

# Strategy Packed Amazon Seller's Guide to Black Friday-Cyber Monday 2022.

Black Friday and Cyber Monday are two of the major e-commerce shopping events recognized globally. As part of the Turkey-five (the five days after Thanksgiving), they mark the beginning of the holiday shopping rush and are known for big discounts and bargain prices.

<u>Black Friday</u><sup>1</sup> has origins related to annual deals by physical stores; while <u>Cyber Monday</u><sup>2</sup> originally brought focus to online shopping. As the 2019 pandemic pushed consumer trends faster towards e-commerce, both have evolved to become two of the busiest days of the year.

This article will discuss:

- Black Friday and Cyber Monday Trends from the years 2019-2021
- Extensive list of strategies collated from trusted e-commerce authorities
- Extra tips from Seller Interactive on how to navigate CyberWeek2022

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# **Trends by year: 2019-2021**

Data and insights on previous trends help to predict possible outcomes for the retail year. Below are some relevant statistics of the past Black Friday's and Cyber Monday's.

2019					
	BLACK FRIDAY	CYBER MONDAY			
Online Sales (from 83.3 million people in the US alone)	\$7.4 billion	\$9.4 billion			
Online Traffic (Top 100 sites)	137% increase	112% increase; with Amazon peaking at 12.5%			
Top Items (Amazon)	-	Appliances and Toys  1. Echo Dot speakers  2. Fire TV Stick 4K with Alexa Voice Remote  3. Instant Pot Duo 8 Quart  4. iRobot Roomba 675 Robot Vacuum  5. Oral-B Genius Pro 8000 Electric Toothbrush  6. Keurig K-Cafe Coffee Maker  7. Lagunamoon Essential Oils Top 6 Gift Set  8. L'Oreal Paris Voluminous Makeup Lash Paradise Mascara  9. Lego Star Wars Darth Vader's Castle  10. L.O.L. Surprise! Winter Disco Bigger Surprise.			

Sources: 3, 4, 5

2019 was the beginning of global lockdowns due to COVID and there was an increase in online sales due to safety protocols in place. Black Friday sales were at \$7.4 billion while Cyber Monday was at \$9.4 billion with 83.3 million people in the US shopping online. The top 100 shopping sites also saw an increase in traffic by 137% on Black Friday and 112% on Cyber Monday. Amazon's conversions peaked at 12.5% during Cyber Monday. [3] [4]

The top Amazon items purchased during Cyber Monday 2019 included many appliances and toys. [5]

- Echo Dot speakers
- Fire TV Stick 4K with Alexa Voice Remote
- Instant Pot Duo 8 Quart
- iRobot Roomba 675 Robot Vacuum
- Oral-B Genius Pro 8000 Electric Toothbrush
- Keurig K-Cafe Coffee Maker

- Lagunamoon Essential Oils Top 6 Gift Set
- L'Oreal Paris Voluminous Makeup Lash Paradise Mascara
- Lego Star Wars Darth Vader's Castle
- L.O.L. Surprise! Winter Disco Bigger Surprise.

2020					
	BLACK FRIDAY	CYBER MONDAY			
Online Sales (\$39 billion)	\$9 billion (approx 21.6% more)	\$10.84 billion (the highest recorded online sales day in the US)			
Online Traffic (ClickZ recorded an average click increase of 118% per day leading up to Cyber Week2020 compared to Cyber Week2019)	77%	46%			
Popular Products	Compared to October 2019's daily averages: • Personal care products rose to 556%, • Pet Products by 254%	<ul> <li>Digital Products and Devices were the most bought items</li> <li>September to Cyber Monday 2020</li> <li>Clothes 50%</li> <li>Home goods 39%</li> <li>Toys 21%</li> <li>Computers and tablets 20%</li> <li>TVs 17%</li> <li>Game consoles and video games 16%</li> </ul>			
Biggest year-on-year growth in gross merchandise volume	For the whole CYBER WEEK 2020  • Sporting goods had the at 136%,  • automotive (51%),  • health and beauty (43%),  • apparel and accessories (37%)				
Volume of returns	84% increase compared to 2019	-			

Sources: 6, 7, 8, 9

In 2020, US sales amounted to \$39 billion with Black Friday at \$9 billion (approx 21.6% more)6 while Cyber Monday was at \$10.84 billion (the highest recorded online sales day in the US). ClickZ recorded an average click increase of 118% per day leading up to Cyber Week 2020 compared to 2019. 77% increase on Black Friday and 46% on Cyber Monday. [7]

Black Friday 2020 saw a rise in products compared to October 2019's daily averages. Popular products included personal care products that skyrocketed 556%, and pet products at 254%. [6]

Meanwhile, Cyber Monday sales focused on digital products and device categories with Super Mario 3D All-Stars, Airpods, Vtech toys, HP and Dell computers, and Chromecast being the most bought items.

Between September and Cyber Monday in 2020, shoppers preferred buying clothes (50%), home goods (39%), toys (21%), computers and tablets (20%), TVs (17%), and game consoles and video games (16%).

For the whole of Cyber Week 2020, Sporting goods had the biggest year-on-year growth in gross merchandise volume at 136%, followed by automotive (51%), health and beauty (43%), and apparel and accessories (37%) (BigCommerce, 2020). [8]

However, there was also an 84% increase in the volume of returns from Black Friday weekend in 2020 compared with 2019. [9]

2021					
	BLACK FRIDAY	CYBER MONDAY			
Online Sales (took a dip in 2021)	\$8.9 billion	Dropped 1.4% from last year to \$10.7 billion			
Online Traffic  A. BFCM specific searches (Microsoft internal data recorded)  B. General Global Traffic	<ul> <li>A. 9.6% YOY decline in searches for 'black friday' and 'cyber monday' "keywords.</li> <li>B. Global traffic remained high during Cyber Weekend at more than 90% compared to October of the same year.</li> </ul>				
Popular Categories	<ul> <li>Clothing, shoes, and jewelry</li> <li>Electronics</li> <li>Home and kitchen</li> <li>Beauty and personal care</li> </ul>	Compared to September of the same year, there was an increase in sales in:  • Toy category (11x more)  • gift cards (7x)  • books (7x)  • video games (6x)  • baby and toddler category (6x)  • Appliances (5.6x)			
Volume of returns	CNBC reports "Amazon wouldn't share its overall returns numbers, but in 2021, the National Retail Federation estimates 16.6% of all merchandise sold during the holiday season was returned, up more than 56% from the year before. For online purchases, the average rate of return was even higher, at nearly 21%, up from 18% in 2020. With \$469 billion of net sales revenue last year, Amazon's returns numbers are likely staggering."				

Sources: <u>10</u>, <u>11</u>, <u>12</u>, <u>13</u>, <u>14</u>, <u>15</u>

2021 saw a dip in online sales, with Black Friday at \$8.9 billion and Cyber Monday dropping 1.4% from last year to \$10.7 billion. [10] Even the searches and clicks saw a decrease. According to Microsoft internal data, "there was a 9.6% YOY decline in searches for 'black friday' and 'cyber monday' "keywords. [11] However, global traffic remained high during Cyber Weekend at more than 90% compared to October of the same year. [12]

Clothing, shoes, and jewelry dominated the 2021 Black Friday sales. This was followed by electronics, home and kitchen, and beauty and personal care. [13] Compared to September 2021, Cyber Monday 2021 had an increase in sales in the toy category (11x more), gift cards and books had 7x more sales, video games 6x, and baby and toddler category had 6x more. Appliances also increased 5.6x. [14]

However CNBC reports "Amazon wouldn't share its overall returns numbers, but in 2021, the National Retail Federation estimates 16.6% of all merchandise sold during the holiday season was returned, up more than 56% from the year before. For online purchases, the average rate of return was even higher, at nearly 21%, up from 18% in 2020. With \$469 billion of net sales revenue last year, Amazon's returns numbers are likely staggering." [15]

# **Strategy Before The Holiday**

"Give me six hours to chop down a tree and I will spend the first four sharpening the ax." -Abraham Lincoln

Preparation is key to a successful endeavor. E-commerce is subject to common issues in inventory, shipping, supply chain<sup>[16]</sup>, and customer service. These issues are aggravated by holiday stress, recession, bad weather, and recently, the global pandemic.

By analyzing previous trends and data, sellers can make informed decisions and execute better strategies. These include knowing which *products* were high in demand, which *keywords* drove the most conversion, and which *promotions* were most effective.

Previous trends also show that people are shopping earlier to compensate for possible delays and to avoid the yearly rush.<sup>[17]</sup> [18] [19] [20]





## **Inventory & fulfillment services**

Anticipate the possibility of low stock for indemand products and delayed services due to the holiday rush traffic, pandemic protocols, or even winter storms.<sup>[21]</sup>

#### **STEP 1 IDENTIFY PRIORITY PRODUCTS**

Not all products will be in-demand for the season. Ranking and sales history help determine which products are seasonal and which ones have consistent demand year-round. Essentials are always a sure sale as well as practical gifts. [17] [22]

Identify which products or categories will generate the most traffic and sales. Concentrate on supporting them through promotional activities and strategic marketing campaigns.

#### **STEP 2 KNOW INVENTORY LIMITS**

Check the <u>FBA Inventory Storage Limits</u><sup>23</sup> before shipping holiday inventory, or risk having the shipment rejected. Sellers must take note of the **Inventory Performance Index (IPI) score** and product category to determine inventory limits.

Extra storage can be requested and reserved<sup>24</sup>; However, approval depends on the IPI score exceeding the threshold and the availability of space. It's also on a first-come-first-serve basis.

#### **STEP 3 SHIP BEFORE THE DEADLINE**

Stock up on inventory ahead of time. <u>Amazon</u> releases deadlines<sup>25</sup> for shipping inventory for

sales days. Many sellers opt to stock a week earlier than those dates to avoid congestion.

#### **STEP 4 CHOOSE FULFILLMENT SERVICES**

Taking into consideration the influx of orders, inventory limits, and unfavorable weather, sellers may consider third-party logistics. Some opt to mix their fulfillment strategies. So, even if their **FBA** centers are overwhelmed by the surge, they have back-ups and can fulfill the orders themselves **(FBM)**.[26] [27]

### **Promotions and Ad campaigns**

Promos and advertisements are needed to lead customers into the funnel. Here are ways to increase brand awareness and product visibility.

#### **STEP 1 EARLY PROMOTIONS AND REVIEWS**

Drive organic traffic to websites and product listings before Black Friday to rank high in time for Cyber Week. This can be in the form of early deals, e-mails and texts to subscribers, newsletters, posters and videos on social media pages, and the like. Everything should be SEO-ready. An attractive and engaging site or landing page works well for lead generation and clicks. For example, including a countdown timer helps build anticipation.

In conjunction with the above, drive reviews prior to Cyber Week, to increase organic traffic. Include these reviews in the promotional content. Take note that 79% of buyers check reviews on Amazon before purchasing.<sup>[20]</sup> [22] [28] [29] [30] [31] [32]

#### **Step 2 ADJUST PPC BIDS**

A common strategy used in marketing is the Pareto Principle: 80/20 Rule.<sup>33</sup> In PPC, this means concentrating on the 20% of keywords that are generating 80% of the total sales. Concentrate on those. Start bidding early then decrease the bidding as ranking improves.<sup>[21]</sup> [26]

#### **STEP 3 CONSIDER BUNDLING PRODUCTS**

Create virtual bundles and list add-ons to product listings. Buyers are known to value bundles or sets that are reasonably priced over individual products. It's also a good way to promote lesser-known but related products by bundling them with a more in-demand item.<sup>[34]</sup> [35]

# STEP 4 SCHEDULE DISCOUNTS AND FLASH PROMOS

Start to give discounts BEFORE Black Friday as this helps increase organic rankings. But the discounted items need not be the priority products. A lesser-known product can be featured every day leading up to the priority items. Priority products take center stage on Black Friday and Cyber Monday. Trends and surveys show that people are starting to buy early but there are those who are also holding out for the actual sales days.<sup>[22]</sup> [28] [28] [29] [36]

BONUS: A tip from SELLER INTERACTIVE is to have a *market calendar* specifically for *holiday sales and* prime day with **only choice products**. Mark when and where to execute each strategy, at what cost, and for how long. Make sure it's separate from your other calendars to avoid confusion.





## **Product Listing Optimization**

The third consideration for the "before" strategy is to optimize product listing information. Listed below are tips to get ready for the sales madness.

#### **STEP 1 PHOTO OPTIMIZATION**

A good main image catches the initial attention of buyers. It should entice them to click on the listing. The secondary images should showcase the items in various but necessary angles as well as include any peripherals or parts that come with the product. All while keeping to <a href="Managerequirements"><u>Amazon's imagerequirements</u></a><sup>37</sup>. [26] [38] [39]

# STEP 2 SEO OPTIMIZED PRODUCT DESCRIPTION

Listings should be easy to read and keyword optimized. Bolded bullet points with short but concise descriptions are best. Especially considering that buyers only spend a few seconds per listing. A more detailed description with necessary keywords follows after the bolded text. Running your listings through keyword audit tools will give an approximate score of product rankings. [26] [31] [40]

#### **STEP 3 MOBILE OPTIMIZATION**

With more users utilizing apps, it's important that both product image and product description are optimized for mobile gadgets. There are tools to help you auto-adjust your site for mobile. Amazon is already on mobile so simply check how the product listings are presented by logging in to any device.<sup>[22]</sup> [40] [41] [42]

### **Over-communication**

This is more of reinforcement rather than a separate strategy. It stresses the importance of communicating the strategies mentioned above to their respective recipients.<sup>[20]</sup> [43]

- Communicate with the audience: Schedule deals and promotions, then announce them via e-mail, brochures, and posters. Keep websites and social media up to date with news of inventory; assuring buyers that there are enough items or informing them of limited stocks. This helps prevent disappointed customers and misunderstandings.
- Communicate with the suppliers: To prevent supply-chain issues, ask suppliers and manufacturing partners for updates and ETAs of orders.
- Communicate with logistics or fulfillment partners: Stay on top of deliveries and track possible problematic orders. Due to a number of reasons, some addresses may be considered "unsafe" AFTER placing an order. Storms, landslides, and other calamities may affect routes and locations on the day itself. Effective communication with the logistics partner is necessary for keeping waiting customers up to date with their orders.

# **Strategy During The Holiday**

During Black Friday and Cyber Monday, the most sellers can do is be as present as possible. Aside from actively promoting products, monitoring sales and campaigns are also needed. Above all, the customer service team must be ready to handle user queries about the products immediately; or risk losing buyer attention to a competitor.

# Livestreams, social media, and influencer marketing

A new customer trend that has proved to be a success in Asia is online selling via livestreams. And though it hasn't picked up on the Western side of e-commerce, consumer trends of younger generations are proving it is worth pursuing especially with TikTok, Twitter, and Instagram all testing the livestream waters. This strategy works before and during BFCM season, bearing in mind that Gen Z makes up about 40% of influential shoppers. [20] [44] [45] [46]

BONUS: Use the Amazon Live<sup>47</sup> feature and showcase products more thoroughly as compared to just product listings. Share the feed throughout social media accounts. Also, consider affiliate marketing. Amazon Affiliates<sup>48</sup> enable third-party creators to feature products sold on Amazon. Check if any customers are eligible for the Influencer Program<sup>49</sup> so both parties benefit from the exposure. It's a good way to expand the audience by tapping onto a customer's connections as well as the brand's. During the sales, influencer appearances and content help increase views, raise awareness, and command buyer conversion.

### Monitor sales and stocks

During the rush, monitor the number of conversions and total sales as well as cart abandonment. Adjust bids as needed. Check inventory levels. Send e-mail or text prompts to remind users of products left in their carts. Sellers shouldn't be too disappointed to see cart abandonment numbers. As of 2021, cart abandonment occurs globally at a rate of 80.68%. [20] [22] [26] [50] [51]

## Live customer support

Even with the over-communication there will be moments where hands-on assistance is required: Customers may ask for more photos or specific details about products. Some may have clicked on the wrong bundle. Others may need assistance on where and how to input coupons and discount codes. Some may also need help claiming gift cards. Whatever the reason may be, customer support from both Amazon and the brand would guarantee a good customer experience. Set up a Live Chat for the week with an emphasis on Black Friday and Cyber Monday. [20] [43] [52] [53]



# **Strategy After The Holiday**

After the holiday, there are strategies that need to be done immediately, like adjusting the bids to a less aggressive budget.

## **Adjust PPC settings**

Even with a schedule, it's better to err on the side of caution and double-check the parameters set for the week. This is to prevent high ACOS as shoppers also take a break from shopping. Make sure the bids are adjusted and scaled back on ads and spending.<sup>[54]</sup>

#### **Customer Returns**

With the rise of sales, is the rise in returns, as seen in 2020 when there was an 84% increase in returns compared to 2019. Effectively dealing with returns requires balancing logistics, finances, and inventory management. [21] [55] [56] [57] [58] [59]

- Extend the return window Allowing customers ample time to ship back products shows genuine care and leads to a good customer experience.
- Offer different return channels Offering customers different methods to return items make for a more efficient return transaction. They send back items in a way that's most convenient to them. And the items are returned in a timely manner ready for either reselling or auctioning off.
- Instant Full, Partial and Returnless Refunds Even with multiple channels in place, items
  may still take a while to be returned, causing
  ire to both sides. Releasing refunds even
  before the items are returned helps prevent
  angry and disappointed customers.
  Identify VIP clients loyal to the brand to whom
  an instant refund is possible. Other customers
  may be given partial refunds after providing
  proof that they sent the item back. The full
  amount will be refunded once the item is safely
  received and assessed. If using FBA, some
  orders may be eligible for Returnless Refunds.



- BONUS: Offer discounts or freebies instead Some returns, like those involving international
  orders, may cost more to ship back than the
  total value of the order. If so, offer other
  promos or freebies instead. If they still insist
  and are willing to pay the expenses, thank
  them for their understanding.
- BONUS: Liquidating Returns Sustainably Items that have minor defects or imperfections cannot be resold as "new". Instead of throwing away unsellable inventory, new listings can be created for them. Label items as "used" or "with minor imperfections" under the product conditions. Also, check with junk and ecowaste collectors. Some offer to buy broken goods and parts. Global efforts are being done to lessen the waste resulting from product returns. [15] [60] [61] [62] [63]

## **Analytics**

Data analysis was the first and is also the last strategy, closing the loop. Analyzing and learning from the numbers is essential to growth. Identifying strategies that worked and strategies that fell through will save both time and money. It also helps predict possible growing trends and which products would be in demand in the future. ([29] - also previous references on trends and strategy before the holiday)

### **BONUS:**

# What Very Few Discuss: "Failing" on Black Friday and Cyber Monday

There are many articles discussing possible problems during Cyber Week and how to solve them. Even the strategies collated in this article aim to help sellers succeed in their endeavors.

But success and failure are subjective. And some may equate success with the number of sales, feeling disappointed when the numbers during Cyber Week are not up to par with competitors and other brands.

Fortunately, with analytics and data insights, trends in consumer behavior become more evident. And moving forward, it is better to concentrate on loyal long-term customers than short-term purchasers. Concentrate on sales year-round; Businesses that depend on one or two days a year are not sustainable. As 2020 Data from ClickZ7 reveals, "the weeks leading up to Cyber Week 2020 outperformed Black Friday and Cyber Monday," and the two major sales days are just icing on top of a profitable cake. (Ref. 64, 65)

As consumers stretch their shopping schedule to make way for supply chain problems, there is a decrease in last-minute purchases and "panicbuying." There are those buying earlier (some are already done before Cyber Monday), and others are willing to purchase after the holiday rush. CNBC news site has reported66 that about 43% of the US market is planning to redirect funds to experiences and services rather than purchasing items as of 2021 (Ref. 7, 66)

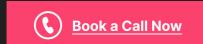
There is no failure in a sustainable business, even if goals and targets were not met during Black Friday and Cyber Monday,

## **Conclusion**

Black Friday and Cyber Monday mark the beginning of the holiday shopping season. They are characterized by heavy consumer traffic and all the issues that come along with it. Retail businesses and brands would do well to have strategies prepared before, during, and after the sales. Lastly, Black Friday and Cyber Monday are certainly engaging events but do not necessarily equate to success.

Sell smart and achieve your target for Black
Friday and Cyber Monday by booking a call with
Seller Interactive today. Our team of experts can
offer full account management from SEO
Optimization to FBA services and everything else
in between. Fully armed with knowledge and
experience on how to navigate Amazon Seller
Central, you can count on us for your ecommerce needs.

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If you're curious about how your competitors are doing on Amazon, or if you're ready to take your business to the next level, we can help. Our team of experts at Seller Interactive has years of experience in helping businesses just like yours find success on Amazon.

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