



Black Friday Cyber Monday eCommerce advertising report

The eCommerce report to inform your ad strategy for BFCM 2023.



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Introduction



The Black Friday Cyber Monday (BFCM) season continues to hold its place as the most important annual event for eCommerce brands, often contributing significantly to their annual revenue.

Brands adopt a variety of strategies in the effort to maximize performance during peak, from increasing ad spend or targeting specific channels or timeframes. With each brand's context being distinctly different, it's difficult to reach a consensus on a single best strategy.

One thing is clear- measurement remains a persistent challenge, especially in the post-iOS 14 era, with few eCommerce brands having access to high-quality cross-channel and cross-funnel performance data.

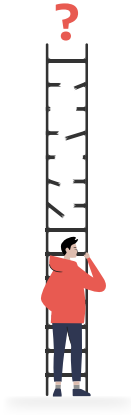
In this context, Fospha is well-positioned to examine the impact of spending strategies during the BFCM season. With a leading attribution model that sheds light on hard-to-measure impressions-led channels and a wealth of cross-client data, we are pleased to offer insights into effective channel strategies based on Fospha Attribution.





Who are Fospha?

The marketing measurement platform for eCommerce.



- ① Increased competition is pushing up costs, squeezing margins and threatening growth targets.
- ② Headwinds like iOS17, cookie deprecation and the privacy-first movement make it harder than ever to reliably see what's going on.
- ③ Cross channel reporting with a single source of truth becoming more difficult as the number of channels increases, each with their own attribution methodology.

Fospha Marketing is a new type of marketing measurement.

Using machine learning to combine multi-touch attribution and marketing mix modelling in one view, our platform gives clear, actionable insights on where to spend to maximise your growth.

Our cutting-edge approach shows you the impact of all clicks and impressions, restoring visibility you lost with iOS14 and future-proofing you against further privacy changes.

Fospha clients achieve on average:



Getting started with Fospha:

- ① Fast, with a live platform in **24 hours**
- ② Easy, requiring just **10 minutes** setup
- ③ Affordable, with pricing from just **\$950/month**

To get started, click [here](#) to apply for a free trial.



Huel®

“If you're trying to scale a D2C brand – invest in Fospha!”
Ben Bokaie, Head of Performance

SPOKE

“The most sophisticated attribution model I've ever worked with”
Jake Higgins, VP Growth

CUUP

“The reporting I've been looking for my whole career”
Kathrin Paramasivam, VP Growth

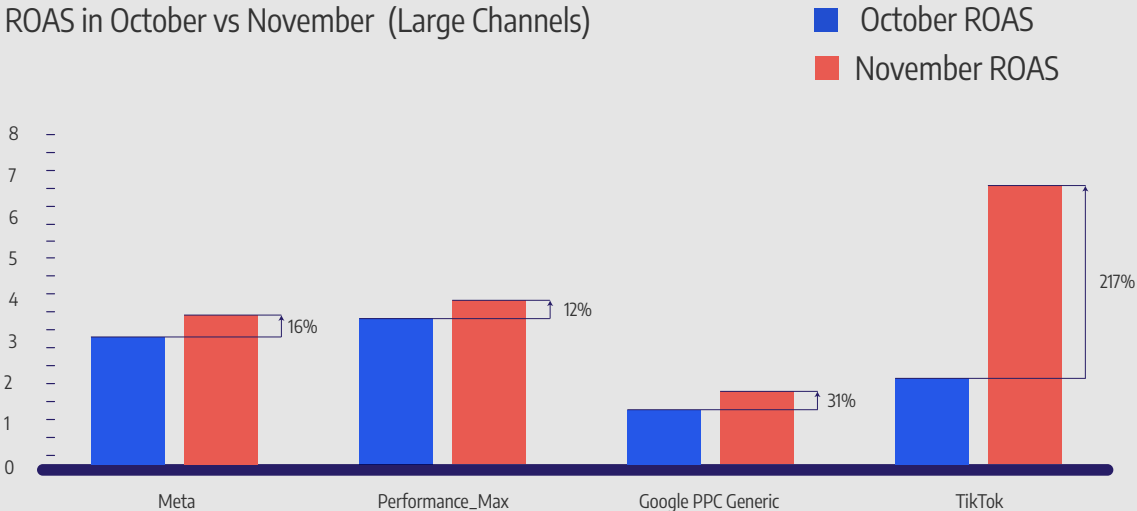
TikTok is a gamechanger for ROAS, while Meta delivers scale



01.

All top spend channels saw an increase in ROAS during November – this is in contrast with our previous BFCM report, where 3 of the channels in this group saw a slight dip in performance.

ROAS in October vs November (Large Channels)



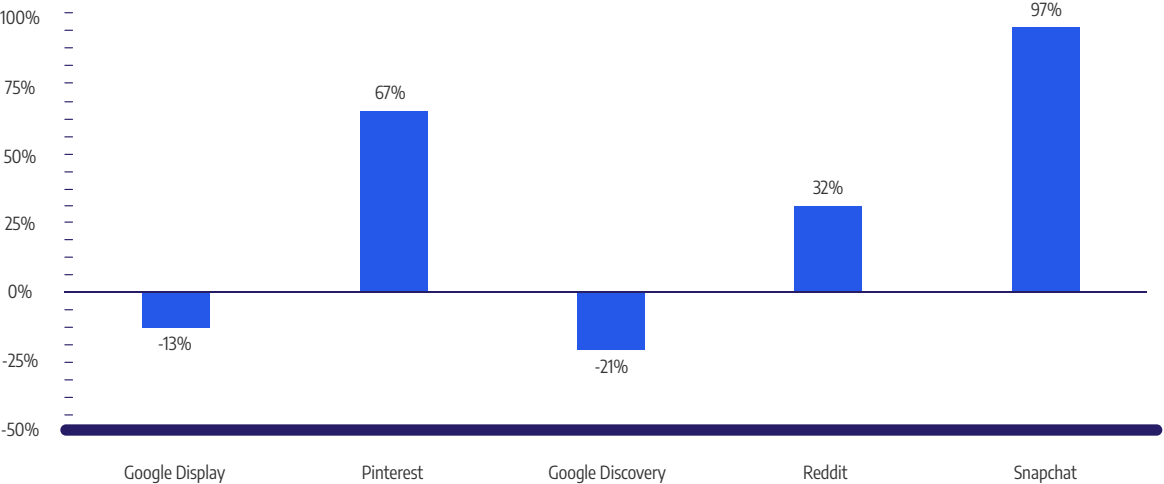
Our latest research shows TikTok miles ahead for performance, demonstrating the strongest cross-channel improvement, with >200% MoM ROAS growth during November. Not only did TikTok experience impressive growth, but its ROAS was amongst the strongest.

This is especially impressive and highlights TikTok’s fast maturity as a platform year-on-year (YoY), considering month-on-month (MoM) ROAS fell in TikTok in our last report. At that time, investment in TikTok was largely experimental with most brands just starting out in the channel, so scaling was a risk. As brands have increased spend, TikTok performance has skyrocketed – proving the scalability of the channel. Therefore, these latest results reinforce TikTok’s position as an emerging channel for substantial growth.

Meta's ROAS improved slightly, which is impressive at such high spend levels. With an already-high spend level there is a risk that increasing further could cause saturation, however, brands investing in Meta saw a marginal increase in ROAS throughout the holiday period even as they scaled spend. As expected from a revenue perspective Meta was still the key driver.

Amongst smaller spend channels: Display, saw a dip in ROAS of 13%. This is a similar story to our previous results, suggesting no real improvement in performance in this channel. Conversely, Pinterest, Reddit and Snapchat saw an increase in ROAS of 67%, 32% and 97% respectively. These channels are becoming increasingly top-of-mind for advertisers looking to diversify away from Meta & Google—certainly channels to consider when assembling your 2023 BFCM strategy

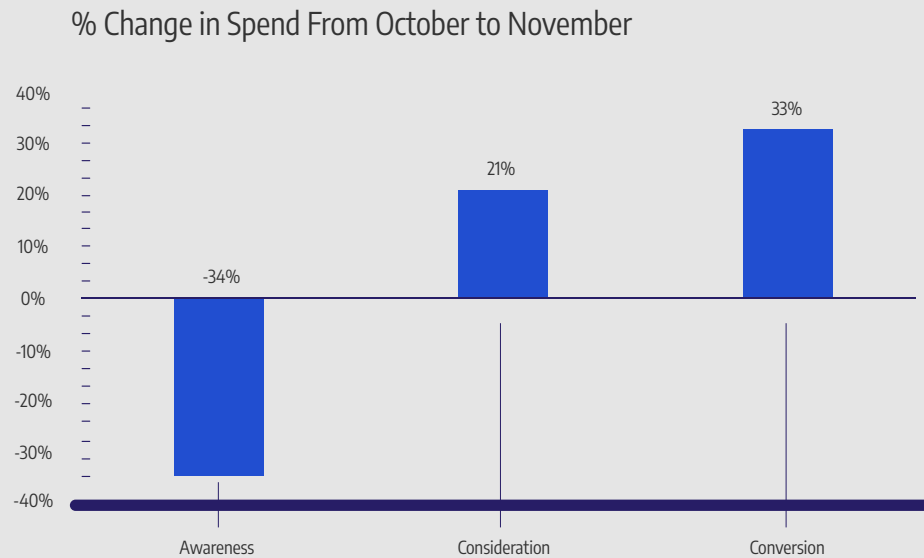
ROAS in October vs November (Small Channels)



A full funnel strategy is key for BFCM Success



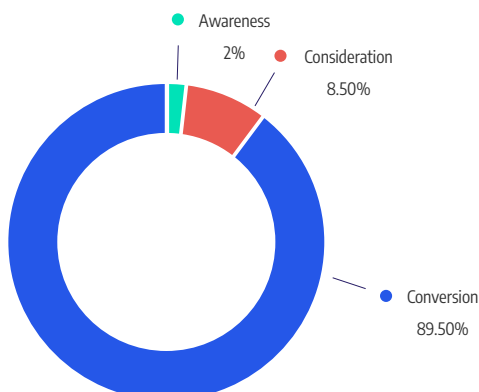
02. Cross-funnel spend analysis



Consideration and Conversion spend grew, but Awareness spend fell significantly.

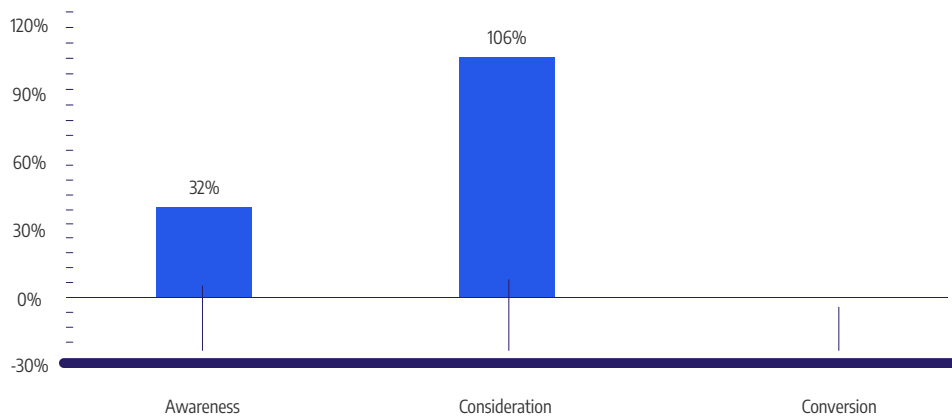
Our clients' funnel strategy shifted heavily towards Conversion in the period approaching Black Friday. Buyers are naturally high-intent during this period – by ramping up Conversion, brands are capitalizing on the readiness of customers to make purchases. These results were even more extreme in comparison to last year, where Conversion made up 83% of spend, now rising to 89.5%. Consideration budget rose by 21%, although making up a smaller % of total spend versus last year. Meanwhile, an expected trend that arises every year is the large cut in Awareness spend, with brands moving their sights away from brand building as their customers shift into 'buying mode'.

Black Friday Month Cross-Funnel Investment



Cross-funnel performance analysis

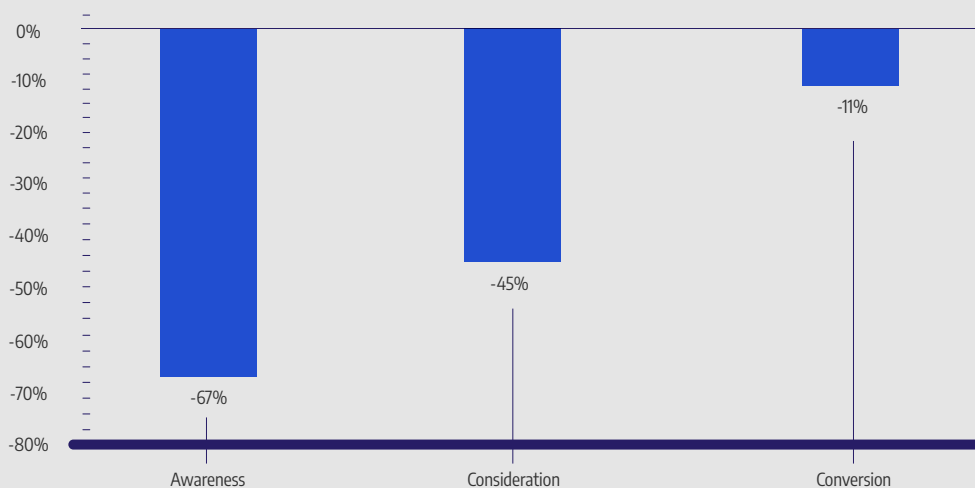
% Change in ROAS from October to November



Both for growth in ROAS and raw ROAS figures, Consideration outperformed Conversion activity. It yielded a 3.5 ROAS during the Black Friday period, doubling from the previous month. Raw ROAS for Awareness was also slightly better than Conversion, a reflection of cheaper CPMs and less competition in higher funnel activity.

However, Conversion still produced by far the most revenue, while maintaining the same ROAS – meaning it remains the best objective for scale.

% Change in CAC from October to November



All three objectives saw the cost of acquiring a new customer fall in the transition from October to November, a reflection of higher buyer intent, and effective marketing & sale strategy.

As expected, the objectives with less competition (Awareness & Consideration) improved to the greatest extent. Whilst it seems intuitive to avoid brand building activity during BFCM, the data provides great signals that investing in higher funnel is a fruitful strategy for acquiring customers at a much cheaper rate.

An interesting observation is that the November CAC raw figures roughly align for all three campaign types, with Awareness emerging as the cheapest.

Increasing spend during BFCM week is the right way to go



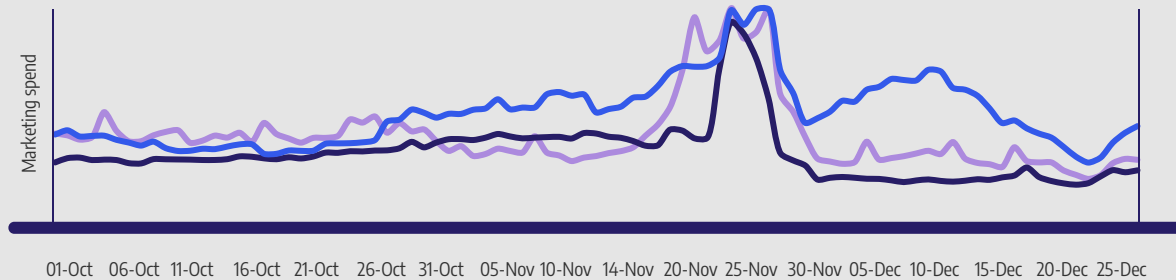
03.

Increasing marketing spend - 3 different strategies

— November Ramp

— In-Week Push

— Weekend Blitz

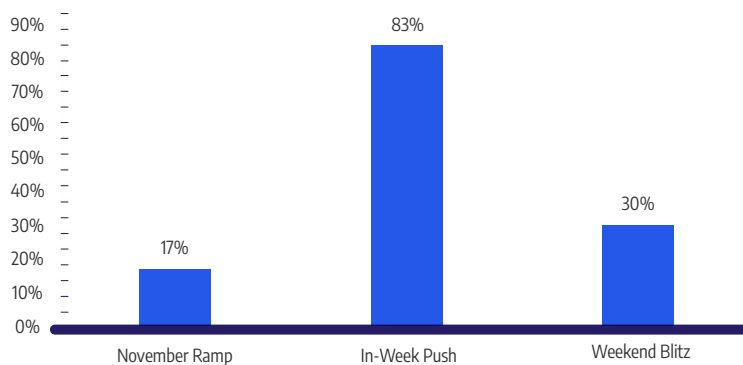


We saw three main strategies for those participating in the Black Friday sales period:

- 1 **November Ramp** – Some brands increased spend throughout November, ramping gradually to a peak over the holiday weekend.
- 2 **In-Week Push** – Others only increased their spend during the week of Black Friday.
- 3 **Weekend Blitz** – The final segment restricted their spend increase to just the Black Friday weekend

Most brands (50%) opted to ramp spend across the whole of November. 37% opted for the In Week Push, while only 13% went for the Weekend Blitz.

How did ROAS change in October vs November?



To make it easy for you we've profiled each of these strategies with a recommendation for which brand should take each one:



Strategy 1: November Ramp

Strategy

- Increase spend throughout the whole of November, ramping gradually to a peak over the holiday period

How popular was it?

- 50% of brands opted for this strategy

Pros

- Very strong performance from a raw numbers perspective
- Less volatility in revenue throughout the month vs the In-Week Push

Cons

- ROAS rose to the smallest degree of all strategies
- This strategy delivered similar revenue to the In-Week Push.

Which brands is this for?

- Brands who are prepared to spend more and want to maximise their chances for returns during BF CM

Strategy 2: In-Week Push

Strategy

- Ramp spend for the full week preceding Black Friday

How popular was it?

- 37% of brands opted for this strategy

Pros

- ROAS rose to the greatest degree than either of the other two strategies

Cons

- It can be seen as a risk to wait until Black Friday week to start capitalizing on the holiday

Which brands is this for?

- Brands who are seeking the most optimal performance possible

Strategy 3: Weekend Blitz

Strategy

- Increase spend only for Black Friday weekend

How popular was it?

- 13% of brands opted for this strategy

Pros

- This strategy saw a strong uplift in ROAS of 30%
- Brands in this strategy spent by far the least, meaning they capitalized on strong returns at a lower risk

Cons

- This strategy produced the lowest revenue overall, a reflection of the least spend being invested in this strategy

Which brands is this for?

- Brands willing to spend less during BFCM, but still looking for a strong lift in ROAS.



Summary

04.



There's no single correct route for success during BFCM - the right strategy depends on each brand's goals for the period. For marketers looking to participate in the holiday, this report is designed to shine a light on the best possible strategies and channel mix to maximize returns.

Our key findings are as follows:



Brands who increased spend throughout Black Friday week saw the strongest performance.

- ↳ Brands who ramped spend during the entire month saw the smallest lift in ROAS, but nearly equal revenue. Raising spend during just BFCM weekend is a reliable strategy for brands who want to spend less and still reap a strong lift in ROAS.



Meta and TikTok are the hero channels for this holiday.

- ↳ Meta is still the strongest channel for scale, but TikTok emerges as the best channel for the largest growth in ROAS.

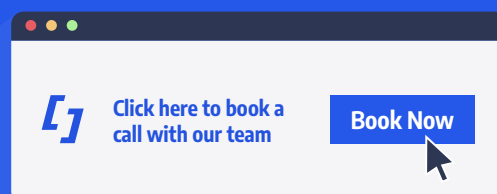


A full funnel-strategy is the right way to go.

- ↳ Consideration activity sees the largest lift in ROAS, while Awareness sees the largest fall in CAC. However, Conversion activity is still best for scale, generating the most revenue while maintaining ROAS.



What ties this all together is the need for the right measurement. While every brand's context is a little different, the brands that fare best across the period will be those with accurate measurement, allowing them to swiftly adapt and focus on their most effective strategies.



Appendix: Spend change during BFCM



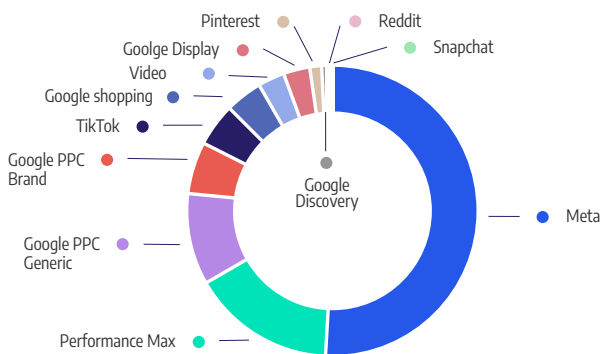
05.

Brands in our study increased spend in all their biggest channels during the month of November. Amongst the top 5 channels for spend volume, Performance Max saw the sharpest rise, followed by Brand PPC and Meta.

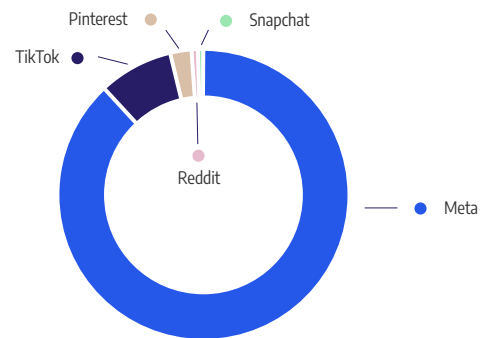
Similar to the results of our last report, Meta comprised a huge ~50% of the study, making this 30% rise very significant in terms of nominal value.

Of the smaller spend channels, YouTube saw a 16% fall in investment and Google Shopping saw the most significant rise of +91%.

Spend distribution across all channels



Spend distribution across Paid Social



Spend Growth in Top 5 Spend Channels in BFCM Month

