

Profitability Playbook







Peak season is here.

But imagine this Q4 playing out differently than last year.

You're calmly reviewing profits each morning, knowing which products drive margins.

Operations run smoothly.

When competitors slash prices, you hold steady.

Your team handles the holiday rush with ease.

This isn't wishful thinking.

It's what happens when you approach peak season with the right strategy.



This playbook gives you the frameworks and tools you need to protect your margins when it matters most, helping you close the season with record profits.



What we'll cover

▲ Chapter 1: The hidden profit killers of peak season

Recognise the warning signs that can eat into your profits.

Chapter 2: Your profitability framework

The CALM method: How to make the right decisions under pressure.

Chapter 3: Operational efficiency strategies that protect profit

How to manage your inventory, streamline your fulfilment process, and the repetitive tasks to automate.

Chapter 4: Pricing strategies that preserve margins

3 clear pricing strategies you can use now, before the chaos of peak.

☑ Chapter 5: Technology and tools for profit protection

Essential profit-tracking capabilities: Real-time margin calculations, multi-channel profit comparison, and product-level profitability analysis.

Ochapter 6: Your peak season profit protection checklist

Putting it into practice: Financial and operational preparation lists, technology setup requirements, and your weekly profit protection routine.

Chapter 7: Advanced profit optimisation strategies

When to choose FBA vs. FBM, pricing psychology, negotiating payment terms, and customer lifetime value optimisation.

Chapter 8: Planning for post-peak profitability

Essential analysis to find opportunities for improvement.





01

The hidden profit killers of peak season



Peak season margins disappear in predictable ways. Recognise these warning signs before they drain your bottom line:



Panic pricing

Under pressure to compete, sellers slash prices without calculating the true impact. For instance, a 20% discount might eliminate your entire profit margin once you factor in fees and costs.



Shipping cost creep

Express shipping, oversized packages, and rushed fulfilment decisions can double your shipping costs overnight. What started as a £3 shipping expense becomes £8, wiping out £5 in profit per order.



Inventory miscalculations

Overstocking ties up cash in slow-moving products. Understocking forces expensive rush orders that destroy margins for months.



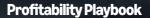
Hidden fee surprises

Peak season brings storage fees, long-term storage penalties, and increased marketplace fees that many sellers forget to factor into their pricing.



Efficiency breakdown

When operations get chaotic, everything costs more. Picking errors, shipping mistakes, and customer service issues create hidden costs that compound quickly.



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02

Your profitability framework



The CALM method: Decision-making under pressure

We've talked about the margin killers. Now here's a framework to follow to make profit-protecting decisions when orders are flying and deadlines loom.



Calculate true costs

Before any pricing decision, know your real costs including fees, shipping, returns, and seasonal adjustments. <u>Veeqo Profit</u>
Analyzer allows you to calculate the true cost per SKU.



Analyse alternatives

We recommend having 3 options. The cheapest, the fastest, and the most profitable rarely align.



Limit emotional decisions

Set profit margin minimums before peak season starts. When pressure builds, stick to your limits.



Monitor continuously

Check margins weekly, not monthly. Peak season moves too fast for delayed course corrections.

Turn these profit killers into relics of peak seasons past. The strategies ahead show you how.



Essential metrics to track daily

Monitor these numbers to catch profit leaks early:



Gross margin per channel

Margins may fluctuate or be structured differently across channels during peak season, so be sure to track them separately.



Average shipping cost per order

A good rule of thumb is to set alerts when this exceeds your budget by 20%.



Return rate by product category

Identify problem products before they drain profits.



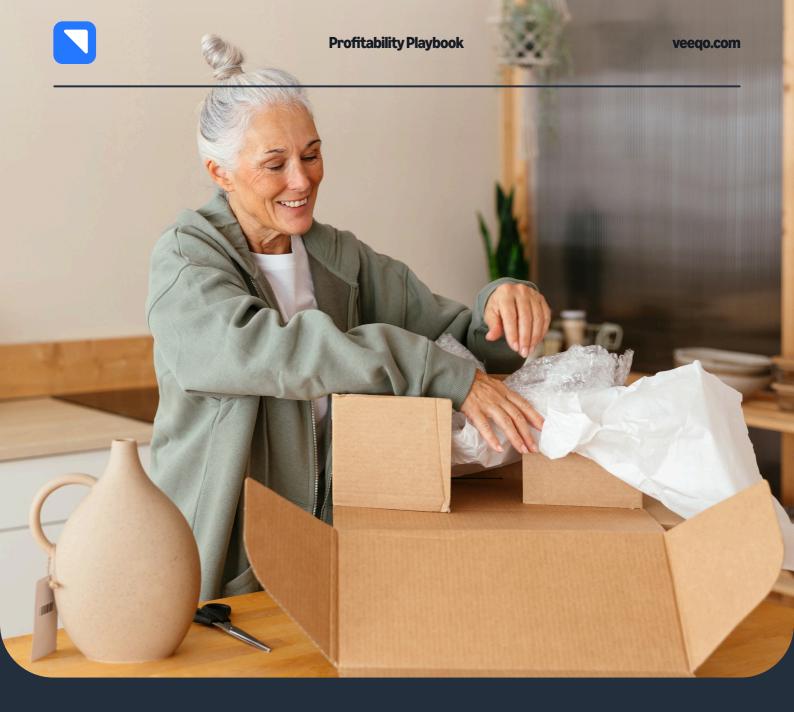
Total landed cost

This is the complete cost to get a product from the supplier to your warehouse, ready for sale. Includes storage fees, advertising spend, and seasonal labour costs.



Top Tip:

Keeping an eye on these metrics does the hard work for you, giving you time for some deep breaths—and maybe even a tea break.



03

Operational efficiency strategies that protect profit



When peak season hits, it's easy to fall into the trap of expensive quick fixes.

- Rush orders because you're running low on stock.
- Premium shipping to meet customer expectations.
- · Overtime costs because your team is scrambling.

You can avoid most of these profit-draining shortcuts by building smart systems before the chaos starts.

Smart inventory management

- **Focus your inventory investment:** Use the Pareto Principle 80% of your investment should be on the 20% of products that drive real profit, not just revenue.
- **Build buffer intelligently:** Stock up on inventory for your top profit drivers we recommend 1.5x your normal volume. For everything else, stick to normal levels to avoid storage fees.
- **Use data, not gut feelings:** Track daily sell-through rates and adjust reorder points based on actual demand.





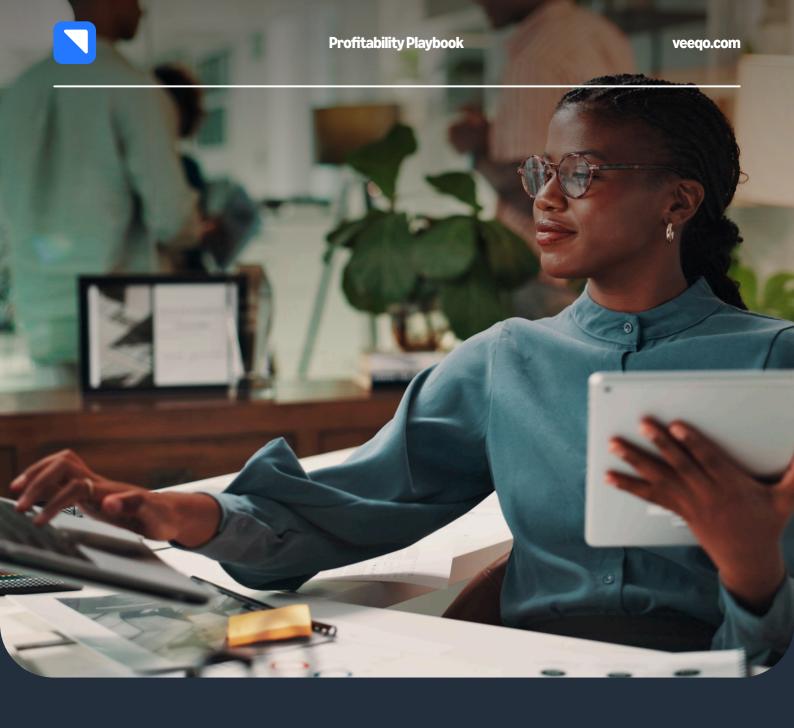
Streamline your fulfilment process

- Standardise packaging sizes: We recommend limiting yourself to 3-5 box sizes to reduce dimensional weight fees and simplify operations.
- Lock in peak season rates with carriers before volume spikes to avoid paying premium rates all season.
- Make your credit card work for you and purchase labels via credit card to get cash back or use a multichannel integrator's prenegotiated labels.



Automate repetitive tasks

- Set order routing rules: Automatically route orders to the most cost-effective fulfilment location based on shipping zones and inventory levels.
- Automate inventory alerts: Set up notifications when stock levels hit reorder points, so you're not making panic purchases at premium prices.
- Streamline returns processing: Research shows that product returns cost UK businesses £121M between 2021-2023. Automated returns processing reduces labour costs and gets inventory back into sellable condition faster.



04

Pricing strategies that preserve margins



Pricing during peak season feels like walking a tightrope.

Cut prices too much and you'll win sales but lose money. Price too high and you might miss out on your biggest revenue opportunity of the year.

What you need is a clear pricing strategy before the pressure builds.



The profit-first pricing approach

- **Determine your minimum acceptable profit margin** before you price anything. During peak season, this becomes your non-negotiable floor.
- One source recommends setting aside 15% of your total labour budget as a reserve for unplanned staffing needs.
- **Price by total profitability, not unit margins:** A product with 15% margin that sells 100 units can be more profitable than a 25% margin product that sells 20 units.



Smart promotional strategies

- **Use promotions strategically:** Clear products that tie up cash, not your best sellers that already move quickly.
- Consider bundling to maintain margins: Instead of cutting prices 20%, bundled products let you increase average order value while maintaining better margins.
- **Time-limited offers > Deep discounts:** A "24-hour flash sale" can drive urgency without training customers to expect constant discounts.





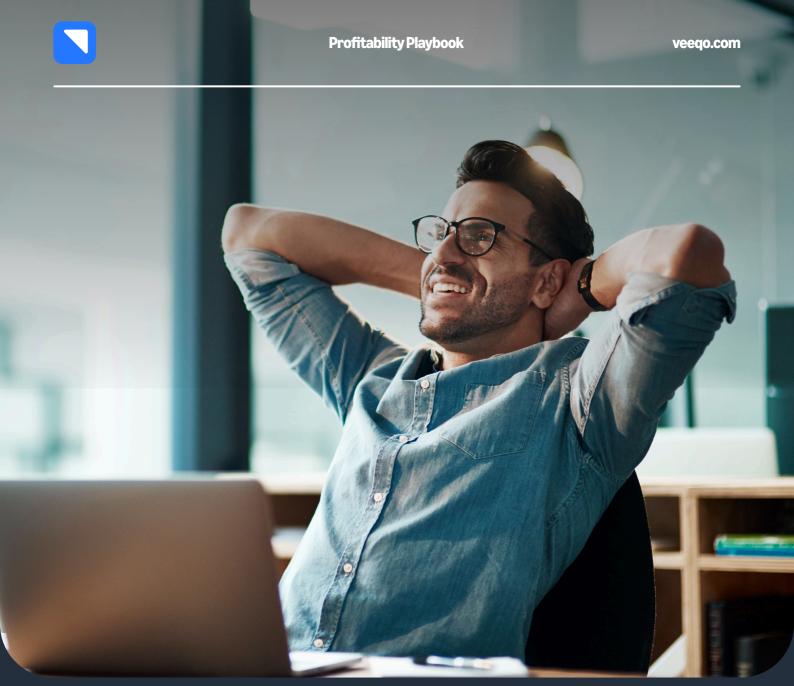
Dynamic pricing for peak season

- Monitor competitor pricing: Peak season pricing changes fast. Set up automated monitoring to stay competitive without sacrificing margins.
- Adjust based on inventory velocity: When stock is low, gradually increase prices. When inventory is high, focus on volume over margin.
- Factor shipping costs into your price: Free shipping with higher product prices often converts better than separate shipping charges, even when the total is the same.



† Top Tip:

Smart pricing strategies only work when you have the right data to make decisions quickly. That's where the right technology becomes your competitive advantage. More on that in the next chapter.



05

Technology and tools for profit protection



You can't protect what you can't see

During peak season, when costs shift daily and margins fluctuate by the hour, flying blind is risky and expensive. The right tools give you the visibility you need to make smart decisions fast.

Here are the essential profit tracking capabilities you need to monitor and analyse your financial performance effectively.



Real-time margin calculations

You need to see profit margins that include all fees, shipping costs, and advertising spend, updated in real-time as costs change.



Multichannel profit comparison

Understand which sales channels deliver the best net profits after all fees and costs are factored in.



Product-level profitability analysis

Identify which products are actually driving profits versus just revenue during peak season.



Enter Veeqo Profit Analyzer

<u>Veeqo Profit Analyzer</u> unifies sales data from Amazon FBA, Amazon FBM, eBay, Shopify and more, giving you a complete picture of profits across your entire business.



Make data-driven decisions faster

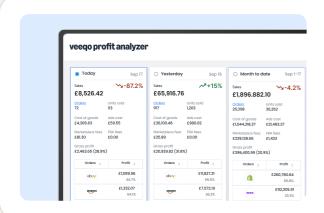
Instead of spending hours in spreadsheets, get instant insights into which products, channels, and strategies are actually profitable.

• Key features that protect peak season profits:

- Real-time profit calculations including all fees and costs.
- Product-level profitability analysis across all channels.
- Ad spend ROI tracking to optimise marketing budgets.
- Historical trending to identify seasonal profit patterns.
- Automated alerts when margins drop below set thresholds.



Profit Analyzer advantages

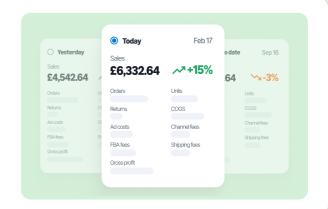


Works with your existing tools

Veeqo Profit Analyzer integrates seamlessly with your current sales channels and tools, so you don't need to change your workflow.

Automated data collection

No manual data entry or CSV uploads. Profit data flows automatically from all your sales channels.

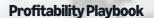




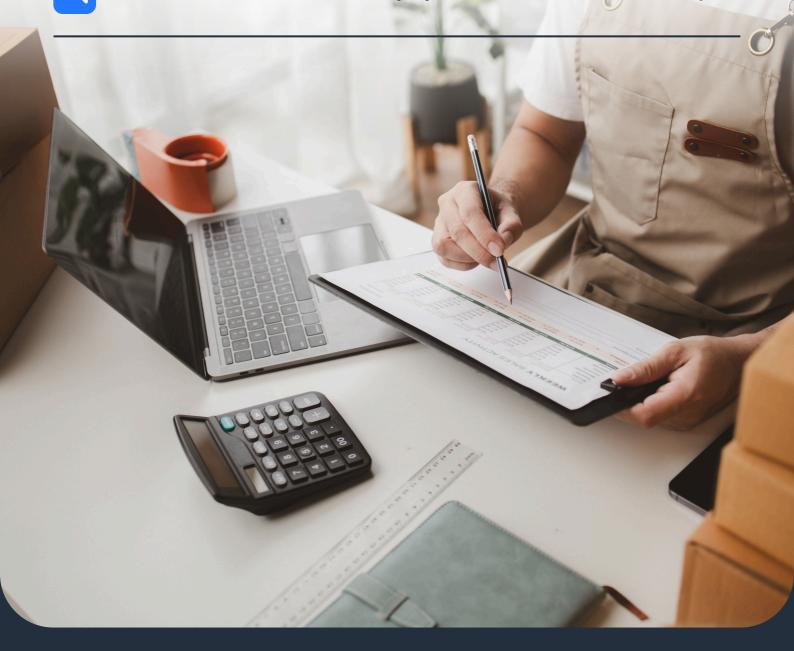
24/7 access for quick decisions

Check profit margins and make real-time pricing decisions during the busy peak season.

Now let's talk about what you need to do and when.



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06

Your peak season profit protection checklist



Pre-peak preparation (4-6 weeks before peak season)

We've covered a lot of ground. Now breathe. Here's your simple, easy-to-follow checklist that turns all this information into manageable action points.

• Financial Preparation

- Set minimum margin requirements for each product category
- ✓ Lock in shipping rates with all carriers
- Calculate seasonal cost increases (storage, labour, shipping)
- Set up profit tracking tools and alerts
- Create pricing rules for promotional periods

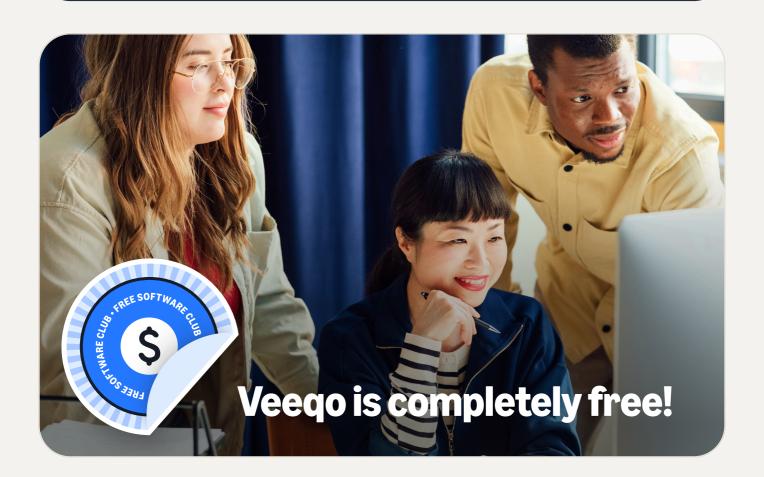
Operational Preparation

- Standardise packaging to 3-5 box sizes maximum
- Set up automated order routing rules
- Create batch processing workflows for fulfilment
- Implement inventory level alerts and reorder points
- Train team on profit-protection protocols



* Technology Setup

- ✓ Configure Veeqo's Profit Analyzer for all sales channels
- Set up automated inventory syncing in Veeqo to avoid overstocking and overselling
- Test all integrations and data flows





Weekly profit protection routine

Every Monday

- 1. Review previous week's profit margins by channel
- 2. Identify products or channels with declining margins
- 3. Adjust pricing for upcoming week based on inventory levels
- 4. Check shipping cost averages against budget

Every Wednesday

- 1. Monitor inventory velocity and adjust reorder points
- 2. Review promotional performance
- 3. Analyse return rates and identify problem products
- 4. Check storage fees and long-term inventory issues

🗣 Every Friday

- 1. Calculate week-over-week profit trends
- 2. Plan weekend promotional strategy based on profit data
- 3. Review competitor pricing and margin impact
- 4. Prepare upcoming week's profit protection priorities



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07

Advanced profit optimisation strategies



You made it this far... now you're ready to get a bit more advanced! Here's what's next:



Remove slow-moving inventory before 15th November

Long-term storage fees spike during Q4.



Repackage products into smaller boxes

A product that fits in a standard-size box instead of oversize can save £2-4 per unit in fees.



Don't set aside inventory that could earn better margins elsewhere

Reserve your highest-margin products for channels with the best net profitability.



Let's look at strategies that actually keep money in your pocket

You've probably heard about pricing things at £9.99 instead of £10. But there's more to pricing psychology. Smart business owners use clever tricks to protect their profits when competitors start slashing prices.



Advanced pricing psychology for profit protection

- **Present pricing in profit-friendly sequences:** Show your regular price first, then the sale price. This anchoring effect makes discounts feel more valuable without requiring deeper cuts.
- Use charm pricing strategically: £19.99 converts better than £20.00. Test pricing endpoints to find the sweet spot for each product category.
- Bundle pricing for margin protection: Bundles increase average order value while maintaining better margins than individual item discounts. A £50 bundle with 25% margin beats two £30 items with 15% margins.
- Flash sales vs. extended promotions: Short-duration sales (4-6 hours) can drive urgency without conditioning customers to expect constant discounts. Extended promotions train customers to wait for sales.
- Peak period pricing adjustments: Gradually increase prices on highdemand items as inventory levels drop. A 10% price increase when you're 70% sold out often doesn't hurt conversion but significantly improves margins.



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Supply chain resilience for sustained profitability

- Negotiate payment terms that preserve cash flow: Extended payment terms (45-60 days) during peak season keep cash available for high-velocity inventory purchases. Many suppliers offer these during their busy seasons.
- **Diversify supply sources:** Single-source dependencies create profit risks when suppliers raise prices during peak demand. Maintain relationships with 2-3 suppliers for critical products.
- **Pre-negotiate peak season rates:** Lock in pricing with suppliers before peak season starts. An early commitment to buy certain quantities can get you better prices on your best-selling items.
- **Use data to secure better financing terms:** Strong sales velocity data helps negotiate better inventory financing rates. Banks prefer lending against fast-moving inventory.
- **Optimize inventory turnover:** Higher inventory turnover rates improve cash flow and reduce storage costs. Target 8-12 turns per year for peak season inventory.
- **Post-peak inventory management:** Have clear plans for moving excess inventory after peak season. Identify liquidation channels before you need them.



Customer lifetime value optimisation

Deal events can be a branding exercise rather than a profit one. Though you may take a loss on a deal, you may win a customer who discovers the brand and makes multiple or ongoing purchases. The key is to have systems in place to maximise the lifetime value of these newly acquired customers through strategic follow-up initiatives:

Implement email sequences to drive repeat purchases

Nurture one-time buyers with targeted email campaigns featuring personalized product recommendations and exclusive offers to encourage subsequent purchases.



Action point:

Set up automated 30-60-90 day email sequences triggered after first purchase, featuring complementary products and loyalty incentives.

Capitalise on higher spending capacity

Introduce premium services, extended warranties, or upgrade offers during the post-purchase window.



Action point:

Launch targeted upsell campaigns in January-February to recent peak season buyers while competition is reduced.



Referral programs during peak season

According to Nielsen research, 88% of consumers trust referrals from people they know more than marketing messaging, and up to 77% are more likely to try a new product if recommended by a friend. Implement referral incentives that activate in January when customer acquisition costs drop.



Action point:

Deploy referral campaigns in January, offering both referrer and referee incentives (e.g. £20 discount each).

Subscription and repeat purchase programs

Convert one-time peak season buyers into recurring customers. Offer subscription discounts that are still more profitable than acquisition costs.



Action point:

Create subscription offers with 15-25% discounts for peak season buyers. launching the program within 7 days of their initial purchase when engagement is highest.



Quality control for sustainable margins

Return rates can rise during Q4.

Here's what to do to help reduce those extra costs to your business



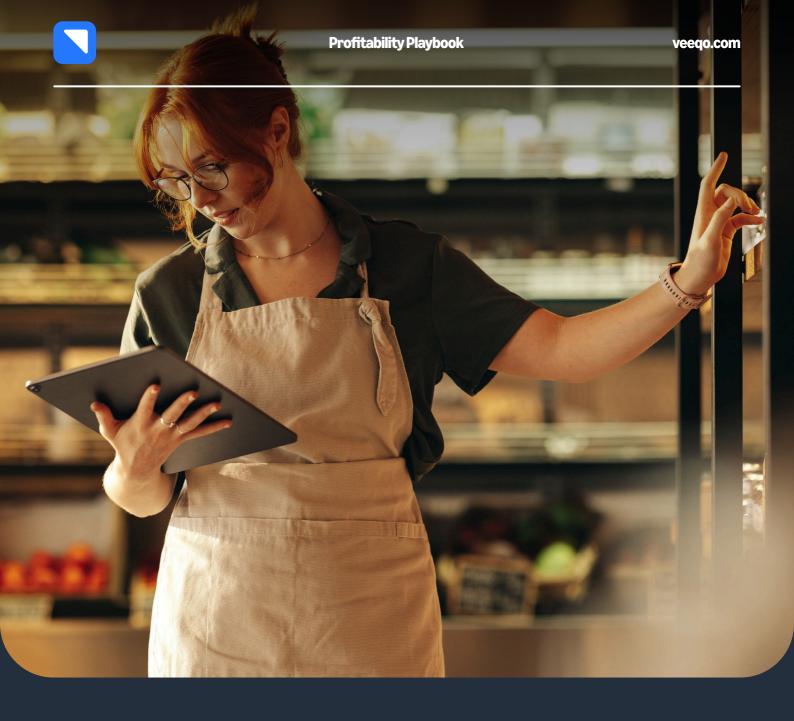
Implement stricter quality control processes even when speed pressure increases.



Ensure images accurately represent products to reduce costly returns and maintain margins.



Focus on efficient customer service via chat tools and FAQ resources, especially during peak season. It can prevent small issues from becoming costly refunds or returns.



08

Planning for postpeak profitability



Now it's time to plan for the "after" phase. When you're ready to recap and plan for postpeak profitability, here's what to keep in mind.



Analyse what worked

- Which products delivered the best net profits? Choose this as your hero product for your next event.
- Which sales channels provided the highest margins? Prioritise those channels moving forward.
- What operational efficiencies had the biggest impact? Lean into these to further improve your day-to-day operations.
- Which promotional strategies maintained profitability? Use these to inform your future promotional strategy.



ldentify improvement opportunities

- Where did costs exceed expectations? Make note of what you learned through trial and error to avoid repeating this moving forward.
- Which products or channels disappointed on profit? Document where you found success and lacklustre results.
- What operational breakdowns cost money? Review the areas where bottlenecks caused issues so you don't have a repeat of the same issue.
- Where can you improve efficiency for next year? Prepare a strategy for tackling slow-downs during the next peak season.



Building sustainable profitability

Protecting peak season profit requires strong fundamentals during slower periods. The tools and processes that work during peak season should support your business year-round.



Build cash reserves

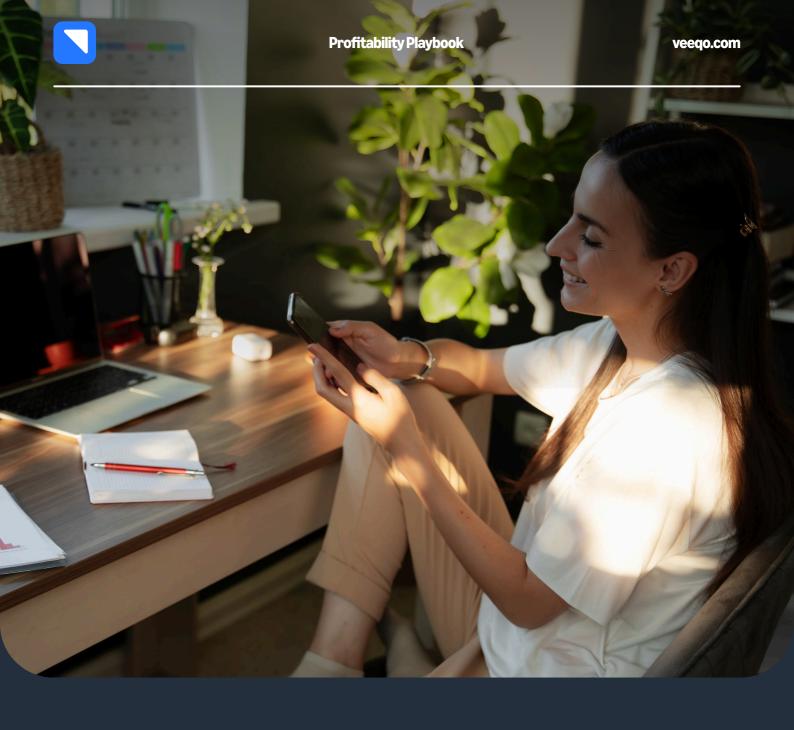
So that strong peak season profits can fund improvements and provide buffers for next year's challenges.



Create your own playbook

Document what worked and what didn't to improve next year's performance.

With these bases covered, you're all set for year-round success.



How Veeqo helps sellers thrive during peak



To achieve peak season success, you need an integrated system that handles every aspect of your business when volumes surge and pressure mounts.

Veego brings together inventory management, order fulfilment, shipping optimisation, and profit analysis in one platform built specifically for sellers who understand that efficiency equals profitability.



Here's how:

Unified order management eliminates peak season chaos

When orders flood in from Amazon, eBay, Shopify, and other channels, Veego automatically consolidates them into a single dashboard.

This does 2 things:

- 1. Prevents costly overselling that happens when inventory isn't synced across channels
- 2. Eliminates the fulfilment errors that spike during busy periods.





Profit Analyzer reveals what's actually working

- **Shows true profitability:** Beyond basic revenue tracking, Veeqo's Profit Analyzer helps you identify which products and channels deliver real profits after all fees, costs, and advertising spend.
- Tracks advertising ROI across sales channels: This helps you optimise your marketing spend when customer acquisition costs fluctuate wildly.
- Smart shipping decisions protect your margins.
- **Enables bulk label printing:** So, you can process hundreds of orders in minutes instead of hours, which frees up time for more strategic decisions.



Automation maintains consistency under pressure

Peak season brings staffing challenges: temporary workers, overtime shifts, and stressed teams, all increase error rates. Veeqo's automation rules handle routine decisions consistently.

- Special handling flags appear for high-value orders.
- Inventory reorder alerts trigger before stockouts occur.





Scalable infrastructure helps you handle activity spikes during peak season

Peak season packs months' worth of sales into just a few weeks.

- Cloud-based infrastructure scales automatically to handle volume spikes without slowdowns or crashes that can cost sales.
- Maintains real-time accuracy: The system processes thousands of orders simultaneously while maintaining accuracy across all channels and integrations.

Integration advantages

- Works seamlessly with existing tools and channels so your workflow isn't disrupted during your busiest time of year.
- Eliminated manual data entry: Data flows automatically from all sales channels into unified dashboards, to minimise errors.

This means you can focus on the strategic decisions that turn peak season from a stressful sprint into sustainable, profitable growth.



Your path to a profitable peak season

Peak season is your biggest opportunity of the year. Make sure it's profitable.

Prepare, monitor, and ensure you have the right data to make smart decisions when pressure builds.

Whether you're using spreadsheets or sophisticated tools like Veeqo's Profit Analyzer, the fundamentals remain the same: Know your true costs, protect your margins, and never sacrifice long-term profitability for short-term revenue gains.

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