How Online Retailers Can Shine This Holiday Season

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It's no secret that the holiday season is the busiest and most profitable time of year for the retail industry. As the holidays approach, the press is awash in stories about the strategies retailers are practicing to drive traffic into their brick-and-mortar stores. But what does the season hold for online retailers?

Online holiday sales have steadily increased in recent years and are expected to continue to do so. In fact, the National Retail Federation's digital division, Shop.org, has predicted an 8 to 11 percent increase in e-commerce sales this November and December over last year. Just as brick-and-mortar retailers are preparing for the holidays with door-buster promotions and hiring temps to cover extra floor shifts, online retailers can also shine this holiday season by following a three-step strategy for providing offers that are sure to resonate with consumers.

Determine the data points to track - The best way for online retailers to put a holiday data tracking strategy into effect is to start with determining what information to track. While this may vary slightly for each retailer, most will want to track where customers are located, what they are searching for, which devices they are using and what sites and channels are driving conversions. These key datapoints will give retailers valuable customer information that can be used to refine holiday offers.

By knowing where consumers are located, retailers can localize their offers. For example, you don't want to offer discounts on heavy down jackets to customers in Southern California beach towns or offer board shorts to customers in the grip of a snowy New York winter. Understanding what customers are searching for helps to identify the category of items to present to the user for future shopping. Knowing which devices consumers use will also help online retailers ensure their creatives are viewable. Not having a landing page load properly on a mobile device can really hurt sales on key shopping days. Most importantly, by tracking which sites and channels are driving conversions, retailers can adjust their digital spend accordingly.

Organize and analyze through tagging - Once they have determined what to track, retailers will need to find a way to organize all of their campaign data. One of the simplest ways to accomplish this is through tagging. Much how keywords make blogs searchable, retailers can use this powerful tool to help them sort through vast amounts of campaign and offer data.

Through tagging, retailers can separate and analyze data in a manner that best fits their holiday campaigns. Additionally, they can also use tagging to greatly reduce the time it takes to manage data and campaigns by applying updates to any campaign data en mass, and activating and deactivating a large number of offers all at once. Tagging is useful for grouping and separating offers and payouts by type such as pay-per-click, display, profit share, revenue percentages, etc. Tagging can also be used to group some of the aforementioned datapoints to more effectively align offers with customer data.

Identify what's working...or not - While tagging will help retailers organize their data, offers and creatives, split testing will help them determine what is resonating with customers. Split testing is a random experiment designed to test which of two or more marketing creatives is more effective in driving traffic and conversions. The effectiveness of nearly identical versions of the same item with just a slight variant is compared to see which is more successful in accomplishing a desired outcome.

For example, retailers can split test:
- A square blue button vs. a round red button
- A call to action that reads "Ask for a quote" vs. "Request a demo"
- A square ad vs. a rectangular ad
- A link to another web page vs. a link to a PDF

Just about any marketing creative can be split tested. Retailers can get started by choosing just a few key items that will provide actual insight into better ways to convert customers. By taking the time to create and split test multiple versions of creatives, retailers can get a much clearer picture of customer behavior throughout the holiday season.

Once retailers have determined what data to track, how to organize their data and how they will use multiple creatives to split test, they'll be armed with the tools to optimize campaigns in real-time. And with 23.8 percent of all annual retail sales being made in just the month of December, retailers cannot miss out on a single sales opportunity. By following these simple and effective steps, it's not too late for retailers to shine this holiday season.