

Preparing for Christmas this summer



REACHING THE SUMMIT:

What fast growing online retailers need for peak sales success

#PeakSales



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LET'S GET DOWN TO BUSINESS

You may assume that eCommerce giants have the edge over smaller rivals when it comes to peak sales periods, but this doesn't have to be the case. Technology levels the playing field in the sector. Those that enable international sales in local language, currencies and payment methods, as well as optimise their sites for mobile commerce, will be the big winners this year as customers browse for the best deals, products and incentives throughout the sales period.

In fact, there's never been a better time for growing online merchants to start reaching beyond the borders of their home market. Consumers are happier than ever to shop around and try out unfamiliar brands if the customer experience feels right – even those from other countries. Small and medium businesses – often the result of an entrepreneur's passion – are willing to put in the effort to offer unique product and services offerings. But these still need to work on creating frictionless checkouts, make sure their eCommerce business is compliant with new regulations, and have the right set up to scale beyond their markets. Optimising personalisation, localisation and security in this way is crucial if these businesses want to continue to grow and increase their market share.

To achieve all of this, though, growing online merchants need support to help make the most of peak sales. That's why Ingenico has created this toolkit, full of in-depth guidance and advice to empower small and medium-sized businesses (SMBs) to navigate the busiest shopping days with ease. So read on, and find out what you need to do to beat the larger merchants at their own peak sales game.

Sangeetha Narasimhan, Marketing Director, SMB Online, Europe, Ingenico ePayments



DECODING 'PEAK SALES'

What do we mean by 'peak sales'?

Quite simply, the term describes the busiest shopping days in the retail calendar – those times when the majority of consumers open up their wallet to make purchases either in-store or online.

These can be for international sales events, like Black Friday or Singles' Day, major holidays, like Christmas or Easter, and international festivities, like Valentine's Day. It can even be for local celebrations, like Bastille Day in France, or Bank Holiday weekends in the UK.

We're now also beginning to see merchants creating their own peak sales moments – Amazon, for example, created its own annual 'Prime Day' and six French retailers (Casino Group, Showroomprive.com, Carrefour, Fnac Darty, Boulanger and La Redoute) collaborated to create 'French Days'. Others are opting for their own calendar of key dates to drive specific products, such as 'Barbecue Day' to promote chargrills in the summer.



DECODING 'PEAK SALES'

Is it any surprise that in an era driven by likes and followers, we're seeing social media influencers spark peak sales too? Popular online influencers are now majorly affecting sales, with purchases of products spiking following positive reviews.

As a result, we're seeing the shape of sales charts transforming before our eyes. 10 years ago sales were reasonably flat, with only a few peaks around big holidays. Today, there are more spikes than ever before, and their size compared with figures preceding and following the events is increasing all the time.















This means that there are more opportunities than ever before for merchants of all shapes and sizes to engage with new – as well as existing – customers, provided they have the infrastructure in place to appeal and hold their attention.

The opportunity presented by peak sales is too big for growing eCommerce businesses to ignore.



MARK THE CALENDAR

peak sales
CALENDAR

EVENT	DATE	REGION
💖 Valentine's Day	14th February	
🥞 Shrove Tuesday (Pancake Day!)	End of February (year dependent)	
🐣 Easter	12th April	
🇬🇧 St David's Day	1st March	
👵 Grandmother's Day	1st March	
🍀 St Patrick's Day	17th March	
🇬🇧 St George's Day	23rd April	
📖 Books Day	23rd April	
👑 King's Day	27th April	
👩 Mother's Day	Year and region dependent	
👨 Father's Day	Year and region dependent	
🇫🇷 Bastille Day	14th July	
🇧🇪 National Day	21st July	
🕶️ Summer sales	June/July/August (year and region dependent)	



Planning is the Key to Success, download our peak sales calendar now!

[GET THE CALENDAR >](#)

MARK THE CALENDAR

EVENT	DATE	REGION
 Back to School	August to October (year and region dependent)	
 Unity Day	3rd October	
 Halloween	31st October	
 Singles' Day	11th November	
 Black Friday	End of November (year dependent)	
 St Andrew's Day	30th November	
 Cyber Monday	Start of December (year dependent)	
 Saint Nicolas	6th December	
 Christmas Day	25th December	
 Boxing Day	26th December	
 New Year's Eve	31st December	
 The Three Wise Men	6th January	
 Winter sales	December/January (year and region dependent)	
 Carnival	End of February (year and region dependent)	



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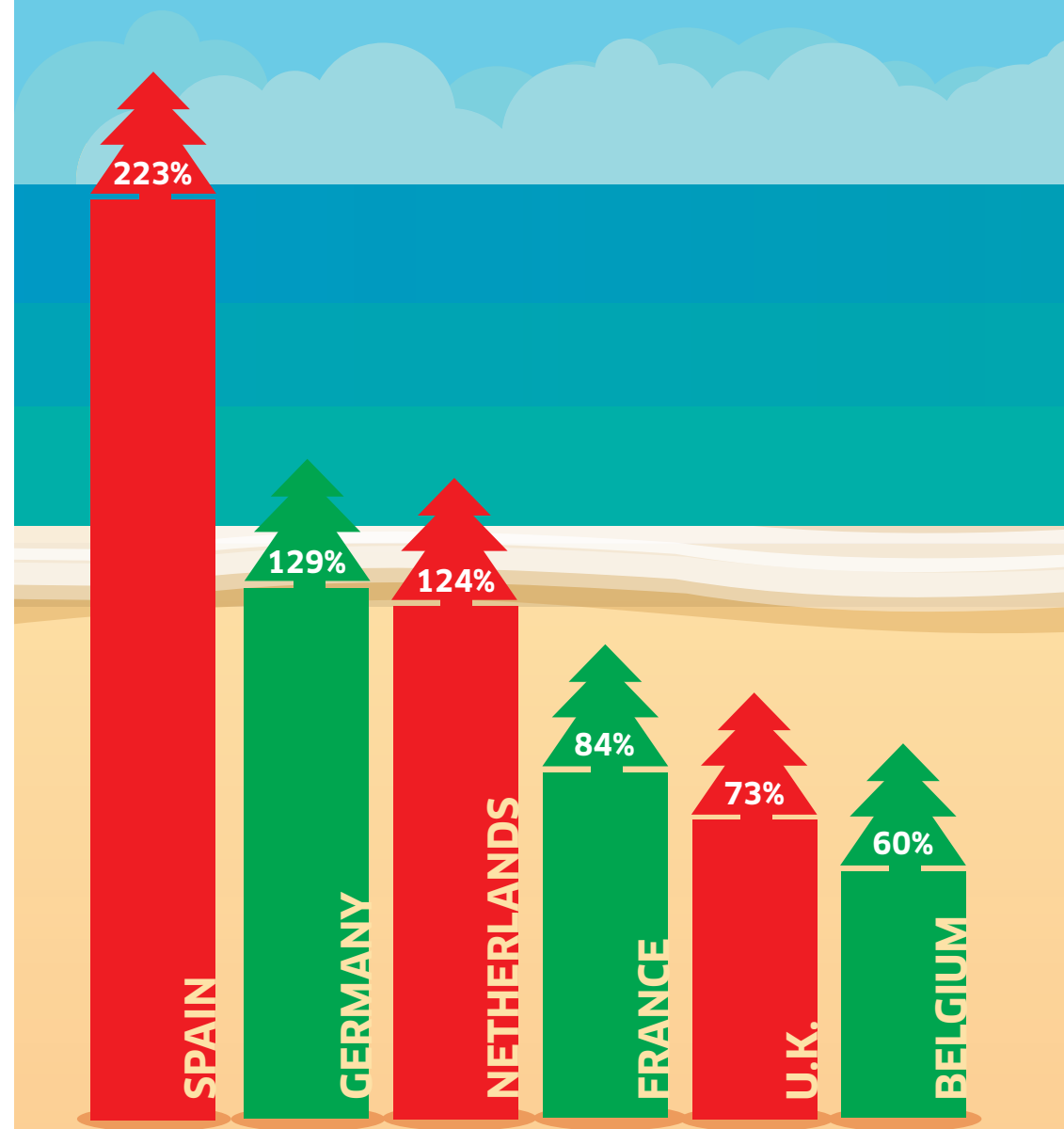
GROWTH OPPORTUNITIES FOR RETAILERS

There are plenty of peak sales to get your teeth into, but there are three days in particular which consistently secure the highest transactions when looking at Europe as a whole: **Black Friday, Singles' Day and Cyber Monday** – once again, these were the busiest shopping days of the year in 2018.

Black Friday scooped the crown last year, with **21%** more transactions in Europe than its closest competitor (Single's Day). That's **90%** more transactions on Black Friday compared to the average Friday in 2018 throughout Europe, and **175%** more spent than an average Friday.

As the weeks progress, the traffic doesn't stop. Following Black Friday weekend (week 47), the next busiest shopping weeks of the year were week 50 (10-16 December) and week 51 (17-23 December).

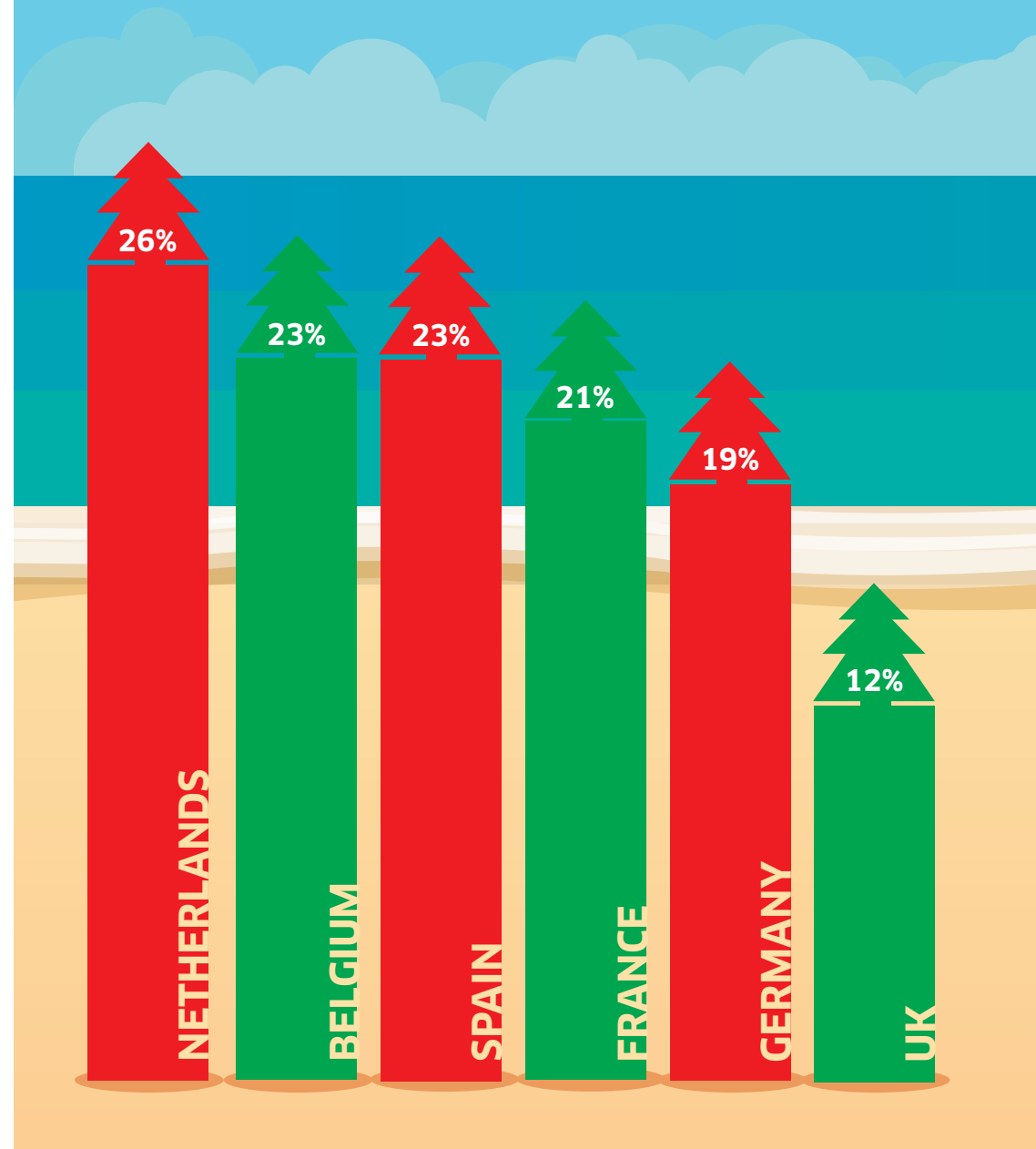
CERTAIN MARKETS SAW A BIGGER BOOST FROM AN AVERAGE FRIDAY THAN OTHERS:



WHO TO TARGET

To gauge growth opportunities for eCommerce businesses, Ingenico performed an in-depth analysis of consumer sentiment towards major sales events. The data revealed that during the run up to Black Friday, a quarter of online shoppers in major European markets chose to shop with SMBs or niche retailers rather than traditional eCommerce giants. Our analysts have identified the rising appeal of targeted and niche products and services as the key reason behind this surge in small and medium-sized business popularity.

CONSUMERS WHO WOULD SHOP SOLELY WITH SMBS DURING BLACK FRIDAY 2018



A CHANGE OF HEART

High growth figures are enticing, but only if the transactions aren't refunded. In the past, a major issue with peak sales has been the influx of refund requests following bouts of high traffic.

Some **31%** of shoppers across key European markets admitted to returning a purchase they decided they no longer wanted or needed after a major sale – Germany and Netherlands saw above average returns, with two fifths of online shoppers opting to return items bought during Black Friday.

However, returns dropped in 2018 compared with the previous year, resulting in the lowest returns rate for three years (**1.9%**, versus **4.3%** in 2017 and **3%** in 2016). Low returns means shoppers may well be growing increasingly vigilant during busy sales, strategically thinking about what they want instead of being caught up in the fear of missing out. It's also likely that merchant offers are becoming more genuine and valuable, moving away from dodgy discounts.

Since **consumers are spending more and returning less than ever before**, it means we've only just scratched the surface on the potential of peak sales.



PEAK SALES SHOPPING METHODS

With consumers beginning to shop strategically, the retail industry has in turn become more diverse than ever before. We're seeing consumers embracing different channels for different products, selecting the one that offers the right experience for that particular product. To match the needs of consumers and their versatile on the go lives, many merchants now offer mobile shopping – and we're seeing customer satisfaction increase as a result.

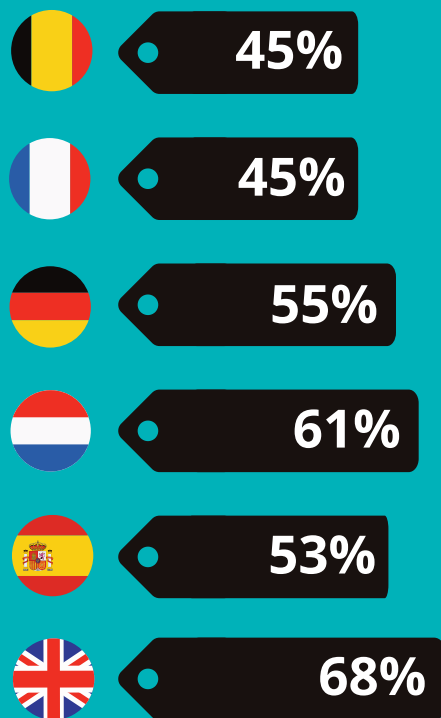
Thanks to technology advancements mobile stores are no longer just turf for the giants. SMBs should ensure they're offering a functional, user-friendly mobile site, with a checkout that swiftly converts the browser, if they want to benefit from this growing trend.

Here are the other trends we saw last year to look out for:

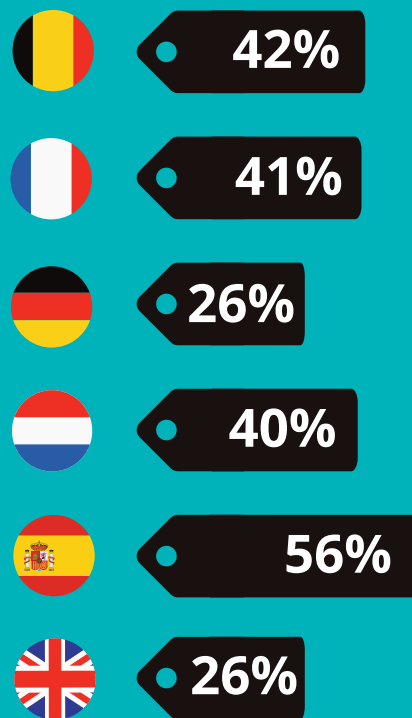


INSIGHTS FROM BLACK FRIDAY 2018

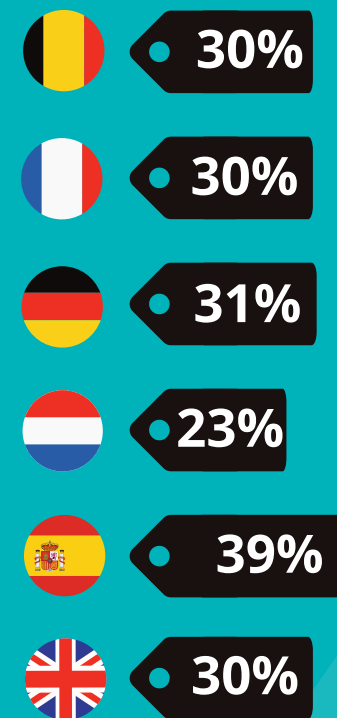
% OF CONSUMERS
WHO SHOP ONLINE:



% OF CONSUMERS WHO
SHOP IN-STORE:



% OF CONSUMERS WHO
SHOP VIA MOBILE APPS:



HOW GROWING RETAILERS CAN THRIVE

It's clear that peak sales events are no longer just about discounts or price-cuts for consumers, they are about the experience.

Just **45%** of UK consumers and **37%** of Belgian shoppers valued discounts above all other considerations when shopping online. Instead of discounts, half of Spanish consumers now prefer other incentives such as unique products, loyalty and referral bonuses, extended returns or free next-day shipping. This high demand for alternatives to discounts is seen across Europe – **46%** in Belgium, **34%** in Netherlands and **27%** in the UK.

In addition, more and more **consumers rank payment simplicity highly** when shopping during peak sales events. Offering a single-click checkout, and ensuring mobile functionality for payment pages, can both increase consumer engagement. Similarly, highlighting any click and collect options, free delivery or returns policies, can give consumers the trust they need to shop with someone new.

With all of this in mind, SMBs should consider value-adds over discounts for the upcoming peak sales season. Price cuts might get consumers onto the site, but other incentives ensure they continue to return when normal service resumes – such **repeat business is far more valuable long-term than short-term sales conversions.**



HOW GROWING RETAILERS CAN THRIVE

How merchants allow their customers to shop plays a huge part in the overall experience of peak sales days. Here are a few new methods to consider:

The social influence

Social commerce may not seem like a big money maker now, however, it can reduce a lot of friction when switching from an advert to the checkout. By keeping the payment experience within the social media environment, merchants can add an extra incentive that helps minimise cart abandonment by allowing the customer to complete their order in a familiar space.

The social space is the perfect sales channel for SMBs as here they can outperform bigger players with their depth of knowledge and personal service. Not only is it an ideal tool for creating personalised experiences that target younger, tech-savvy consumers, it's also a relatively inexpensive option to implement.



HOW GROWING RETAILERS CAN THRIVE

Think mobile

As smart devices evolve and people's lives become busier, we are seeing a great increase in on-the-go purchasing. Indeed, in a recent Ingenico-Internet Retailing report, we found that **93%** of merchants believe mobile innovation impacts customer satisfaction and profitability. However, only **39%** of these described themselves as being mobile-first. Clearly there's much scope for improvement.

Difficulty viewing products on a small screen may prove a minor irk for some consumers, but poor checkout configuration can have a significant negative impact on merchants' conversion rates. Increase sales and avoid shopping cart abandonment by investing in user experience – from first click, to last.

Keeping up with the latest tech will not only give brands a pioneering image, but will also mean they're well equipped for the future. An advanced mobile platform opens the door to other tools and revenue enhancers, such as conversational commerce. Delivered via chatbot conversations through messaging apps, this new purchasing method provides a distinctive, highly-engaging user experience – along with customer intimacy in what can be quite an impersonal digital world.



HOW GROWING RETAILERS CAN THRIVE

Robin Soubry,
Head of Product Strategy and Customer Experience, Ingenico,
shared his advice for SMBs looking to adopt new technologies:

“Businesses who implement cutting-edge technology empower themselves to scale while showing that their core, customer-centric values remain. By implementing these technologies now, before they go fully mainstream, companies can convey a dedication to innovation and customer service that’s way ahead of their competitors.

“While it may be intimidating to implement a new technology, growing online merchants actually have an advantage over larger competitors. These enterprises are more nimble and closer to their customers by nature. For example, they can deploy bespoke chatbots based on their active regions, languages and target audiences that are now available out of the box; it doesn’t require a huge system overhaul.”

MAKING REGULATION WORK FOR YOU

Whether merchants deploy new technologies or not, they need to be aware of the latest regulations and standards that impact them. For example, PCI DSS compliance is an ongoing priority for merchants to ensure they provide a secure and seamless payment experience not just in-store, but online too.

The General Data Protection Regulation (GDPR) is another key consideration for all businesses – inside and out of Europe. To comply with this legislation, merchants must protect customer data – both personal and payment – and safeguard it from abuse. Ingenico is ideally placed to provide support to businesses in maintaining compliance with both of these requirements.

In addition, new legislative changes are due to come into effect soon; the most important being the new Secure Customer Authentication (SCA) requirement under the Second Payment Services Directive (PSD2).

SCA will arrive on 14th September 2019 in attempt to tackle Card Not Present (CNP) fraud. Under it, merchants will have to ask customers to verify purchases through two of three factors:

- 1. What they know (such as a password or PIN)**
- 2. What they have (such as a mobile or laptop device)**
- 3. Who they are (such as face recognition or fingerprint)**



MAKING REGULATION WORK FOR YOU

There are fears among many merchants that SCA will create more friction in the buying process, increasing the risk of cart abandonments. There is an additional risk for SMBs, who can often be caught out by regulations when they try to grow.

However, SCA provides scope for smaller merchants to further enhance customer trust by helping them to reassure consumers that their payment data is safe. Working with payments experts can help SMBs implement SCA in a way that minimises friction, helping to protect against card abandonments.

What's more, providing as much data as possible about consumer behaviour can optimise the algorithms used to screen for fraud – this can help minimise fraud rates, enabling merchants to protect themselves from penalties by card schemes.

Working with the right payments partner is key. Remember that the market average for clicking pay and the transaction being accepted is **86%**. With Ingenico it's **90%**.



FIGHTING FRAUD

Meeting the SCA requirements is a key part of optimising fraud prevention. However, fraud cannot be stopped simply by adding extra authentication processes into the payment process – there are steps that merchants should be taking to identify potential fraud before it occurs.

Ingenico offers support through its Fraud Detection Module. This can play a key role in preventing fraud in the CNP environment by harnessing rules-based alarms to flag suspicious activity before it reaches the final payments stage.

In the event that fraud occurs, payment service providers are unsung heroes. Merchants can work with their payments partner to put measures in place to mitigate the impact of fraud by managing potential chargeback disputes.



FIGHTING FRAUD

Robin Soubry,
Head of Product Strategy and Customer Experience, Ingenico, explains:

“The best advice I can give to growing merchants looking to expand their market share – not just during peak sales events, but all year round – is to start with the basics. If more transactions and cross-border purchases is the goal, then work with a reliable payments provider who can offer a scalable platform that’s protected from fraud, and has an international reach. It’s as simple as that.

“When it comes to the payment process itself, the page must be responsive to ensure a smooth, convenient experience for mobile shoppers. This can go a long way towards ensuring that your business is ready to make the most of consumer attention both during peak sales events and after.”

GOING CROSS-BORDER

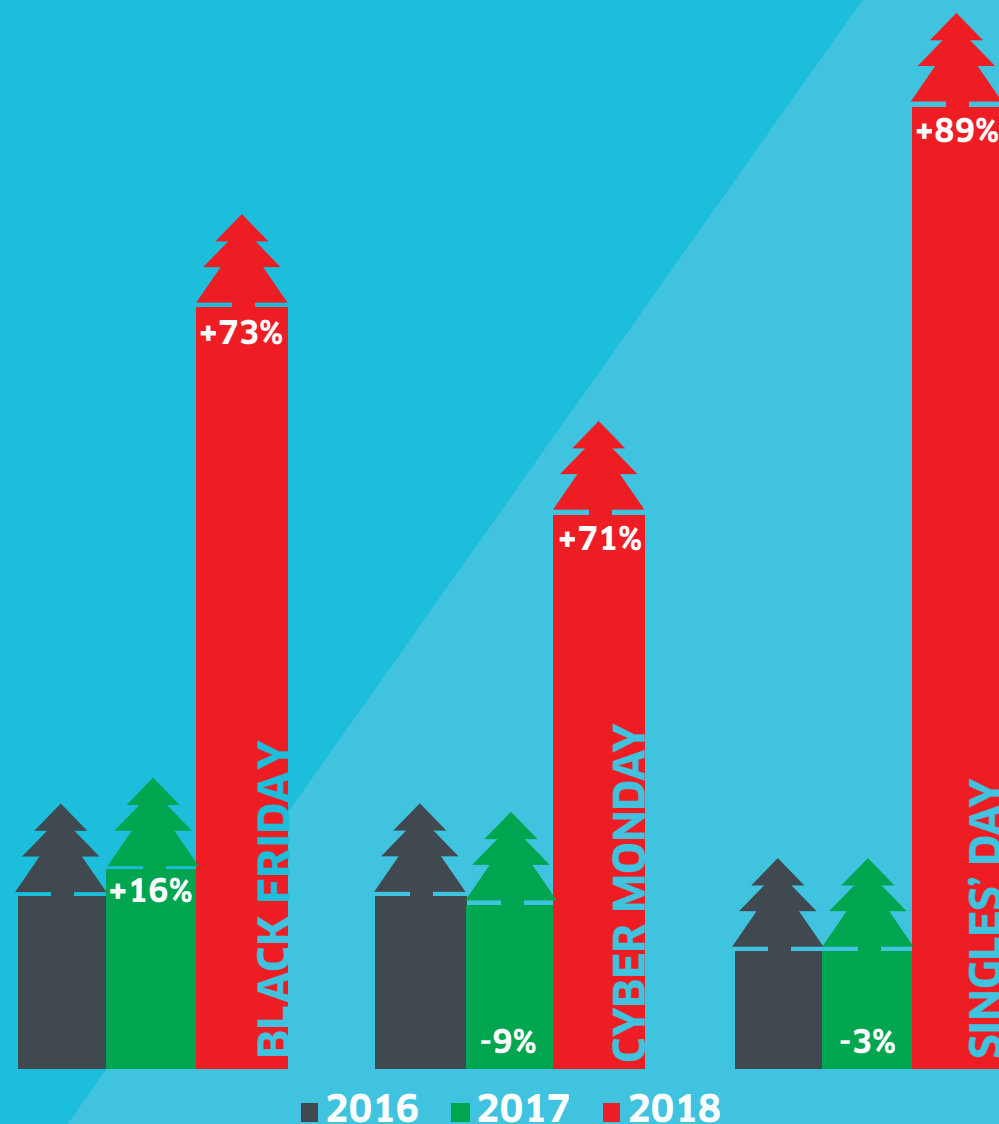
SMBs looking to expand beyond their home regions are in luck. The online world is tearing down physical barriers throughout Europe, allowing consumers to turn to overseas merchants offering exciting and fresh products they can't get at home – and peak sales days are the perfect chance to entice these cross-border customers.

For each of the top three sales days of 2018, cross-border transactions grew immensely compared with previous years.

Black Friday cross-border purchases, for example, rose by **73%** from 2017-18 – a figure which is forecast to increase this year as consumers continue to seek out unique gifts for the festive period beyond their domestic market.

There is also significant demand for cross-border sales for newer international sales events, like Singles Day, which recently made the leap from East Asia to Europe. It was on this day that we saw an **89%** increase in cross-border sales from 2017-18 in Europe.

TX # AUTHORISED



GOING CROSS-BORDER

The booming popularity of international sales events means that the gap is now closing between domestic and cross-border transactions in Europe.

In previous years, the majority of transactions taking place on Black Friday were from domestic sales – with the difference between international and local sales remaining above **70%**. Last year though, merchants began to explore a more global approach to take advantage of new overseas markets.

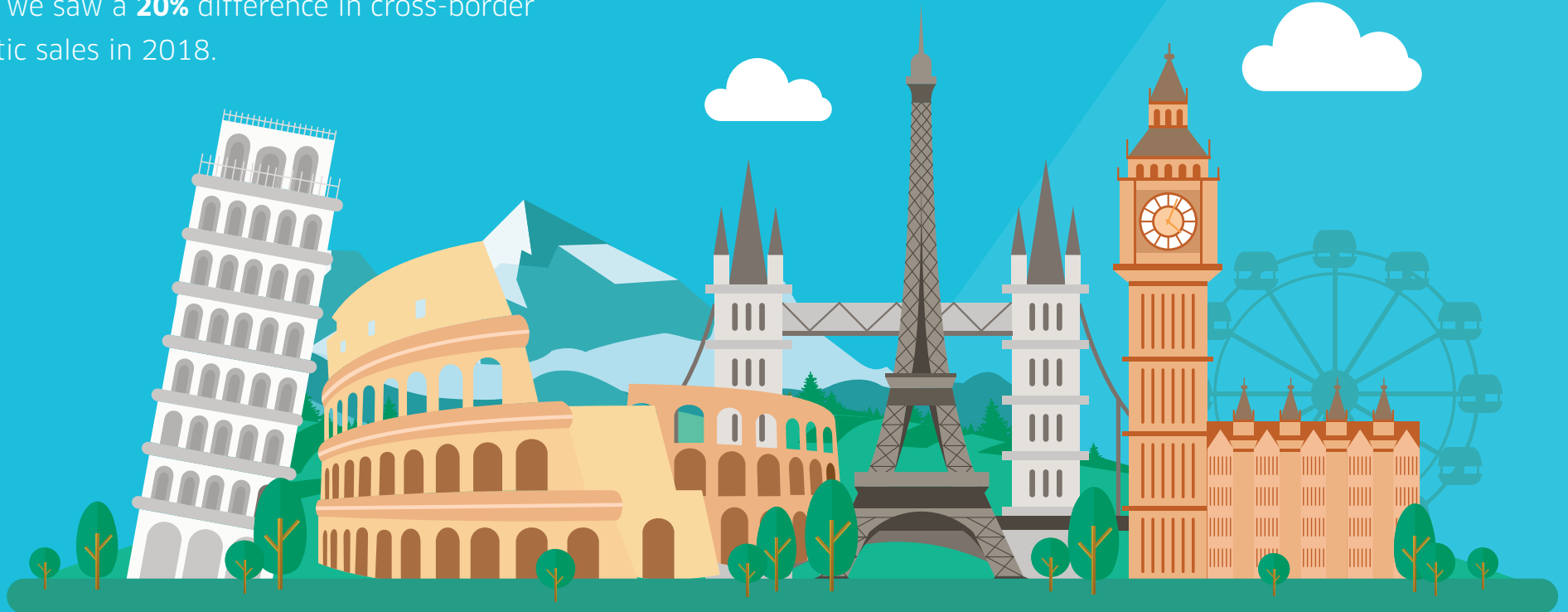
As a result, we saw a **20%** difference in cross-border and domestic sales in 2018.

THE DIFFERENCE IN EUROPEAN DOMESTIC AND CROSS-BORDER SALES ON BLACK FRIDAY FOR THE PAST THREE YEARS:

2016 **71%**

2017 **73%**

2018 **20%**



GOING CROSS-BORDER

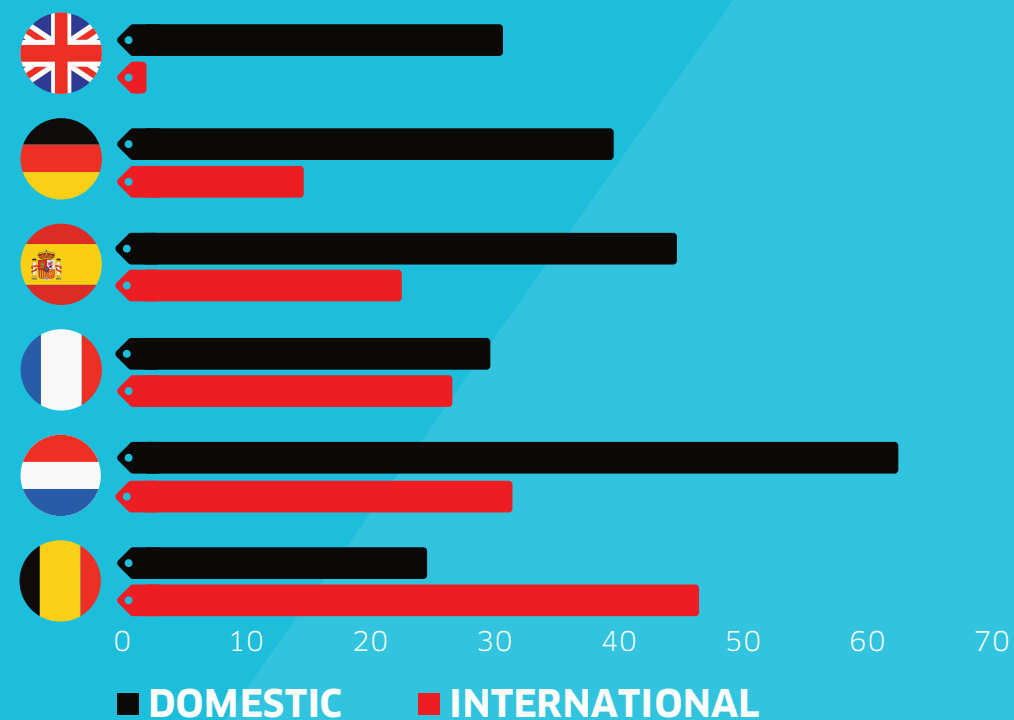
So which regions should SMBs target during peak sales?

From our analysis, there are certain regions more drawn to international brands than others.

But while some consumers prefer to shop with familiar, domestic brands, there are ways to attract more international consumers that anyone operating across borders should keep in mind:



THE INTERNATIONAL VERSUS DOMESTIC COMMERCE PREFERENCE ACROSS KEY EUROPEAN MARKETS



GOING CROSS-BORDER

1. Localisation

The development of cross-border eCommerce offers huge growth opportunities to merchants, provided they offer the right mix of payment methods to consumers.

It's important to realise that methods like Mastercard and Visa are not always a customer's top choice – every market has its own habits which have developed over time, encouraged by local circumstances, and tend to have their origins in offline shopping. Germany and the Netherlands go against the mould, with credit cards accounting for less than **15%** of payments here. It's also here that we're seeing an increasing reliance on Alternative Payment Methods (APMs).

The fact is that card payments, though versatile, lack that element of localisation and familiarity that encourages shoppers to feel at ease and proceed to purchase. Even in instances where credit cards are used, they are often dematerialised through a digital wallet system like PayPal, a digital application like Apple Pay or another APM, like instalment solutions in France.

Up to **42%** of consumers confirm they don't finalise their transaction if they don't find their preferred payment method at checkout. To avoid losing customers, merchants need to identify where they're coming from and offer local payment types.



GOING CROSS-BORDER

2. Security

Security is a concern for many consumers across Europe. In France, online payment security was found to be the top concern when purchasing across borders, and it is the second most important factor for Dutch and Spanish shoppers after affordability, and third for Belgium shoppers. Functioning websites and checkouts help consumers see that their money and personal details will be kept safe.

3. Shopper experience

Offering a multilingual website for target regions is also crucial – there's too much competition for merchants to hope customers will ignore any language barriers. Both the website and the payments page must be available in the local language to give consumers confidence in their purchase.

There's nothing more off-putting for a consumer than being enticed to a webstore, then being forced to abandon their purchase because they don't understand the information or instructions on the site.



WITH A LITTLE HELP FROM INGENICO

**Thinking of getting involved in peak sales?
Here's a glimpse behind the scenes of Ingenico
to see how we can help**

As there are different types of 'peak sales', there are different ways in which Ingenico prepares to support merchant customers. For instance, if a merchant is anticipating increased traffic on a specific day – say, a games retailer is preparing for the launch of the latest edition of a popular video game – then they can contact Ingenico's customer care team for support.

Merchants should indicate the volume of traffic they are expecting, as well as the customer accounts that are most likely to make a purchase. Once this has been done, customer care will screen the accounts, review fraud analysis, then analyse the platform's operations and configurations, before checking the merchant's settings to ascertain whether their setup has capacity for peak sales.

It tends to be easier for smaller merchants as Ingenico can sustain the load with no platform alterations.



WITH A LITTLE HELP FROM INGENICO

For longer sales, such as outlet stores' regular month-long sales, Ingenico's experts will freeze the platform to prevent any major changes, optimise the payments channel, and monitor fraud risk.

For big peak sales events, such as Black Friday or Cyber Monday, Ingenico ensures that no single changes in the platform occur the day before or day after the event. Operations specialists monitor flow and connections closely throughout the day to ensure there are no issues. If there's a fraud system activated on a merchant's system, Ingenico will go through a screening process to ensure there's no blockage when it comes to sale time.

For that extra help, Ingenico also provides immediate detailed reports about acceptance rates, fraud rates and other data throughout the day – that way merchants can analyse what's happening at every moment.



WITH A LITTLE HELP FROM INGENICO

Robin Soubry,
Head of Product Strategy and Customer Experience, Ingenico, added:

The best advice for merchants looking to dive into peak sales is to talk with our commercial team or your account manager who can help create the best possible approach. Together you can figure out what regions you want to be active in, the currencies or payment methods that this requires, any changes to fraud settings, and the regulations that need to be met. Explain honestly what number of transactions you expect and in what time. Be transparent so payment providers can update the configuration accurately.

HOW TO MAKE THE MOST OUT OF PEAK SALES

Here are our final tips to SMBs to help them make the most of peak sales. Following these steps, SMBs will be ready not just to succeed during any peak sales event, but to thrive afterwards once normal service has resumed. In this way, they can be confident that they have the tools in place to grow their business in their own market and overseas well into the future.



#1 OFFER VALUE-ADDS, LIKE UNIQUE PRODUCTS AND GENEROUS RETURNS POLICIES, TO RETAIN DISCOUNT HUNTERS IN THE LONG TERM.



#2 ONE-UP LARGER COMPETITORS BY OFFERING EXCLUSIVE 'PEAK SALES-ONLY' ITEMS AND A PERSONALISED ONE-ON-ONE EXPERIENCE, RATHER THAN SHORT-LIVED DISCOUNTS FROM A FACELESS STORE - THIS WILL ENHANCE CUSTOMER ENGAGEMENT.



#3 OFFER LOCAL LANGUAGES, CURRENCIES AND PAYMENT METHODS TO ENSURE YOU APPEAL TO CROSS-BORDER CUSTOMERS.



#4 TUNE FRAUD RULES IN THE RUN-UP TO PEAK SALES EVENTS TO MAXIMISE CONVERSION AND MINIMISE LOST SALES.



#5 CHOOSE A PAYMENT PROVIDER WHO CAN OFFER A STABLE PLATFORM CAPABLE OF HANDLING THE EXTRA SURGE OF VISITORS, AND WORK CLOSELY WITH ITS CUSTOMER CARE TEAM FOR MAXIMUM SUPPORT.



#6 BOLSTER YOUR CUSTOMER SERVICE AVAILABILITY AND DELIVERY PROCESSES TO OPTIMISE THE EXPERIENCE AND PREVENT CHARGEBACKS.



#7 STEP UP CAPACITY TO HANDLE SPIKES IN RETURNS AND REFUNDS AFTER PEAK SALES EVENTS TO PROVIDE A SMOOTH, CONVENIENT EXPERIENCE FOR CUSTOMERS.

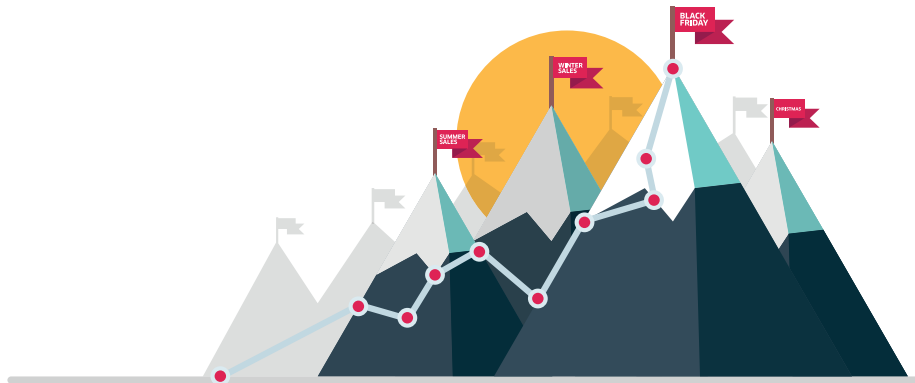
GET IN TOUCH

To find out more about getting involved in future peak sales events, contact:

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ABOUT INGENICO

Ingenico Group (Euronext: FR0000125346 – ING) is the global leader in seamless payment, providing smart, trusted and secure solutions to empower commerce across all channels, in-store, online and mobile. With the world's largest payment acceptance network, we deliver secure payment solutions with a local, national and international scope. We are the trusted world-class partner for financial institutions and retailers, from small merchants to several of the world's best known global brands. Our solutions enable merchants to simplify payment and deliver their brand promise.

Source: European online sales transactions from Ingenico's small and medium business division. Consumer insights from Ingenico and YouGov Black Friday consumer survey in 2018.

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