

How Hickory Farms Is Prepping for the Holiday Season

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Andrew Lipsman

An interview with:
Judy Ransford

CMO
Hickory Farms

Despite the push to drive holiday shoppers to ecommerce, Hickory Farms still sees a big part of their seasonal sales through brick and mortar. Judy Ransford, CMO of the Chicago-based specialty food company spoke with eMarketer's Andrew Lipsman about their holiday outlook for both online and offline.

eMarketer:

We expect 2018 holiday ecommerce sales to grow at a strong 16.2%, representing 12.5% of total retail sales this season. We also estimate steady growth (2.6%) from brick-and-mortar stores. What's your outlook for the 2018 holiday season?

Judy Ransford:

We're looking for growth this holiday season. Right now, we're in the midst of implementing a growth strategy—we're introducing many more new products this holiday season than we have in the past, and increasing marketing investment. We also expect a continued shift to ecommerce and mobile, we're leaning into that and we've increased investment to drive growth.

eMarketer:

You see a high percentage of your brand's sales during the holiday season. How does that break down between online and offline?

Judy Ransford:

We operate brick and mortar retail outlets and malls during the holiday season—that's a big part of our business. But we're still seeing more customers engaging with us both online and brick and mortar.

During the holiday season, our brick and mortar does about 2x the sales volume compared to our ecommerce business. By and large, brick and mortar has been growing across the last several seasons, but a much more modest low single-digit growth. In contrast, the ecommerce business is growing at a much higher growth rate.

eMarketer:

One of the interesting dynamics for the 2018 holiday season is the maximum numbers of days—32—between Thanksgiving and Christmas. Does this extended calendar have any impact on the shape of the holiday season spending for Hickory Farms?

Judy Ransford:

The most relevant time on the calendar for Hickory Farms is the number of shipping days in December. Because we're a food gifting brand, our season comes later, and every year it seems it's coming later and later. Thanksgiving starting earlier this year is not nearly as significant as the last couple of weeks before Christmas for our business.

eMarketer:

Have you found that consumers are getting more confident with delivery—in time for Christmas—later into the season?

Judy Ransford:

Absolutely. It moves later and later. The impact of what Amazon has done with their distribution network is setting the standard for consumers. They're comfortable that their order is going to get there in one or two days, which really creates a big challenge, because obviously all the distribution networks whether it's UPS or third-party shippers are just super burdened at that time. There's a major scramble for that scarce shipping capacity. Consumers' expectations aren't necessarily aligned with what's available in terms of total shipping capacity in those last few days before Christmas.

eMarketer:

How do you think about cross-channel promotional activities? Do you look to create synergies between them or do you treat them as independent marketing channels?

Judy Ransford:

One of our core focuses is moving people's shopping forward on the calendar. We've been doing a lot with that in terms of really treating the Thanksgiving season almost as an independent season from the Christmas season to get people to start thinking of the brand earlier.

This year, we're running a big new product campaign in October. We're going to have over 100 new products in the line for Q4. We'll also do a lot of promotion for our buy now, ship later feature in ecommerce. A customer can place their order in October and can select a delivery date for Thanksgiving or for Christmas. These things help to move that calendar forward.

In terms of integration across channels, we created an integrated marketing team with one marketing director that manages all our direct mail and all our digital marketing last year. And that really is geared toward coordinating across all those touchpoints.

Catalog is still a really important channel for our marketing mix, but we're doing a lot more in terms of making sure that when we've got a list of consumers that are going to see a catalog in a particular week, that we're also trying to touch them with similar imagery and messaging across social advertising and email—to create that full stereo surround sound presence for them across all of our channels, whether it's direct response, catalogs or digital.

eMarketer:

Which digital marketing tactics would you single out as being the most critical or having the highest ROI?

Judy Ransford:

I don't think we're terribly different from most businesses in our highest converting vehicles. At the end of the day, it's email and it's retargeting. And retargeting, specifically on social platforms, delivers high conversions for us.

Those tactics are set up by how we leverage the time in October and November when people might not be quite ready to make their purchase yet. We use that time to focus on growing our email list, knowing that that's our highest converting touchpoint. We also do higher-level advertising so that we can do retargeting on digital later in the season. There's a limited scale with retargeting because you're going after people who have already reached a certain point in the customer journey. The focus for us is more about how do you grow the population of people who qualify for that retargeting ad.

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