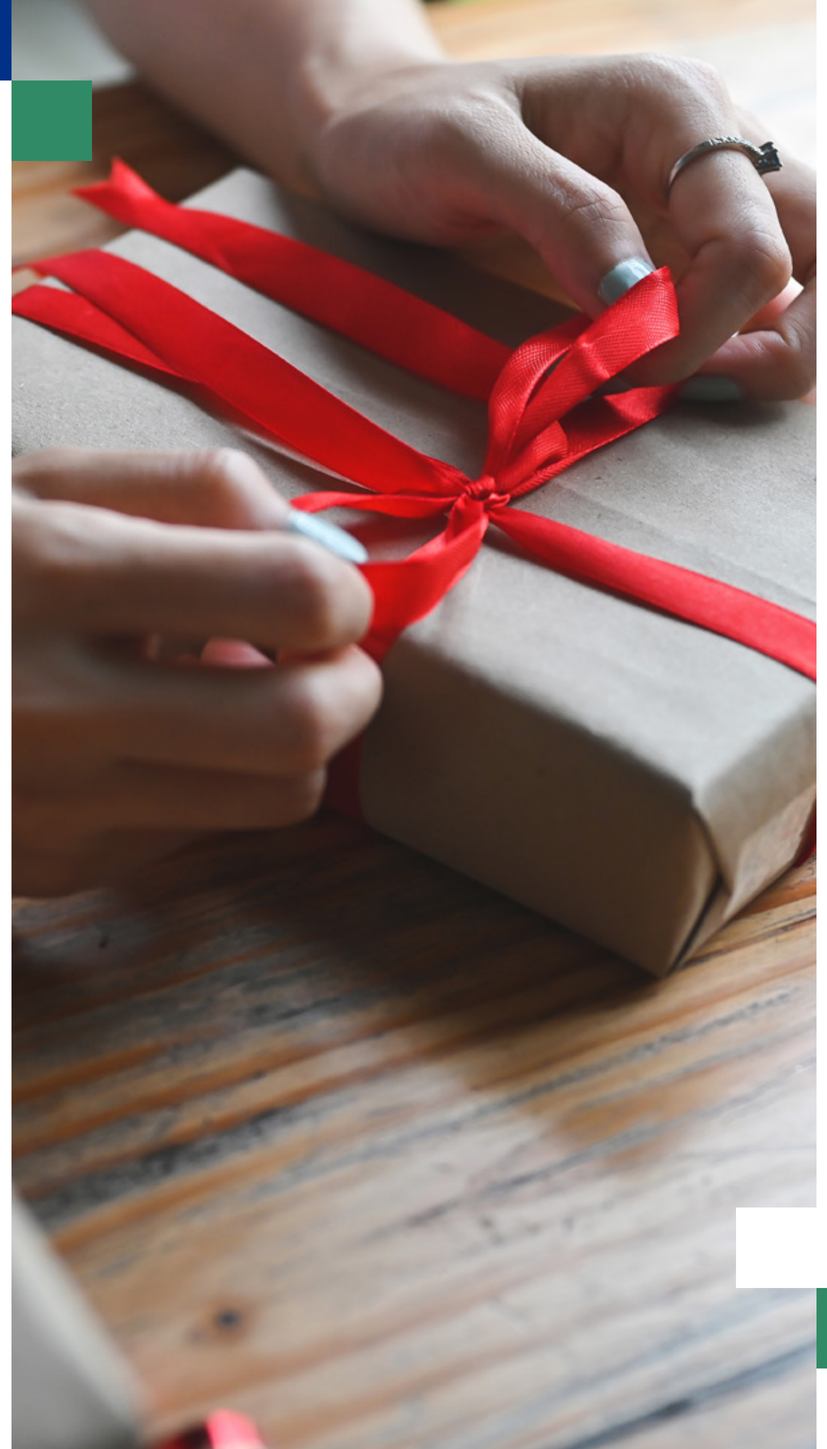
The holiday season drives some of the biggest sales of the year, presenting businesses **with a massive opportunity for growth.** Whether it's on Black Friday, Cyber Monday, Singles Day, or throughout the holiday shopping season, millions of customers rush to get their hands on gifts for their friends, their loved ones, and themselves. Last year, online holiday sales grew 5% worldwide to reach a record US$1.14 trillion[1]. This year, there will still be a flurry of eCommerce activity around the holidays, but businesses need to be extra prepared to deal with the possible effects of inflation on consumer spending habits.

Global inflation is projected to increase to 6.7% this year, the highest level in four decades[2]. At the same time, consumer sentiment, charted by the Global Consumer Confidence Index, which indicates households' future consumption and saving, is trending downward, reflecting the disruptive effects of inflation[3]. Even as overall spending remains strong, some categories of customers spending have flatlined or even fallen. Grocery spending, for instance, is up year-over-year, but that's due to inflation, not greater consumption. In categories such as travel and restaurants, customers are paying more but consuming less.

No matter your industry, you must reckon with the new realities of record inflation and develop solutions that sustain your business, retain customers, and ensure growth for the long term.

You'll have to consider how customers' shopping behaviours are changing — like the fact that roughly half of global customers, or 2.5 billion people, are willing to switch brands this holiday season for a lower-priced alternative[3].

Businesses have always needed to be prepared to handle the increased competition and customer demand during the holidays. But this year, with ongoing supply-chain issues, inflation concerns, tightening budgets, and an explosion in eCommerce, businesses need to be extra prepared if they want to be customers go-to this holiday shopping season. See how you can achieve this by making your customers' shopping experience — from choosing what to buy to deciding how to pay — easy, safe, flexible, and personalised to their individual needs.

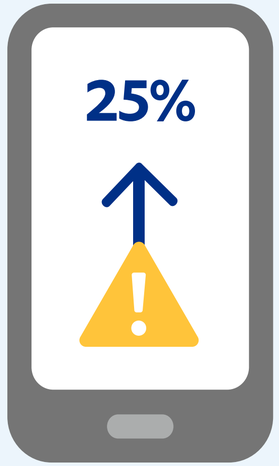


1. Salesforce, What the 2021 Holiday Shopping Season Tells Us About 2022, January 12, 2022. 2. United Nations, World Economic Situation and Prospects: June 2022 Briefing, No. 161, June 1, 2022. 3. Salesforce, How Will Inflation Shape This Holiday Shopping Season? Here Are Our Predictions, June 27, 2022.

Holiday shopping, by the numbers

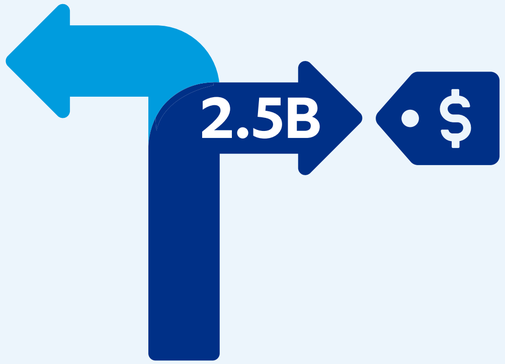
IT'S THE SEASON FOR FRAUD

Suspected fraud attempts increased 25% during 2021's holiday shopping season[4].



PRICING PUTS PRESSURE ON BRAND LOYALTY

2.5 billion holiday shoppers worldwide could switch brands due to price concerns[5].



THE IMPACT OF HOLIDAY SHOPPING

The holiday quarter accounts for **more than 30%** of total annual retail sales in some sectors[6].

4. TransUnion, Suspected E-Commerce Fraud Attempt Rates Between Thanksgiving and Cyber Monday Increase 25% Compared to the Rest of the Year, December 02, 2021. 5. Salesforce, How Will Inflation Shape This Holiday Shopping Season? Here Are Our Predictions, June 27, 2022. 6. Drip, 19 Key Holiday Shopping Statistics You Need to Know (2022), May 24, 2022.

How to prepare your business for the holidays

Holiday business success is dependent on being prepared for the influx of holiday shoppers — and the competition. It's crucial for businesses to prepare thoroughly and as soon as possible, using data to guide you. **To make this holiday season your most successful one yet, focus on these three core areas:**

- **Marketing** your online business:

  Win your customers' attention with timely, personalised experiences and promotions.

- **Optimising** the shopping experience:

  Make customer support and checkout smooth and simple.

- **Protecting** your online business:

  Keep your business safe from fraud and secure your customers' data and transactions.

Marketing your online business

The holiday shopping season has great potential to be lucrative, which is one of the reasons it's so competitive among businesses. Take this opportunity to **give your bottom line a major boost** by effectively marketing your online business so your busiest season can also be your most successful.

MARKETING YOUR ONLINE BUSINESS

Drive traffic with seasonal content and promotions

Insight

Solid content and smart Search Engine Optimisation (SEO) can form the foundation of your digital marketing strategy. During the holidays, content and SEO are more important than ever. From holiday-specific search keywords to holiday-related product choices, shoppers' behaviour changes with the season. To rank high in their searches and win their attention, you need to **optimise your content, SEO, and promotional strategy accordingly.**

Advice

Give your content a festive refresh

When it comes to driving search traffic, content is king. In other words, content that attracts and engages customers can increase your search ranking and ultimately drive sales.

Here are a few ways you can create search-optimised holiday content:

- Optimise your on-site content with holiday-specific keywords. Study last year's search trends and the highest-performing keywords through tools like Google Keyword Planner or Google Trends. Long-tail keywords — that are a couple words long — are also important as these are highly specific search phrases that customers use when they're closer to purchase.
- Create holiday-specific landing pages for seasonal sales. Make sure to plan, create, and optimise the landing pages well in advance of the holidays. Website crawlers, or bots that learn what webpages are about, need time to scan and index the landing pages so they can show up in search.
- Launch holiday-specific Search Engine Marketing (SEM) ads.
- Launch holiday-themed email campaigns that utilise similar search terms and reinforce your message.
- Launch a social influencer campaign centred around the holiday season or leverage trending and highly searchable hashtags such as #TikTokMadeMeBuyIt.

Build loyalty through holiday promotions and incentives

The holidays are a crucial time for businesses and shoppers alike. Consider the following to help your business stand out and boost customer loyalty by making them feel valued:

- **Create personalised gift guides** with special discounts to entice shoppers to purchase multiple items at once to save on shipping.
- **Offer seasonal services** such as free gift wrapping.
- **Create limited-time offers** and holiday bundles to add urgency and provide incentives for customers with tight budgets.
- **Stay up to date** on holiday shopping trends to determine which products to promote.
- **Widen your product variety** to encourage customers to buy multiple gifts in one place, saving them on shipping costs and keeping them from looking to your competitors.
- **Offer free shipping and returns** to ensure a positive customer experience and drive loyalty.
- **Set up a referral program** to expand your customer base while helping current customers save.

MARKETING YOUR ONLINE BUSINESS

Attract holiday shoppers with personalised experiences

Insight

There's nothing shoppers love more than a good deal, especially during the hustle and bustle of the holidays. That's why nearly half of holiday shoppers choose businesses that offer better prices and promotions[7]. Businesses can stand out from the competition by offering personalised incentives, which go a long way toward positively building customer loyalty. And it's critical to do this personalisation well: 76% of customers said receiving uniquely tailored communications is a key factor in making them consider a brand, while 78% said such content makes them more likely to repurchase[8].

Advice

Personalise your site experience

During a competitive season like the holidays, analyse customer preferences closely and frequently, as customers are becoming less brand-loyal and turning to private-brand goods to cope with inflation[7]. **In short, every customer interaction matters. Here's how to make them valuable:**

- **Use AI-based tools** that rely on data from prior customer behaviour to serve up relevant product recommendations, content, and product collections.
- **Customise site search** to autocomplete popular keywords and keyword phrases so customers can easily find what they need.
- **Showcase related products** based on customers' browsing history on your website. The more opportunities that customers have to buy relevant products targeted at them, the better.

76%

of customers said receiving personalised communications is a key factor in making them consider a brand[8].

7. McKinsey, 2020 Holiday Season: Navigating shopper behaviors in the pandemic, November 5, 2020. 8. McKinsey, The value of getting personalization right—or wrong—is multiplying, November 12, 2021.

Retarget shoppers with personalised incentives

You might think that an abandoned cart is evidence of a customer you've lost for good, but that's not always the case. There are many reasons why shoppers abandon their cart, from technical issues to time-consuming checkout flows. It's always a good idea to circle back to those customers and try to recover the sale with abandoned cart emails.

You can incentivise shoppers to complete a purchase by following these simple steps:

- Send cart-recovery notifications via email and text to remind shoppers of the remaining items in their cart.
- Engage shoppers who have abandoned their cart with discounts that encourage them to complete their purchase.
- Create a sense of urgency with alerts that highlight when limited-time deals are expiring, or which items are about to go out of stock.
- Launch holiday email campaigns to reconnect with past customers.

Take Action

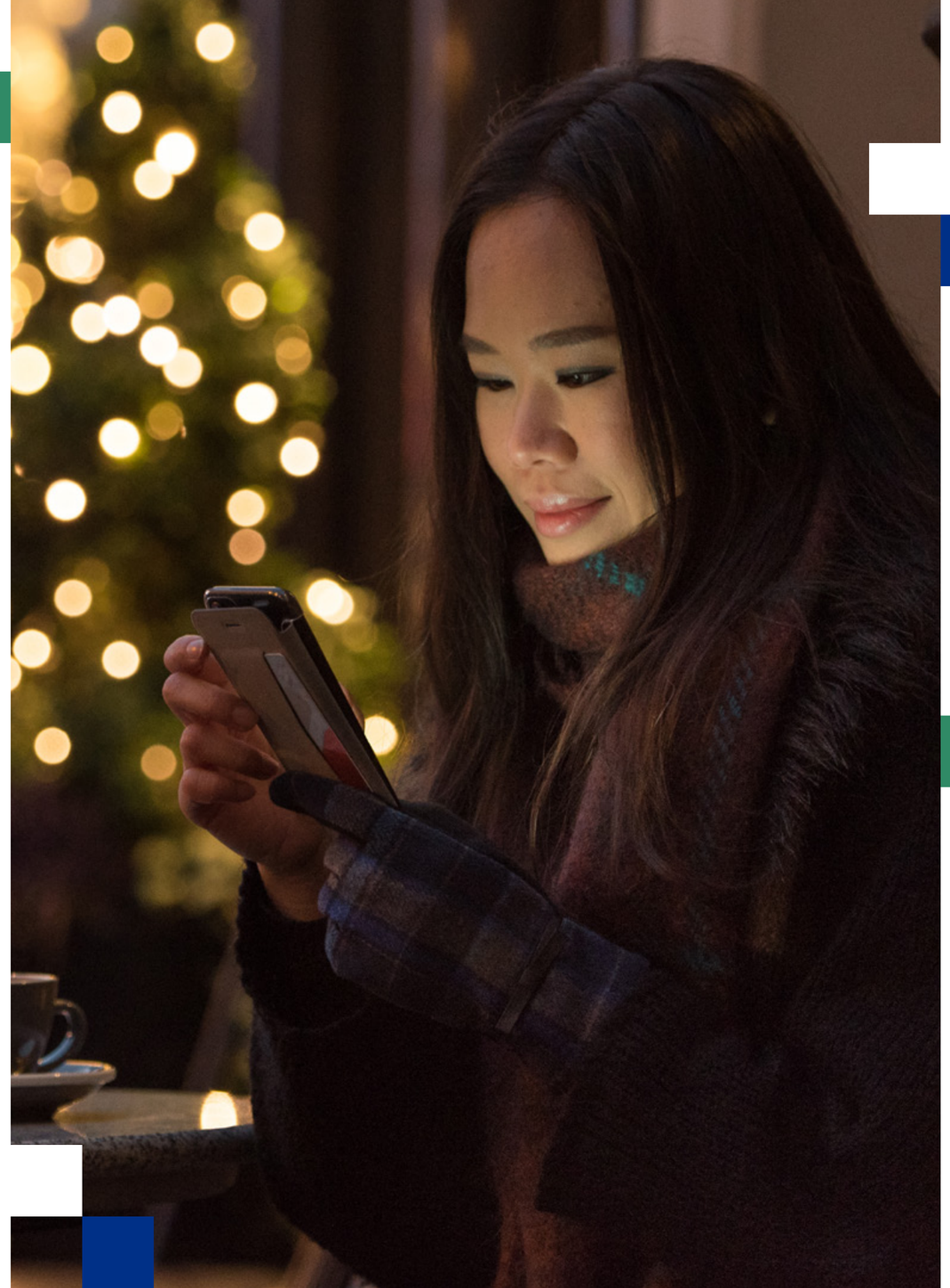
In short, the keys to building brand loyalty and driving sales are creating a personalised shopping experience and retargeting previous customers.

PayPal has been trusted by over 400M customers around the world, letting your customers know you accept PayPal is also another way to market your business and gain credibility.

To learn more strategies that help drive traffic, attract customers, and boost sales, check out our eBook on how you can market your online business.

Optimising the shopping experience

Driving customers to your site is a strong start for a successful holiday season but making sure they want to stay will set your business apart. Leading up to your busiest shopping season, explore how you can **drive as many conversions as possible with a site experience** that keeps your customers coming back.



OPTIMISING THE SHOPPING EXPERIENCE

Amplify your customer support

Insight

It's a simple fact: attracting shoppers and converting them into repeat customers requires excellent customer service. More than a quarter of shoppers consider poor customer service a dealbreaker, and nearly half want fast replies to their questions[9]. With customer service inquiries increasing by 75% during the holidays, the pressure is on to provide timely, thorough support when customers need it[9].

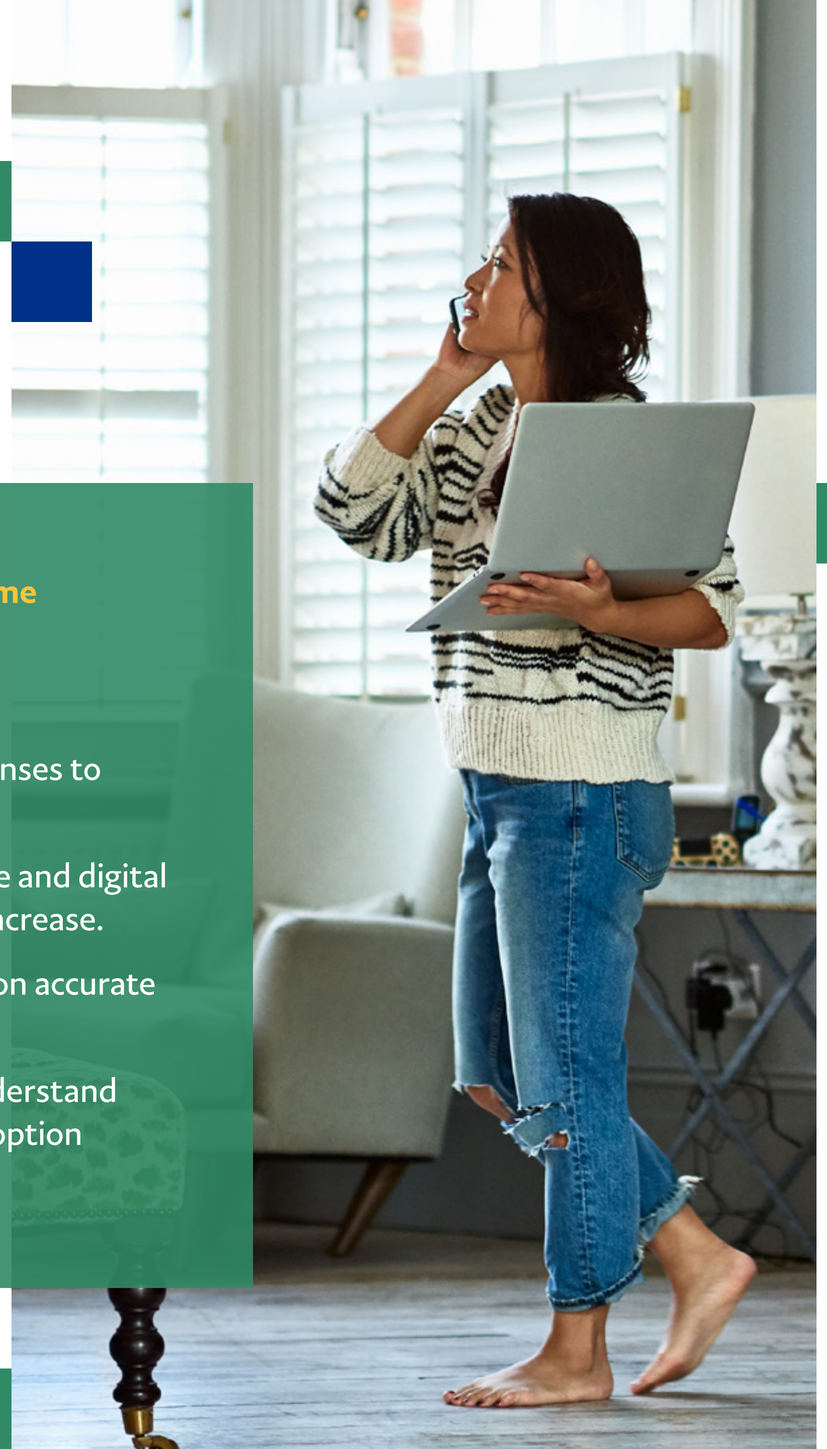
Advice

Ramp up customer service around the holidays

Customers are willing to spend more with a business that responds to their inquiries quickly — ideally within 24 to 48 hours[10].

Reduce customer service response time with these steps:

- Have a dedicated support staff.
- Set up chat bots to automate responses to less complex inquiries.
- Ensure your website-hosting service and digital infrastructure can handle a traffic increase.
- Keep your online contact information accurate and up to date.
- Publish an informative, easy-to-understand FAQ page as a self-service support option for customers.



9. Freshdesk, Customer Service During the Holiday Rush — A Complete Guide, October 28, 2021.
10. SuperOffice, 5 Ways to Reduce Customer Service Response Times, February 11, 2022.

Be upfront with your customers

Shoppers expect honesty and transparency.
Here's how to demonstrate it:

- **Show all costs and fees**, such as taxes and shipping, at checkout.
- **Set expectations** and provide timely updates to customers if there are delivery delays.
- **Make your return policy clear** by indicating cut off dates and a step-by-step process to initiate a return.

During the holiday season, customer service inquiries increased by

75%[9]

9. Freshdesk, Customer Service During the Holiday Rush — A Complete Guide, October 28, 2021.

OPTIMISING THE SHOPPING EXPERIENCE

Make checkout as frictionless as possible

Insight

Whether it's in person or online, there's nothing more frustrating for customers than a checkout process that's slow or interrupted. Logging in to make a purchase? Forget about it. Half of customers say they get frustrated by having to create an account or type in a password just to be able to check out[11].

Advice

To maximise holiday sales during a busy, stressful time for customers, you need to remove unnecessary barriers or friction points that could otherwise deter customers from completing a purchase. Here's how:

Remove unnecessary barriers or friction points during the checkout process

Customers expect a fast, frictionless checkout, or they'll go elsewhere if your site doesn't offer it. One in five customers abandon their shopping carts due to complicated or lengthy checkout processes[12].

How to help ensure a fast, frictionless checkout:

- Offer guest checkout so customers aren't required to create an account.
- Optimise the checkout process to be seamless on any device, from phones and tablets to desktops and laptops.
- Remove unnecessary form fields.
- Reduce the number of clicks in the checkout process. For instance, place a Buy Now button on the product pages that sends customers directly to checkout with one click, skipping the need to add the product to their cart.
- Provide multiple ways to pay — such as buy now pay later (BNPL), PayPal, digital wallets, and credit and debit cards — so customers can make a purchase with their preferred payment method.

11. Payments Journal, Forging a Path to a Frictionless Checkout, April 19, 2022. **12.** Dynamic Yield, The average shopping cart abandonment rate globally is 71.01%, July 2022.

Make customers feel safe at checkout

Trust plays a critical role in a customer's decision to buy online. Gaining a customer's trust makes them feel confident to buy from you. **Given the sensitivity of data at checkout, it's important that customers trust that their information is safe and secure.**

- Offer **buyer protection*** that will reimburse customers in case they do not receive their order or if it arrives not as described.
- **Display security protocols** at checkout, such as shields or locks, to help make customers feel protected.
- **Highlight customer testimonials** that give customers an honest sense of what your products are like.

Take Action

Simplicity and safety at checkout are customers' primary concerns when shopping online. With PayPal Checkout, a single integration lets you offer more ways to pay, so customers can use debit and credit cards, PayPal, and 10+ local payment methods in 100+ currencies from 200+ markets around the world. From simple to completely customised, there's an integration that's right for you.

PayPal is one of the world's most trusted brands, making customers feel safe at checkout. PayPal Buyer Protection* on eligible transactions reimburses customers if orders do not arrive or are not as described, which goes a long way towards gaining your buyers' trust. And with a security platform that gets smarter with each transaction, we ensure you'll always have the right tools to let customers shop safely and with confidence.

To learn more about optimising the checkout experience for your customers, read our eBook on checkout conversion rate optimisation.

*Terms and conditions apply.

Protecting your online business

The holiday shopping season is a bustling time for businesses, but it also sees an uptick in online fraud. Although it can be difficult to balance an increase in both customer and fraud activity, there are steps you can take to mitigate fraudulent activity before it starts. **See how you can keep your business safe during your busiest time of year.**

Online payment fraud caused an estimated

US$20B

in global eCommerce losses over 2021[13].

13. Statista, Value of e-commerce losses to online payment fraud worldwide in 2020 and 2021, Mar 25, 2022.

PROTECTING YOUR ONLINE BUSINESS

Build strong cybersecurity for holiday success

Insight

Fraudsters typically swarm to high-traffic seasons like the holidays. Customers are starting their holiday shopping as early as October[14], with some businesses even rolling out "Black Friday–worthy" deals around Halloween[15]. Although this might help with product availability, it gives fraudsters a wider window to scam shoppers — and negatively impact your business — than ever before.

Here are some tips that can help **boost your business's cybersecurity and protect you from fraud** during the overwhelming holiday season.

Advice

Keep a close eye on your site activity

An increase in site traffic is usually good for business, but it can also mean greater attention — and threats — from fraudsters. Your first line of defence should be monitoring your site activity, so you can quickly detect suspicious activity that could hinder business growth during the crucial holiday season.

Here's what you can keep an eye out for:

- An unusually large number of account creations.
- Excessive order amounts.
- Billing and shipping addresses that don't match.
- Email addresses that look auto-generated.
- Multiple credit cards for the same order.

14. TransUnion, Suspected E-Commerce Fraud Attempt Rates Between Thanksgiving and Cyber Monday Increase 25% Compared to the Rest of the Year, December 2, 2021. 15. Inetco, Top 5 Payment Fraud Types Banks and Merchants Should Be Aware of in 2021, May 11, 2021.

Secure transactions and customer data

Data leaks and stolen credit card information can wreak havoc on your business and its reputation. However, you can take certain actions to avoid falling victim to fraudsters and keep your transactions safe and secure:

- **Enable multi-factor authentication** such as one-time codes that are sent to customers' phones or emails.
- **Encrypt your data with secure connections.** Data encryption converts data into code, so if sensitive information does fall into the wrong hands, it'll be unusable.
- **Implement an Address Verification System (AVS)** or Card Verification Value (CVV) for an added layer of protection on card-not-present purchases.
- **Regularly update your software** to prevent any breaches.

Take Action

By keeping an eye out for potentially fraudulent activity and using tools to safeguard your customers' data, you'll strengthen your overall site security and gain customer confidence.

Want even more peace of mind? The PayPal Commerce Platform's fraud-prevention capabilities and the PayPal Seller Protection* program can help minimise chargebacks and cover eligible transactions when certain fraud activities arise. Without the stress of monitoring potential fraud patterns and evaluating risks all by yourself, you can focus on maximising holiday sales.

For more ways to safeguard your business against fraud, check out our fraud-prevention eBook.

*Terms and conditions apply.

Holiday sales success starts with PayPal

Online sales are booming, the holidays are getting closer, and seasonal eCommerce shoppers are worrying about getting scammed. To capitalise on these holiday opportunities while protecting your reputation and bottom line, it's important to follow proven business tactics and implement data-driven tools that will help grow your business. What better time to start preparing for the holiday sales rush than right now?

Used by millions of merchants around the world, PayPal helps connect you with global buyers and enables them to pay however they want. From strong safety and security to a fine-tuned balance of convenience and flexibility, PayPal supports and helps businesses so you can make this upcoming holiday season the best one yet.

Get Started