

MERRY *Christmas* 6 Promotional Strategies for the Holiday Season

15th Dec, 2021

SALE



BY OSHEEN

For eCommerce companies, holidays are the busiest season of the year. Whether creating brand awareness with your marketing campaigns or freshening up your landing pages or finding new ways to segment & understand your customers, the list of tasks seems endless. It's the time of the year when most people look forward to shopping for friends and family.

The holiday shopping season begins with Black Friday and Cyber Monday and leads to the December holidays, including Christmas and New Year. Consequently, proper planning and marketing are essential for a successful holiday season.

In fact, holiday sales during November and December are forecasted to be between \$843.4B – \$859B, up 10.5% over 2020, [according to the National Retail Federation \(NRF\)](#). For online stores specifically, sales are predicted to increase between 11% – 15% to a total of between \$218.3B and \$226.2B driven by online purchases.

This guide will share eight promotional strategies retailers can use during the holiday season. We will also discuss how data analytics can help retailers improve their promotional strategies.

Using data analytics to guide promotional strategies





Promotional Strategies

Data is the foundation of every successful marketing campaign. Data analysis helps companies understand which graphics worked well and campaigns that generated the most revenue. Gathering data and running analysis helps companies improve their next marketing campaign. Retailers can also get deeper insights into campaigns/channels with the highest conversion rate or average order value (AOV).

With data analytics, retailers can prioritize campaigns and channels that resonate the most with their customers this holiday season. But, it would be best to try more than one promotional strategy to ensure you double down on what works without placing all of your eggs in one Christmas-themed basket.

Here are four ways that data analytics can help guide promotional strategies:

a. Customized alerts for listing pages

Data analysis helps retailers determine if certain products are out of stock on their rival's website and adjust their own pricing accordingly. It allows retailers to grab market share for trending items. For example, if you get an out-of-stock alert for a particular product at competitors' stores, you can invest more in advertising that product on your online store. In addition, customized alerts keep retailers informed about their inventory status, allowing them to plan promotions and ads. They can see which products are becoming

commoditized due to intense competition and which ones offer better revenue opportunities.

Learn how [DataWeave can help retailers track their competitor's stock and inventory status](#).

b. Maximize conversions by tracking product trends

ASSORTMENT ANALYTICS

Boost Sales With an In-Demand Product Assortment

Assortment Analytics

Customers are always looking for products that are currently trending. With [assortment analytics](#), eCommerce companies can get insights into hot trends, allowing them to stock in-demand categories and products. Integrating assortment analytics with AI-powered image analytics can also provide insights into attributes that are popular among customers. By filling gaps in their current assortments, retailers can improve conversion rates and increase revenue.

Here's a [case study](#) on how DataWeave helped Douglas, a luxury beauty retailer in Germany boost sales by building an in-demand product assortment

c. Monitor competitor promotions

PROMOTIONAL INSIGHTS

Make your marketing magnetic with promotional insights

Promotional Insights

With increased competition and consumer demand for deals, it has become important for retailers to monitor their competitor's promotions. Monitoring promotions helps retailers to optimize their ad spend accordingly. AI-powered image analysis tools can capture important information from competitors' ad banners and deliver insights into metrics that are working to deliver sales.

Here's how DataWeave can [help retailers make their marketing magnetic with competitive promotional insights!](#)

d. Optimize margins with a data-driven pricing strategy

PRICING INTELLIGENCE

Drive More Revenue and Margin By Pricing Your Products Right

Pricing Intelligence

It has become challenging to price products in recent years since digital tools enable price transparency across channels. Although this trend is excellent for consumers, it makes competition fierce for retailers. A data-driven pricing strategy incorporates a variety of factors, including industry needs, competitor analysis, consumer demand, production costs, and profit margins.

With **data-driven competitive pricing**, retailers can keep pace with the changing eCommerce environment with real-time pricing updates. It also helps them optimize margins and quickly respond to changes in prices on rival stores.

Promotional Strategies for the Holiday Season

a. Virtual Webrooms

When customers want to see a product in-person, they go to a store showroom. It helps them make a purchase decision. However, with the Internet, eCommerce companies can bring this tactic online. The only difference between showrooming and webrooming is that the former takes in-person, whereas the latter happens digitally. Webrooming grew in popularity during the COVID-19 pandemic. Instead of spending weekends browsing stores, consumers took to the Internet for most of their product research.

A webroom allows customers to explore products from every angle, providing them with the complete in-person showroom experience online. Webrooming is a powerful holiday marketing strategy, especially regarding expensive purchases. Customers prefer to understand how the product will look. However, building a webroom is extensive and requires retailers to hire developers and professional photographers.

Webrooms allow retailers to share their collections, schedule virtual appointments, share 3D product images, set up virtual fitting rooms for clothing products, and accept purchase orders. For example, in 2015, Tommy Hilfiger launched its first digital showroom in Amsterdam to improve sustainability and minimize its carbon footprint. Through remote wholesale selling and digital product creation, a digital showroom helped Tommy Hilfiger transform the buying journey and retail value chain.

b. Loyalty-rewarding sales and perks



Customer Loyalty

Consider building customer loyalty during your holiday promotions. First, encourage your holiday shoppers to become loyal customers by offering bonus rewards, contests, or giveaways when they sign up for your loyalty program. You can encourage them to purchase right away by providing instant discount coupons or points for a reward to redeem on their next purchase. For maximum impact, you should run this promotion throughout the holiday season.

Second, you should attract your current loyalty program members with discount codes. Offer free shipping or provide a one-day-only discount code to ensure your customers choose you during their last-minute purchases. With these rewards, you'll attract customers who are window shopping and simultaneously bring your loyal customers back throughout the holiday season.

c. Charitable Tie-Ins



AmazonSmile

Research shows that customers are **four times** more likely to purchase from brands with a strong sense of purpose. With the festive season being the time of giving, working with a charity and giving back to your community is a great way to reach out to customers.

After a tough one and half years because of the pandemic, people want to give back and help those in need this holiday season. You can partner with a non-profit and run campaigns that allow customers to give back. It's also great for sharing your brand mission with your customers. For instance, Amazon allows customers to shop from AmazonSmile, which donates 0.5% of their eligible Charity List purchases to a selected charity, at no extra cost to the customers.

Consider partnering with an organization within your industry. For example, you can pair up with a non-profit that collects and gives clothes to the needy if you sell clothes. You can involve customers by asking them to exchange old dresses for coupons or cash discounts.

d. Omni-channel customer experience

Omni-channel marketing provides customers with a seamless, consistent, and cohesive experience over multiple marketing channels. Omnichannel marketing aims to provide a meaningful and cohesive experience that inspires your customers to make a purchase. Unlike multichannel marketing, this strategy puts the customer at the center of marketing campaigns and elevates the cross-channel customer experience.

Omnichannel shoppers spend 10% more money and purchase 15% more items than the original shoppers. eCommerce companies can use historical data to analyze successful channels and create a more transparent marketing strategy for the holiday season. Omnichannel analytics will provide a holistic picture of customer data that will help retailers to better meet the customer's requirements and predict inventory.

e. Buy now, pay later (BNPL)



Buy Now Pay Later (BNPL)

Technically, buy now, pay later isn't a promotional idea since your customers will still be paying the full price. However, BNPL allows them to delay their payments and not pay in full right away at checkout. Buy now, pay later needs to be on every eCommerce company's holiday promotions plans. Various retailers, including Walmart, offer affordable monthly payments at the pace of

3 to 24 months with Affirm. Target also has a similar scheme with Sezzle and Affirm. Whereas Sephora and Macy's offer 4 interest-free payments with Klarna.

BNPL is especially popular with millennials and Gen Z shoppers and will factor into their 2021 holiday shopping plans. Research showed **62%** growth in the use of buy now, pay later service in consumers aged 18 to 24. Giving customers a means to manage their budgets during holidays while still taking home their purchases will attract more customers. While the customer doesn't pay the full price right away for their purchase, businesses still get the total worth of the item. In the eCommerce industry—**nearly 50% of BNPL users** say they use it while shopping online, and among them, 45% use the service frequently.

f. Buy One, Get One

The last promotional idea is a classic buy one, get one offer. Everyone likes a good BOGO promotional offer. In fact, **66% of shoppers** from a survey preferred BOGO over other promotions. It's a win-win promotional strategy for retailers and customers. With this offer, people shop and stock up on gifts for their friends and family, while retailers make a more significant profit than 50% off sales. People prefer to get 100% off on a product over 50% on two items.

BOGO sales are best to move inventory by giving shoppers a deal they can't pass up. If you have stocked up extra items during Black Friday, you can move those last-minute gifts as end-of-year BOGO sales, making room for new merchandise in January.

Conclusion

In this post, you saw that there's more to holiday marketing than a few social media posts. eCommerce companies can use these holiday promotional ideas to offer Loyalty-rewarding sales and perks, buy now pay later service, and an omnichannel customer experience. Regardless of which strategies you're using, remember that historical data analytics and early planning will play a significant role in increasing your sales and revenue.

Proper planning backed by insights into key metrics will help your team develop a one-of-a-kind holiday marketing strategy to drive your holiday sales upward. From sharing gratitude to offering personalized experiences, retailers have various options for promoting business this holiday season.

Learn how DataWeave can help make sense of your and your competitor's pricing, promotional, and assortment data this holiday season. **[Sign up for a demo](#)** with our team to know more.

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BRAND PERCEPTION

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