Moving Beyond the Post Holiday Blues

Having a slow start to the new year? Here are some ways to reflect, adjust, and build momentum that will set you up for success in the year ahead!

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Intro

The holiday season has passed, and many of us have locked in our resolutions and are excited to see how 2024 unfolds. Yet, many of us may be feeling some post high season fatigue while still needing to wrap up holiday to-dos and set up for success in the new year.

Don't worry - you're not alone in this! We've got some post-holiday recommendations that you can implement now, along with some ideas you can use for later so you can quickly recover from seasonal sleepiness and chart a path forward.

Take a moment for some housekeeping

The beginning of the calendar year is a great time to perform some maintenance and fine-tuning. It's crucial that you analyze Affirm's performance over the last few months:

- As you're closing your books after the busy holiday season, consider setting your settlement report delivery to autopilot by scheduling them to deliver to your inbox daily. This unlocks greater visibility into money flows and even easier reconciliation.

  You can view your settlement report delivery options **here**.

  Once you're receiving the settlement reports, you can learn how to interpret them with **this article** while leveraging some best practices **here**.

- Reach out to some customers who bought items using Affirm and get their feedback. How effective were your education and marketing efforts when it came to Affirm? What kind of questions did your efforts incur amongst your customers? What was their overall sentiment on the customer journey/flow? Would they be more likely to buy using Affirm again? Digging up insights here can help you improve how everyone (both your business/employees and your customers) interacts with Affirm.

- Depending on how your books look, you can explore changing up your financing plan to something that better scales with how frequently your customers are using Affirm as a payment method. Trying a different financing plan could help improve your Average Order Volume or Gross Merchandise Value.

For example: If you are on a legacy plan that only offers monthly installments at a fixed APR rate, check to see if you are eligible to upgrade to an Adaptive Checkout plan (which offers both Pay-in-4 and monthly installment payment options to your customers) starting at 0% APR. Occasionally, Affirm will notify you of promotional opportunities - take advantage of those!

Maintain Your momentum with a post-holiday sale

According to Adobe Analytics*, American consumers spent a record-setting $222.1 billion during the latest holiday season (November 1st - December 31st, 2023), with a 14% increase in BNPL services usage (accounting for $16.6 billion in sales) when compared to the previous year. Historically, consumer spending slows down in January as shoppers are recovering from their holiday spending. Leveraging Affirm during this time can help push back against this slowdown. 

Use January to debrief on your holiday sales performance by evaluating how effective your marketing was, which products and services made the best sales, and what types of offers and deals resulted in higher conversion. Then, use what you learned to maintain your momentum by launching a post-holiday sale which offers enticing deals that are on par, if not better, than what you were offering over the holidays if they select Affirm as a payment option at checkout. On the next page are things to keep in mind or strategies you can use for this campaign:

***Note:**

BNPL payments drove $75 billion in on-line spend in 2023, $9.4 billion more than 2022 **Source: Adobe Analytics**

- **Announce the Sale, Get Into the Numbers** - It’s important to differentiate this sale from what you just had over the holidays, and to highlight a few ALA (As Low As) pricing examples when using Affirm to complete the purchase. If you didn't qualify to offer your customers as low as 0% APR with Affirm during the holidays, you can try to qualify for it again to offer for this or future campaigns. Don't wait too long into the year to launch this promotion and be clear on the start and end dates!

- **Showcase Specific Last Chance Inventory / Final Sale Items** - After identifying a few best sellers during your evaluation, you can easily extend their sale period to the end of January (and perhaps beyond) and offer buy-one-get-one-free / bulk buy discounts if necessary. If you have excess inventory of something that didn't sell as well, you can offer them at clearance prices (especially if they were bigger ticket items - ALA pricing examples here can convey an amazing deal) if they use Affirm to complete the purchase.

  One way to position this to your customers is that they treat themselves to something after spending the holiday season caring for and gifting others.

- **Modify Your Returns / Exchanges Communications** - You may see an increase of returns and exchanges from your holiday sales coming in. This could be a good opportunity to make modifications to any of those automated communications (and train your customer service team if you have one) to promote your new sale and offer a potentially more suitable alternative to those whose initial purchase or gift didn't quite work out.

- **Remarket Abandoned Cart Emails** - While you likely attracted many new customers to your business over the holiday season, you may have still found some that abandoned their cart. Capture a list of those who received your abandoned cart emails and launch a re-engagement campaign targeting them, offering those customers favorable discount codes if they use Affirm to complete their purchase. Providing language that shows ALA pricing can further entice them to finish what they started.

By having a post holiday sale that focuses on great offers and terms when using Affirm, you'll be able to generate additional sales during the slower months while offsetting the ones lost or diluted by returns and exchanges. You may also gain specific insight on how BNPL-tailored sales perform vs traditional sales.

Looking Forward: Committing to a Sales Calendar

Plan ahead for upcoming holidays (be sure to have “as low as” messaging on your site, consider a limited time 0% APR promotional offering for upcoming holidays).

Beyond Black Friday/Cyber Monday and the beginning of the New Year, there are many opportunities for you to structure your future promotions so you can maintain your momentum throughout the year. Below is a list of significant US holidays:

- MLK Day
- Valentine’s
- St. Patrick’s
- Easter
- Mother’s Day
- Memorial Day
- Father’s Day
- 4th of July
- Back to School
- Labor Day
- Halloween

It’s important to start thinking about these sales opportunities in advance by developing multi pronged campaigns with payment flexibility in mind. This can translate into providing continuing education on BNPL in your promotional campaigns and including real-life examples with actual numbers to increase customer confidence, conducting some A/B testing by segmenting and targeting some customer types with BNPL-specific deals and some without, or by adding a BNPL re engagement step towards the end of your overall sales campaign.

Here’s an example: For Valentine’s Day, make sure to have “As Low As” (ALA) on your eCommerce site, and consider offering a limited time 0% APR promotion. Launching promotional opportunities on specific channels, like your social media accounts, allows you to experiment with the campaign’s efficacy.

By the next holiday season, you can have the insights and experience to really calibrate and maximize Affirm’s effectiveness for your business.

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