

6 tips on how businesses can maximise Black November

At this point, the mere mention of "Black November" conjures images of a shopping extravaganza brimming with substantial savings for consumers. Over time, the emphasis on incredible deals, great bargains, and the occasional steal has only grown, placing businesses under pressure to either dive into the November shopping frenzy or potentially miss out on sales.



Photo by Any Lane via www.pexels.com

However, Miguel Da Silva, the managing executive at Retail Capital, highlights that for many businesses, Black November can be a challenging period to navigate due to the strain it imposes on resources and cash flow.

"Obviously, businesses want to be fully stocked and ready to meet the November demand. But, the deep discounts that customers expect can put a dent in working capital and profit margins. Added to this, the potential need for additional staffing to keep up with sales and ensure a top-notch customer experience places more strain on cash flow," says Da Silva.

Nevertheless, as Da Silva underscores, opting out of Black November could jeopardise potential revenue. "November witnesses a surge in shopping activity as consumers aim to capitalise on discounts and increasingly get a head start on their December festive shopping, while prices are at their lowest. While December remains a significant sales month, the increasing prominence of Black November is gradually encroaching on this traditional heavy sales period."

With these challenges in mind, how can business owners manage potential cash flow issues during this period? Da Silva offers several valuable tips:

1. Negotiate with your suppliers

Consider negotiating for better prices on essential items needed to run your business. These negotiations can be based on bulk purchases or upfront payments. Discuss the possibility of extending payment terms, particularly through November, December, and the traditionally slow January. Strong and long-standing supplier relationships can be beneficial in these negotiations.

It may also be worthwhile to ask your suppliers about any Black November discounts they plan to offer. If these discounts

align with the products you need, consider discussing how you can stock up early at a favourable price.

2. Be strategic with Black November sales

If your customers expect discounts, strategically apply them to products that have been slow-moving. Evaluate the profit margins on your big-ticket items and determine if you can afford to offer discounts on them. Cross-selling during Black November is crucial, ensuring that non-discounted items accompany the discounted goods to offset reductions in profit margins.

While customers may anticipate substantial discounts, you can incorporate other ways to boost sales. Is there stock that's not selling well? Consider offering it as a 'free gift' to incentivise sales above a specific spend. Also, assess the possibility of offering free shipping during November - taking away the threat of cart abandonment because of additional shipping costs, can make all the difference.

Avoid the old trick of raising prices before offering "massive discounts" as customers have become savvy to this tactic, and it erodes trust, potentially driving customers to competitors.



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3. Invoice early and follow Up

If you are concerned about cash flow during the festive period, ensure that your invoicing is completed early and diligently follow up with clients for payment. Regularly tracking invoices may be time-consuming, but it can be a lifesaver during this period. Dedicate time each business day to follow-up efforts to keep your bank account in the black.

4. Payment methods

Make it easy for clients to pay by offering a variety of payment methods, including online platforms, POS devices, and smartphone apps. While cash remains important, convenience is now a close contender.



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5. Analyse your financials

Examine your financial records for trends and patterns from previous years. Identify effective sales tactics and areas where you faced challenges. Determine if cash flow issues occurred at the end of November or at the end of January following the holiday season. Consider consulting with an accountant to gain insights and discuss potential implications and opportunities.

6. Explore business funding

If you believe that Black November offers a prime opportunity to capitalise on consumer spending, consider business funding to maximise the opportunity. Unlike traditional financing options, funding from alternative funders is unrestricted and does not require collateral, resulting in a shorter timeframe from the initial application to cash in your account.

"Black November can be an opportunity for businesses to shine, not only in terms of sales but also in terms of understanding their business better and delivering real value to customers," says Da Silva.

"To make the most of it, business owners must ensure that their business is poised to take advantage of sales opportunities during this period and ensure they are in a strong position thereafter. Short-term business funding is a proven way to achieve this," Da Silva concludes.

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