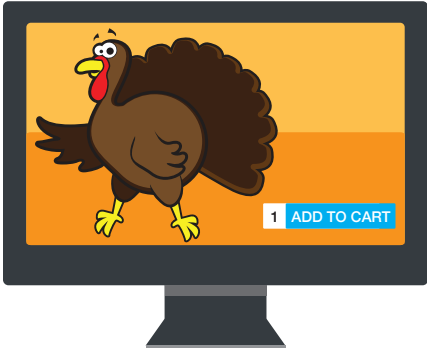




How to Win at Black Friday and Cyber Monday

Five shopping trends to put on your list this holiday season


Seasonal shopping is serious business for retailers. Nearly 20% of total retail sales occur during November and December. This year, holiday retail sales are projected to reach \$617 billion. To get their share of spoils, sellers will need to be hip to the trends that are driving consumers to spend.



1. Thanksgiving is the new Black Friday

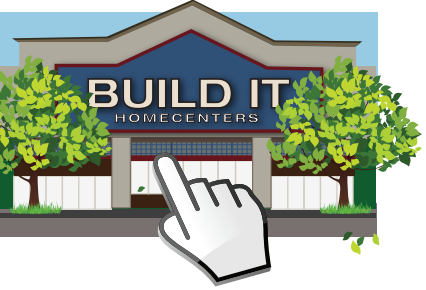
It's time to talk turkey about when the holiday season really starts. Forget the day after Thanksgiving – serious shoppers are making room on their plates for the real deals on Thanksgiving Day. Last year, Thursday had the highest sales growth of any day during the November holiday weekend. Between second helpings and football games, consumers were busy browsing holiday sales, with more than half the shopping traffic for Thanksgiving Day coming from mobile devices.³

Cyber Monday still reigned as the biggest online shopping day last season, but a few other dates grabbed some enviable titles as well. December 21 had the highest foot traffic of any shopping day and accounted for the most purchases and December 24 had the highest spend for a single day. The biggest shocker? Black Friday, traditionally one of the biggest shopping days of the year, didn't even rank among the top 10 days for sales or total number of purchases.⁴

Takeaways from 2014:	To-Do's for 2015:
<p>Many retailers got a jump start on holiday promotions, offering premium deals and discounts on Thanksgiving Day versus Good Friday or Cyber Monday. Free shipping offers peaked in early November and tapered off in December – a shift from previous years.⁵ Retailers also offered discounts over a longer period of time, which led more people to shop later into the season. In fact, the biggest increase in sales in 2014 occurred December 21-22; sales spiked 36% that weekend.⁶ This was likely due to extended free shipping offers and cut off dates; some retailers guaranteed Christmas delivery for items ordered as late as December 23.</p>	<p>If 2014 is any indication, consumers will follow retailers' leads. Get promotions out early and keep promotions running longer in order to appeal both to shoppers that like to get started early and those that wait until the last minute.</p> 

¹ National Retail Federation ² eMarketer ³ IBM
⁴ FirstData ⁵ ComScore ⁶ eMarketer





2. Online and in-store; it's no longer either-or

Today, for many consumers, shopping is less about the destination and more about the journey. Buyers no longer draw a hard line between physical and virtual stores. In fact, a recent survey of U.S. consumers found that those who plan to shop in store and those who plan to shop online this holiday season were nearly equal in number.⁷

Web traffic still had the edge over foot traffic, which was down slightly (7%) last year between Thanksgiving and January 3.⁸ Many shoppers admitted to visiting physical stores less and Web stores more. Yet, online spend is still only one-sixth of in-store spend, although that gap is closing. Regardless of where or how they shop, consumers expect a good experience. And they expect this experience to be engaging, regardless of the channel they choose. The good news for retailers? It's worth it. Omnichannel shoppers spend 18% to 36% more.⁹

Takeaways from 2014:	To-Do's for 2015:
<p>Webrooming and showrooming continued to play into consumers' holiday buying decisions. During last year's holiday season, more than two-thirds of shoppers browsed online but ultimately bought in-store, while only half admitted to doing the opposite.¹⁰ Consumers tend to buy in-store for two reasons: immediate availability and customer service. To compete, more online retailers offered same-day shipping or delivery. Consumers avidly embraced the "buy online and pick-up in store" option in 2014, so much so that retailers couldn't keep up with demand for this service.¹¹</p>	<p>Strive for that seamless experience. Ensure pricing and promotions are consistent for both online and in-store purchases. When customers add items to their shopping cart on one device, they should still see them when they come back to the site on their phone or tablet. Offer in-store prices on apps and downloadable mobile coupons that can be scanned in store. Personalize shoppers' experiences with beacons or QR codes that allow customers to get information and reviews on products in store. Add geolocation technology to web stores to check stock in real time and promote in-store pick up options.</p>



3. Prepare for mobile domination

While still only a small percentage of total retail spend, mobile commerce has grown ten-fold in the last 10 years.¹² More people are shopping on their phones and tablets – up 25 million over the previous year. And they're no longer just browsing. Spend is up, too, with mobile buyers expected to exceed 121 million by the end of 2015.¹³

⁷ Signal ⁸ eMarketer ⁹ Bazaarvoice
¹⁰ Harris Poll ¹¹ MarketLive ¹² Forrester ¹³ eMarketer





Takeaways from 2014:

Retailers reported astounding jumps in mobile revenue during the 2014 holiday season, ranging anywhere from 43% to 111%.¹⁴ Much of this can be attributed to investments in mobile apps and UI design. Easier checkout is the number one factor that would make people spend more on their phones.¹⁵ This, along with larger screen size, ease of entering information and experiencing the product the way they do in person were all improvements that shoppers said would lead them to make more purchases on mobile devices.¹⁶

To-Do's for 2015:

Two-thirds of consumers say they will shop and buy more on their mobile devices this year versus previous years. Make it easier for them with more responsive design and mobile-friendly check out. Ensure promotions, shipping charges and sales taxes are automatically calculated. Add mobile payments like Apply Pay and Google Wallet now. While use of these new mobile payments is still light, being ready to go when your customers are will put you ahead of competitors who wait.



4. Be more social-able

More than ever before, social media and social consciousness are shaping consumer opinions. People are talking about their retail experiences through social channels, and fellow shoppers are seeking out this content when making buying decisions. A whopping 88% of consumers are influenced by other consumers' online comments.¹⁷ According to Google, the average buyer seeks out 10 sources of information before making a purchasing decision.

Takeaways from 2014:

By 2017, Millennials will have more spending power than any other generation.¹⁸ They are motivated by social information and more inclined to buy from brands that fit with their values and lifestyle. In fact, 63% prefer to buy from a socially responsible company and 58% will spend more if a portion of the sale goes to causes they support.¹⁹

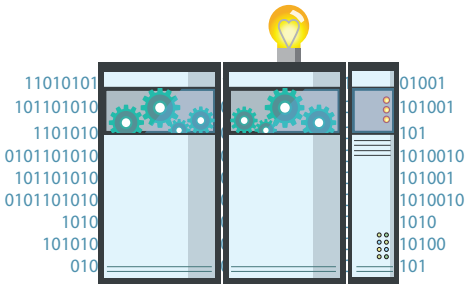
To-Do's for 2015:

Nurture social media relationships with consumers. Use these channels for promotions, experience stories, customer reviews and marketing campaigns. If your company supports charitable, social or environmental causes, partners or products that enhance brand image or loyalty, showcase them online and in-store. Enhance web store shopping experiences with rich site content including ratings, reviews, Q&A, video, and testimonials.



¹⁴ Branding Brand ¹⁵ The Etailing Group ¹⁶ Signal
¹⁷ Econsultancy.com ¹⁸ GenBuy.net





5. Big data is a big deal

The growth of big data has given retailers access to a wealth of valuable consumer information. It's now up to merchants to use that data to their advantage. Using consumer behavioral data strategically can increase operating margins by 60%, according to a McKinsey Global Institute report. More importantly, your customers expect it.

Takeaways from 2014:

Close to 80% of consumers admit they are more likely to buy from retailers who send them targeted, personalized offers, 70% expect some level of personalization from the brands they prefer and 54% say they want a personalized experience everywhere they shop.²⁰

To-Do's for 2015:

Big data provides insight into your customers' buying habits. Use this information to your advantage. Tailor deals, ads and communications to channels and brand preferences. Use geographic data to manage local inventory and tailor product assortment and in-store stock based on local demand and preferences.



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Retail is all about predicting trends, and what's trending now is technology. Consumers are researching products and prices online, seeking out social media for recommendations and reassurance and using their smartphones to do absolutely everything – including shop. To keep their attention, retailers will need to be equally tech-savvy this holiday season. This means serving up customers personalized offers, creating a more integrated, ubiquitous web-mobile-store experience, nurturing their brands through social media and making it easy for consumers to shop *their way*.

And don't forget to check one more thing off your list this season. Sales tax. Shoppers may like surprises during the holidays, but they don't like them at checkout. They can be a real Grinch about incorrect or unexpected costs. Automating sales tax in your ecommerce system, shopping cart or POS ensures every transaction is wrapped up neat and tight with a bow.

²⁰ Traf-Sys, AgileOne, Signal

About Avalara

A privately held company, Avalara was founded by a team of tax and software industry veterans to fulfill a vision of delivering an affordable, scalable sales tax solution. Thus making what was not economically feasible in the past for mid-sized business not only affordable, but more accurate as well – all with the latest and most innovative technology available. From Bainbridge Island, close to Seattle, Avalara's knowledgeable staff works tirelessly to help customers put the hassles of sales tax compliance out of mind. Avalara's mission is to transform the tax process for customers by creating cost-effective state-of-the-art solutions. The company does so through integrated on-demand, Web-based software services that provide transparent transactions, accurate tax compliance, painless administration and effortless reporting.