2019
CYBER FIVE
(THANKSGIVING - CYBER MONDAY)
BY THE NUMBERS

DECEMBER 04, 2019

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WE HELP RETAIL BRANDS
FIND & ACQUIRE NEW
CUSTOMERS

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$\chi =$

130+
TEAM
MEMBERS

3
GLOBAL
OFFICES
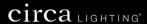
PREMIER Google Partner | Bing Select Partner | UPS Ready | UPS

FEATURED PARTNERSHIPS

Ames Walker

ASHLEY STEWART

AVERY

blindsgalore

Century 21

circa LIGHTING

CPO

DOVER SADDLERY

JEFFERS

J.Reneé

THE Kansas City STEAK COMPANY

Lenovo

mercato

ROCKLER WOODWORKING AND HARDWARE

teleflora

WINE COUNTRY GIFT BASKETS

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ABOUT UDAYAN BOSE

Founder & CEO of NetElixir

Founded PartyBingo.com (PartyGaming plc)

Guest Lecturer:
- Johnson School of Management, Cornell University
- City University of New York, Baruch
- Indian School of Business

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THANKSGIVING TO CYBER MONDAY

SEARCH, SHOP, BUY
OBSERVATIONS & INSIGHTS

AGENDA

RESULTS & TRENDS

TOP DAY-PARTS – SEARCH & BUY

HOW BIG WAS THE IMPACT OF MOBILE?

SHOPPING CART EXIT COMPARISON

OUTLOOK FOR REMAINDER OF THIS HOLIDAY SEASON

BASIS OF THIS PRESENTATION

- Hourly Search Marketing and Website data recording and analysis for our holiday retailers between Thanksgiving Day and Cyber Monday. (Aggregated Holiday Traffic Data > 600 MM Impressions).

- Data captured separately for mobile and desktop for 9 holiday categories.

- We used our proprietary customer intelligence technology, LXRInsights™, to gain deeper understanding of holiday consumer behavior.
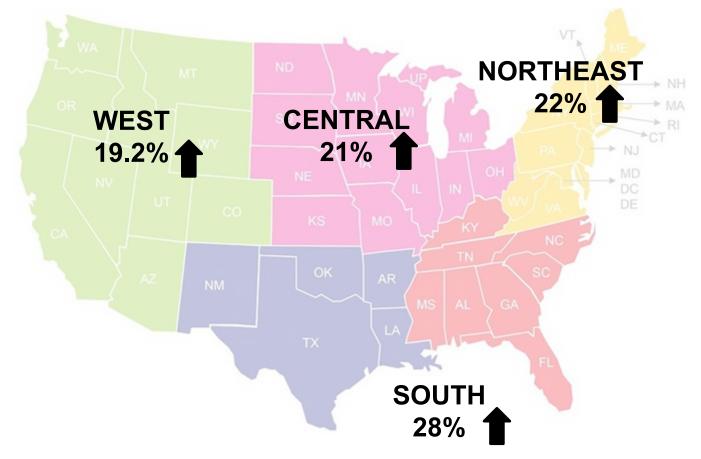
- This is our 12th Annual Cyber 5 Results Report.

CONTEXT

- Based on 6 fewer days between Thanksgiving and Christmas this year plus global economic uncertainty, we had forecasted a muted 9% Y/Y Ecommerce revenue growth during our webinar on 9/12.

- 6 fewer days meant that retailers had to sell 20% more online, every day, during the holidays.

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Y/Y CHANGE **(OVERALL US ECOM SALES INCREASED BY 23%)**
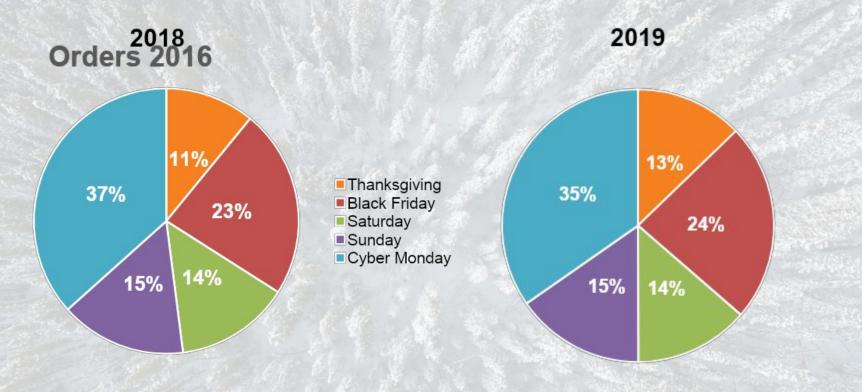
PAID SEARCH KEY METRICS

YOY INCREASE

AVG. CPC: **-9%**

CONVERSIONS: **+17%**

AOV: **-6%**

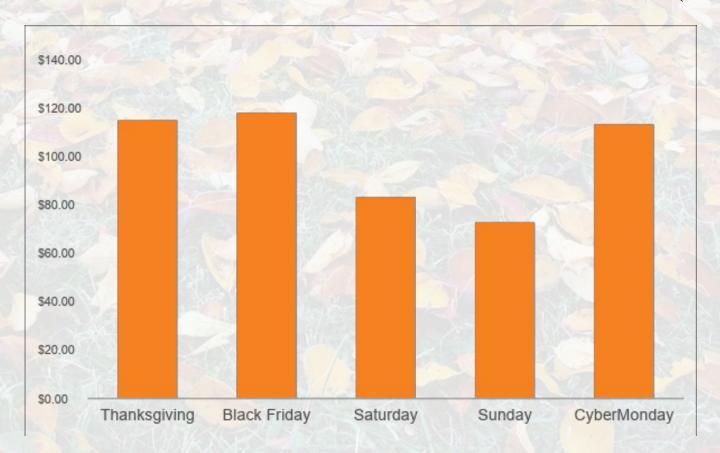# ORDERS BY DAY:
CYBER MONDAY'S CONTINUED DOMINANCE AS THANKSGIVING GETS BIGGER

2018
Orders 2016

2019

Legend:
- Thanksgiving
- Black Friday
- Saturday
- Sunday
- Cyber Monday

2018: 11%, 23%, 14%, 15%, 37%

2019: 13%, 24%, 14%, 15%, 35%

POLL #1

ON WHICH DAY WAS AVERAGE ORDER SIZE THE HIGHEST?

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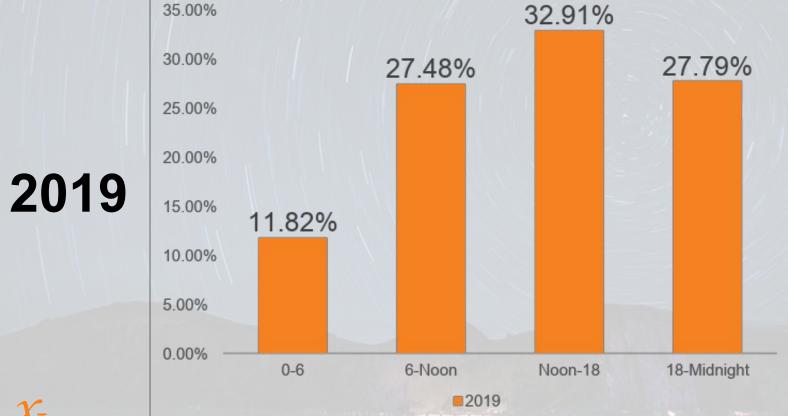# BLACKFRIDAY BEAT OTHER DAYS IN AVERAGE ORDER SIZE (AOV)

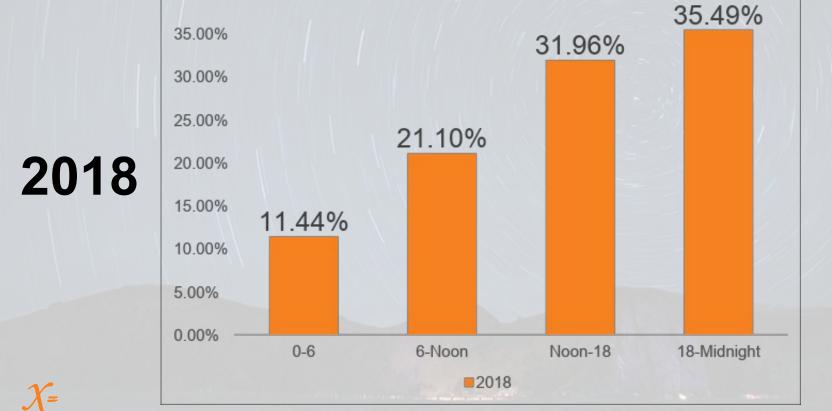# WHAT WERE THE TOP DAY-PARTS: SEARCH & BUY

DAYPARTS (SEARCH IMPRESSIONS)
MIDNIGHT OF 11/28 – MIDNIGHT OF CYBER MONDAY(12/02)

2019
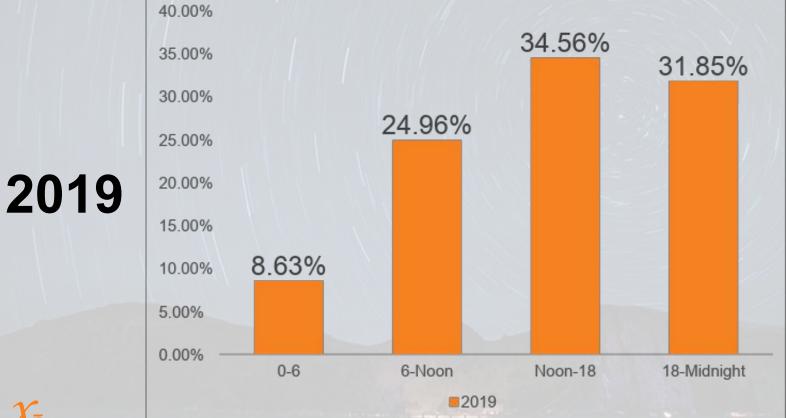
DAYPARTS (SEARCH IMPRESSIONS)
MIDNIGHT OF 11/28 – MIDNIGHT OF CYBER MONDAY(12/02)

2018

DAYPARTS (ORDERS)
MIDNIGHT OF 11/28 – MIDNIGHT OF CYBER MONDAY(12/02)

2019

DAYPARTS (ORDERS)
MIDNIGHT OF 11/28 – MIDNIGHT OF CYBER MONDAY(12/02)

2018
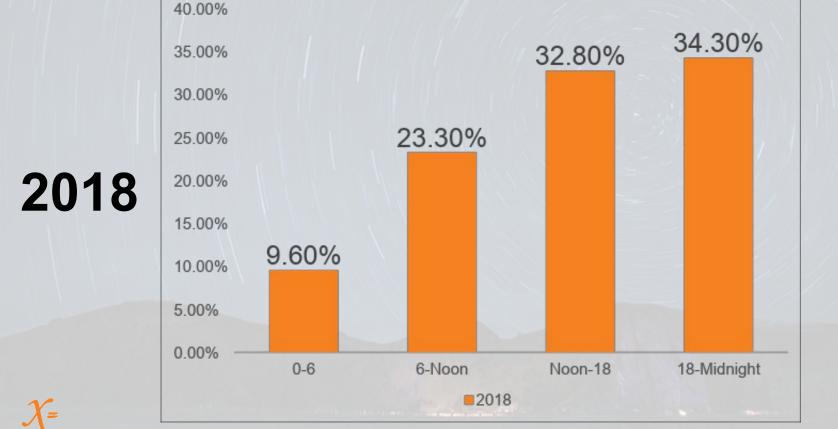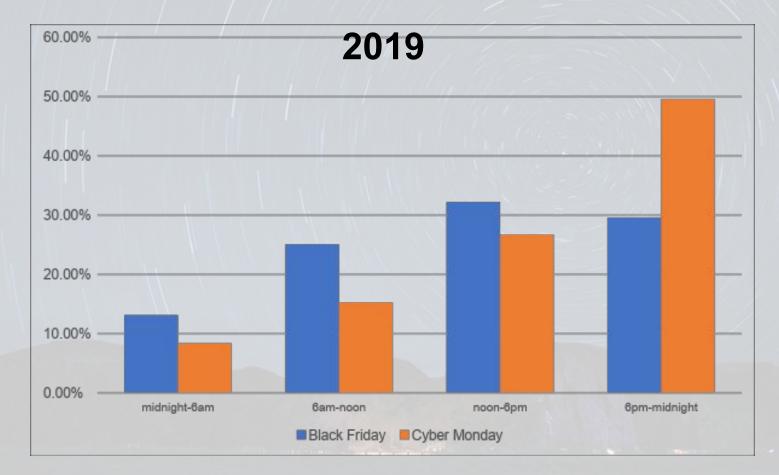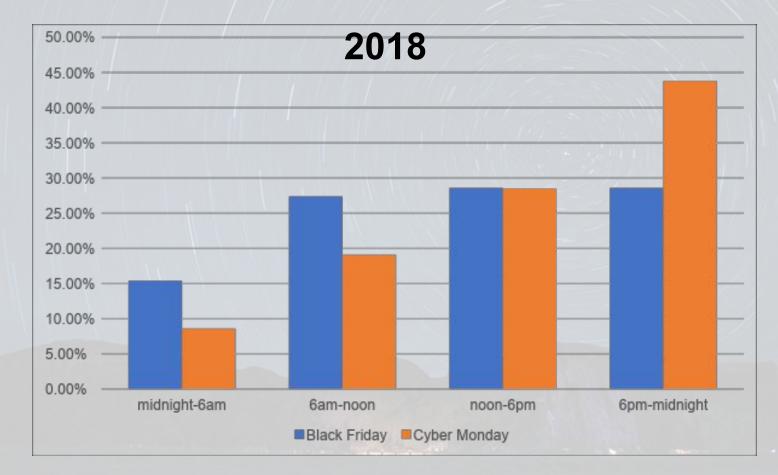
POLL #2

WHAT % OF CYBER MONDAY SALES HAPPENED BETWEEN 6PM AND MIDNIGHT?

BUYING PATTERNS, BLACK FRIDAY VS CYBER MONDAY (SESSIONS)
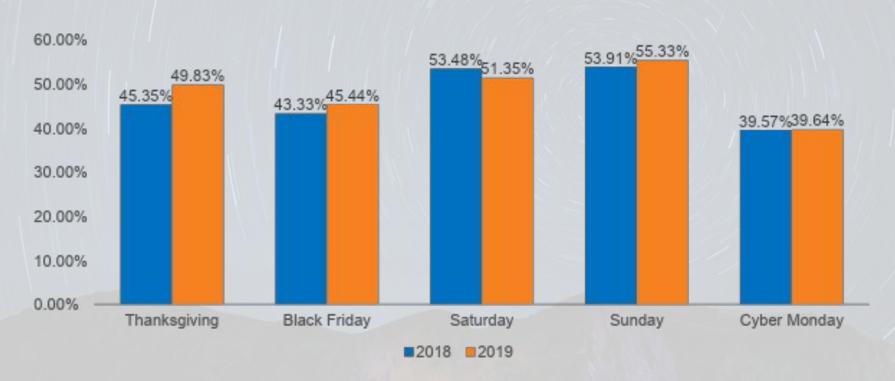
OBSERVATIONS & INSIGHTS

- Strong start to the holiday season ~ 23% Y/Y ecommerce sales growth. Southern states continue their explosive growth.

- Black Friday continues to dominate in terms of Average Order Size. Cyber Monday's AOV this year was considerably higher than 2018.

- The conversion rates between 6pm and midnight were 21% higher than rest of the day on Cyber Monday.

X=

HOW BIG WAS THE IMPACT OF MOBILE THIS YEAR?

MOBILE SHARE OF ORDERS HAS GROWN Y/Y (BY 31%)
AOV ON MOBILE WAS 40% LOWER THAN DESKTOP

Chart: Mobile share of orders by day, comparing 2018 and 2019.

Day	2018	2019
Thanksgiving	45.35%	49.83%
Black Friday	43.33%	45.44%
Saturday	53.48%	51.35%
Sunday	53.91%	55.33%
Cyber Monday	39.57%	39.64%

MOBILE SHARE BY CATEGORY

MOBILE SHARE	IMPRESSIONS	ORDERS
Apparel	79.27%	71.82%
Grocery	67.47%	42.99%
Electronics	68.07%	30.79%
Pet Supplies	69.00%	53.27%
Food & Gourmet	64.97%	27.87%
Gifting	55.47%	30.72%
Home Improvement	56.14%	30.05%
Tools	63.48%	43.15%
Flatware	44.31%	34.22%
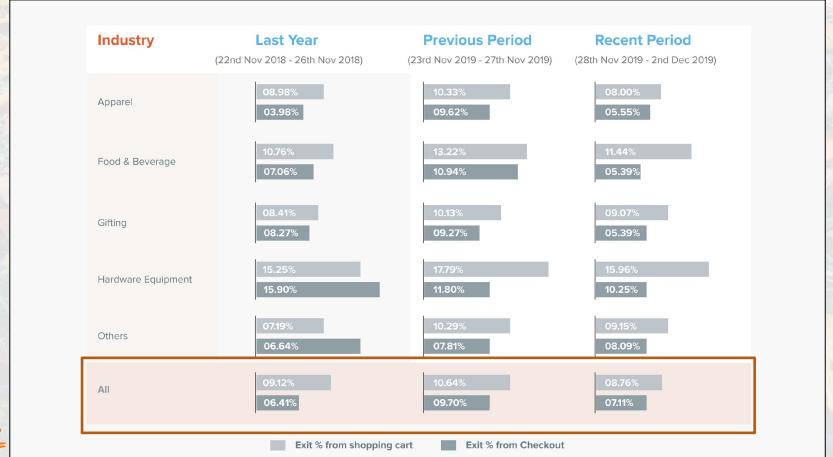
SEARCH VS SHOPPING (ORDERS)

INDUSTRY SHARE	SHOPPING	TEXT ADS
Apparel	34.82%	65.18%
Grocery	43.59%	56.41%
Electronics	24.14%	75.86%
Pet Supplies	28.26%	71.74%
Food & Gourmet	29.75%	70.25%
Gifting	34.56%	65.44%
Home Improvement	21.26%	78.74%
Tools	44.00%	56.00%
Flatware	26.00%	74.00%

EXIT RATE FROM CART AND CHECKOUT PAGES

Industry	Last Year (22nd Nov 2018 - 26th Nov 2018)	Previous Period (23rd Nov 2019 - 27th Nov 2019)	Recent Period (28th Nov 2019 - 2nd Dec 2019)
Apparel	08.98% / 03.98%	10.33% / 09.62%	08.00% / 05.55%
Food & Beverage	10.76% / 07.06%	13.22% / 10.94%	11.44% / 05.39%
Gifting	08.41% / 08.27%	10.13% / 09.27%	09.07% / 05.39%
Hardware Equipment	15.25% / 15.90%	17.79% / 11.80%	15.96% / 10.25%
Others	07.19% / 06.64%	10.29% / 07.81%	09.15% / 08.09%
All	09.12% / 06.41%	10.64% / 09.70%	08.76% / 07.11%

Exit % from shopping cart   Exit % from Checkout

UNIQUE OBSERVATIONS (MOBILE SEARCH + SHOPPING FUNNEL)

- **Mobile Shopping continues to grow**: Share of mobile search impressions as well as orders experienced sharp increase during the holidays. On Cyber Monday, though, desktop orders were higher. Desktops accounted for a higher share of orders between 6pm and midnight on Cyber Monday.

- **Text Ads still drive more orders**: Shopping to Text Ads Order ratio averaged around 35%:65%.

- **More checkout interruptions this year:** Exit rates from the checkout page increased marginally compared to last year, for most categories. Shipping Minimums may be the reason here for higher exit rates. (*Who wants to pay for shipping during Holidays*?)

x=

OUR OUTLOOK FOR REMAINDER OF 2019 HOLIDAY SEASON

ACTUAL Y/Y GROWTH (%)
THANKSGIVING-CYBER MONDAY

ORDERS: 26%   REVENUE: 23%

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HOWEVER…

76% OF ONLINE HOLIDAY SALES ARE YET TO HAPPEN!

2015: 20% OF SALES THANKSGIVING -> CYBER MONDAY
2016: 22% OF SALES THANKSGIVING -> CYBER MONDAY
2017: 24% OF SALES THANKSGIVING -> CYBER MONDAY
2018: 24% OF SALES THANKSGIVING -> CYBER MONDAY

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RESOURCES FOR
2019 HOLIDAY SUCCESS
&
A STRONG START TO 2020

netelixir.com/holidays

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SEARCH MARKETING HOLIDAY CALENDAR
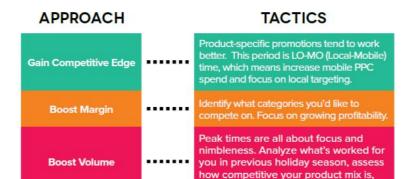
NOVEMBER-DECEMBER 2019

Y/Y CPC INFLATION		
COMPETITIVE INTENSITY	**DESKTOP**	**MOBILE**
🟢 Moderate	5%	12%
🟠 High	10%	25%
🔴 Very High	20%+	35%+

SUN	MON	TUE	WED	THU	FRI	SAT
24	25	26	27	🦃	29	30
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	🎄	26	27	28

FORECASTED HOLIDAY TRENDS 2019

- Number of days between Thanksgiving and Christmas, at 26, is the lowest ever. Retailers need to get creative to maximize sales during this period.
- Voice search led purchases will experience 2x-3x Y/Y increase.
- Despite having more time for planned gift purchase, a higher percentage of consumers will wait until last minute (Dec 19-22) to make a purchase. The one-day shipping and ordering online with in-store pickup options will play an important role for this customer group, as well as the local + mobile combination.
- Purchases made from mobile phones will cross 50% of all online purchases (and 72%+ of all online visits).
- Post-Christmas purchases ("me buys") will experience double digit Y/Y increase.

APPROACH

TACTICS

Gain Competitive Edge	Product-specific promotions tend to work better. This period is LO-MO (Local-Mobile) time, which means increase mobile PPC spend and focus on local targeting.
Boost Margin	Identify what categories you'd like to compete on. Focus on growing profitability.
Boost Volume	Peak times are all about focus and nimbleness. Analyze what's worked for you in previous holiday season, assess how competitive your product mix is, and always have a Plan B ready.

QUESTIONS PLEASE
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