Planning for peak

The mammoth retail event, Black Friday arrived on our shores some eight years ago.

The promise of never-before-seen, pre-Christmas discounts wreaked havoc in our streets, with supermarket stampedes and fisticuffs reminding us Brits as to why it had been called 'Black Friday' in the first place.

For the retailers, themselves, it quickly became apparent that the risks of Black Friday were not confined to gory clean-ups on aisle five. Indeed, the advent of Black Friday was fast considered as an unhealthy US import, which, like the fast food phenomenon, could prove similarly injurious to retailers' logistical arteries.

Dragging Christmas forwards had signified Black Friday as the third spike in a retailers' peak season traffic, beyond the December shopping and January sales. The result was a new, more massive peak season, heralding supplementary stress for retailers' infrastructures.

Unsurprisingly, there were difficulties. The websites of even tier one retailers failed to accommodate the increase in visits, and their systems struggled to juggle the millions of orders, products and suppliers.

The result was that thousands of unhappy customers turned to competitors instead, with a promise to never jeopardise their Christmastide celebrations like this again.

Eight years later the 'chaos' has subsided, and Black Friday has become a more natural part of our shopping landscape, with retailers appreciating the potential and opportunity.

Last year, online retailers enjoyed a £1.4 billion of sales, according to IMRG, with sales growth increasing by 11%, even though Black Friday took place earlier than usual, and before payday for most. John Lewis described the 2017 online promotional bonanza as "one of its most successful days". The department store chain said that it had its busiest ever single hour of online trading, while Argos said that more than two million people visited its website in the four hours after it launched its Black Friday deals.

This does not mean, however, that the risks have dissolved. More so than ever, peak season selling is increasingly becoming a digital operation, with last year in-store footfall dropping by 4.2% and with new ways of shopping coming out on top; 39% of ecommerce transactions were conducted via smartphone.

As a result, contemporary challenges continue to test the technical capabilities of retailers, namely the fast-evolving consumer demands and new ways of purchasing, which require a well-oiled and agile digital vehicle. During the peak season, the vehicle is tested more than ever.

As retailer giants like Amazon can guarantee mind-boggling product ranges, next day delivery and so-forth, with technology built to manage order volumes of this size – it's hard for traditional retailers to compete.

The apparent Achilles heel for retailers comprises of

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incumbent legacy systems, which were never built to manage the volume of a peak season orders. These systems are utterly incapable of keeping track of all the order data, inventory and stock, with little oversight of the supply chain and a lack of communication between the various, disparate networks.

Also, entangled noodle soups like these are unable to react fast enough to market trends, whether it be to onboard the latest Christmas-winning toys in a timely fashion, or to deliver the flexibility that consumers desire. For instance, during December we often see an uplift in high-value item purchasing like iPads, which customers would rather have delivered to a store rather than risk leaving on their doorstep. As a result, retailers who don't offer click-and-collect functionality might miss out on thousands of potential sales.

To help solve peak issues, but, avoid uprooting their entire infrastructure, retailers tend to throw money, people and spreadsheets at the problem as a temporary fix. The issue is that this in itself is costly and fails to address the root of the problem.

The peak season technical or logistical failures are often symptomatic of a deeply ingrained issue within many retailers' infrastructures, which will also be infecting other seasons and limiting potential.

But, how can retailers treat the source of the problem when planning for peak to ensure a smooth season, boost year-round revenue and drive customer satisfaction without incurring enormous costs?

The secret to success is simple and lies within a cloud-based platform that can provide full oversight of the entire supply chain data, from sourcing the product to delivering it at the consumer's door.

The game-changing technologies like these can provide businesses with total control over their supply chain, empowering retailers to deliver the right product, at the right time, to the right place, to the right person, every time. With extended range, click-and-collect, track-and-trace and next day delivery functionalities, the ideal platform should also be able to connect all of a retailer's systems and be able to work alongside the current infrastructure. This means that a retailer can get started in time for a peak season while avoiding building an in-house solution, which can often take several (expensive) years to develop – by which point the market has shifted again.

Full supply chain visibility will also help retailers exceed customer expectations perennially while providing an integrated and seamless online and offline experience.

So, while previously the peak season, sparked by Black Friday, might have been considered a catalyst for the so-called 'retail apocalypse', we see little reason for concern.

Indeed, those who re-evaluate their supply chain in time and digitise quickly will reap the rewards of the dynamic landscape and might even give thanks for those post-thanksgiving discount Turkeys that begat our swelling peak season some sixty years later in the UK.

For where there is a risk for some, there is an opportunity for others, and we see plenty here.

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