

3 Ways Businesses Can Get a Head Start This Holiday Season

Tim Fu, Market Leader, Hong Kong, South Korea and Taiwan at PayPal

For most retailers, the end of the year is usually the busiest. From global shopping events such as Singles Day and Black Friday, to major holidays such as Thanksgiving and Christmas, consumers normally look to spend big in the final few months of the year. While these occasions represent significant business opportunities for retailers, maximising such moments this year will require more careful and considered planning than usual due to macroeconomic challenges.

In the US, analysts expect that overall holiday sales will experience slower growth due to rising prices.¹ But the news is not all bad upon a closer look at the numbers. E-commerce, in particular, is expected to benefit from inflation in some way, as price-sensitive consumers turn to online shopping for better deals. In the US for instance, according to analyst's projections, the sector is projected to grow by 13% to 14% this year compared to last year's 8.4%.²

Closer to home, an increasing number of consumers in APAC are also going online to shop for end-of-year occasions. A Google survey published earlier this year found that 58% of consumers in India and China buy most of the items they need online.³

As more shoppers turn to the internet to hunt for bargains and look for gifts for their loved ones, it's crucial for retailers to implement a comprehensive business strategy to enhance growth from end-of-year sales.

Here are the three tips to help retailers seize the massive growth opportunities in the upcoming holiday season.

1. Attract eyeballs with unique and personalised holiday shopping experiences

With so much competition for attention, finding ways to stand out in the lead up to the holiday season can be a challenge. According to 2022 [PayPal's Borderless Commerce Report](#), 46% of online shoppers said they are more likely to buy from retailers that offer virtual or digital experiences.⁴ Retailers have a far higher chance of standing out by offering novel shopping experiences to coincide with holidays and special days of the year. For last year's holiday season, YouTube made a major push into livestream shopping by hosting a week-long livestream shop, reflecting the enormous potential of interactive digital experiences for retailers.⁵

Another way to help businesses drive sales is by providing personalised shopping experiences and recommendations. Close to half of consumers surveyed say they will likely become repeated buyers after experiencing personalised shopping experience with a brand.⁶ By optimising on-site content with holiday-specific keywords and creating specific landing pages for

¹ Bloomberg, [Holiday Sales Growth to Slow to 4% to 6% as Inflation Takes Toll](#)

² Bloomberg, [Holiday Sales Growth to Slow to 4% to 6% as Inflation Takes Toll](#)

³ Google, [2022 Retail Marketing Guide: Be ready for seasonal shopping moments](#)

⁴ PayPal commissioned Ipsos PayPal Cross-border Insights 2022. n=14,000, 14 markets. Online survey of adults (aged 18+ who have purchased online in the past 3 months) between December 2021–January 2022.

⁵ Retail Touchpoints, [YouTube Makes Major Push into Live Shopping with Holiday Stream and Shop](#)

⁶ Twilio, [The State of Personalization 2022](#)

seasonal moments, retailers can increase traffic to their sites, improve search rankings and ultimately drive sales.

2. Maximise conversion with frictionless and flexible shopping experiences

Holiday shopping can be stressful for consumers. They often have less time for shopping and are more likely to abandon their carts if they encounter friction during their shopping experience. In fact, December is the month with the highest cart abandonment rate.⁷

Optimising the checkout process is one of the most effective ways to maximise holiday sales, as one in five consumers say they abandoned their shopping carts due to lengthy checkout processes.⁸ To ensure the checkout process is fast and frictionless, retailers can start by removing unnecessary form fields, reducing the number of clicks in the process and offer guest checkout.

To further reduce friction, retailers can consider offering more payment methods at checkout. More diversified payment options can translate to higher rates of conversion, as 51% of shoppers say they prefer retailers that offer a variety of payment options.⁹

3. Give customers peace of mind

The holiday season is busy not just for shoppers but also fraudsters. For example, the number of malicious shopping-related websites increased by 178% ahead of the 2021 holiday season.¹⁰

Providing a safe and secure checkout experience will help merchants gain the trust of consumers, maximise authorisation and minimise losses. In preparation for the holiday season, retailers can step up monitoring of their website to ensure that suspicious activities, such as excessive order amounts, large number of account creations, and auto-generated email addresses are detected quickly. Partnering with third-party payment platforms with fraud-prevention capabilities can further extend and simplify the monitoring process, allowing retailers to focus on optimising operations, driving sales, and maximising opportunities during this busy time.

The holidays are getting closer. It is crucial for businesses to prepare thoroughly, stay focused and act as soon as possible to capitalise on these holiday opportunities while protecting your reputation and bottom line. Download [PayPal Holiday Readiness eBook](#) to explore more useful tips to set your business up for holiday success.

⁷ Barclaycard, [Retailers losing out on £18bn each year through 'Surf and Turf' online shopping trend](#)

⁸ Dynamic Yield, [The average shopping cart abandonment rate globally is 71.23%](#)

⁹ Business Insider, [How retail companies are reducing friction in online and offline transactions](#)

¹⁰ Security Intelligence, [E-Commerce Fraud Up 178% Ahead of Holiday Shopping](#)