



# Seasonal shopping 2017: the network in numbers

Affiliate performance from Singles' Day, Black Friday, Cyber Monday and peak seasonal shopping around Christmas always offers a fascinating snapshot into wider retail patterns. In this whitepaper we look at the trends we saw during this critical trading period.

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Date  
January 2018



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# Awin's first €1bn month

If you'd posted the biggest trading day in your company's history would you say you'd rather the event that precipitated it didn't exist?

That was the reaction of Sir Charlie Mayfield, chairman of John Lewis (the department store that is held dear in the hearts of millions of British consumers), to Black Friday, now well and truly entrenched in the global retail landscape.

Bucking the trend of competitors and the wider sector which is struggling to compete with a myriad of challenging conditions, not least Amazon's inexorable rise, John Lewis posted year-on-year growth approaching 4%.

Occurring annually on the day following Thanksgiving in late November, the event has cemented itself as a shopping phenomenon. 2017 was no exception with Awin recording never-before-seen numbers as more and more of the markets we operate in embraced the day and wider weekend, bookended by Cyber Monday.

*€1.2bn: the revenue driven by thousands of affiliates for Awin's advertisers in November 2017*

The impact of Black Friday can only be truly appreciated in the wider context of peak trading. It was only a few years ago that the natural bedfellow for Christmas shopping was the month it fell in. But with a relatively new event setting up camp in November, the reverberations are being felt in the logistical challenges it creates.

Taking Awin's overall performance across all markets, November 2017 was the first month in the network's history where we tracked more than €1bn (€1.2bn, \$1.46bn, £1.06bn) in revenue, driven by an army of affiliates across thousands of campaigns.

This is significant, not just because it shows the continued rise of the affiliate channel and alludes to the breadth and depth of opportunities it presents to brands, big and small, but also because November continued to stretch its lead over December in importance.

While November experienced 21% year on year growth across all markets, December came in at less than half that. While remaining the second most important month of the year, December tracked on average €10m fewer in sales revenue every day when plotted against November's performance.

*21% YoY growth in November, more than double the rate of December 2017*

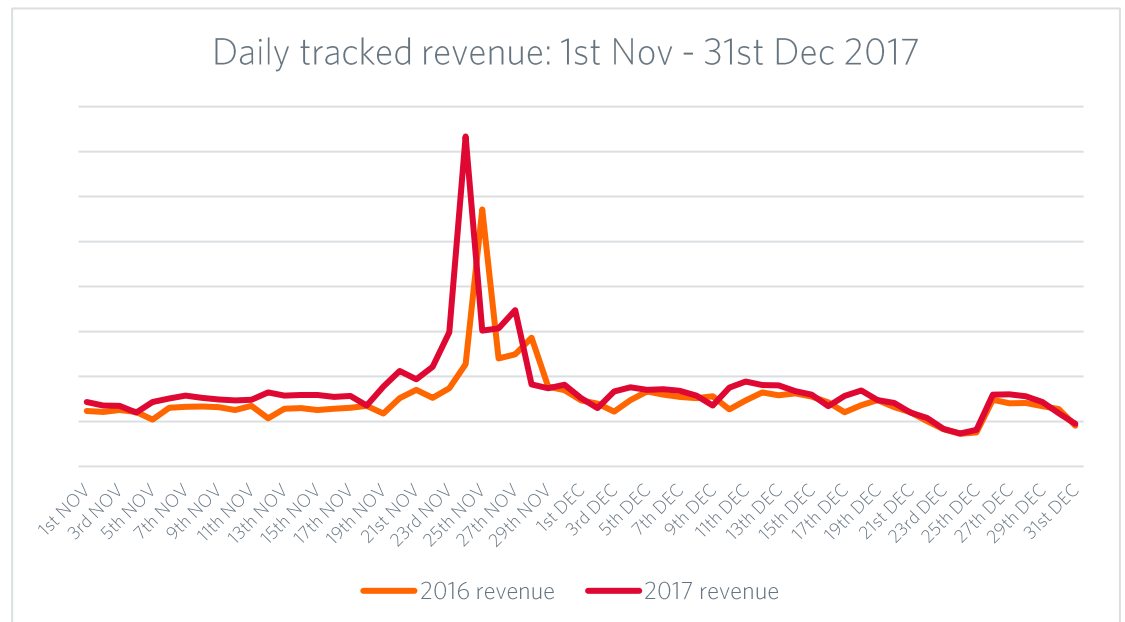
Attempting to make sense of the reasons for this is always problematic, requiring an untangling of unrelated events that merge and overlap. How much can we apportion to natural online growth for example, versus more concerted efforts by brands across the business to maximise Black Friday? And how much can we credit additional efforts to pique consumer interest even earlier in the month as witnessed in markets where Black Friday is more established?

Singles' Day, while still posting much more modest numbers than recorded on its home turf, is seeing decent numbers and 2018 could be the year the retail event's architect, Alibaba, attempts to make an impact outside of China.

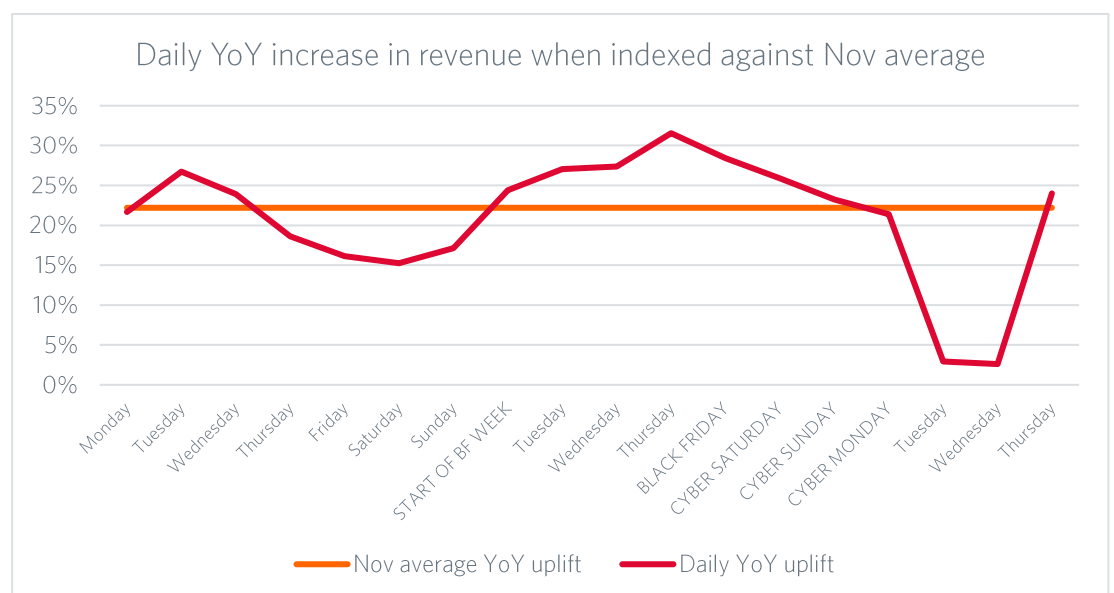
With major retail events clustering around November, how much are we seeing organic and industry growth versus shopping displacement? If consumers are now shifting their spending patterns earlier than ever before how much can be interpreted as incremental growth and with a month separating Black Friday from Christmas, is there an opportunity for December to reinvent itself, offering brands a second bite of the cherry?

# The network in numbers

In this first graph we've tracked sales daily for the 61 days in November and December. What is clear is that November 2017 clearly outperformed the same month in the previous year. The comparative year-on-year growth is more muted for December:



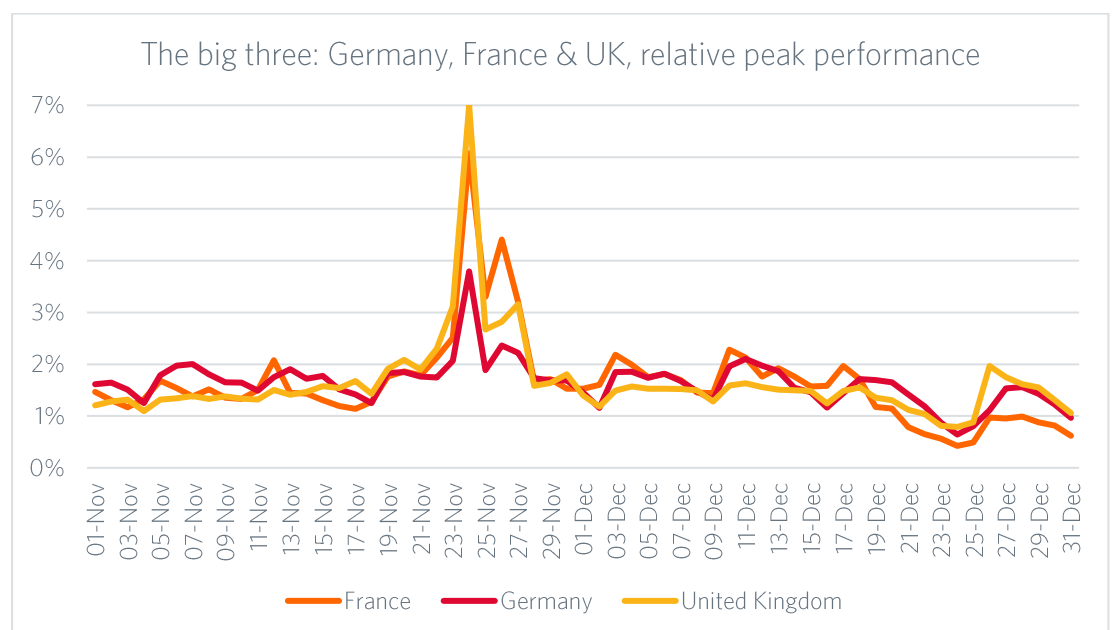
When homing in on Black Friday and the period either side of it, we can see the biggest year-on-year increase across the network as a whole, occurred on Thursday 23<sup>rd</sup> November:



This would imply the volume of advertisers pushing Black Friday deals earlier had an impact. The days preceding it all experienced healthy, above November average growth; interestingly the week prior did not. Could it be consumers are 'trained' in the art of the Black Friday deal, keeping their powder dry in anticipation of the big day.

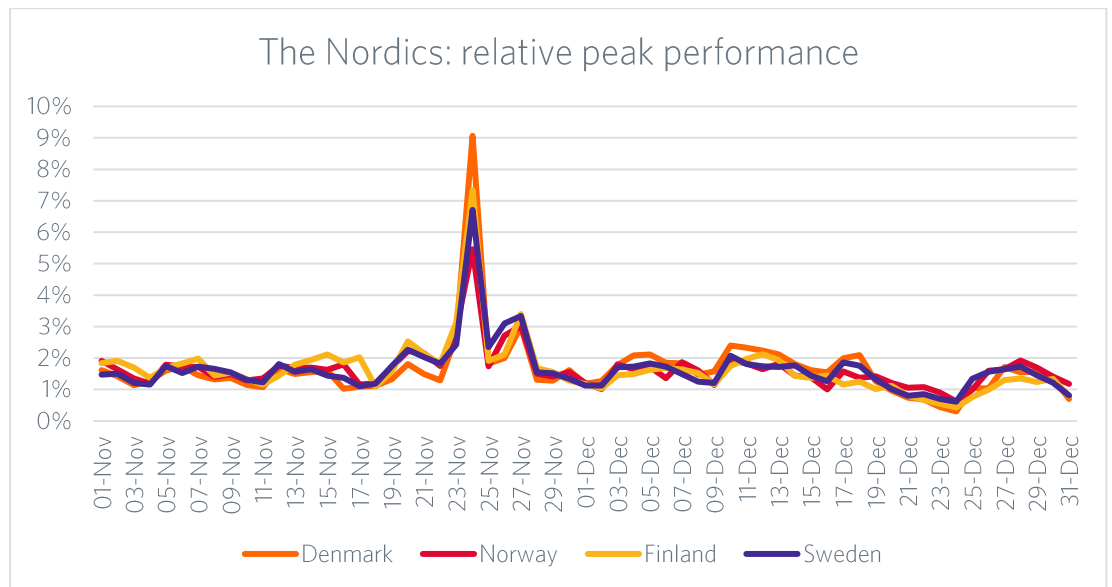
<b>€81</b>	<b>6.3%</b>	<b>14.8%</b>	<b>45% : 55%</b>
Average order value across November and December, almost unchanged on 2016's average basket.	However average order values in the seven days up to and including Black Friday saw a decent 6.3% hike in value	The percentage of aggregated November and December revenue Brazil tracked on Black Friday alone	Split in sales on Black Friday/Cyber Monday in the US: the only market where Cyber Monday is bigger

When indexed against each other we can see how Germany, France and the UK performed relative to each other across November and December.

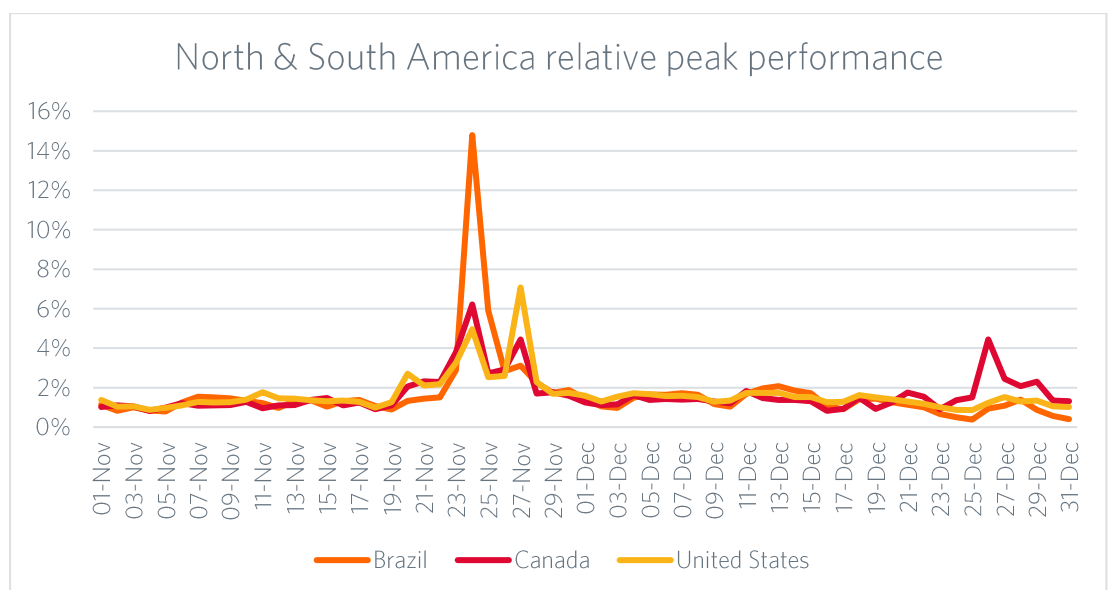


Germany's story is one of consistency, the peaks and troughs less pronounced. France experiences a spike on the Sunday following Black Friday that isn't emulated elsewhere. With the exception of Brazil, consumers in the UK are the most enthusiastic about Black Friday, and traditional Boxing Day sales (26<sup>th</sup> December) also ensure this is the peak day in the final month of the year compared to elsewhere where it merely stands as an unexceptional day's trading.

In the Nordics, the pattern of daily performance among Norway, Sweden, Denmark and Finland is relatively uniform. While Black Friday peaked in Denmark, all four countries experienced similar sales' levels on Cyber Monday. Like the UK, Norway's December transactions spiked on 26<sup>th</sup> December.



Turning our attention to North and South America, we can see a more divergent picture emerges. The irony of Black Friday being an American event, yet it remains first and foremost an in-store event (with Cyber Monday the bigger day) can be seen in this graph:

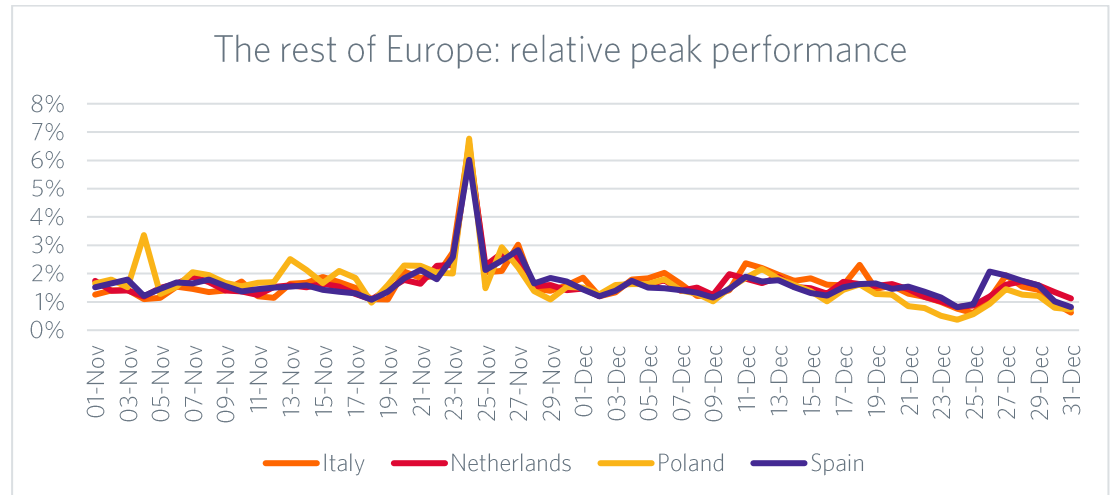


While Black Friday remains the second most important day in the peak retail calendar, Cyber Monday maintains a comfortable buffer. Brazil continues its outlier status around Black Friday, tracking one in seven sales across the whole period in just 24 hours.

Considering the caution which usually characterises Brazil's online shoppers, Black Friday appears to be a day when this behaviour is definitively thrown to the wind. Comparing Awin's Brazilian market with other territories across the global group for Black Friday performance, it's notable that Brazil's consumers are a lot more decisive about purchases on the big sales day. Brazilian customers

converted within the shortest time span on Black Friday, with Spanish consumers taking over two and half hours to purchase their items by contrast.

Canada shares Boxing Day with the UK as a national holiday with associated retail heritage, so it's no surprise to see it posting impressive numbers, registering the third most important day across November and December.



Other than the shared experience of Black Friday, there is little to pinpoint in the other countries that Awin has a presence. Poland's performance is a little more erratic and Italy balances November and December trading more evenly, but generally speaking these markets follow the broad trends seen elsewhere.

**1.35m**

Number of tracked transactions across 190 countries on Black Friday; 940 sales per minute

**30.1%**

Total volume of smartphone sales tracked in December across the entire network.

**53%**

The volume of transactions tracked on smartphones on Christmas Day in Sweden: the highest recorded

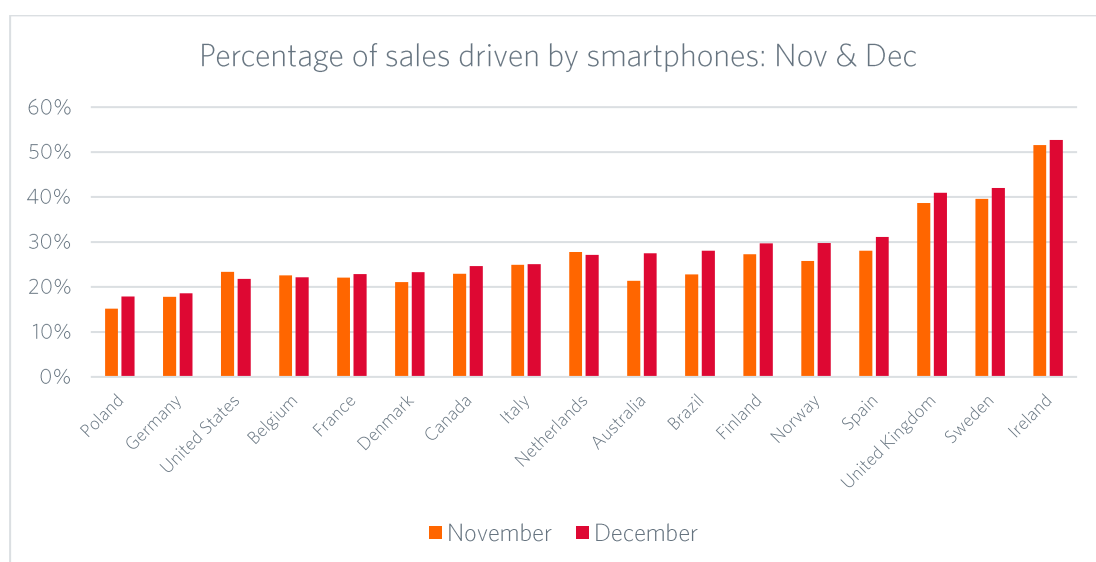
**11**

Number of days smartphone sales outstripped desktop in December in the UK: the first time recorded.

# December becomes Awin's first smartphone month

While the network continues to see wide variances between local consumers' propensities to buy goods and services on smartphones, for the first-time peak trading saw a couple of markets track handsets as the dominant device at various points in November and December.

Here you can see each individual market when plotting November and December share of smartphone sales (tablet and desktop are categorised separately):

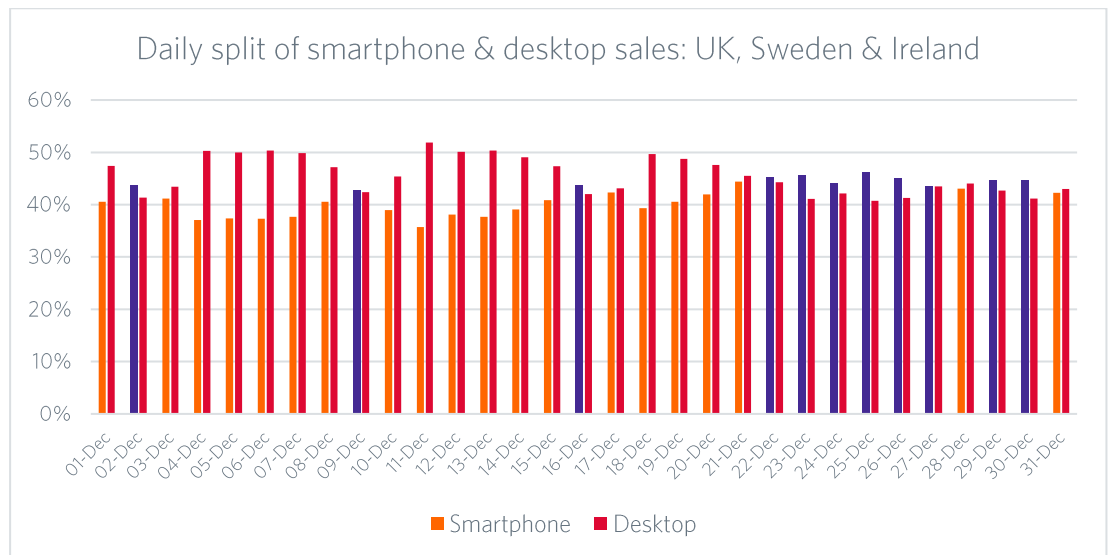


The UK, Ireland and Sweden all hit the 40% mark as we entered December, but more than that, each country recorded days where volumes on handsets exceeded desktops for the first time.

In 2016 we reported that Awin in the UK experienced what we termed '£1m power hours' where we momentarily saw handsets exceed desktop revenue in the early hours of Black Friday. This marked the continuing arc of smartphone firsts which has now been consolidated with complete 24-hour periods where handsets are the dominant platform.

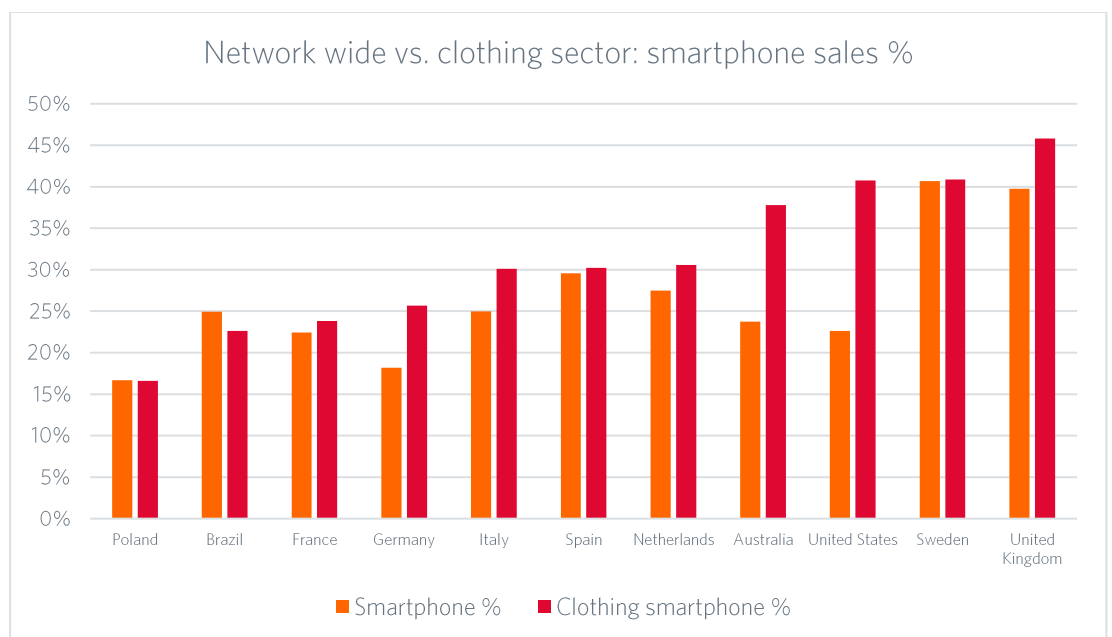
This marks a network first and is indicative of the general flow of traffic. Both Ireland and Sweden recorded these firsts in November, but when including the UK data, a late December pattern emerges that is clear; smartphones are now the overall priority. Here the specific days (11 in total) have been coloured purple and the device splits also offered:





We can evolve the story even further when we consider both drilling down into sectors and sub-sectors as well as specific programmes.

Let's look at general network splits across December throughout the main countries Awin services and then compare it to the clothing sub-sector of retail:

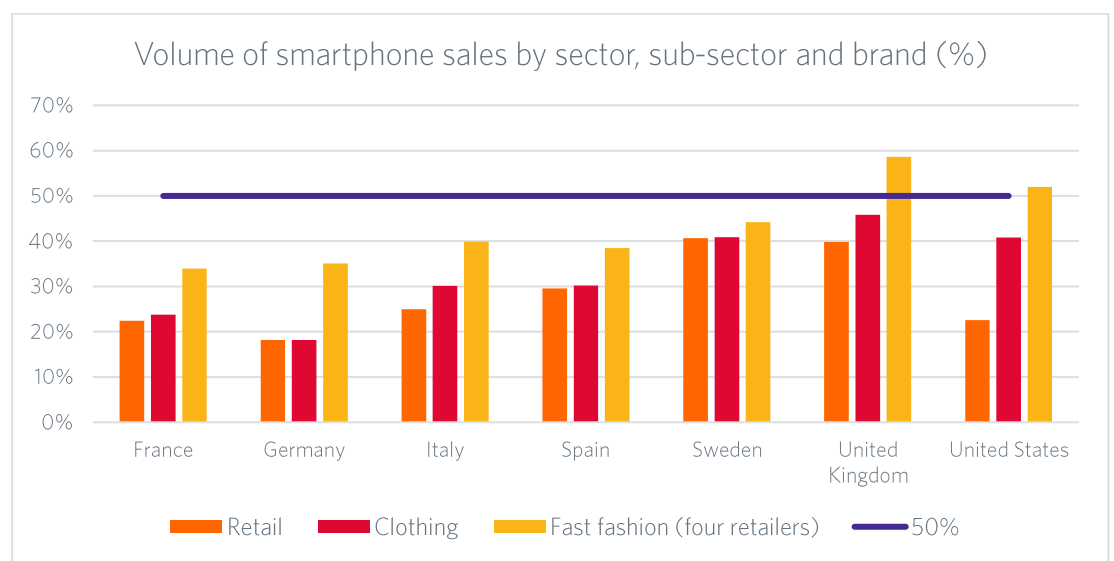


Going one step further we can identify four advertisers on the network who run programmes across a number of markets in the fast fashion sector. This is a fascinating sector to analyse for a diverse set of reasons.

The considerations when looking at the volume of sales they typically pull in from different devices are:

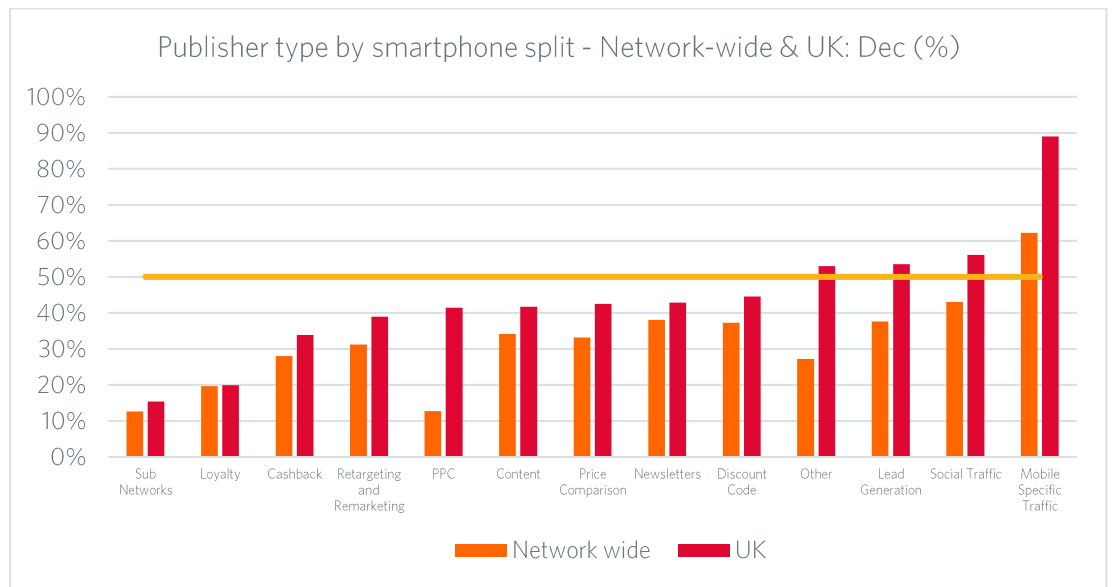
- The age demographic (first to mobile)
- The low volume of tablet usage among this demographic
- The high level of optimisation among fast fashion brands
- Whether the advertiser is a digital-only brand
- The ease of buying and – critically – the cost and convenience of returning unwanted goods
- The cost of the product (lower value = lower risk of the product not being what the consumer wanted)
- The propensity of these brands to use social media more than others and how this social content is accessed (typically on mobile devices)
- The increased reliance on influencers and bloggers who are also highly dependent on social media accessed through handsets.

With these points in mind, we can see how four brands performed against the two metrics displayed in the previous graph (with a line to show the 50% mark):



The other way of interpreting this data is of course to consider the affiliate split. By considering our network-wide data and then comparing it to the major market with the highest split of smartphone sales (the UK), we can see the wide variation in the data.

To reiterate the previously made point, social media, unsurprisingly, over-indexes as does lead generation (dependent as it is on email which is, on a majority of occasions, opened on a mobile device):



The reasoning behind where other affiliate types sit is open to debate. The significant proportion of sales tracked through loyalty and cashback platforms for example may track predominantly through desktops as there is a tracking mechanism understood by consumers and they may believe desktop to be a more reliable platform for securing their reward.

Discount, coupon and voucher sites over-index by about ten percent. We know that they are also mobile-savvy companies with apps and mobile sites to support their desktop efforts. They also send a substantial volume of emails, all factors that attract a more phone-focused audience.

# Digging deeper; what the detail tells us

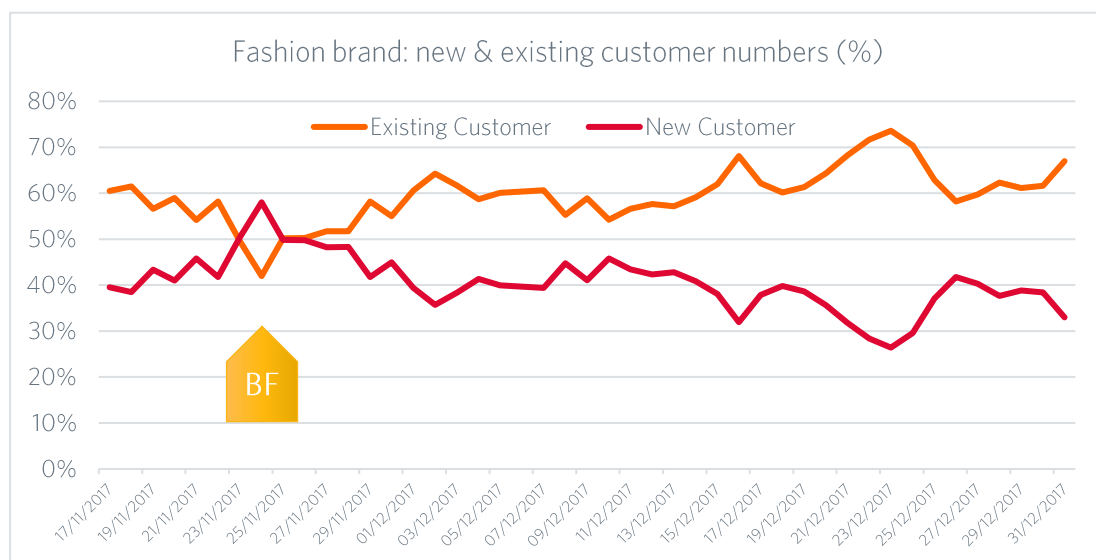
Outside of the network-wide and sector-specific data, it is possible to unearth additional insights based on supplementary information passed back to the network.

For many retailers, for example, we capture new customer information, which is particularly useful when running specific promotions and targeted offers designed to influence the quality and type of shopper.

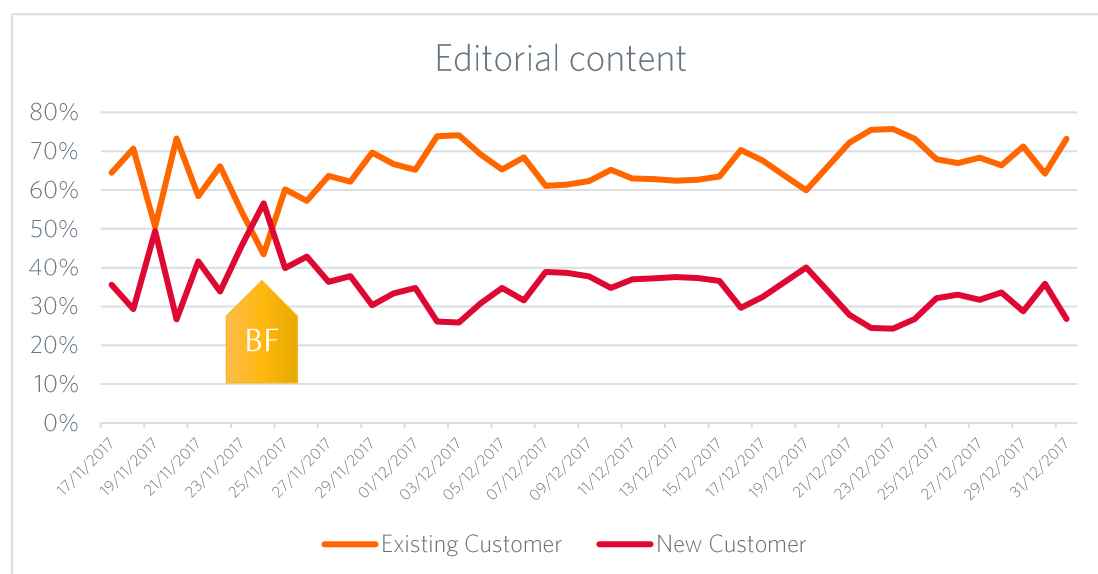
It is also possible to track the performance of individual affiliate deals to align these two pieces of information.

While new and existing customer data around Black Friday doesn't show anything that is definitive (there is no obvious and general trend that running a specific new customer offer dramatically impacts performance), one fashion retailer of note ran new and existing customer deals and experienced an interesting spike in new customer numbers around Black Friday.

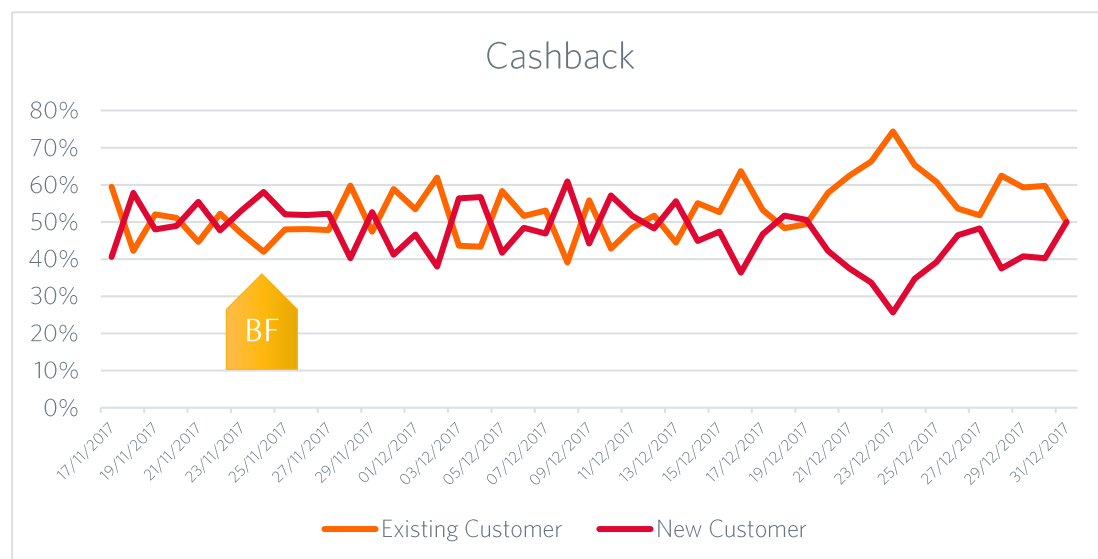
In the following graph we can see the timeline from mid-November until the end of 2017 with the new and existing customer figure plotted daily. An interesting reversal of fortune happened on Black Friday when new customers exceeded existing for the only day of the period (despite being run close by the rest of Cyber Weekend):



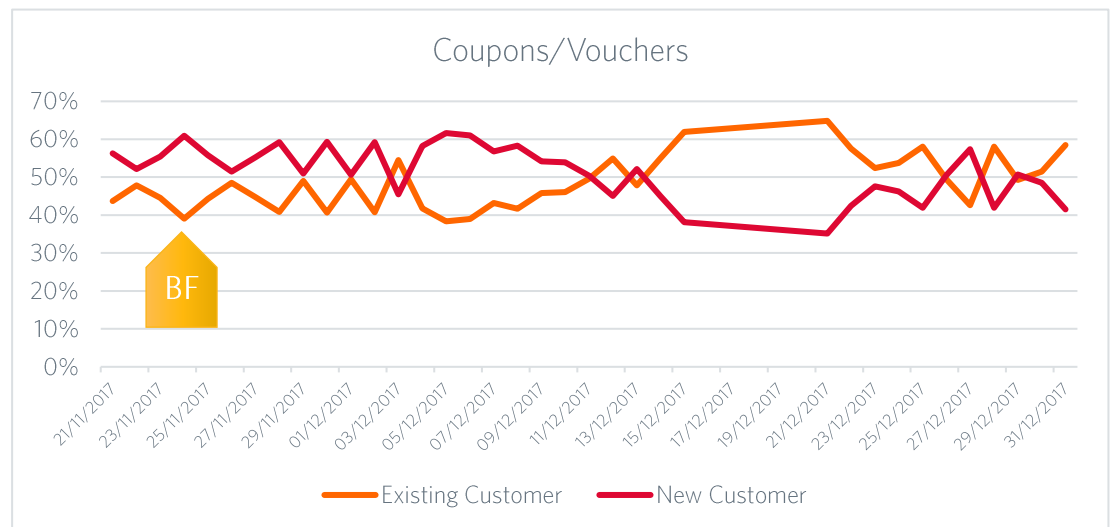
Drilling down the data further we can see how different affiliate categories delivered. Here you can see affiliates broadly defined as editorial content showing more pronounced performance. Again, the spike around Black Friday emulated that of the programme more generally but dipped back around the rest of the weekend:



Cashback offered a more compelling case for delivering new customers, with the division between the two being less distinct. Indeed, Black Friday was one of more than a dozen days when new customers exceeded existing, with 8<sup>th</sup> December out-performing Black Friday:

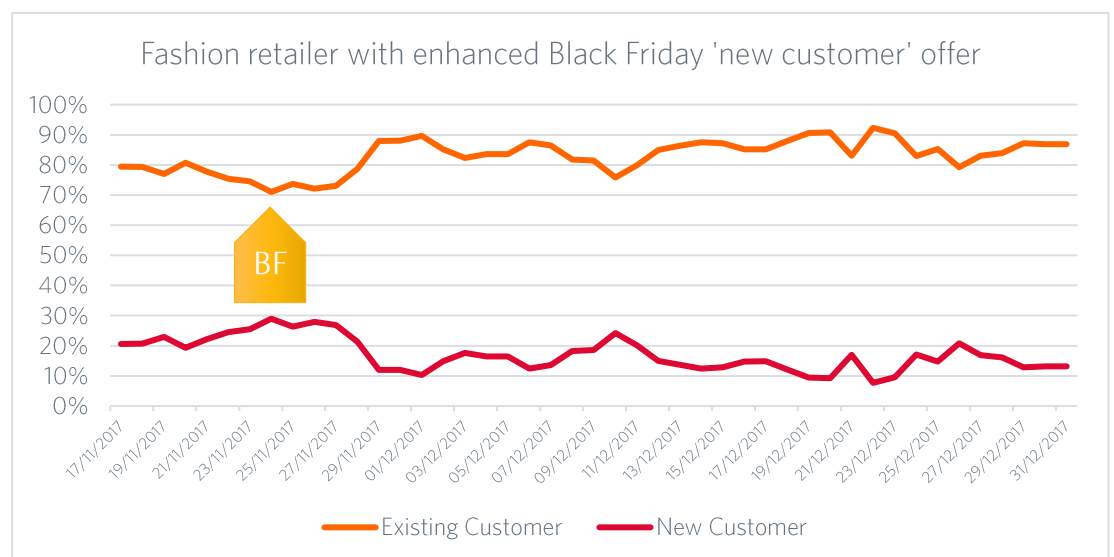


Finally, assessing voucher and coupon sites, we can see a distinct new customer trend through late November, falling back as we proceed through December:



This is a more interesting general trend that is worth exploring in greater detail: whether the closer we get to Christmas, the more that loyal customers default to purchasing from brands that are tried and tested. Is November a brand's opportunity to tempt shoppers to try them for the first time? Is December the time to consolidate that relationship and focus on securing their existing customer base?

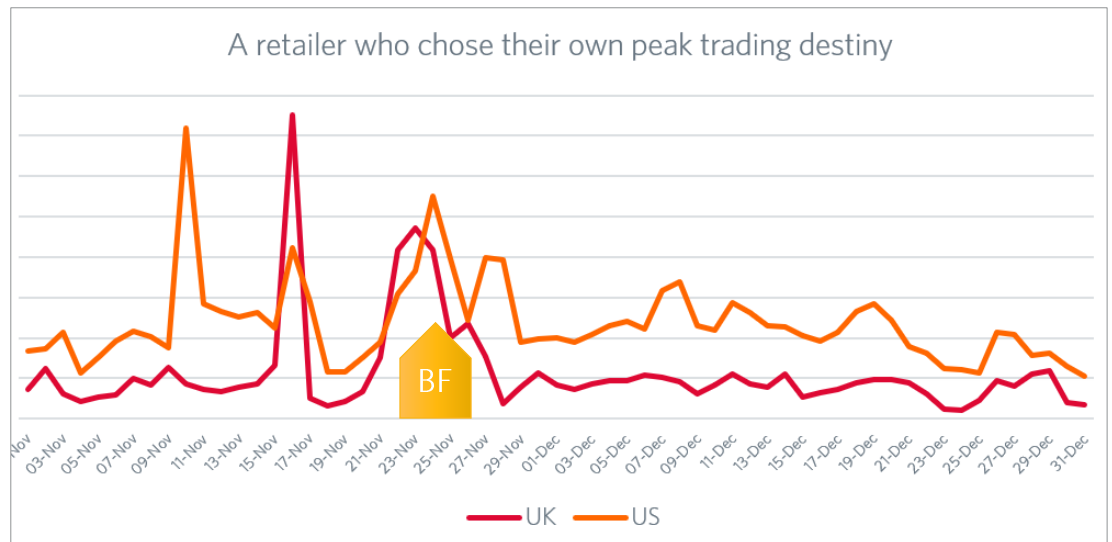
While less pronounced, another retail brand shows a similar trend when we observe their network-wide data. In this instance they run both new and existing customer commissions and on Black Friday enhanced these rates:



Finally, while all our narrative to date has been focused on brands falling within the conventions of Black Friday, and the major shopping events that sit around peak trading (albeit with some looking to grab market share from competitors by 'going early'), some brands chose their own destiny and tested specific campaigns in advance of the big day.

One retailer we work with went big and offered deep discounts two weeks out of Black Friday resulting in that being their affiliate peak in the UK. In the US a specific launch also stole an early march resulting in both programmes bucking the standard performance of their competitors.

This invariably took some of the momentum from their Black Friday campaign which they also went early with. While Black Friday was undoubtedly important, it is worth noting how it was the fourth largest day in the UK (the second largest in the US).



There are obvious questions about the level of sales' displacement that occurred versus snatched competitor market share, but it is an interesting example of a client choosing to steer their own path rather than be defined by tacitly accepted retail events

*Want to find out more? Awin tracked Black Friday and the wider Cyber Weekend through a series of reports, analysis and content. [Click here for more.](#)*



This whitepaper was brought to you by the Awin Strategy Team.

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