

YOUR HOLIDAY CHECKLIST

Stay vigilant against retail fraud, theft, and returns this holiday season.

HOLIDAY TIP #1

Protect your profits from haunting losses by ghosts and goblins!

Keep yourself protected this holiday season by regularly reviewing line voids, refunds, and seasonal employee discounts every 30 to 90 days. As a bonus tip, keep an eye on employee purchases and tally unique payment cards to estimate the number of employees benefiting from discounts.

Retail shrink rose to 1.6% from 1.4%,

MAINLY DUE TO INTERNAL AND EXTERNAL THEFT IN 2022

Source 2023 National Retail Security Survey

HOLIDAY TIP #2

Don't let the Halloween candy returns haunt you!

Get ready for post-Halloween returns of unused candy or "rented" party decorations by handling them smartly to minimize losses and product risks. Implement fine tunable return models to match your holiday needs, which could include making changes to return windows.

Returns reached \$816 billion

IN 2022

2022 Consumer Returns in the Retail Industry Report

HOLIDAY TIP #3

Drive sales and reduce complaints.

Boost sales and minimize last-minute holiday shopping issues by encouraging early shopping. This leads to fewer calls to your customer service center and greater vigilance against fraud!

CONSUMERS SPENT A RECORD

\$9.2 billion Black Friday 2022

Adobe Analytics

HOLIDAY TIP #4

'Tis the season for order claims and appeasements.

Retailers spent nearly 4.2 billion dollars last year on fraudulent and abusive order claims and appeasements. It's essential to stay vigilant this holiday season and implement anti-fraud measures. Verify that your fraud detection tools effectively link transaction identifiers across both online and in-store orders to expose consumers trying to conceal their identities.

LAST YEAR, RETAILERS SPENT NEARLY

\$4.2 billion on fraudulent order claims and appeasements

Order Claims & Appeasements: A Growing Source of Ecommerce Fraud

HOLIDAY TIP #5

Thanksgiving readiness—a reason to give thanks.

Ready for Thanksgiving weekend? Ensure all your stores are ready for the holidays by implementing a dashboard to track high-demand items, sales, returns, and discounts. Keep a close watch on your stock levels to minimize lost sales and excessive returns on Thanksgiving weekend.

IN 2022, BLACK FRIDAY DREW A RECORD

72.9 million in-store shoppers, a 15% YoY increase

Adobe Analytics

HOLIDAY TIP #6

Black Friday vigilance! Stay alert to safeguard profits on your busiest shopping day.

Black Friday is a day for discounts, but not all are legitimate. The year's most significant shopping day can also bring risks.

THINGS TO LOOK OUT FOR TO ENSURE YOUR PROFITS STAY SAFE

- Employee collusion, with excessive discounts to customers.
- Products receiving larger discounts than advertised.
- Monitor employee sales of limited-quantity items.

Retail shrink added up to \$112 billion

FOR U.S. RETAILERS IN 2022

2023 National Retail Security Survey

HOLIDAY TIP #7

Get ready for even more claims and appeasements.

As we get closer to December 25th, with around 10% potentially a rise in claims and appeasements, December 25th, potentially a rise in fraudulent. Differentiating legitimate claims in the holiday rush can be tough.

HERE'S WHAT TO DO

- Employ an AI-driven solution to spot suspicious patterns like excessive returns or abuse, safeguarding your profits.
- Fine tune your return models to match your holiday-specific requirements, ensuring accurate, adaptable, and consistent decisions in a dynamic market.

10% of order claims are likely fraudulent

COSTING YOU MILLIONS EACH YEAR

Order Claims & Appeasements: A Growing Source of Ecommerce Fraud

HOLIDAY TIP #8

Planning for post-holiday returns.

As the holiday season wraps up, it's crucial to consider how returns can impact your profits, operations, and customer relationships. Explore strategies to efficiently handle returns and transform them into opportunities for enhanced customer satisfaction and overall business success.

SOME KEY STRATEGIES

- Clear Return Policies
- Extended Return Deadlines
- Streamlined Return Process
- Data Analysis: Uncover trends for returns with tailored solutions

2022 POST-CHRISTMAS RETURNS SURGED,

with 16% of orders returned in the six days following Christmas—an increase of 5% YoY

SalesForce

HOLIDAY TIP #9

Guarding against post-holiday returns and gift card fraud.

Elevated returns open the door to increased return fraud and abuse, increasing potential losses. Be ready for post-holiday returns and the potential rise in gift card fraud in January. Gift cards can boost ecommerce sales but also present a risk of more claims and online return fraud.

WHAT TO DO

- Review gift card procedures to catch and address minor problems early.
- Be watchful for employees using multiple gift cards in transactions.
- Monitor gift card activations significantly exceeding transaction amounts.
- Coach seasonal employees on common cash-back schemes that tend to happen during busy store hours.
- Think about setting return thresholds as percentages not fixed amounts, especially in smaller stores, to detect theft more effectively.

10% of online orders were returned each week

FROM NOVEMBER 2022 TO MID-JANUARY 2023

eMarketer

HOLIDAY TIP #10

Turn holiday returns into an advertising opportunity.

Did you know that 85% of customers who receive refunds leave the store without making additional purchases? Don't let them take their money elsewhere. Boost your gross margin and enhance customer loyalty by offering targeted incentives to those who are already in your stores or on your websites processing returns.

85% of customers receiving refunds

LEAVE WITHOUT MAKING ADDITIONAL PURCHASES, TAKING THEIR MONEY ELSEWHERE

Returns Are a Powerful Engagement Opportunity—One You Can't Ignore

