

Black Friday/Cyber Monday White Paper

December 2013

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The latest white paper from Affiliate Window's Strategy and Business Intelligence teams focuses on the peak trading periods in the run up to Christmas.

Headlines

- Black Friday becomes a fixture in the UK
- Cyber Monday is the top performing day in the run up to Christmas
- Mobile plays a pivotal role over the festive period
- Signs of an economic recovery with consumers increasing spend

Introduction

In the build up to the busy Christmas trading period, there are typically two days that stand out in the online calendar – Black Friday and Cyber Monday. Black Friday is a US phenomenon that has traversed the Atlantic and is now a feature within the UK retail landscape.

Black Friday falls on the Friday after Thanksgiving and is followed by Cyber Monday – the Monday that falls after Black Friday. In the UK, we refer to Cyber Monday as the first Monday in December (thus the two days don't always coincide). This year, Cyber Monday fell on the same day both in US and UK terms.

With the anticipation (and retailers' hopes) of these two dates increasing each year, commentators are keen to put forward their predictions for this period.

Indeed, you may have seen our own predictions covered here:

<http://performancein.com/news/2013/11/22/predictions-black-friday-and-cyber-monday/>

Working with a significant number of the leading retailers within the UK as well as hundreds of smaller, niche suppliers, we have analysed our data to understand how purchasing habits have evolved over this period.

In this white paper, we look at predictions being made before analysing our own data to determine the impact of these events and whether the calculations (our own included), turned out to be correct.

With mobile commerce showing no signs of slowing down, we also investigate the role this has played over this period.

As well as looking at the trends across the network as a whole and comparing this to 2012, we also consider how advertiser promotions influenced these sales trends and how certain publishers performed.

Predictions

As ever, there were a number of forecasts on what Black Friday and Cyber Monday had in store for us. [Experian made a number of predictions](#), stating Cyber Monday (2nd December) would be the biggest shopping day pre-Christmas, although they suggested the following Monday could eclipse it.

A post on Marketing Magazine discussed Black Friday arriving in the UK and asked if it was just a [marketing gimmick or a retailing revolution](#).

[Money Wise](#) also reported Cyber Monday was set to be the largest online trading day with the number of promotions advertisers would be running for one day only. They also shared insight from Visa who predicted 2nd December would be the largest online shopping day ever experienced.

With so many predictions floating about, we were keen to see how this period panned out across our network, using millions of interactions drawn from the activity of thousands of retailers and publishers.

Our network statistics

Traditionally, Black Friday has been a US phenomenon and is something we had not typically seen having a significant impact on us – until this year.

With an increasing number of advertisers looking to take advantage of additional activity over the weekend, there were more offers relating to Black Friday than we have seen in the past.

However, we could have seen a peak on Black Friday simply because it was aligned with UKs Cyber Monday this year. Rather than having to run special offers for both Black Friday and Cyber Monday, this year advertisers could run them for the whole weekend to benefit from the additional traffic for both days. Let's also not lose sight of a simple fact that Black Friday was pay day for many UK consumers.

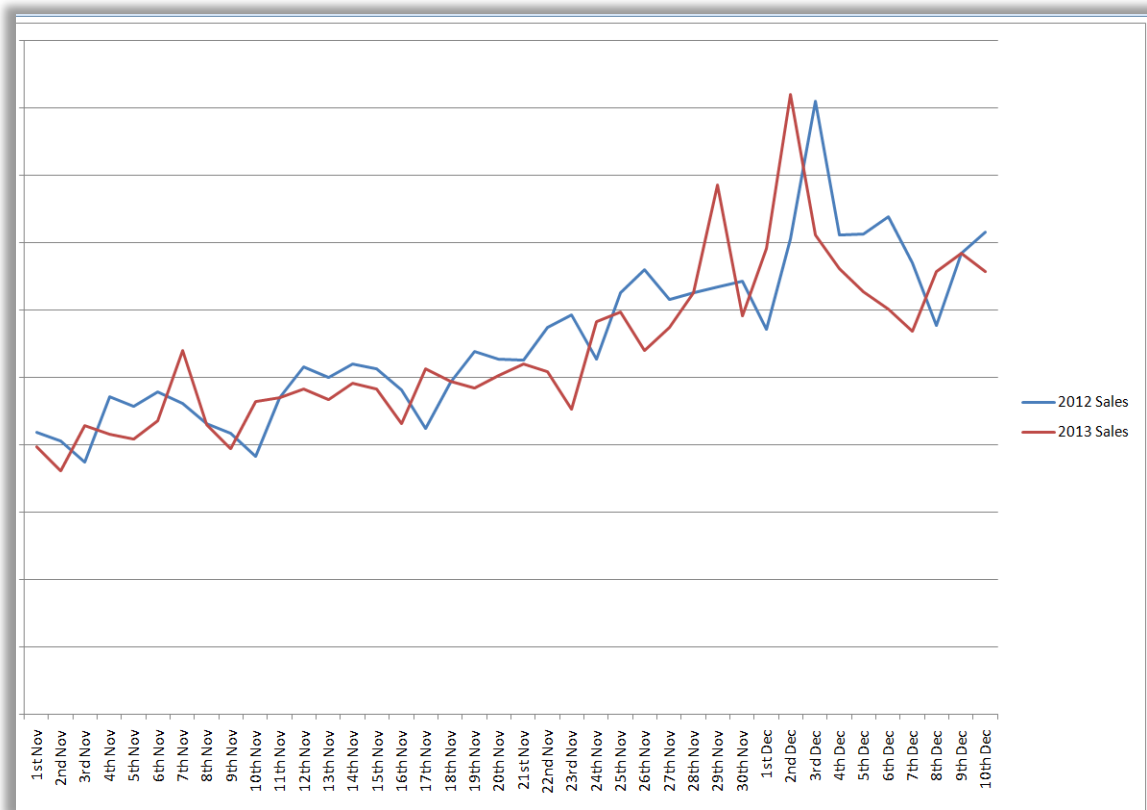
Sales volumes

From the chart below it is evident there were two clear peaks in 2013 which were Black Friday (29th November) and Cyber Monday (2nd December). In 2012 we did not see Black Friday or Cyber Monday US having a similar impact (falling on 23rd and 26th November respectively).

The only real noticeable peak we saw was on Cyber Monday UK (Monday 3rd December), and incidentally, this was almost identical in terms of the sales volumes we witnessed this year.

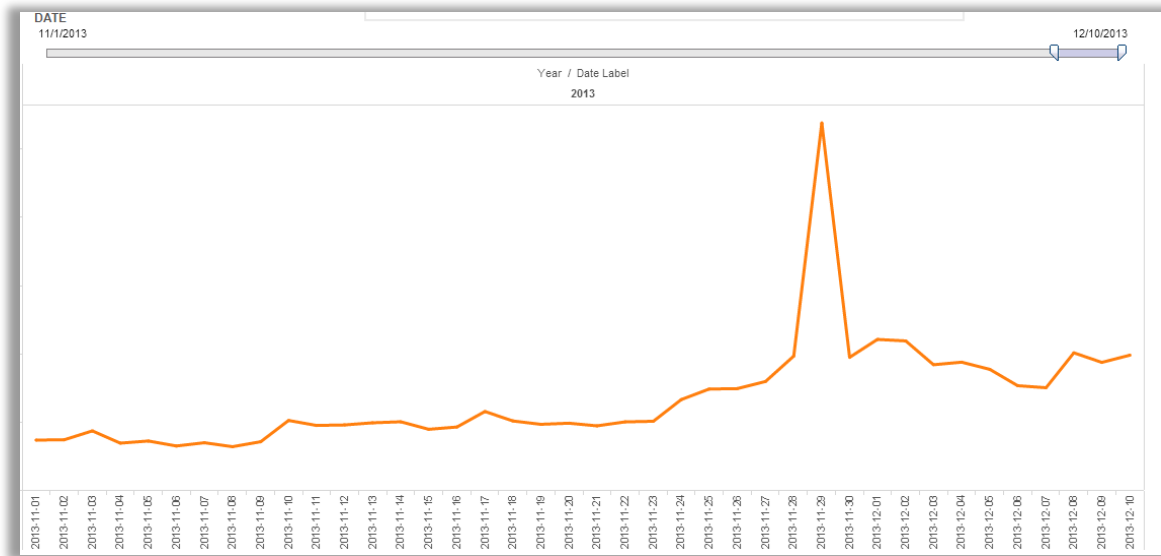
Even if we look at the corresponding Friday in 2012 (30th November) rather than the official Black Friday, there is no noticeable peak in activity. This is indicative that Black Friday may well have taken off in the UK this year.

Additionally we did not see the sales peak many were expecting on 9th December. Sales picked up from the post Cyber Monday slump, but it wasn't a significant peak. With advertisers focusing their promotions on Cyber Monday, we did not expect any other day to outperform it.



Additionally, looking at some individual advertiser data it is apparent Black Friday has become more of an event. A major general retailer ran a promotion on Black Friday where they offered large discounts across a wide range of products for one day only, and the impact of this is staggering. Sales on Black Friday were 146% higher than witnessed on Cyber Monday.

While a number of advertisers focused their efforts on Cyber Monday, this retailer's strategy to boost sales on Black Friday was certainly one that paid off.



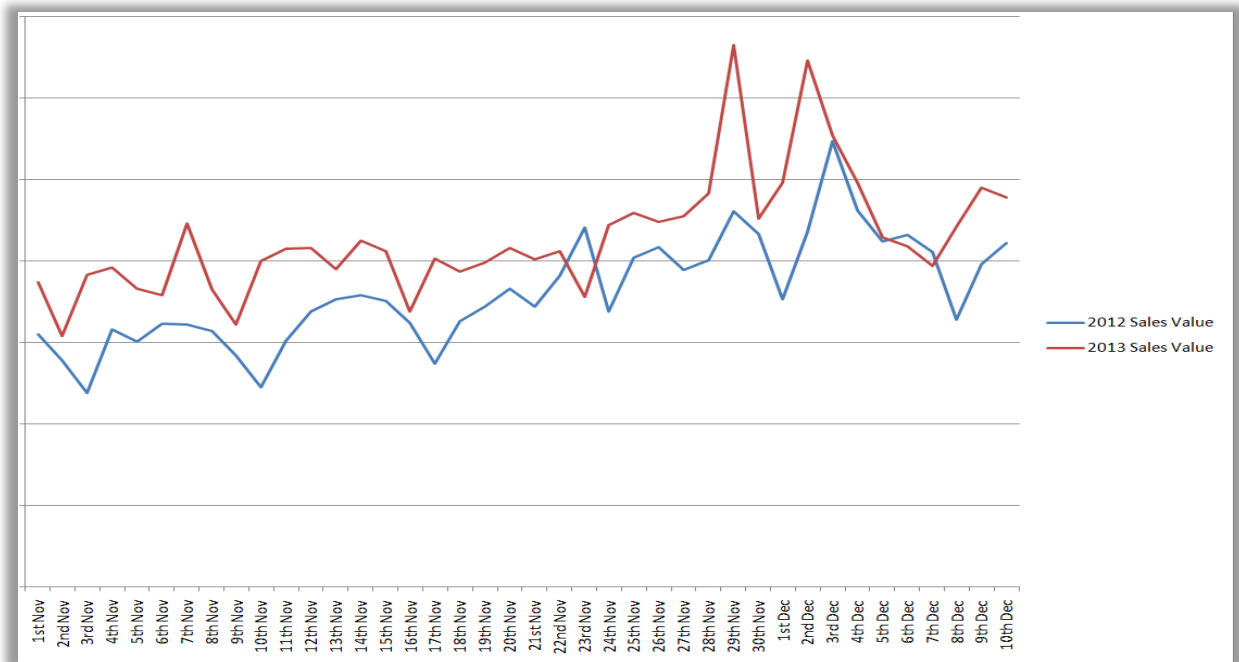
Sales Value

When looking at the sales revenue across the network, it is evident consumers have been spending considerably more than they were in 2012. This is particularly interesting as it points to an economic recovery and an increasing confidence to spend more when purchasing online.

Again, we witnessed the same two sales peaks this year, although Black Friday outstripped that of Cyber Monday which indicates average order values were higher on Black Friday. With more advertisers running promotions on Cyber Monday, the drop off in sales value despite a higher volume of sales is likely to be as a result of heavy discounting across certain retailers.

Again, the evident peak in 2012 was Cyber Monday (3rd December), although sales revenue was somewhat below what we saw on Cyber Monday this year. This is again indicative that average order values were significantly higher this year.

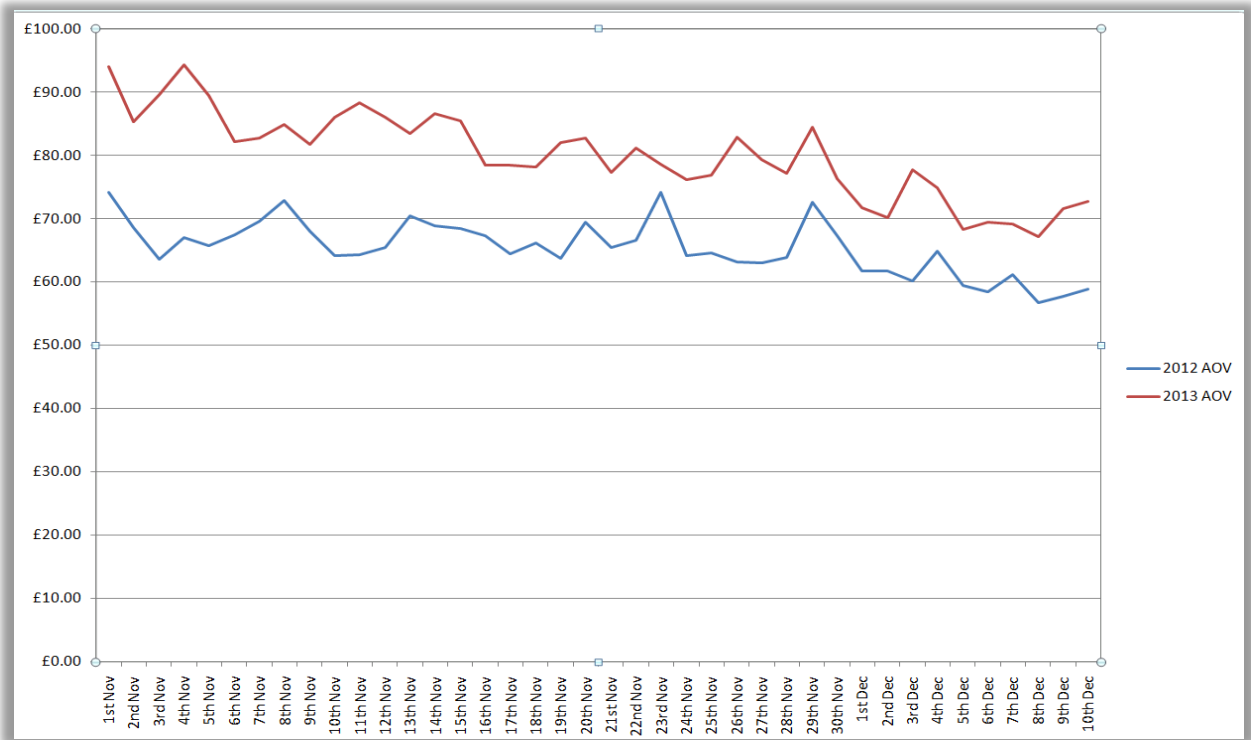
As with sales volumes, there was not the peak on 9th December many had anticipated.



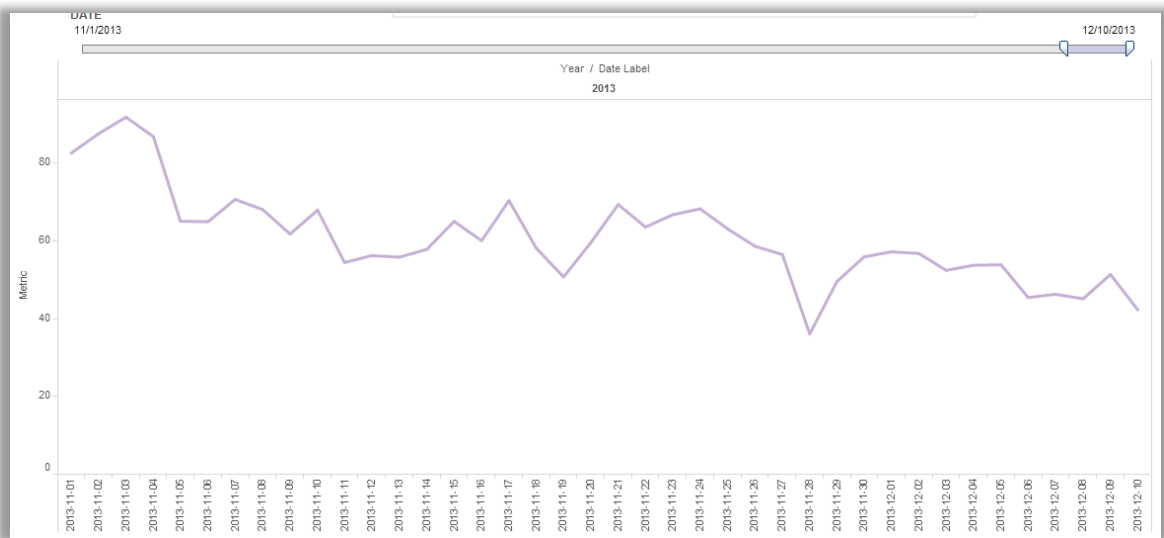
Average Order Values

Throughout the whole period, average order values were significantly higher this year when compared to last. As mentioned earlier, this could be down to increasing confidence in the state of the economy as well as consumers being prepared to spend an increasing amount online. It is interesting to note Black Friday had higher AOV than Cyber Monday (£84.52 vs. £70.25). With more advertisers discounting on Cyber Monday, there was a clear impact on AOV. There is also an aping of the US Black Friday trend to focus offers and deals on higher ticket, electrical items.

Cyber Monday 2013 saw AOV up 17% on 2012, from £60.16 to £70.25.



By looking at another retailer that offered big discounts across a range of products, we are able to see the impact this has upon AOVs. Black Friday and Cyber Monday saw some of the lowest average order values during this period.

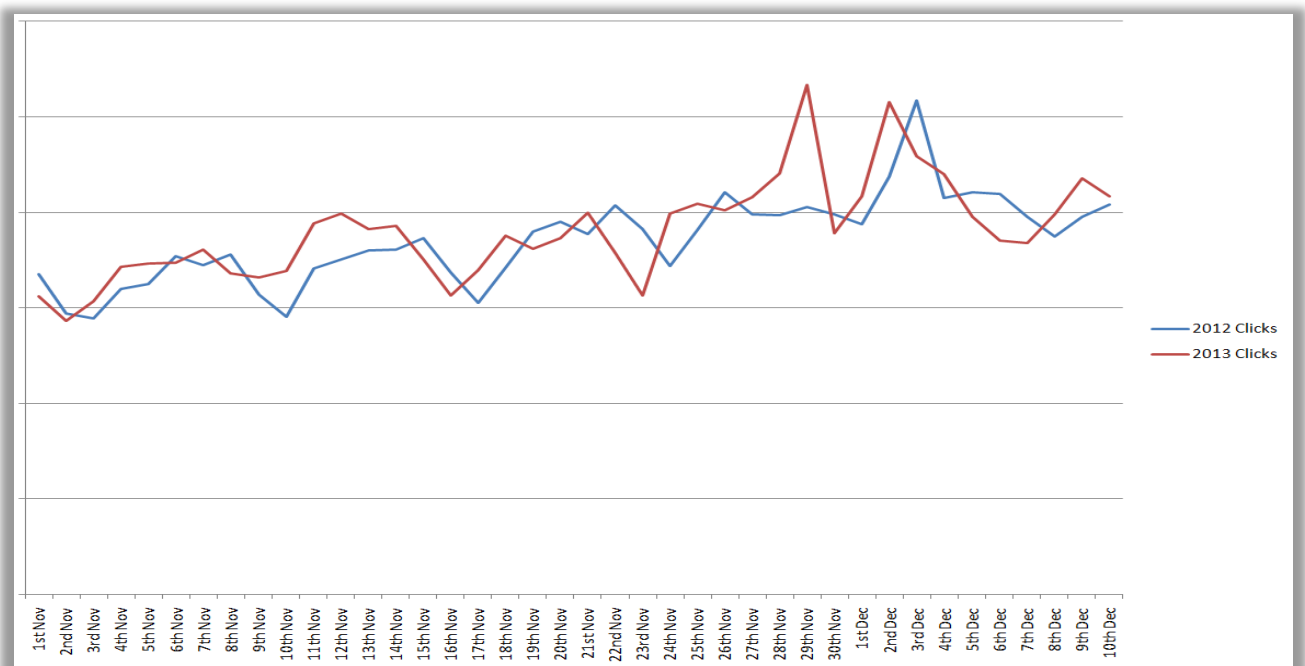


Traffic

Having analysed our sales and data relating to the sales, we are able to see when the peak periods for traffic were, before looking at when this traffic was converting at the greatest rate.

Looking at the chart below, it is not too surprising to see the twin peaks for traffic occurring on Black Friday and Cyber Monday. What is interesting however, is we received the greatest volume of traffic across the network on Black Friday while our sales peaked on Cyber Monday. This is indicative of the conversion rate being significantly higher on Cyber Monday.

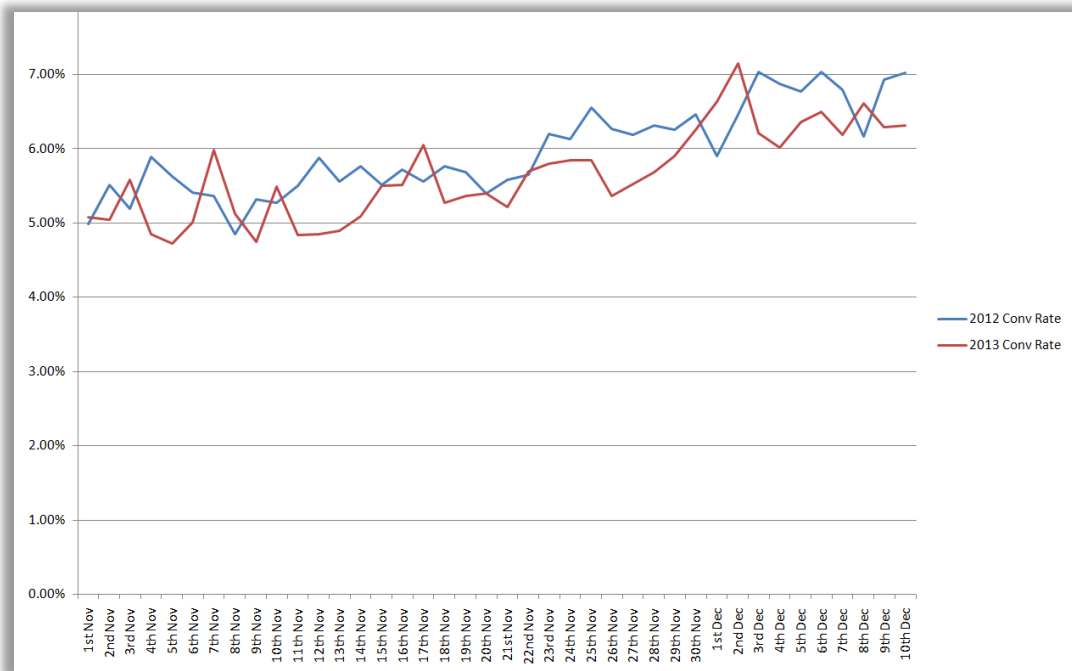
Our traffic statistics also indicate Black Friday was much more of a fixture this year than we saw last, as there was no peak in clicks and impressions on Black Friday in 2012. There was a clear peak in traffic for Cyber Monday and this was almost identical to the traffic volumes we witnessed this year.



Conversion Rate

We saw a clear spike in conversion rate with traffic converting at 7.14% on Cyber Monday. This was ahead of the 6.21% we experienced on Cyber Monday 2012 – despite conversion rates in 2012 typically being higher over this entire period.

With the strength of offers available on Cyber Monday and the volume of advertisers discounting, it is not particularly surprising to see conversion rates peak.



Publisher Performance

With more efforts being made to turn Black Friday and Cyber Monday into a recognizable retail event, publishers are keen to offer increased promotion over this period and advertisers are eager to ensure they secure the prime promotional slots to gain increased exposure during this pivotal time.

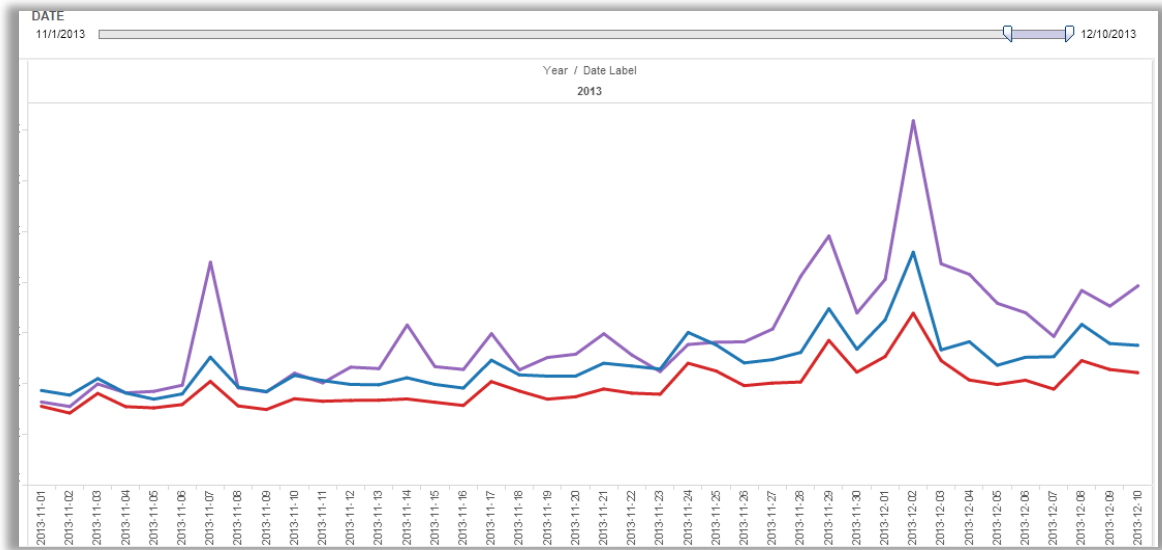
From additional coverage across sites to securing features within newsletters, publishers are quick to come up with packages to promote the best offers likely to convert with visitors to their sites..

As well as looking at the trends across the network from an advertiser’s perspective, it has also been possible to analyse the impact across various publisher types.

Incentivised Publishers

The chart below looks at three of the top publishers with incentivised traffic – that is those who offer a voucher, deal or offer to incentivise the consumer to buy. Each of these show a similar trend in terms of sales volumes generated. The peaks seen across the network are replicated across these publishers. Cyber Monday is the clear volume driver while we also saw a peak for Black Friday. With each of these publishers looking for the best offers to promote to their

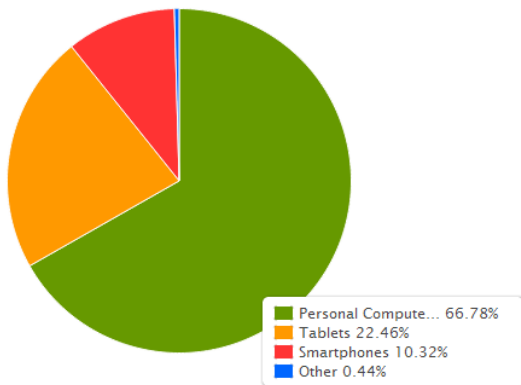
members, it is no surprise they were able to generate significant volume over these periods of heavy discounting.



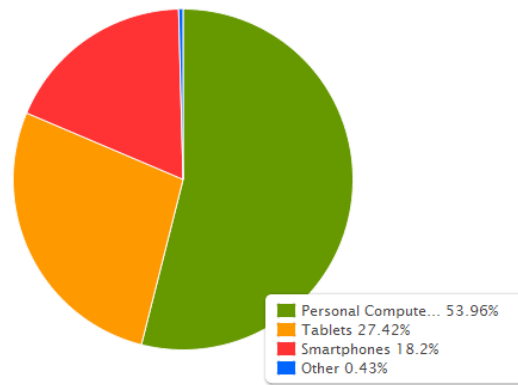
Content

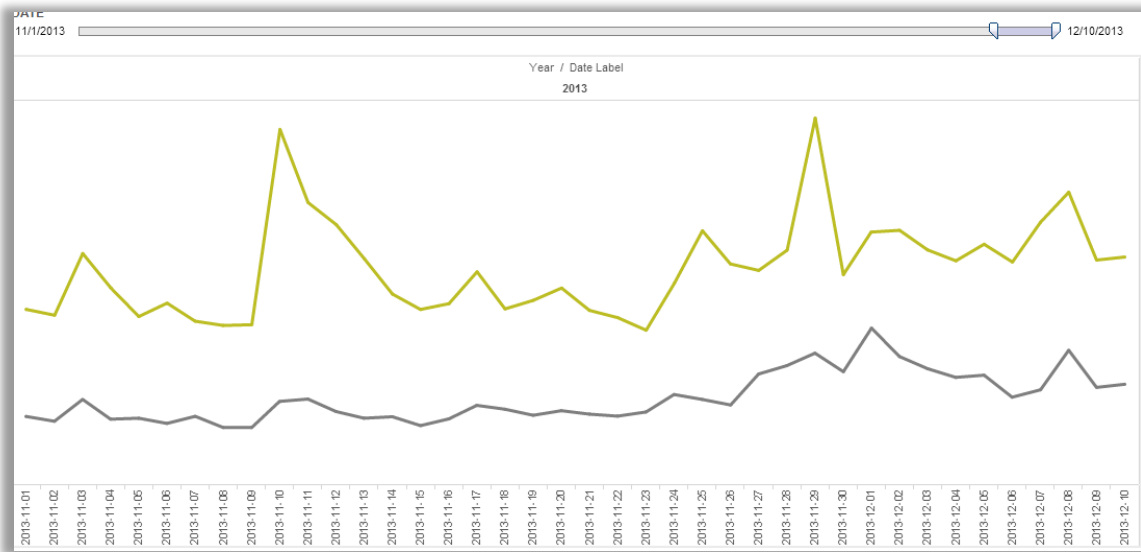
Looking at two of the leading content sites on the network, they performed slightly differently. There was still a noticeable peak, but this fell on Black Friday rather than Cyber Monday. There was also another peak, albeit smaller, later in the month with both sites performing well on Sunday 8th December. This is likely to be mobile focused activity as we see when we take a look at our mobile statistics. We typically over index in terms of mobile sales over the weekend and both of these content sites generate a significant proportion of their sales through mobile devices.

Device Performance, by Total Quantity



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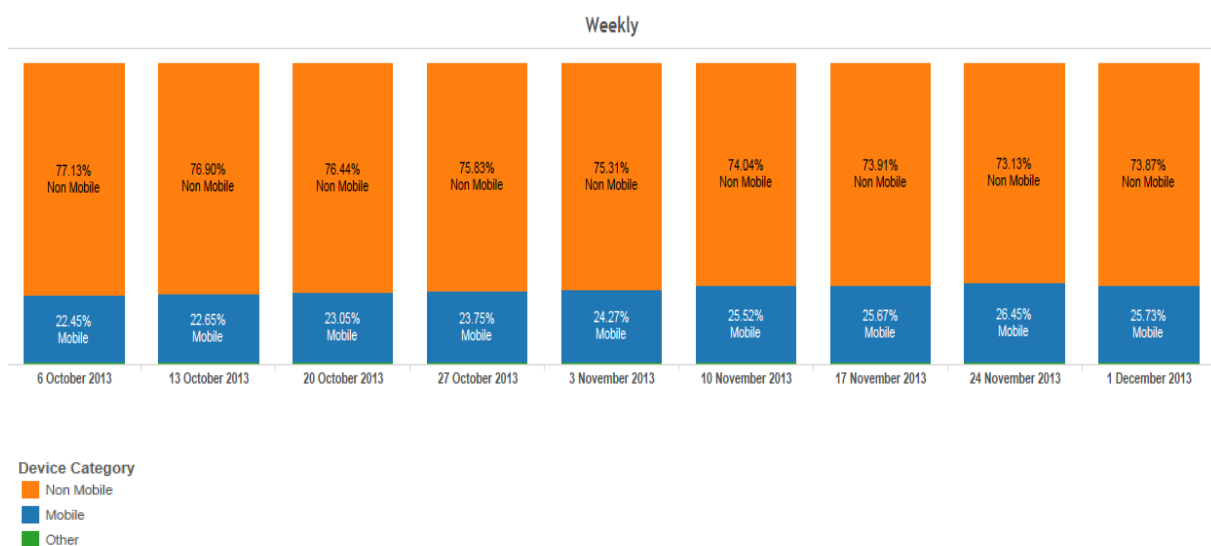




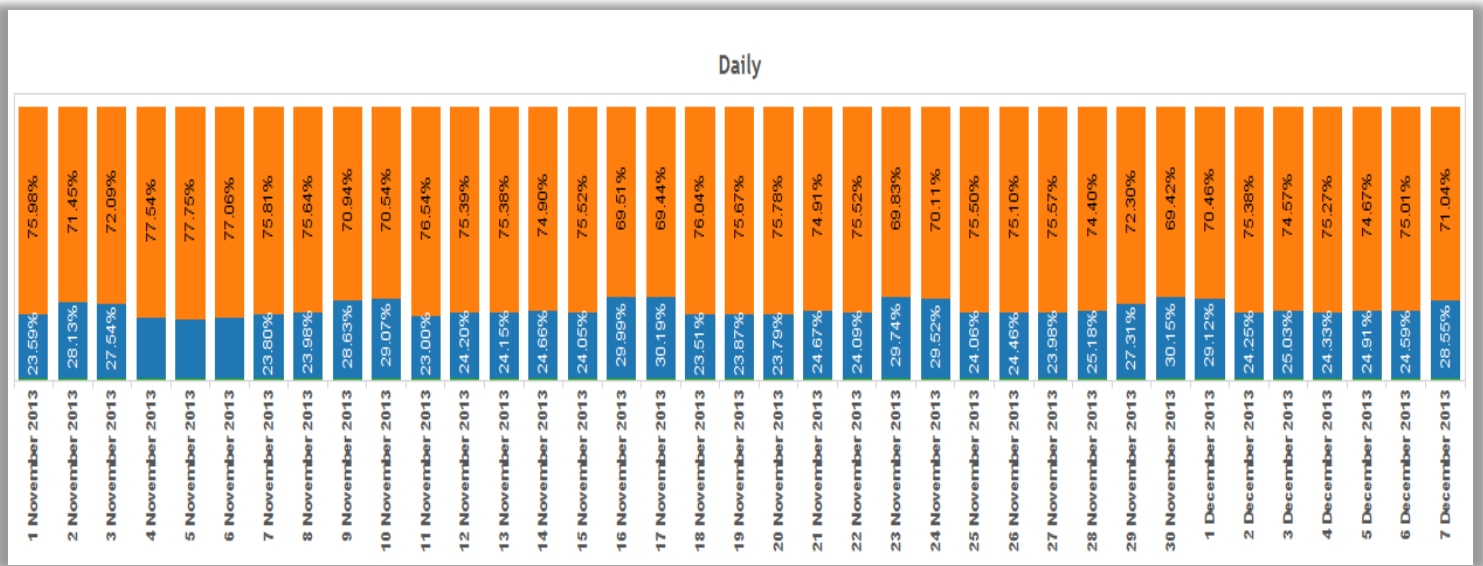
Mobiles role in Christmas Period

With consumer behaviour rapidly evolving and the switch towards mobile devices, this has played a key role over this period.

Looking at the statistics across the network we can see how the share of sales through mobile devices has increased week on week throughout November and the first week of December.

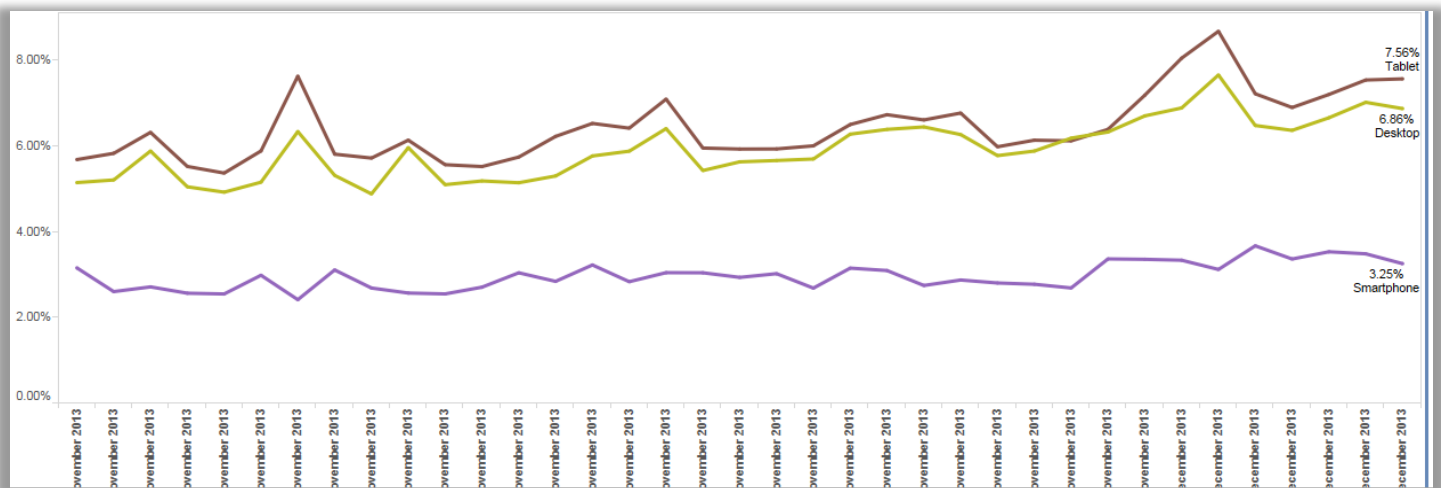


Breaking this down further, the daily data also indicates strong mobile activity – particularly at the weekends. The share of mobile traffic peaked mid November with 30.19% of traffic on Sunday 17th.

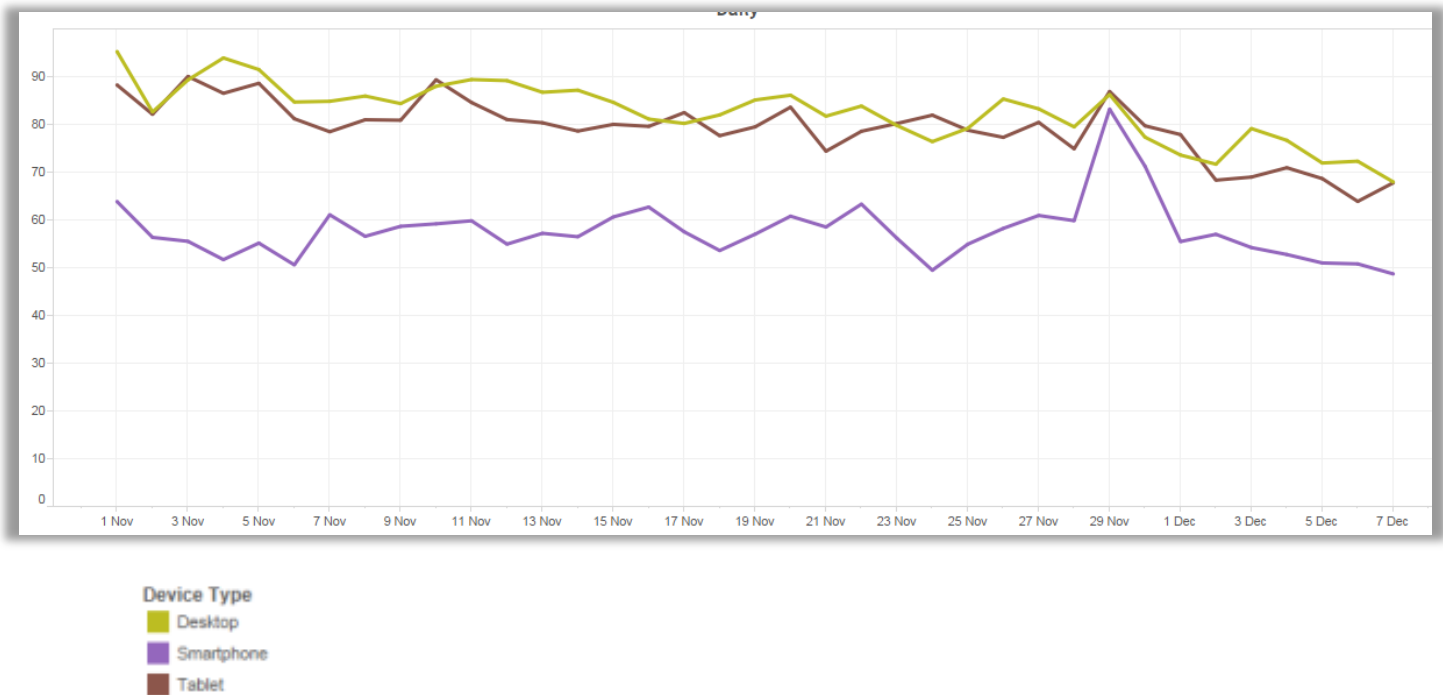


Black Friday saw 27.31% of sales originating from a mobile device while this dropped to 24.25% on Cyber Monday.

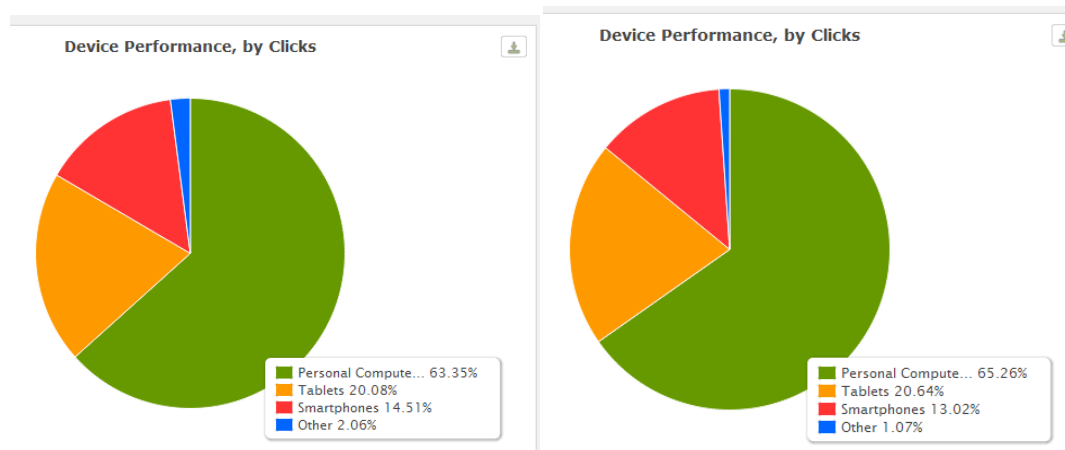
Mobile devices also showed strong conversion rates on Cyber Monday. The conversion rate through tablets was particularly impressive, leading the way converting at 8.67% on Cyber Monday while handsets converted at 3.11%. Interestingly, handset conversion rates peaked a day later at 3.66% on Tuesday 3rd.



While average order values on handsets are somewhat behind tablet and non-mobile devices, they did see a noticeable peak on Black Friday to move handsets in line with AOV across the network at £83.17.



We have already seen the significant volume two of the leading content sites received through mobile devices and this has also been seen for a number of advertisers, two of which are highlighted below.



With such a significant volume of traffic through mobile devices it is certainly geared up to be a mobile Christmas. It will be interesting to see how this develops as we move closer to Christmas and beyond. John Lewis has already predicted they will see mobile traffic outstrip desktop on Christmas Day. We wouldn't be surprised if this was replicated across a number of advertisers and we will be reviewing this in the New Year.

Location Data

Finally we have been able to analyse our location data to see where transactions were taking place on Cyber Monday. We saw orders being placed across 131 different countries on our busiest day. Unsurprisingly the vast majority of sales originated from the UK (92%). It is interesting to look at the remaining 8% to see where else customers were purchasing from.

US – 42.9%

Ireland – 12.6%

France – 5%

Germany – 4.6%

Australia – 3.2%

Others – 31.7%

Switching our attention back to the UK, it is also useful to see the regions that had the highest and the lowest AOV.

Highest:

Hertfordshire	£109.33
High Wycombe	£103.03
Crawley	£88.10
Woking	£85.45
Peterborough	£84.08

Lowest:

Loughborough	£54.26
Portsmouth	£54.23
Maidstone	£47.67
Rugby	£39.16
Grantham	£19.28

This data has been based on towns, cities and regions where there were more than 200 transactions on Cyber Monday.

Summary

Having analysed our data, it is clear Cyber Monday remains the peak period for trading. While a number of other dates have been put forward to claim the crown, across the affiliate channel Cyber Monday is still king. It could have potentially been even stronger if it hadn't been for issues with certain banks. It has been [well reported](#) Natwest and RBS customers were unable to use their cards for a period on Cyber Monday, which could have had a significant impact on sales during this peak time.

For the first time we have seen Black Friday become a recognised event in the UK as we saw a clear peak. Advertisers may now start to formally recognise Black Friday as a key event, with one major advertiser in particular pushing a number of strong offers which drove a significant volume of sales for them.

With heavy discounting across a large range of advertisers, publishers were keen to fill their sites and newsletters with the top offers. With such bargains to be had it is no surprise that we saw consumers clamour to make their purchases and we saw exceptional conversion rates.

The increase in average order values above and beyond what we witnessed in 2013 is a clear indication of an economic recovery and further evidence consumers are prepared to spend increasing amounts online.

Finally, we have seen mobile play a key role in this period. Almost one in three sales are now originating from a mobile device and advertisers and publishers are seeing significant volumes of traffic through both handsets and tablets. With a number of new devices set to be given as presents and activated on Christmas Day, it would not be surprising to see mobile activity ramp up even further post Christmas.

As ever, we will be sure to share our findings in the New Year.

If you have any questions, please feel free to contact us at strategy@affiliatewindow.com

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Affiliate Window is the UK's largest affiliate network, delivering performance marketing campaigns for half of the UK's largest brands. Consistently acknowledged as the affiliates' choice of network we seek to offer ethical, transparent and incremental sales for our clients.