

Holiday 2016 eCommerce Report

Black Friday: The holiday that stole Christmas?



About Skimlinks

Skimlinks helps publishers and advertisers turn shopping intent into insights and revenues. Our content-to-commerce marketing technology empowers digital media owners by automatically rewarding them for the sales, audience data and strategic insights their product and brand-related content helps create. With data from the billions of content-to-commerce journeys running through the Skimlinks network, we provide unique audience services for more relevant online advertising and valuable insights into the role content plays as users navigate and transact across the web. Founded in 2007 and with offices in New York and London, Skimlinks partners with more than 55,000 publishers and 20,000 retailers worldwide.

Find out more at www.skimlinks.com



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Section 1

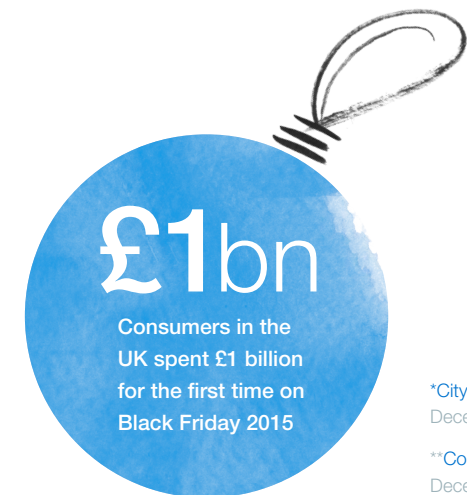
Introduction

Nobody needs telling that Black Friday matters. It is the discounting day to end all discounting days, smashing records on both sides of the Atlantic for revenue and carving out an entire weekend around itself that has rapidly become the lynchpin of the holiday period for retailers.

Consumers in the UK spent £1 billion for the first time on Black Friday in 2015*. The US has seen Cyber Monday break away as the lead day for spending. Last year, \$3 billion was spent on Cyber Monday**. In the Holiday 2016 eCommerce Report, we looked at the Skimlinks network's data from the past three years across publishers and merchants to see just how integral Black Friday and the Thanksgiving weekend have become to succeeding in the holidays on either side of the Atlantic. We also looked at December and how two of our merchants, in the UK and the in US, are responding to the challenge of Black Friday and adapting their strategy for success.

Methodology for data gathering

We formed our primary data set from aggregates of events including transactions made by people who have clicked on affiliated links in our publisher network, and purchased on Skimlinks approved merchants. We then looked at total order value generated across the Skimlinks network **by day over the 60 days before and 60 days after Black Friday**. The percentage share of the total order value of the 120 day period was then broken out per day and analyzed. The analysis was replicated for 2013, 2014 and 2015. By adding country of origin to the data set, we have broken the findings out for the US and the UK.



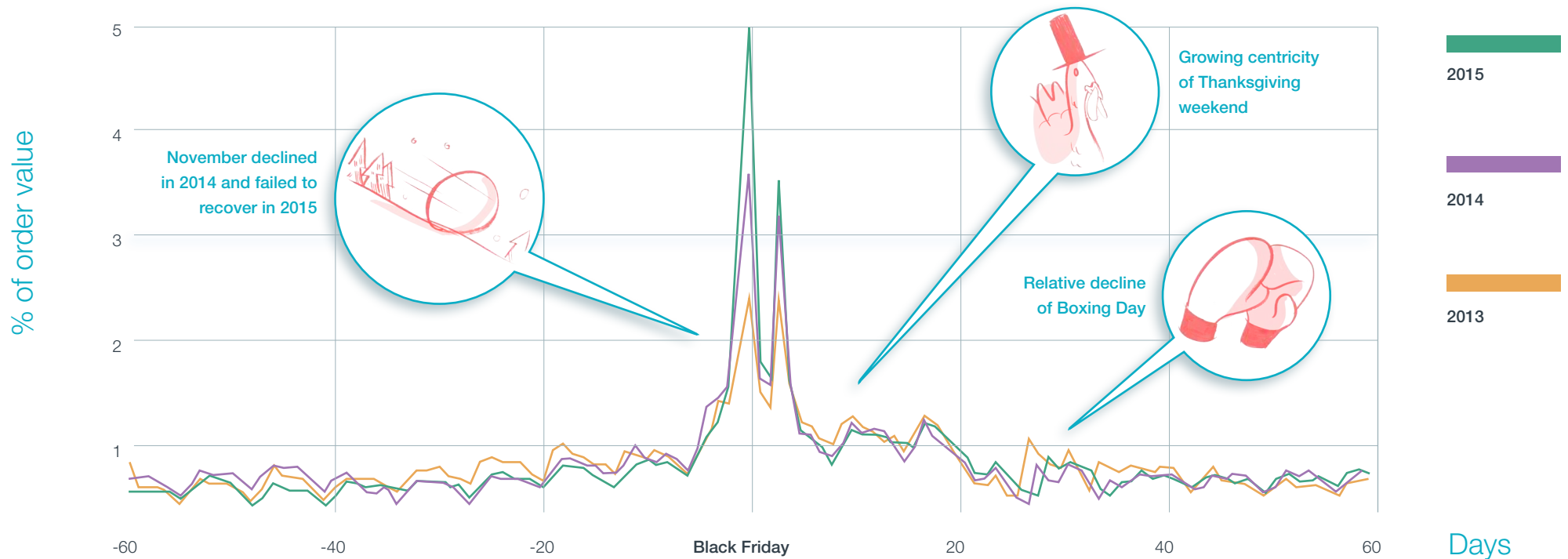
*CityAM
December 2015

**Comscore
December 2015

The State of Holiday eCommerce from 2013-2015

Online order value concentration from the Skimlinks network in the past 3 years

What is order value? The order value is simply the total online purchases made for a merchant over a given period of time.



Black Friday and Thanksgiving Weekend matter more. 5% of all sales in the Skimlinks network came from Black Friday alone in 2015 over the Thanksgiving weekend.

In 2013, the impact was less discernible. Despite representing a significant peak, Black Friday and Cyber Monday did not take order value away from the November build-up or from December going into Christmas.

In 2014, this changed, Black Friday and Cyber Monday took a larger share of order value, and order value dropped across the rest of November and in December.

In 2015, the concentration of shopping on Thanksgiving weekend intensified. Black Friday 2015 outperformed any that had come before it and Cyber Monday also rose. November flattened with interest only really picking up in the days before Black Friday. December did recover, but not to the levels of order value seen in 2013.

Black Friday in the US

It's clear to say that Black Friday, more importantly Cyber Monday, and the Thanksgiving Weekend together have killed Christmas.



They now act as the focal point for the US Holiday calendar, taking the lion's share of order value and leaving November and December to either side to take whatever they can get.

The November spend build up has shrunk in 2014-15 and the December period hasn't fared much better, experiencing a steep fall from the highs of the Thanksgiving weekend.

Cyber Monday has firmly established itself as the day to watch, growing 12% last year on its total from 2014.*

Thanksgiving is emerging as a day to watch, posting 9% growth year-on-year last year and although often overlooked, Saturday and Sunday perform strongly, with the holiday weekend last year taking more than **\$2 billion**.**

*comScore Inc.
December 2015

**eMarketer
December 2015

Black Friday in the UK



Black Friday is blazing ahead in the UK. It is a key day in the holiday calendar — British shoppers spent £1.1 billion last year — and one that consumers accept and expect as a part of the season*. Despite the exceptional growth, Black Friday and Cyber Monday don't command the same dominance in the UK as they do in the US.

Instead, in the UK, there are more days across which order value is diluted. Many British shoppers capitalize on discounts on Christmas Day itself — spending rose 21% between 2014 and 2015**.

Boxing Day is another clear departure from the US holiday season. Despite being overshadowed by Black Friday in 2014, it still proved to be a highlight of the year for retailers and recovered some lost ground in 2015***. Its' continuing success

stands in contrast to its fate in the US.

Despite carving out a great wedge of holiday order value in the UK, Black Friday has yet to achieve the same singular importance it holds in the US. **Several UK retailers have already pulled out** of participation in it and there are still multiple alternative discounting days for retailers to capitalize upon to avoid becoming overly dependent on Black Friday and Cyber Monday for their seasonal success.

*[Guardian](#)
November 2015

**[BBC](#)
December 2015

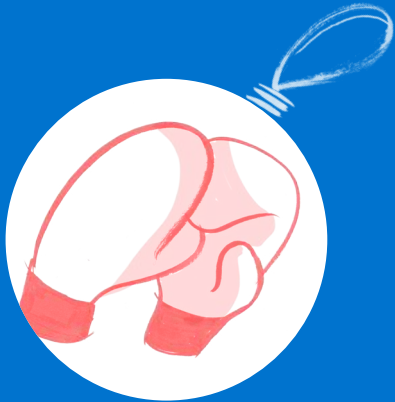
***[The Telegraph](#)
January 2015

Taking a closer look at December

Having acknowledged the importance alternative discounting days play in the UK compared to the US holiday calendar, we then investigated December to observe the impact the arrival of Black Friday has had here on spending habits.



Top holiday trends to care about



Boxing Day grew 22% year-on-year in 2015



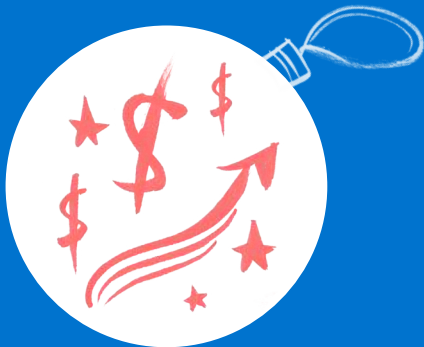
Overall online sales grew 15% in December 2015****



Online spending rose by 7.4% in the UK



£24 billion was spent in the UK over Christmas, up 12% year-on-year*



In the US spending between Black Friday and Christmas Eve rose 7.9%**



US consumer spending averages \$99 per day in December*****



Sales fell by 1% from November to December 2015 in the UK***

*Internet Retailing, January 2016

**New York Post, December 2015

***Guardian, January 2015

****FinancialTimes January 2016

*****Gallup January 2016

Christmas really is coming earlier every year



From 2013-2015, consumers have started and ended their holiday shopping.

Three years ago, online shopping stretched as late as December 17th, then declined into Christmas Eve itself, then bounced back up on Boxing Day through New Year's Eve.

In 2014, shopping ended on December 15th, with a steeper decline into Christmas and lower rise for Boxing Day. This has been attributed to Black Friday, with shoppers being less inclined to continue spending into December and logistical issues putting people off with last minute shopping.

In 2015, the peak came even earlier where Shopping spiked on December 13th and rapidly fell with just a small rise right before Christmas. Order value is concentrated on the Black Friday, Cyber Monday weekend but there are other spending days that remain



relevant and the peaks through December demonstrate that not everyone is buying everything on a few select days.

The trend is clear: the concentration of order value on Thanksgiving weekend is leeching away traffic from the rest of the period. People are less willing to continue spending once they have bought everything they need and the indication is that they are buying everything they need sooner rather than later.

Section 2

Case study on two of the US and the UK's top ecommerce retailers

Having looked at the big picture, in this section we want to highlight two of the largest ecommerce retailers in the US and the UK. Their different strategies for success in this key holiday season and how they approach the Black Friday weekend.

Case study 1:

A US top 10 discount retailer

Showing off the power of Cyber Monday

This retailer really showcases the central role Cyber Monday in particular plays in the US Thanksgiving weekend and holiday season.

A quarter of all order value was concentrated on Cyber Monday itself in 2015. Thanksgiving and Black Friday together accounted for a further 21% of order value.

This is in line with the rest of the US. Splitting revenue across Black Friday and Cyber Monday, the latter took 56%*.



*Econsultancy
December 2015

US Thanksgiving weekend by the numbers



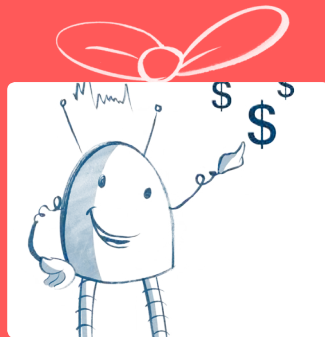
Brick-and-mortar
Thanksgiving weekend
sales fell 4.7% last year*



Online sales rose,
with a 9% increase in
Thanksgiving AOV
to \$162**



Online shoppers spent \$4.45
billion on Black Friday and
Thanksgiving***



Cyber Monday saw over
\$3 billion spent for the
first time****



So what's changed since 2013?

Unlike the UK, the US saw the shift in order value from December to Black Friday a long time ago That shift is reflected in Target's concentration of order value too.

In 2013-2014 Black Friday was the biggest discounting day, with some activity before and after it. Last year that changed, as Cyber Monday took centre stage, driven by people turning away from brick

and mortar sales*****.

This top US retailer's entire holiday season has become geared towards Cyber Monday and as a result there were few peaks in December, and nothing that came close to matching it. This retailer's strategy and success has been entirely focused and geared towards the Thanksgiving Weekend and Cyber Monday period without a fault.

(Left)

*RetailNext
December 2015

**Practical
ECommerce
December 2015

***Fortune.com
November 2015

****Internet
Retailer
December 2015

(Right)

*****Bloomberg
November 2015

Case study 2:

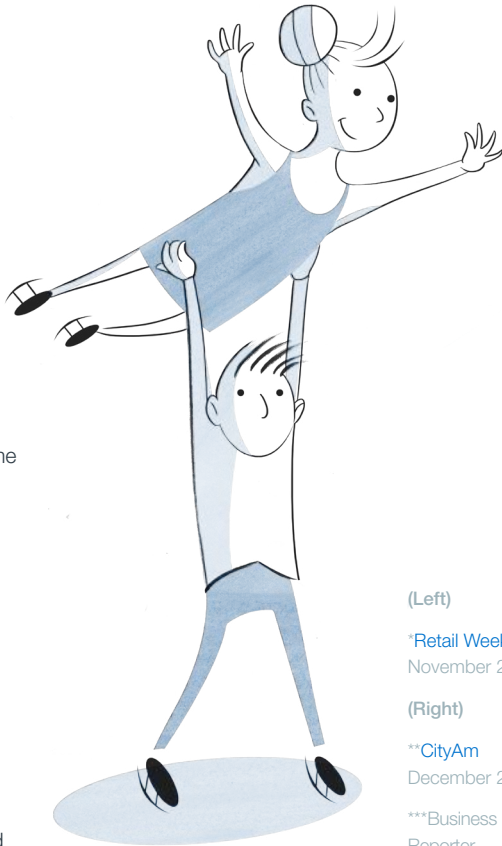
A top UK British department store (eCommerce)

Standing out from the crowd

The common trend in the UK has been the growth of Black Friday at the expense of margin in the rest of the Christmas period*.

As such, Black Friday has become in some eyes a poisoned chalice — retailers need to participate to remain competitive but leave themselves exposed to losing margin through ruthless discounting.

That isn't the case for this UK retailer though. They not only saw significant uplift on Black Friday, which accounted for 13% of total order value, but managed to balance that with a strong performance through the rest of the Christmas period either side, including a higher peak for Boxing Day than in 2013-2014.



(Left)

*Retail Week
November 2015

(Right)

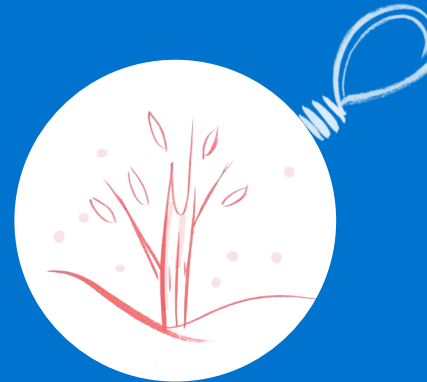
**CityAm
December 2015

***Business
Reporter,
December 2015

****CityAm
December 2015

*****Independent
December 2015

The UK Christmas season



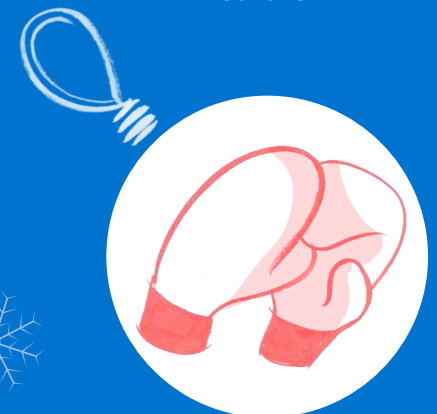
Boxing Day footfall rose
3.36% year-on-year**



More than £3 Billion spent
over Black Friday
weekend***



£1 Billion Spent on Black
Friday for the first time



Nearly £3 billion spent in
Boxing Day sales*****



So what's changed since 2013?

Three years ago, Black Friday only accounted for 4% of sales and this UK vendor saw a consistent performance through November and December, with earlier peaks in the run-up to the big day and a small but significant spike on the day itself.

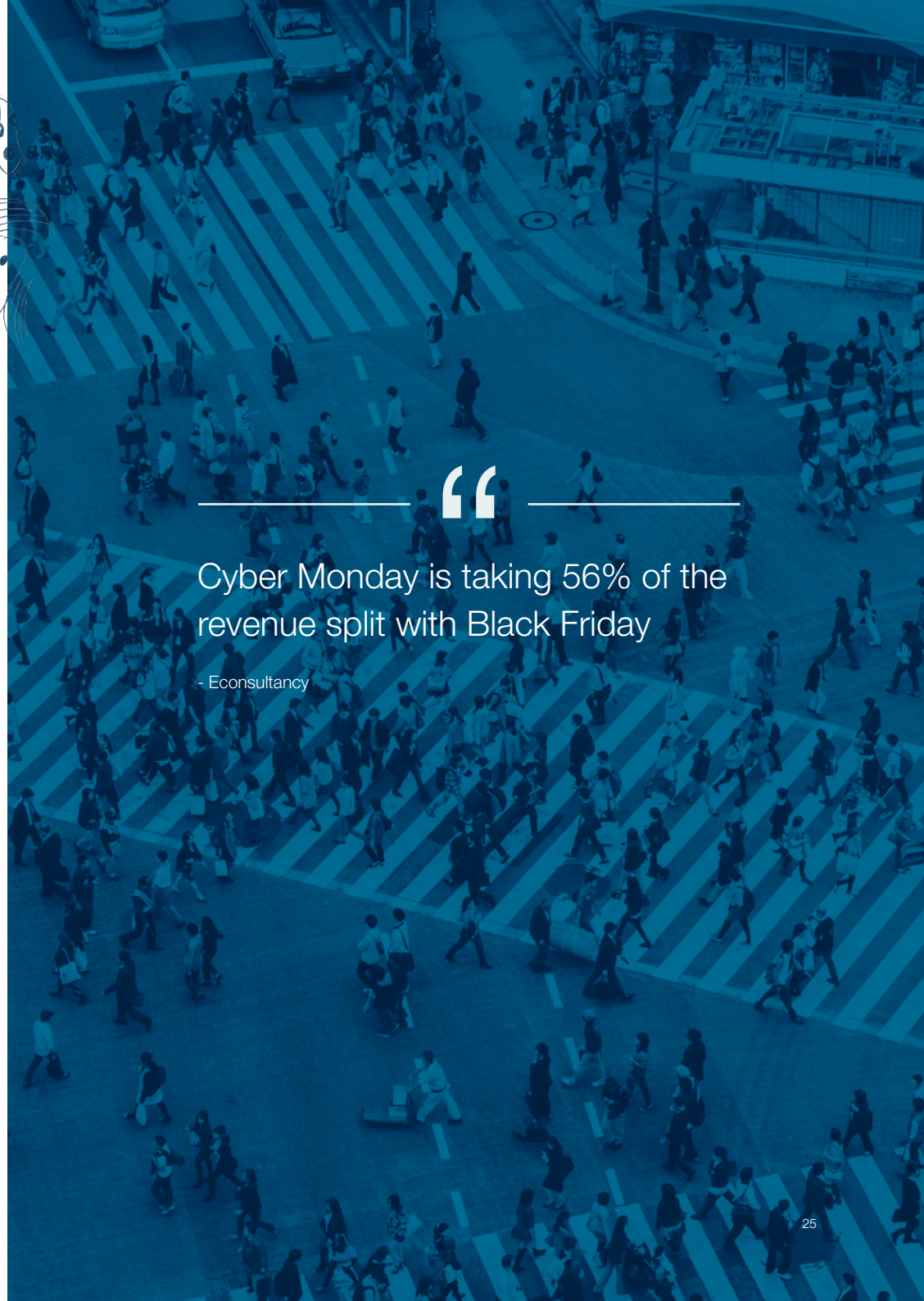
Through December there were regular peaks before Christmas and into the January sales period.

The bigger change came in 2014, when 30% of all order value came on Black Friday. Aside from a significant spike on Boxing Day, the UK vendor was silent for most of November and most of

December in anticipation for its discounts and offers for Black Friday and Boxing Day alone.

Last year, this retailer managed to reverse that. Black Friday was still significant, and was the most important single day for purchases, but it didn't break the entire holiday period. It was able to balance its seasonal success by diluting its focus during the rest of the better, contributing to stronger sales than previous years.

In Essence, the UK retailer has figured out the threat posed by Black Friday, how to leverage it to its consumers benefit and avoid it eating into the margin for the rest of the period.



“

Cyber Monday is taking 56% of the revenue split with Black Friday

- Econsultancy

Section 3

Summary

Our network shows there are massive significant spikes in revenue earned on Black Friday and Cyber Monday and our analysis has demonstrated that order value is starting to concentrate more and more around the Thanksgiving weekend alone.

Follow the trends

Don't miss a beat in your 2016 holiday planning and get ahead of the curve with your strategy.

Consumers start and finish their shopping earlier than ever before, and that means publishers, advertisers and agencies alike need to be readier earlier than ever before to capitalize on the holiday season's opportunities from an editorial and advertising standpoint. To that end, we want to leave you with key takeaways to make the most of the holidays:



Key takeaways: For Publishers



1

Plan your content now and think about targeting people on Thanksgiving itself and engaging them shortly after.



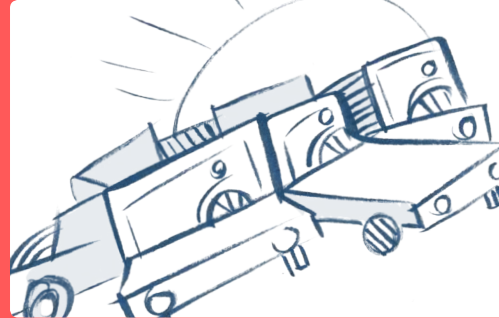
2

Read up on your past content. Reuse what has performed well. Update and/or replicate.



3

Work with the merchants' calendars. Use their timelines, whether spread out or not, and curate your content from there.



4

Cross promote your content on social media, leverage your different communities and networks to funnel traffic to your main site.



5

Use your newsletter to your advantage to create a more engaged, loyal audience.





Thanks!

