

2021–2022

# Ready for the Peak Season?

How to prepare for the holiday shopping season



**adyen**

# A guide to peak season growth

The days are longer, and the weather is warmer. COVID-19 restrictions are easing, excitement is building for the reopening of borders, and shoppers are on the hunt for the best presents for friends and family. With shops filling up and online becoming busier than ever, it's time for retailers to take advantage of the run of special sales days across this period – which we call peak season.

It starts with Singles' Day on 11 November, followed by Black Friday on 26 November, Cyber Monday on 29 November and the Boxing Day sales from 26 December. On either side of these dates, shoppers are spending more, with most now searching for sales from early October to late January. It's an incredibly important time of year for retailers. According to research from the Australian Retailers Association and Roy Morgan, Aussies are set to spend over \$11 billion on Christmas presents this year, with a significant proportion to come from online sales.

An upshot of the pandemic is the increased number of customers that now prefer to shop online. [Adyen's Agility Report](#), which captured the views of 23,000 consumers around the world, including more than 2,000 Australians, backs this up. It shows how [unified commerce](#) and the perfect customer experience play a major role in the future of retail.

# 53%

of Australian consumers say they would be more loyal to retailers that allow them to return items bought online in-store<sup>1</sup>

# 72%

of consumers say they won't shop with retailers at which they've had a poor shopping experience in-store or online<sup>2</sup>

While this paper addresses the opportunities for growth across the peak season, we must also acknowledge the challenges. This year, Australians have been urged to start Christmas shopping much earlier than in pre-pandemic times, as global supply chains and national postal services grapple with lengthy delays. Most retailers have tweaked their marketing campaigns accordingly and are now ensuring their in-store and online systems are optimised, to handle upcoming surges in traffic.

Additionally, this season, be prepared for a rise in unconventional purchase journeys, new customers and unpredictable demands. Expect options like click and collect and endless aisle shopping, as well as options to return across channels - like buy online and return in-store - to become increasingly popular.

Retailers should also look to an often-forgotten element of success: payments. The checkout is the most important conversion point in the customer's journey. Throughout peak season and beyond, give your customers the option to pay the way they want through local or global payment methods. This will increase conversion rates when spontaneous or hasty shoppers land on your online platform or visit in-store. If it's possible, it's even better to allow customers to purchase in one click via secure pre-filled contact and delivery fields. Not only is it faster, but it also allows you to recognise return customers and reward them for their loyalty.

As we help our merchants recover from the pandemic, we're working alongside each of them to reopen and grow their business, providing a stable and secure platform through market cycles. Adyen can help you get the most out of your sales throughout the peak season. Read on to learn how to optimise your store and website for a successful sales conversion boost.

# Contents

<b>Develop a bespoke customer journey</b>	<b>5</b>
Get to know your customers through payments data	6
Create the ultimate customer journey	7
<b>Turbo charge sales conversion rates</b>	<b>9</b>
Conversion optimisation online	10
In-store conversion optimisation	12
<b>Fraud, legislation, and regulation</b>	<b>13</b>
Fight against fraud	14
<b>Choose the right partners</b>	<b>16</b>
Sustainable growth	18
<b>In conclusion</b>	<b>19</b>
<b>Peak Season checklist</b>	<b>20</b>



# Develop a **bespoke** **customer journey**

No matter the time of year, in retail you can only act with confidence when you know your shoppers well. Have you ever thought about the rich insights you can glean from your payment data? It can tell you a lot more about customers than you first might think. When you map customer preferences and behaviour based on how and where they pay, creating the perfect customer journey becomes a breeze.



## Get to know your customers through payments data

Building a deep understanding of your customers' needs, preferences and behaviours is essential for every successful retailer. Payments data is invaluable throughout this process, allowing you to create an optimal customer experience. Centralising this data is the first step to analysing it.

Here are the key questions to ask to truly understand your customer base.

- Where do your customers come from?
- How much money do they spend?
- Do your online shoppers ever come into your store and vice versa?

The idea is to create a convenient, 360-degree overview of your sales channels, based on customers' payment histories. This helps retailers discover shoppers' needs, wishes and preferences, supporting them to build loyalty, welcome new audiences and grow revenue.

Jurlique

*“COVID-19 accelerated the need to meet consumer demands and highlighted the role that omnichannel commerce and ecommerce play. Before this, Australian retail was channel agnostic. We either looked at services in-store or services online. Now we look at services – across every channel, and how it’s going to enhance the customer experience, build trust, and drive loyalty.”*

**Alexa Anastassi** — Head of Digital Product, Jurlique

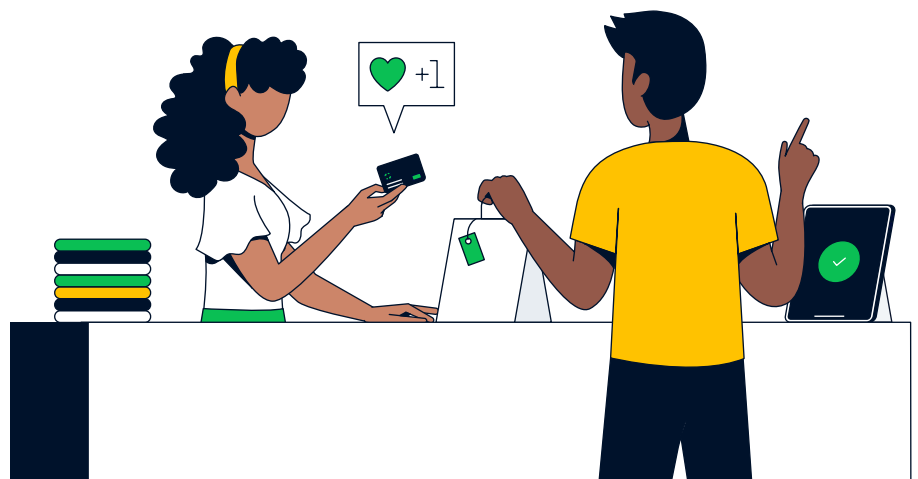
## Create the ultimate customer journey

Robust payment data provides countless opportunities to perfect the customer journey. Above all, it's important to understand the line between online and offline shopping has blurred, and shoppers expect a consistent brand experience across all channels.

Adyen's Agility Report reveals modern customer preferences. The data shows Australians still love shopping in-store, with 72% of respondents preferring to shop in this format, more than any of the other countries surveyed. Nevertheless, the pandemic has accelerated a shift to online shopping, with our research indicating 33% of Australians say they will shop online more often. Moreover, 74% expect businesses to maintain the flexibility they've shown selling across multiple channels during the pandemic more permanently. Unified commerce supports the interplay between online and offline, ensuring physical stores, online, apps and marketplaces communicate with each other, so customers can shop and return goods without interruption, wherever and whenever they want.

Retailer and wholesaler Hanes Australasia, home of well-loved brands like BONDS, Bras N' Things, Champion and Sheridan, is implementing Adyen's solutions across its online and offline channels. Hanes was particularly attracted to Adyen's unified commerce offering, which provides a single system view of its payments infrastructure, with the ability to see transactions in real time.

It's important to offer a consistent brand experience when selling through different channels, carrying the atmosphere and personal service of your stores through to your website. Shoppers receive recommendations and product information across every channel, so they appreciate the same flexibility when purchasing or returning goods.



**Make in-store and online a unified experience**

Promotions, flash sales and loyalty program benefits typically available in physical stores can also be extended to online shoppers. For example, offer VIP online queues or discounts for shoppers using a specific payment method, or offer reward points when customers hit a spending target. Use payment-linked loyalty programs and promotions in apps and online to give customers a compelling reason to shop with you.

**Social commerce is key**

The discovery of products via social media will be a significant driver to sales this holiday season. Shoppers searching for, favouriting, and sharing their purchases online will trigger traffic to your site from social.

The key is to ensure the customer journey is as frictionless as possible, from discovery, to on-site browsing, to payment and delivery. Make sure shoppers can buy directly via social media channels, with as few redirects as possible. This is important as Adyen's Agility Report found 69% of Australians won't shop with retailers whose app or website are hard to navigate.

**Live shopping is the new normal**

Reimagine the physical shopping experience virtually. Offering a platform to virtually interact with a salesperson will become increasingly common across this peak season and well into 2022. In some instances, this will replace face-to-face customer support in-store. Yet for many, it will augment it and provide another channel where salespeople can interact with customers.

Whether it's Cyber Monday, Christmas, or the Boxing Day sales, embracing innovative ideas helps future-proof your business. Australians have embraced click and collect over the past two years and are expected to quickly adopt the concept of the 'endless aisle'. This allows in-store shoppers to browse and purchase items that aren't in stock and have them delivered to their home. We have also become accustomed to using QR codes to check into stores during the pandemic and we'll soon become familiar with using QR codes to make payments, supporting seamless customer journeys.



**Ready to create the ultimate customer journey? See our handy checklist on page 20.**





# Turbo charge **sales** **conversion rates**

The checkout process must run smoothly when your shop or website is flooded with potential customers looking for the best deals, particularly at this busy time of year. What you don't want is a long line at the checkout or a faltering online checkout. In this section, we show you how to turn the checkout into a sales conversion booster.



## Conversion optimisation online

Australians were already embracing online shopping, and the pandemic only accelerated this trend.

Follow these three easy steps to embed a smooth, quick, online checkout during the peak season:

### Step 1: Take a close look at your checkout

No matter how unique your service or product is, your business will suffer if payments fail. Our research shows 22% of shoppers abandon a purchase if there are too many steps during checkout.

Now's the time to ensure that your payments page will support the upcoming peak season. A key variable is whether you redirect payments to third party providers or host the checkout on your own website. The checkout process is faster when you keep payments on your own page, which means fewer lost customers and better sales conversion rates. Consider Adyen's Drop-in integration if you don't have time to optimise your payment page. This will allow you to quickly create an easy, personal, and secure payment page.

Aēsop®

*"We're looking at the ways people transact, particularly in this 'new normal' to make sure we're providing the right options. This includes mobile point of sale, which allows customers to pay outside the store. We also support Pay by Link, where a customer pays for items via a secure payment link which can be sent as a follow-up to a video consultation. We're doing all we can to ensure customers feel comfortable."*

**Robbie Tutt** — GM Digital and Technology, Aesop

**Step 2: Give shoppers different payment options and make sure they work on all devices**

Make sure your checkout works on every device and operating system and support shoppers to make payments across a range of methods, depending on their preference. This includes digital wallets, Buy Now Pay Later, and newer offerings like QR codes and self-checkouts.

For many retailers, offering a checkout solution that accepts payments in different currencies is also essential. Whether that's for ecommerce in international markets, or for international shoppers in-store, it's important to allow shoppers to make purchases in their preferred currency and will likely attract more repeat customers.

The Koala logo is displayed in a bold, black, sans-serif font. The letter 'o' in 'koala' has a small dot above it, resembling a koala's ear or a specific brand mark.

*“Adyen is the ideal payments partner to support Koala’s international expansion into new markets like Japan and Korea. We were won over by the hassle-free integration into cloud-based ecommerce tools and automated reporting which gives us rich and actionable insights. Adyen also helps us offer local payment methods, and delivers a fast, seamless, and secure checkout experience - which is a non-negotiable for today’s shopper. Adyen gives us confidence in our payments infrastructure, which is essential as we continue to scale our furniture brand from Australia to the world.”*

**Belinda Judd** — Director, Group Financial Control, Koala

**Step 3: Reward loyal customers with promotions and benefits**

The best loyalty programs are simple and offer rewards that shoppers value, so they are more inclined to return to your store - whether that's in-store or online. A loyalty program has endless potential when your payments provider takes care of both your physical and online payments.

Top tip: shoppers love handy apps that store their payment details, making checkout and points accumulation quick and simple. Adyen Agility Report shows shoppers will reward retailers that offer great loyalty schemes, with six out of 10 Aussies preferring to shop with retailers that reward loyalty and 63% wanting loyalty programs to be automatically linked to their payment card.

## In-store conversion optimisation

Shoppers value an easy-to-use buying process. Our research shows 72% won't shop with retailers where they've had a bad in-store or online shopping experience. They also want retailers to use technology to improve the shopping experience. The retail landscape is changing and so is the way we pay. Credit card company Mastercard saw a 40% increase<sup>3</sup> in contactless transactions in the first quarter of 2020, while Visa saw contactless payments grow by as much as 150% in the past year<sup>4</sup>.

Paying with a QR code or via a payment link is becoming more popular, improving the in-store shopping experience by making payments faster and more convenient. There are many other ways retailers can enrich in-store experiences and shorten queues, for instance by allowing customers to check out anywhere in the store using mobile Point of Sale (POS) terminals or installing payment kiosks to enable self-checkout. [Pay by Link](#) is another payment technology that can support retailers to offer excellent customer experiences, allowing customers to pay by card through a personalised, secure link.

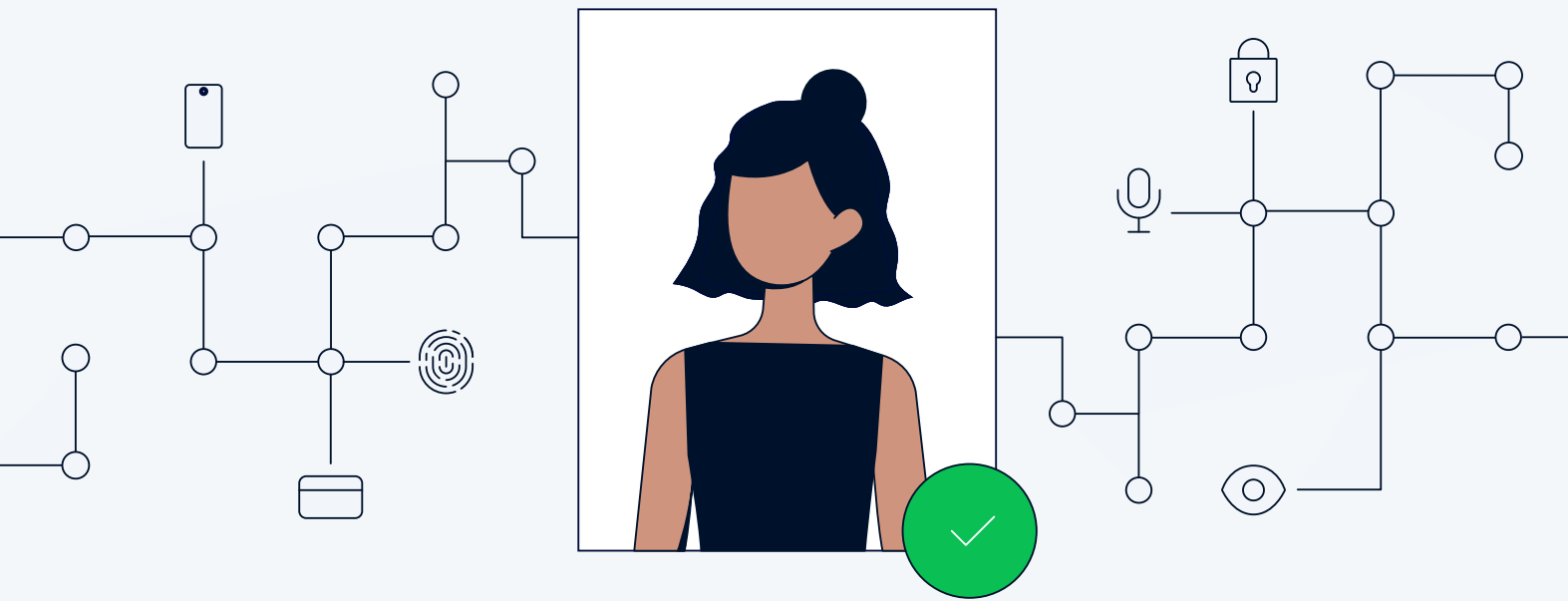
*Incu*

*“Our staff use the Chinese messaging service WeChat for social selling. When our stores were closed during the first lockdown, we needed a secure way for customers to complete orders through WeChat, so we worked with Adyen to find a solution. Pay by Link was recommended and implemented in just two weeks. It means we can set up a custom link within Adyen's payments dashboard we can share with customers through SMS, message, email, or web chat. The link opens a secure page with a range of popular payment methods. It means WeChat customers can also select their preferred payment options like Alipay and WeChat Pay.”*

**Douglas Low** — CEO, Incu



For more practical tips to help boost sales, go to the checklist on page 20.



# Fraud, legislation, and **regulation**

Huge deals, big discounts, and the best holiday bargains. The more visitors that come to your shop, the better. But you don't want to spoil the fun by exposing shoppers, or your own company, to payment fraud. In this section, we show you what an effective risk management system and new regulations can do for you.



## Fight against fraud

There is a direct correlation between a retailers' revenue increasing and the rise of payment fraud, as more people shop online. The COVID-19 pandemic has broadened the range of fraud attacks and fraud rate by revenue for around 75% of merchants. Those based across Asia Pacific have been hit hardest, prompting a heightened focus on fraud management in this region.<sup>5</sup>

An effective risk management system is one of the best tools in the fight against fraud. It should simplify the checkout process and block fraudsters. Tailored fraud rules, with algorithms that recognise the behavioural characteristics of customers and assess a transaction's validity, will also help reduce your fraud rate. The better you know your customer, the easier it is to adjust your fraud settings to recognise genuine trade and block criminals.

Adyen's RevenueProtect risk management system easily detects fraud online and in-store. Our merchants can set their own rules in our platform's Customer Area. For example, you can put customers who have already bought something from you on a whitelist, and blacklist certain countries if you know customers rarely come from there. Additionally, if someone tries to pay using multiple cards, the system can be set to immediately block the transaction.



Over the last year, our platform data shows the use of services such as Apple Pay and Google Pay™ has significantly increased, as shoppers opt to pay with their phones instead of their wallets. This can be a more secure way of paying, given shoppers must enter a pin or biometrical information to authorise the payment. The pandemic has simultaneously proven the value of QR codes in anchoring a seamless experience, at point of sale as well as multiple points along the customer journey.

Payment links are another secure payment method that are becoming more prominent. In Australia, brands like Incu, Michael Hill and, Montblanc have used [Pay by Link](#) technology to generate and send personalised payment links to customers within emails, during video calls, and through social media and website chat functions.

The payments platform does the heavy lifting in providing extra layers of protection, at the same time, presenting shoppers with a clean interface where they can select their payment method of choice and check out quickly. On more specific security protocols, we work with merchants to optimise security for their online channels, to minimise fraud while reducing friction in the checkout process.



*"Our ability to use Adyen's Alipay-enabled payment link to facilitate remote payments has allowed for a simple and seamless transaction for our clients, assisting them to easily make payments and finalise their orders through a safe and secure platform. This tool has proved invaluable in servicing clients during lockdown."*

**Francesc Carmona** — Managing Director, Australia & New Zealand, Montblanc



# Choose the right partners

Peak season or not; it is always good to look at the long term. When a company grows, a common question is how much it should continue to manage in-house and what it should outsource to expert providers. From accounting to design to logistics, working with the right partners is a great way to strengthen processes, and support the business to focus on its core purpose.



Questions to ask when choosing potential partners include:

- Can your partner support your strategy and growth ambitions now, and in the future? This includes growth in payment volumes, expansion into new markets, extension of channels and introduction of new payment methods.
- Do they use technology that's always up to date and are they keeping up with the speed of innovation?
- Can they be a strategic partner? One that proactively provides rich, consultative ideas for evolving your payment strategy, and optimizing your customer experiences.
- Is your partner reliable, flexible, and experienced?
- Are your systems compatible?

Not only do intermediaries in retail and logistics have an influence on your company, but your payments provider also plays a big role in your success. Look for a partner that understands your development strategy, can help you launch your ecommerce platform and open physical stores wherever you want. A flexible payment solution helps you to grow your business quickly, without administrative and technical complexity.

Australia's iconic boot maker and leather brand, R.M.Williams is leveraging the combined Adyen and NewStore solution, acknowledging the need to provide seamless, more personalised customer experiences across channels.

**R. M. WILLIAMS**  
EST. 1932. AUSTRALIA

*“The integration means we can deliver a unified, omnichannel experience and provide a smoother process in-store with mobile checkout and endless aisle capabilities. It also means we can extend digital into physical retail by connecting our in-store systems to our online ecosystem. This will allow us to leverage Adyen’s Unified Commerce payments data to get a full understanding of our customers’ shopping behaviours and actionable insights.”*

**Nathan Alexander** — CTO, R.M.Williams



## Sustainable growth

Similarly, the right payments partner can also help you take full advantage of new innovations to drive long term growth and positive brand recognition. Did you know payments technology can now help retailers' sustainability goals? With Adyen's platform, retailers can provide a seamless option for customers to give back to society and the environment. Initiatives such as [Adyen Giving](#) and [Adyen Restore](#) enable shoppers to donate to the merchants' preferred charity or to fund a climate action project of choice with one click. By leveraging such technologies, retailers can also provide a more fulfilling checkout experience.

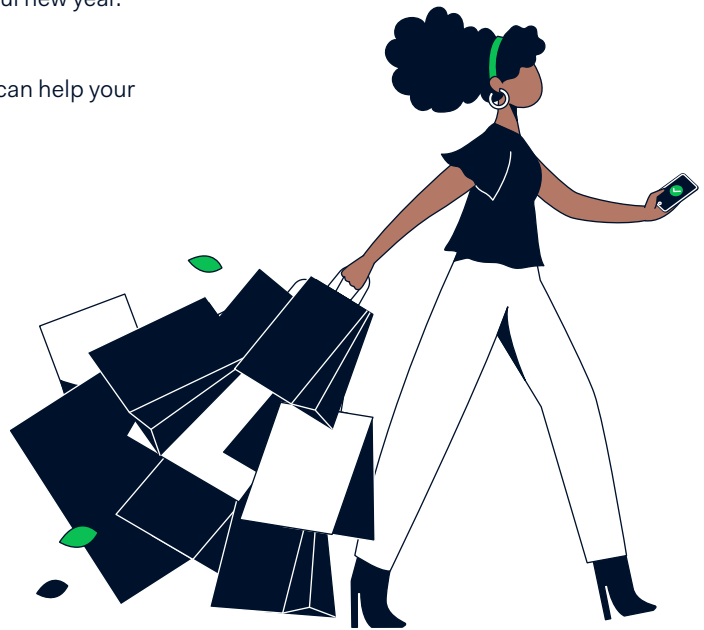
*“H&M Australia recently launched the Adyen Giving initiative, empowering customers to donate online to help support UNICEF’s invaluable work providing life-saving vaccinations to children whose access to vaccines has been disrupted by the COVID-19 pandemic. “We are pleased to have been able to continue our local partnership with UNICEF Australia and support their important work in helping protect children from preventable diseases, particularly during this difficult time.”*

**Thomas Coellner** — Country Manager, H&M Australia

## In conclusion

Leaving aside the perfect, conversion-boosting customer journey; we wish you a lot of fun in the upcoming peak season. Hopefully your webshop will fill up and customers will be able to enjoy your carefully decorated stores. You may have had a lot of stress as a retailer in the past year, or perhaps a huge windfall. Whatever it is; after a challenging year, may the warmer months support a bright festive season and successful new year.

Want to learn how Adyen and our payments solution can help your business grow? [Let's chat.](#)



## Ready for peak season 2021-22?

Here's a great checklist to set you up for success.

- Communicate offers to customers as early as possible, make sure your website can handle an increase in traffic and ensure your main sales channels are ready for the peak season.
- Look for customers who have not shopped with you in a while. Offer them targeted promotions and discounts to make it attractive for them to return.
- Make use of unified commerce. Make sure shoppers have consistent experiences on whatever channel they choose; whether it's online, in-store or in-app. And enable cross-channel experiences like click and collect and buy online and return in-store.
- Look at the flow of your physical store and determine which terminal and payment methods are best suited to it. This will also prevent long queues at the checkout when your shop fills up.
- Fraud is a major blocker to success, not only during the peak season. Review your risk management systems or ask your payment partner how you can keep fraudsters at bay.
- Take a closer look at your checkout. Make sure you keep shoppers on your website without including payment redirects, ensuring you lose fewer customers and win more sales.
- Take stock of your inventory, ensuring you have a single view of all stock across all locations. This will enable you to react quickly if a product turns out to be unexpectedly popular. You can also prevent disappointment by letting customers buy online if you run out of stock in-store.
- Make sure you keep up with the latest payment trends so you can offer visitors an enhanced customer experience. Think about the use of QR codes and Pay by Link.
- See in which business processes a partner can support you. Even if you are busy with the peak season now; it is good to look at the long term.

# About Adyen

Adyen is the payments platform of choice for many of the world's leading companies, providing a modern end-to-end infrastructure connecting directly to Visa, Mastercard, and consumers' globally preferred payment methods. Adyen delivers frictionless payments across online, mobile, and in-store channels. With offices across the world, Adyen serves customers including Facebook, Uber, Spotify, L'Oréal, Lorna Jane, the Cotton On Group, Nando's, Freelancer.com, Kogan.com, Budgy Smuggler, Movember, Showpo, Rodd & Gunn, and Jurlique.

**adyen**