



Holiday Retail Playbook for the Effortless Economy.

# The Definitive Guide for Ecommerce Success for Small and Midsized Businesses in 2022.



Find out how Linnworks can help you sell better.  
**Book a demo at [www.linnworks.com/demo](http://www.linnworks.com/demo)**

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### Increase customer loyalty this holiday season.

**We get it — you're busy. But now is the time to finalize your strategy for a successful 2022 holiday season.**

**And we should expect a busy one: After historically strong retail growth in 2021, the holiday season is expected to see continued growth this year. Customer expectations have also continued to increase. The big retail winners will be those that make the shopping experience convenient, engaging and effortless.**

**We've created this playbook to help you prepare now so you can enjoy a successful holiday season.**

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## **Connect with your customers where they are.**

It's no longer enough to launch a website or list on a marketplace and expect ecommerce sales success. Retailers must stay flexible about sales channels — and be ready to adapt rapidly in response to fluid market changes.

**Customers shop an average of eight different marketplaces before making a purchase. Are your products in all of these channels?**

Each marketplace (or other sales channels such as social media) serves as one additional point of contact with customers. These additional efforts complement a retailer's site and help build new customer relationships.

Omnichannel and multichannel selling are distinctly different strategies, each with benefits and implications for your business.

- **Multichannel selling** is product-centric, focusing on placing products in front of users where they want to shop rather than relying on customers to find a specific platform to make a purchase.
- **Omnichannel selling** is customer-centric, emphasizing a consistent customer experience across the retailer's owned channels, regardless of the device the customer wants to use.

As you think about where you want to connect with shoppers this holiday season, consider these key channels.

## Marketplaces.

In modern ecommerce, participation in marketplaces is a must.

**Linworks research shows that more than 9 in 10 customers regularly start looking for purchases on a marketplace.**

Retailers that don't have a marketplace presence will miss out on this tremendous opportunity to be where people are searching for and buying products.

From massive marketplaces such as Amazon and eBay to vertical marketplaces such as Wayfair, consumers and sellers alike have various options. The key for small and midsize retail brands, particularly during the holiday season, is establishing where to find their core audience, which could be present on one or more marketplaces. Many businesses choose to sell in multiple marketplaces.



## Direct to consumer (DTC).

Selling to consumers on a retailer's owned sites or app remains at the core of most businesses' strategy – and for good reasons. Merchants on marketplaces sacrifice some control over their business while paying additional fees. In exchange, they receive a large volume of potential customers. A branded website, meanwhile, provides a reference point for customers wanting to check the legitimacy of a seller, along with SEO benefits, brand visibility and first-party customer data.

Marketplaces and direct selling are not mutually exclusive, however. We often see that buyers use a marketplace as a discovery engine and then visit a retailer's site to check out their full range of products. It's common for users to initially purchase from a marketplace but go directly to the retailer's site for future purchases.



## Social commerce.

**Grand View Research** estimates social commerce market size will enjoy a compound annual growth rate of over 30% over the next several years, reaching \$6.2 trillion by 2030.

This growth is evident in consumer purchasing habits, too. Linnworks online shopper **research** found that British shoppers were highly receptive to this channel, with 35% of consumers having made a purchase through a social media site and another 27% open to the idea.

With the wealth of data available on social networks, finding your target audience on the right platform often requires an effective test-and-learn strategy. Each platform has unique features and audiences, so it's worth testing multiple channels. For example, platforms such as Instagram and Pinterest have ready-made audiences for verticals including fashion, beauty and homewares. **TikTok provides** reach to younger consumers, with roughly 43% of its global audience in the 18-24 age range.

Livestreaming is the next evolution of social commerce, combining the online social environment with the entertainment and anticipation of a live event. While livestream shopping has boomed in Asian countries, U.S. and European ecommerce brands are still testing the waters and have experienced some initial positive results. Walmart, for example, increased its TikTok following by 25% when it hosted a live stream event on the platform in December 2020. Walmart used influencers to give extra reach. Livestreaming is expected to continue to grow, with **Coresight Research** estimating \$25 billion in sales in the U.S. by 2023.

## Influencers.

A useful way to encourage two-way conversations is to encourage user-generated content (UGC) where people talk about a product on social media. Hosting competitions or offering products in return for mentions or reviews are two examples of encouraging UGC, ideally with an extensive social reach. Partnering with an influencer in a specific vertical or demographic can be particularly effective, as you're leveraging their highly engaged audience.

Beyond advertising, influencers can introduce your product to their audience through editorial shoots and product demonstrations. When partnering, it's essential to have an explicit agreement on how the product and brand are represented and how much control you have over the influencer's output.

### **Private-label selling.**

Private-label deals open up a new route to market where retailers buy stock and relabel it as their own. Alternately, retailers offer their product to a seller to rebrand for distribution via their platform. These deals can be seen on social media platforms, with private-label verticals growing a large following for creating a fashionable boutique at affordable prices that feels more unique than large retailers.

Private-label retail sales **increased significantly** during the first year of the pandemic, according to a Private Label Manufacturers Association report, and **consumers looking to cut costs** could drive further growth. Private label has also gained share on store shelves and **in search engine results**.

The benefit of private-label deals is that retailers derisk the production process, with the risks of inventory and product development belonging to the product manufacturer. You can still control quality and pricing strategy while getting products to market quickly or testing demand with a niche audience — all before investing more heavily in distribution and marketing.

### **B2B marketplaces.**

B2B ecommerce is another significant and growing opportunity, particularly with the evolution of B2B marketplaces. Worldwide B2B marketplace sales are **projected to reach** an estimated \$3.6 trillion by 2024, up from an estimated \$680 billion in 2018. Like B2C ecommerce, the pandemic drove accelerated growth in B2B marketplace platforms. Companies sought new suppliers because of issues with manufacturing and shipping, as well as unexpected demand for products like personal protective equipment.

Sourcing buyers for your products globally has become an easier process with the rise of B2B marketplaces. These marketplaces include mass-market platforms such as Amazon Business and Alibaba and niche marketplaces that serve specific industries, such as PartsMarket for the automotive industry and Arrow for electronics. B2B ecommerce already had infrastructure in place across commerce, payments, procurement and the supply chain, which has helped the industry build out central transactional platforms for buyers and sellers.

The flexibility of B2B ecommerce allows customers to self-serve via your platform or marketplace store, allowing you to efficiently serve large and small customers alike and at different price points. Brands can opt to offer large volumes of stock to businesses or customers wholesale or dedicate marketing costs to focus on specific business buyers and industries at a higher cost.

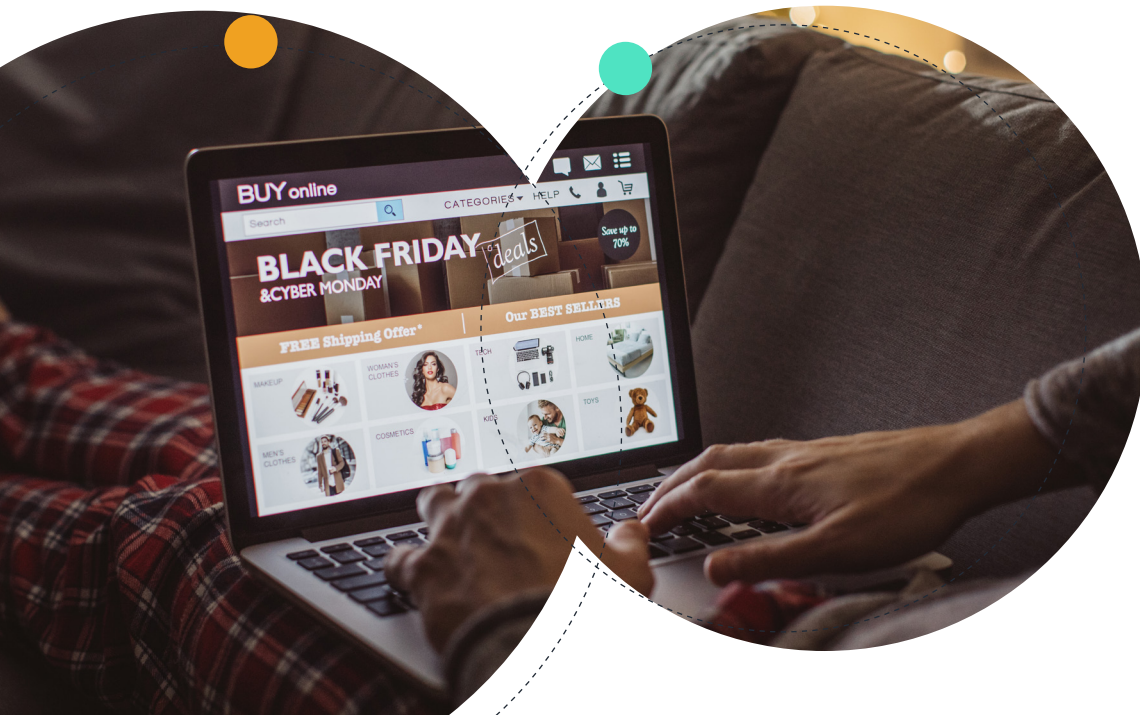
## Action Items.

- Find out which marketplaces your ideal customers use most; make sure your brand is visible.
- Test new social media channels to find out which ones you should invest time in.
- Consider wholesale and private label for expanded product reach.

“The ecommerce space was new to us, but we put the time and effort into our research. It was a steep learning curve building up our baseline knowledge on sourcing, building relationships with warehouses and testing out product ranges. We started small at first, but we built up knowledge about our customer base over time.”

### Luca Salamone

marketing manager, Retro Styler, an ecommerce retailer



## Simplify and automate.

Business growth isn't free of challenges. As your ecommerce operations scale, they become more complex, making it increasingly difficult for your staff to manually manage critical tasks such as orders and stock levels. Unless sales and stock systems are integrated, businesses can end up overselling or having stock in the wrong location. This can lead to inefficiencies in inventory management and, most importantly, cause frustration among consumers waiting for the retailer to fill their order.

To drive efficiencies and profit while maintaining customer service levels and competitiveness, growth-driven retailers must embrace automation. This gives the organization detailed oversight over and a central view of merchandising, sales, ordering and fulfillment within one suite of tools.

**Pay close attention to these three areas as you prepare for the 2022 holiday season.**

### Manage shipping.

Shipping manifests and picking and packing orders can be labor-intensive and prone to error when manually created, especially when the work is performed across different locations and during the busy holiday season.

Retailers dedicated to growth can use automation software to create shipping manifests and apply predefined shipping rules to make the process more efficient, even when fulfillment is being coordinated through deliveries from different warehouses.

Automation can group orders together and select the most appropriate delivery partner, which can vary depending on the channel, the type or value of the product and the location of the product and customer.

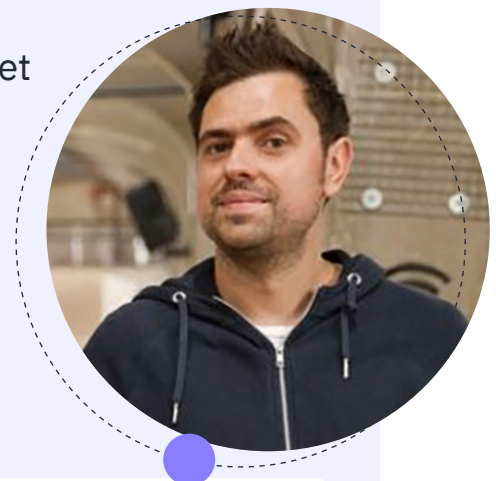
Retailers can set rules so the right decisions on how orders are fulfilled are made through seamless automation and without risk of human error or expensive manual processes. All of this can be invaluable for driving growth, as evidenced by the success of retailer Source BMX.

“We achieved our multimillion-dollar revenue target in the first year. We simply couldn't have achieved this with our old system. Linnworks has been absolutely critical to our international growth.”

**Richard Moore**

co-founder of Source BMX

**SOURCEBMX**





This resilient fulfillment operation can extend beyond the courier leaving a warehouse, of course. With automation tools, retailers can keep customers fully informed of the status of their orders. As part of the overall customer experience, shoppers expect an ecommerce business to offer more than just an acknowledgment that their payment has been processed. By aligning order and shipping software, retailers can automate communications with customers from the time of dispatch through to the day of delivery's arrival time.

### **Handling returns.**

Delivery is only half of the fulfillment equation. To win in online retail, brands have to get their returns policy right, too. Here again, convenience and transparency are essential. Linnworks research shows 72% of consumers are influenced by returns, and the same percentage of customers have abandoned a purchase over shipping transparency.

Returns are inevitable, especially during the holiday season, so being prepared and flexible is key. Additionally, consumers value the ability to buy from multiple retailers through one basket. This is even more important than pricing that includes delivery or being good at handling returns.

### **You should also consider:**

- Including instructions on how gift recipients can reuse the original shipping package for returns.
- Adding a return label to each shipment that can be given to the gift recipient.

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### **Managing inventory.**

Running a successful ecommerce business depends on the organization having the tools to order the right stock in the right quantity and at the right time so that orders are fulfilled without delay. The holiday season makes this even more of a priority, as the shopping and delivery window is limited.

To make this vision a reality, retailers need sophisticated automation software that can reconcile sales with inventory levels across one or more warehouse locations. This ensures the business always has an accurate, real-time overview of orders compared to available stock and can enable trigger events for reordering. When retailers understand the demand for each product and how long it takes to be replenished, automated alerts can be set up to advise when items need to be restocked. This prevents the business from missing out on sales opportunities. Automated systems can even trigger these orders directly to suppliers, removing another manual step from the inventory management process.

Ecommerce platforms also need to understand where demand for each good is highest so automated orders can have stock sent to the correct warehouse. This enables future orders to be fulfilled cost-effectively and at speed because items are located where demand is likely to be highest.

### **Predicting supply and demand.**

These insights into the balance between sales and restocking can be taken to the next level when smart software analyzes sales patterns for predictable demand. The ultimate benefit of automation is that it allows sales and stock levels to be maintained at the optimal level.

Taking inadvertent mistakes out of workflows can also lead to efficiencies and savings in the order process and create better relationships with suppliers. Automation can create orders when trigger events occur, such as stock falling below a certain level. When the system is set up properly, these restocking orders can be automatically generated with the correct purchase-order formatting, with the proper product codes and with the possibility of payment being handled automatically.

### **Optimizing warehouse management operations.**

Automation quickly becomes a necessity for scaling sales and providing efficient fulfillment services. Sophisticated software is needed to determine workflow rules to ensure a consignment — which could involve goods from different parts of a warehouse or from multiple warehouses — will be collated into a single order that is prepared for the customer. For example, this software could help find an alternative logistics center to fulfill an order, or it could pause an order until stock is replenished at the customer's nearest warehouse even while maintaining the delivery window.

The order-and-fulfillment aspect of any ecommerce business can give rise to bottlenecks that smaller, manual fulfillment teams may not be able to pinpoint or resolve. Ordering systems are more efficient and cost-effective when sales, warehouse inventory and projected stock levels are aligned, thus avoiding delays or partial fulfillment. This alignment can also help avoid other errors, such as misplaced stock or incorrect customer information. With an automation platform in operation, the areas that are holding back agile, efficient service can often be identified and rectified. This benefits productivity, reduces costs and helps businesses maintain their delivery promise to customers even in times of peak demand.



## Action Items.

- Streamline manual inventory and accounting processes with automation.
- Enable easier returns; keep customers informed about package tracking and logistics.
- Optimize your supply chain by centralizing marketplaces and warehousing.

“Our growth is definitely faster because we have better control of our data and better control of our sales channels and pricing. We know what’s going on, and we have the time to think strategically about our future moves.”

### Richard Goss

co-founder, Rinkit, a home and garden retailer

**Rinkit!**

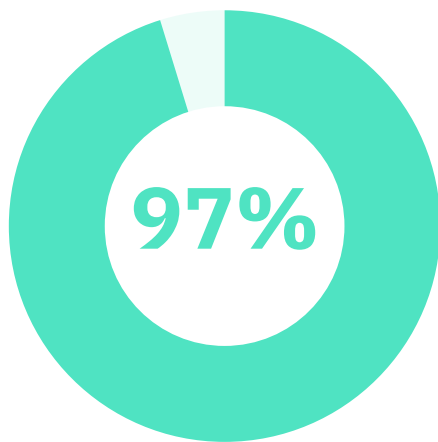
*delivering everyday happiness*



## Keep pace with consumer expectations.

With the rise of ecommerce, the environment has become an “always-on” experience for busy users. They are constantly open to shopping offers, and their journey is fragmented across a multitude of channels and sites. Research from [Dentsu](#) lays out the challenge neatly. Shopping journeys now feature 7.6 touch points with a retailer, yet 90% of ecommerce marketers are challenged to connect three or more channels.

Providing a seamless, connected shopping experience is more important than ever, as the behavioral changes from the pandemic are becoming a permanent shift.



**97% of American shoppers say they have abandoned an online purchase over a lack of convenience**

### Let the customer control the journey.

Consumers are clear on expectations. According to Linnworks [research](#), for more than half of respondents, the two most important factors are guest checkout availability and being able to shop with a brand across different devices. Shoppers want to control how much data they share while still being able to quickly complete the purchase process, regardless of device.

Another important factor for respondents was the ability to store shipping details for future purchases. This may sound contradictory considering the top priority was checking out as a guest. However, consumers are revealing they want to be in control of how much time they devote to signing up and handing over their personal information.

### Offer a seamless, integrated path.

As users traverse social media, visit marketplaces and interact directly with brands, ecommerce has become ingrained in everyday life for most shoppers. But it's important to recognize that touch points throughout the journey should require minimal effort from the consumer. Moving seamlessly throughout the day and between devices is so important to shoppers that it has become the expectation. In fact, over half of respondents have abandoned a purchase because they had to start the process again on another device.

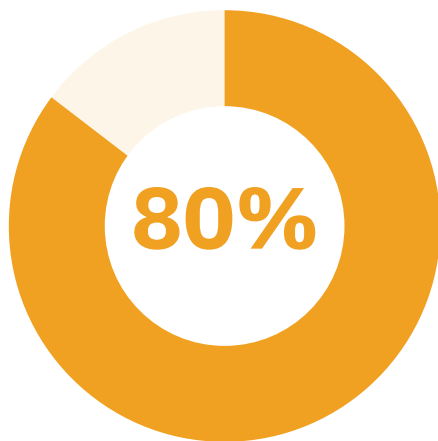


### **Reduce friction at checkout and delivery.**

The expectation for a seamless experience continues through the checkout and delivery processes. Customers expect to be able to curate their checkout process with options like guest checkouts, free, fast or slow delivery, and click and collect. In fact, 61% of users expect free delivery and are willing to wait longer if needed to get it. And 43% expect a click-and-collect (in-store) option.

### **Consider flexible payments.**

Customers are also expecting convenience when it comes to flexible payments. Buy now, pay later options are becoming more popular, with 28% of shoppers taking advantage of these options and another 24% open to the idea. These flexible payment options help avoid cart abandonment and, as the global economy recovers, allow consumers to make larger purchases without the burden of upfront payment. There is some market hesitation with older shoppers, but consumer expectations continue to grow.



**Nearly 80% of shoppers expect buy now, pay later options even on standard, everyday purchases.**

### **Let your customer define convenience.**

The past couple of years have seen consumers prioritize one thing above all else from retailers — convenience. Retailers are operating in a world with motivated online shoppers but also the most competitive and complex selling environment. Consumers expect a seamless omnichannel experience, and retailers that cannot provide it will not be in consideration.

To deliver this convenience, retailers need to optimize the experience at every point in the transaction journey. Many retailers have had to transform their back-end processes and logistics to deliver on these expectations while keeping control of their business operations.

Third-party partnerships can have wide-reaching impacts on your business and customer experiences, so it's important to ensure that all partnerships align with the needs of your business and your customers.

“The care and the ability to understand issues is first class with Linnworks. Every interaction has been intelligent, understandable and accurate. It’s exactly what we needed.”

**Jack Bailey**

operations manager at retailer Thorness



### **Account for consumer concerns about sustainability.**

The customer experience extends to how the business operates. Modern consumers want to patronize businesses that share their values. As a result, diversity and sustainability are significant issues. Research from PwC shows that 50% of consumers have become more eco-friendly in their shopping decisions.

In response, retailers are changing how they (and their partners) minimize their impact on the planet’s resources. Retailers must be authentic and transparent about their business practices, and sustainability initiatives need to have a real impact to resonate. Some businesses are extending their efforts to partners and suppliers, indicating that they’re taking sustainability seriously and using it as a motivation to find new and innovative ways to operate their business.

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### **Action Items.**

- Audit your business to find opportunities for sustainable practices like going paperless, reducing the carbon footprint of shipping and logistics, and moving to clean energy options.
- Partner with and source from sustainable products and vendors.
- Be transparent. Share your goals and updates with your audience to encourage other sustainability efforts.

“Customers in all industries want to have the closest connection possible to a brand or service they are looking to buy [from]. Ecommerce, digitization, etc enables that.”

**Nigel Brackenbury**

VP Customer Service Operations at Ford Motor Company



## Increase customer loyalty this holiday season.

Preparing for the holiday season requires you to focus on the entire customer journey for a seamless shopping experience. Modern customers are a moving target — literally. Journeys start and stop across devices and can involve direct sites, marketplaces and social. Consumers are crystal-clear on what they expect. Retailers that are convenient to deal with will be prioritized over those that aren't. Brands that are easy to shop with will win a greater share of wallet as customers spend more and make impulse purchases.

The key is to have a 360-degree view of customers, connecting the dots between channels, platforms and devices, so they are offered an experience that delights. Winning retail brands offer customers a joined-up journey in which goods are simple to discover, select, order, pay for and arrange to be delivered or picked up. Retail brands that don't adapt will be left behind in this age of convenience.





Find out how Linnworks can enable your business to manage your multichannel inventory, orders and fulfillment from a single dashboard this holiday season. Request a demo at [linnworks.com/demo](https://linnworks.com/demo) or contact our team.