





Solving Holiday Retail Challenges
with Fulfillment Secrets



Optimizing success at the most opportunity-rich time of year for retailers

The holiday season remains the **highest grossing time** of year for most retailers with regard to revenue. Many main street businesses rely on their holiday profits to support their business throughout the next year, offsetting times when business is historically slow.

Increased consumer confidence due to an **improving job market** and growing wages has resulted in higher spending - particularly around the holiday season. This has created increased revenue-generating opportunities for retailers who implement changes and engage in strategic partnerships in order to optimize their business operations and maximize their chance of success.



Since the recession in 2008 and 2009, holiday retail sales have continued to grow year over year. In 2009, sales over the holidays amounted to \$502.78 billion and last year in 2017, sales were \$680.4 billion - **an increase of more than 26 percent.**



Last year, the National Retail Federation reported that holiday sales **increased 5.5 percent** in November and December 2017 as compared with the same period in 2016. The amount of shoppers over the five-day weekend between Thanksgiving Day and Cyber Monday exceeded forecasts by about 10 million, at **174 million shoppers** (in stores and online). Finally, young adults are spending more as well, expanding the population of revenue-generating shoppers.

The potential for even higher sales numbers over the holiday season is clear; yet retailers must face some unique challenges - especially **after** the retail season is over for shoppers - if they want to maximize and retain that increased revenue.

Retail Fulfillment Challenges with Holiday Business

Retailers encounter some challenges during the holiday season which are unique to the nature of their business:

- *Multichannel spikes of seasonal inventory.*
- *Changing inventory trends.*
- *Optimizing inventory visibility.*
- *Enhancing communication efficiency.*
- *Cost-effective returns management.*

Retail Fulfillment Challenges with Holiday Business

• *Seasonality:*



Retailers begin their holiday planning long before Thanksgiving week. Inventory planning, purchasing and storage **must happen months beforehand**, starting with summer trade shows as early as July. By the start of October, many stores and/or their warehouses are fully stocked for the holiday season.

This presents a particular challenge in cost as well as inventory management. Warehousing can be costly to manage on-site, especially if it's not optimized to make the most use of square footage available.

Retailers must also overcome the drastic swings in demand across multiple sales channels for Black Friday, Cyber Monday, Super Saturday and throughout the holiday season.

• *Industry Trends:*



In order to compete, digital and brick-and-mortar retailers must both adhere to the **changing trends in retail**.

Change can be costly, especially when it has a direct affect on overhead. Nationwide shipping is the new standard; platforms such as Etsy and Shopify have made this accessible to the craftsman-entrepreneur as well as the small retail business.

However the sudden spike in orders at the holidays can mean chaos for even the larger retailers, if distribution centers are not ideally located or managed to ensure **on-time delivery** and **accurate inventory management**.



• *Inventory Visibility:*

With a sudden spike in demand for millions of different product SKUs, the efficiency and accuracy of the order fulfillment supply chain is of paramount importance.


Customers also expect **real-time updates** on the status of their order from the point of shipment, particularly around the time of year when on-time delivery is often the most important factor in their satisfaction.

In order to facilitate a successful business season, retailers need **real-time visibility** and **tracking data** for inventory as it moves through the supply chain and gets transported to the customer - both for their internal organization and efficiency, as well as to ensure customer happiness.



• *Communication:*

A retailer's **logistics and fulfillment partner** is probably their most important asset (or liability) during the holiday season. Mistakes, delays, or breakdowns in the supply chain could have a catastrophic - or at least costly - affect on the retailer's business during this peak sales season.



For this reason, communication is probably the most important challenge for a retailer to overcome, or it's the **most important factor** to demand from their logistics provider.

• **Returns Management:**



After Christmas Day, retailers experience the next phase of the peak holiday season: **managing returns**. In a perfect world, everyone would be pleased with their holiday gifts, but that's simply not the case. Of the \$380 billion in returned goods each year, **\$90 billion in returned goods** are from orders processed over the holiday season.

This presents a massive cost to retailers, since they must spend to restock items in order to retain their value, manage repairs or recycling processing, and/or issue replacement products back to the consumer.



Secrets of Success for Holiday Retail Fulfillment

For more than 30 years, Hollingsworth has been a leading provider of logistics services to the manufacturing and distribution communities.

We serve a variety of industries that require complex supply chain solutions, including retail. With a proven track record of excellence, our **fulfillment secrets** allow us to solve the unique challenges that retail businesses face with their holiday peak season.

Hollingsworth

Secrets of Success for Holiday Retail Fulfillment

Seasonality:

Hollingsworth was founded as one of the world's first expeditors of automotive parts, generating the **highest level of expertise** with complex inventory management.

Industry Trends:

With locations **on both coasts**, we can decrease your overall transportation spend and increase delivery speed to final customer, accommodating the demand for rapid nationwide shipping.

Inventory Visibility:

Our **real-time web portal** provides full access to all inventory and order activity.

Communication:

Although the 'human touch' is missing from Amazon, Walmart, and other big box logistics operations, Hollingsworth's retail partners receive a single **onsite Point Of Contact** to immediately respond to your needs.

Returns Management:

The use of automation technology and strategic processes allows us to simplify the returns process for your customer, increasing satisfaction.





Hollingsworth

In addition to the above, Hollingsworth offers **competitive pricing** to facilitate holiday sales success for retailers large and small.

Contact us to discuss your needs and receive a custom quote.



www.hollingsworthllc.com

About Hollingsworth

Hollingsworth is a leading provider of best-in-class logistics and supply chain management, offering fulfillment & distribution, assembly & sequencing, packaging & kitting, reverse logistics, program management, and warehousing services.

The company is headquartered in Dearborn, Michigan, with fulfillment centers located throughout the U.S. Hollingsworth prides itself on efficiency, accuracy, and cost-effectiveness, bringing greater opportunities for increased profits and improved customer satisfaction for its clients in the manufacturing and distribution communities.