

Payments trends

Evolving dynamic of sales and discounts



2023



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Evolving dynamic
of sales and discounts

Intro



In the dynamic world of commerce, shopping festivities reign supreme as the pulse of every retailer's annual calendar.

Retail sales have a storied history, rooted in cultural, religious, and seasonal traditions. From ancient market fairs to modern-day Black Friday events, sales have consistently brought people together, fostering a sense of unity and shared experience.

Now, with the advent of eCommerce and the digitisation of shopping experiences, the scope and scale of discounts and sales have reached unprecedented

heights. Many of these peaks tap into rapidly rising demand for eCommerce; for instance, Latin America (including Peru, Brazil, Argentina, Chile, Colombia, and Mexico) has seen the sector grow by **22%** in one year alone. This figure isn't expected to slow down.

Most merchants will circle peak shopping windows in their calendars far in

In the US alone,
Black Friday broke

\$9

billion in sales
for the first time in 2022

advance, strategising on how to take full advantage of the increased footfall and consumer demand. The months of planning can be richly rewarded, catapulting businesses into new areas of growth and profitability.

While Black Friday and Cyber Monday are arguably the most well-known shopping peaks, the frequency, popularity and impact of other events continues to grow. Mexico's annual El Buen Fin event has seen the biggest retailers boost growth in sales by at least **10%**, while in continental Europe, peaks in sales coincide with end of year festivities.

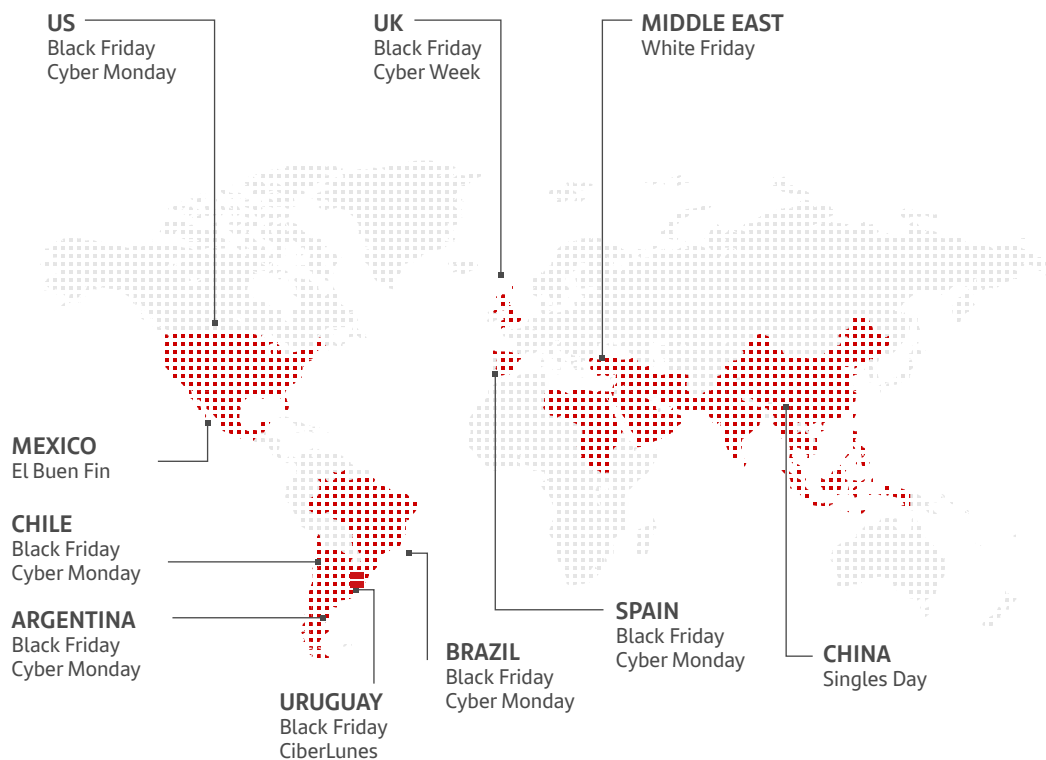


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Key retail events in November



While strong macroeconomic headwinds have put unprecedented downward pressure on consumers to spend wisely and save more, there is reason for optimism. Many are still willing to shop both online and in-store, especially when discounts and deals are offered. In fact, research by Salesforce suggests that the most effective tactic to

attract shoppers to a website in the first half of 2023 was sending them a [discount code](#).

This paper aims to outline the changing face of sales and discounts, before outlining six steps all merchants can take to drive sales and win customer loyalty.

In recent years, the global landscape of sales has undergone a significant evolution, influenced by shifting consumer expectations, evolving market dynamics, and - in some regions - government regulations.

Today, consumers have unparalleled access to a vast array of products and services, with the convenience of shopping from the comfort of their homes or through mobile devices. This has not only expanded the reach of businesses but has also heightened consumer expectations.

These expectations go beyond just discounted prices during sales events. They seek personalised shopping experiences, transparency, and convenience. Globally, retailers are investing in technologies such as AI-driven personalisation and seamless omnichannel shopping to meet rising demands. Sustainability and ethical considerations have become important factors in purchasing decisions, pushing retailers to adopt more responsible practices in their sales strategies.

Several countries around the globe have also introduced regulations aimed at curbing excessive discounting during sales events, including Spain. Government efforts to regulate sales are motivated by concerns over the impact of deep discounts on small

businesses, as well as the overall health of the retail sector following a challenging few years. These regulations mandate specific periods during which sales can occur and limit the duration of each sale. While they seek to strike a balance between consumer interests and the sustainability of the retail market, they also highlight the need for adaptability in the face of changing market dynamics.

As the nature of sales continues to evolve, merchants must remain agile with their strategies. Getting it wrong can lower the perceived value and quality of a merchant's brand and attract conditional shoppers, instead of loyal customers who will come back time and time again.

In essence, perfecting the art of sales demands a nuanced approach that extends beyond the realm of simple price discounts, requiring retailers to adapt and innovate to meet the evolving needs and expectations of today's discerning consumers.





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02

Adding maximum value
in discount periods

To add greater value to customers in discount periods, retailers should select from a variety of strategies. However, with any aspect of retailing, it's important to remember that what's worked for some may not work for others.

Retailers have an arsenal of strategies at their disposal to enrich the shopping experience during discount periods. These strategies range from enticing first-time customers with exclusive discounts to fostering long-term faithfulness through customer loyalty programs. Additionally, some retailers choose to forge alliances with peer businesses or influential figures in the industry, creating collaborative discount partnerships that amplify the value proposition for shoppers.

However, amidst these innovative approaches, merchants must remain acutely aware of a persistent challenge - namely cart abandonment rates - which tend to surge during peak calendar moments. According to research from Baymard Institute, the average online shopping cart abandonment rate throughout the year stands at [70%](#). SalesCycle, however, found that cart abandonment for Black Friday in 2021 stood at [77%](#). As for Cyber Monday 2021, the rate was even higher at 80%.

In 2023, it's more important than ever that retailers ensure customers have nothing between them and hitting that 'pay now' button.

Retailers must not underestimate the significance of perfecting the payments process in reducing cart abandonment. It is not just about offering a variety of payment options but also about ensuring the security, efficiency, and user-friendliness of the

entire transaction. A reliable payments provider can offer valuable insights and solutions to streamline this critical aspect of the shopping experience, reducing friction and increasing the likelihood of successful conversions.





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03

Six steps to maximising
sales



#1: Offer a diverse range of payment methods

- With payments technology evolving at pace, merchants must ensure that they offer the right payment methods to customers.
- Being able to offer a variety of methods – such as PayPal, Apple Pay and Google Pay, as well as various credit card providers, which customers are familiar with and trust – will help increase conversions and allow them to complete their purchase quickly.
- Partnering with trusted payments providers empowers customers to pay quickly and securely, while using a brand that is globally recognised and trusted is one of the factors that helps to close sales.

• #2: Optimise the payments gateway

- Slow and unreliable payment can lead to customers abandoning their shopping almost immediately when presented with the problem, especially in a mobile environment.
- If a payment gateway is constantly experiencing down time, lacks scalability and neglects their customer service then it is time for change.
- A payment gateway should have as little downtime as is possible, with round-the-clock customer service to help you get back on track if anything does go wrong.



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Six steps to maximising
sales



#3: Personalise the payments journey

- It's reported that **84%** of customers believe that being treated like a person, not a number, is important when winning and retaining business.
- Deepening customer engagement by leveraging data-driven payment solutions is key to helping businesses learn more about their customers and provide a checkout experience which has the highest chance of success.
- When leveraged with other data sources, payment data can help merchants develop a 360-degree view of their customers.

#4: Emphasise security and Trust

- Security and trust are paramount when handling payments. There are numerous ways you can build trust in your payments process during peak retail moments. These include, but are not limited to:
 - Ensuring that your website employs Secure Sockets Layer (SSL) encryption to protect sensitive customer data during transmission. This is symbolised by a padlock icon in the browser's address bar.
 - Displaying recognised security and trust badges on your payment page. Trust seals from reputable security companies and payment providers convey the message that your website is secure.
 - Clearly communicating your privacy policy, including how customer data is handled and protected. Transparency in data handling fosters trust.
 - Using a secure and trusted payment gateway that complies with Payment Card Industry Data Security Standard (PCI DSS) requirements. This will reassure customers that their payment information is handled with the utmost care.

#5: Optimise payments for mobile

- Mobile optimisation is especially critical for payments during discount periods, as many customers prefer to complete their purchases using smartphones.
- For example, by 2025, mobile commerce sales in Latin America are forecast to reach **\$107 billion**.
- To fully meet their needs, ensure that payment pages are responsive and mobile-friendly. A well-optimised payment page will automatically adjust to fit smaller screens, making it easy for customers to enter payment information and complete transactions.
- As with our first tip, highlight mobile payment methods, such as Apple Pay or Google Pay, that are popular among mobile users. Make it easy for customers to use these convenient payment options during checkout.
- Finally, seek ways to simplify the mobile checkout process by minimising the number of steps required. Mobile users will always value a straightforward and efficient payment process, especially during high-demand discount periods.

#6: Upgrade customer support for payment issues

- **1 in every 3** shoppers return what they buy in sales events such as Black Friday, with roughly 30 million unwanted goods being sent back to stores in 2022 alone. This is a staggering number, and merchants must ensure that their payments processes are prepared.
- In case of returns or order cancellations, elevated customer support function can facilitate the refund process, ensuring that customers receive their funds promptly. Clear communication regarding refund timelines can prevent disputes.
- The best payments service providers will offer automated refund processing systems that can quickly process refund requests and initiate the reimbursement. Automation reduces the risk of errors and expedites the refund timeline, helping to offer customers a streamlined shopping experience.



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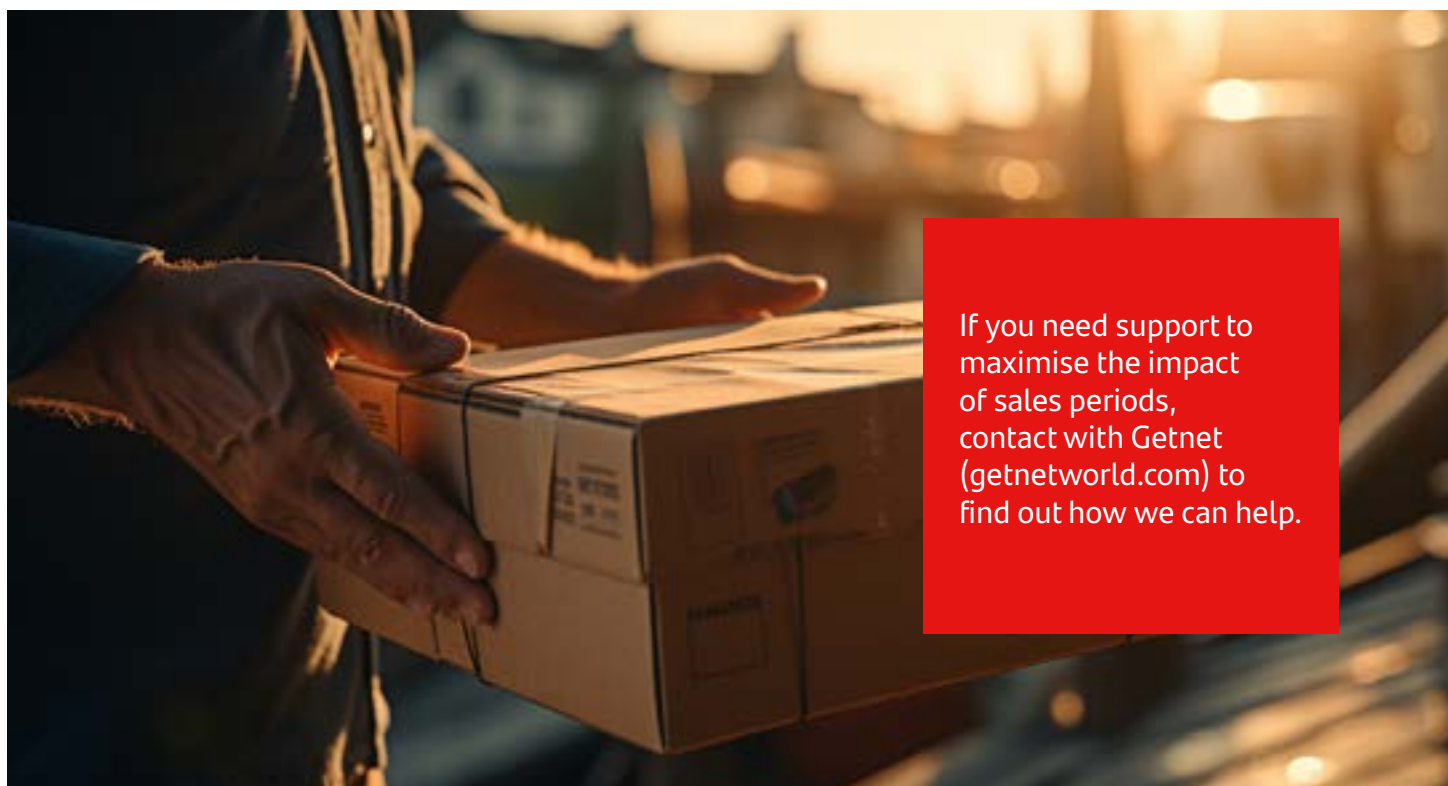
04

Capturing the evolving
dynamic of sales

In the dynamic realm of retail, discounts are powerful tools that attract new customers, reward loyalty, and drive inventory turnover. However, their success hinges not only on enticing price reductions but also on perfecting the payments process.

Seamlessly integrating a well-crafted payments strategy enhances the impact of sales and minimises friction, reducing the risk of cart abandonment.

By embracing this dual approach, merchants can foster lasting customer relationships and fuel their growth in an ever-evolving marketplace.



If you need support to
maximise the impact
of sales periods,
contact with Getnet
(getnetworld.com) to
find out how we can help.

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