

# **Altman Dedicated Direct**

## **STRATEGY... TACTICS... RESULTS**

Column: **"After the Phone Rings ..."**

Month: **September 2005**

Topic: **Making the Most of Holiday Gift Sales**

Perhaps you don't consider holiday gift sales a major contributor to your bottom line, but think twice before you miss out on the holiday "buying frenzy". With a little creativity, most items can be offered as gifts.

Your customer is likely to share interests with family and friends. For example, if your customer is a golfer, he probably has other golfers on his gift list. When new buyers call or visit your web site to place their order, remind them that your product makes a great gift and make a compelling offer. A discount on the second purchase is popular, but also consider appealing to their self-interest by offering a bonus gift that your customer will want for themselves. Combining a great price PLUS a gift will surely grab attention.

Send a mailing or email reminding past buyers that they can share their enthusiasm for your product with friends or family. Similar offers (discounts and gifts for self interest) that are effective with new customers usually appeal to existing customers as well.

Are your products higher priced than the average gift-giver is willing to spend? Either create smaller, less expensive versions of your product (e.g. trial sizes or a portion of the front-end offering) or consider offering gift certificates.

In 2004, gift certificates were the number one item purchased online during the holiday season. Gift certificates can be created to fit every budget, allowing universal appeal. Some issues to consider when offering gift certificates:

- Assigning specific denominations (e.g. \$25, \$50, \$100) to gift certificates rather than letting buyers name their amount is simpler for both you and your customer.
- Will you offer both paper and e-gift certificates?
- Plan for controlling redemption and ensuring each certificate is only redeemed once. Sequentially numbering certificates and developing a spreadsheet log can work for smaller businesses; larger firms will need an automated tracking solution.
- Allow redemption by phone, mail and web. Restricting redemption to mailing in certificates will annoy recipients.
- Will you require that recipients redeem the entire certificate at once? If so, note this on the certificate.
- For accounting purposes, state an expiry date on gift certificates. Unused certificates could sit on your books for years otherwise. Note: 20% of retail gift certificates are never used!
- Make sure to send a catalog or brochure of items with the certificate, or a link to your web site with the e-gift certificate so the recipient knows what they can buy!



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Evaluate your inventory stock situation. No one wants to purchase a gift that won't arrive in time for the holiday.

Additional areas to consider are gift-wrapping and expedited delivery services. Gift-wrapping is a nice add-on, but ensure your fulfillment center is prepared to handle this. Use generic holiday paper unless you allow customers a choice – no one wants a Chanukah gift to arrive with Christmas trees and Santa all over!

Expedited delivery availability is a must. Research what competitors charge and determine your costs including extra handling, then set your fees with those factors in mind. Remember that while someone who waits until the last minute to make their gift purchase is more desperate for the availability of rush shipping than the exact price, don't gouge the buyer or you will not be on their list for their next gift occasion.

With the right planning you can ensure you have the right products, offers and services in place to get your piece of the holiday gift giving pie.

Have a question? Email me: [SAltman@AltmanDedicatedDirect.com](mailto:SAltman@AltmanDedicatedDirect.com) Next month we'll consider critical factors to success with insert marketing.

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