

Black Friday 2019 - Cashback Shopping expectations & spending

The expectations and spending of online cashback shoppers on Black Friday.
#blackfridaycashback

Not only ecommerce giants, but also smaller retailers can get in on the action on Black Friday this year, by making use of a variety of smart tools. Those who offer the right discount, make effective use of affiliate publishers, optimise their website for mobile commerce and also enable international sales, will be the big winners this year, given that online shoppers look for the best deals, products and cashbacks during Black Friday.

There is actually no better time for growing retailers to respond to the increasing popularity of Black Friday, certainly now that it is expanding from one weekend to an event that lasts 1 to 2 weeks. Make sure your product range and prices are in line with consumer expectations for Black Friday shopping, and optimise your website for mobile and international buying. Via affiliate marketing, retailers from the medium and small segments can also give their sales a massive boost during Black Friday, with a fitting budget.

If they want to be successful during Black Friday, retailers need help. That is why OrangeBuddies Media has performed an in-depth analysis, and why we are sharing the insights gained in this report. Brim full of tips and recommendations which will enable retailers to easily make the best of this major annual shopping event. Read on, and find out how you can stay ahead of the competition during the Black Friday madness.

Popularity of Black Friday

Over the years the Black Friday shopping event has continued to grow in popularity online. And this trend can be seen worldwide. Black Friday's popularity just keeps on growing each year and now it is one of the top events for retailers. The special offers and discounts start days before the famous shopping Friday, with special pre-Black Friday sales. This way the Black Friday weekend, which originally began on Friday and ended the following Monday with Cyber Monday, has been brought forward by nearly a week. The ultimate time for retailers to give their turnover a fantastic boost.

The growth of the annual Black Friday event is also a welcome trend for affiliate marketing. Advertisers seek to extend their reach prior to and during the event, in order to be top of mind among the online shoppers who want to make the most of the opportunities during the event. Generating good quality reach over a short period of time calls for a certain level of loyalty. Cashback communities build up an intensive relation with their members, are in daily to weekly contact with them, and as a result they gain a high level of trust and loyalty among their members.

The extreme growth of Black Friday in combination with the loyalty of the members offers more potential than ever for the cashback concepts from OrangeBuddies Media. Whereas a few years ago the promotions on the cashback websites were ticking along nicely, the demand from advertisers for promotions around this event is growing exponentially now.

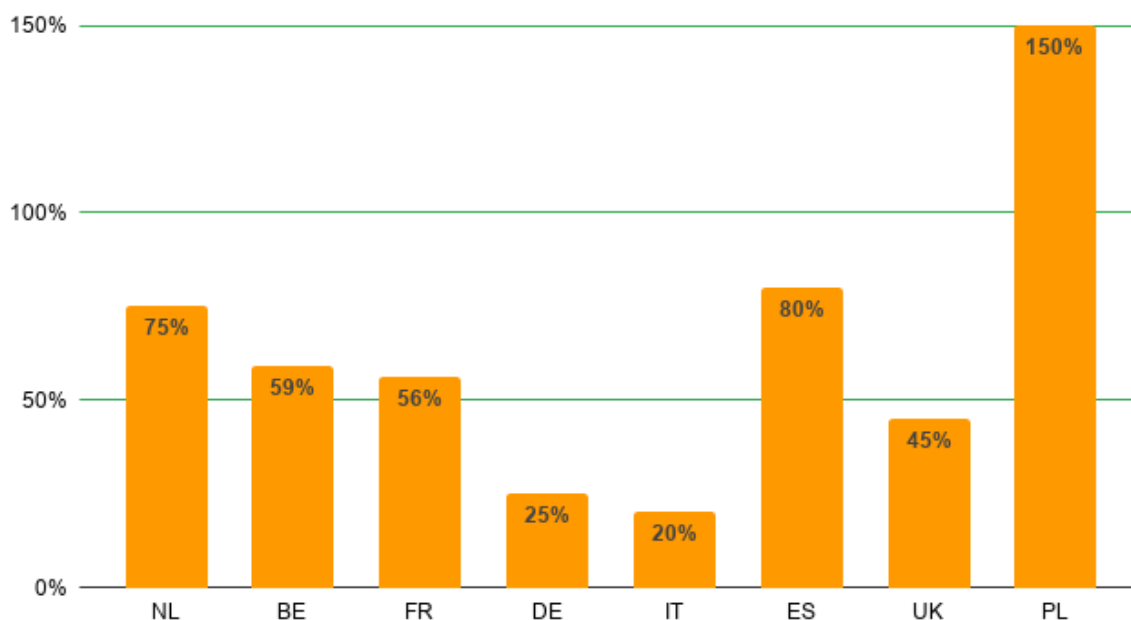
Both ecommerce giants and smaller retailers want to generate extra reach via loyal cashback shoppers.

Black Friday growth potential for retailers

In 2018 the volume of transactions during the Black Friday weekend grew by approximately 60% compared with the previous year. Reason enough for retailers to increase their promotions budget during this shopping event. In Germany and in Italy the growth was not as high in 2018, but these countries had already peaked a year earlier, in 2017. The volume of Black Friday sales grew in Germany and Italy by more than 200% between 2016 and 2017.

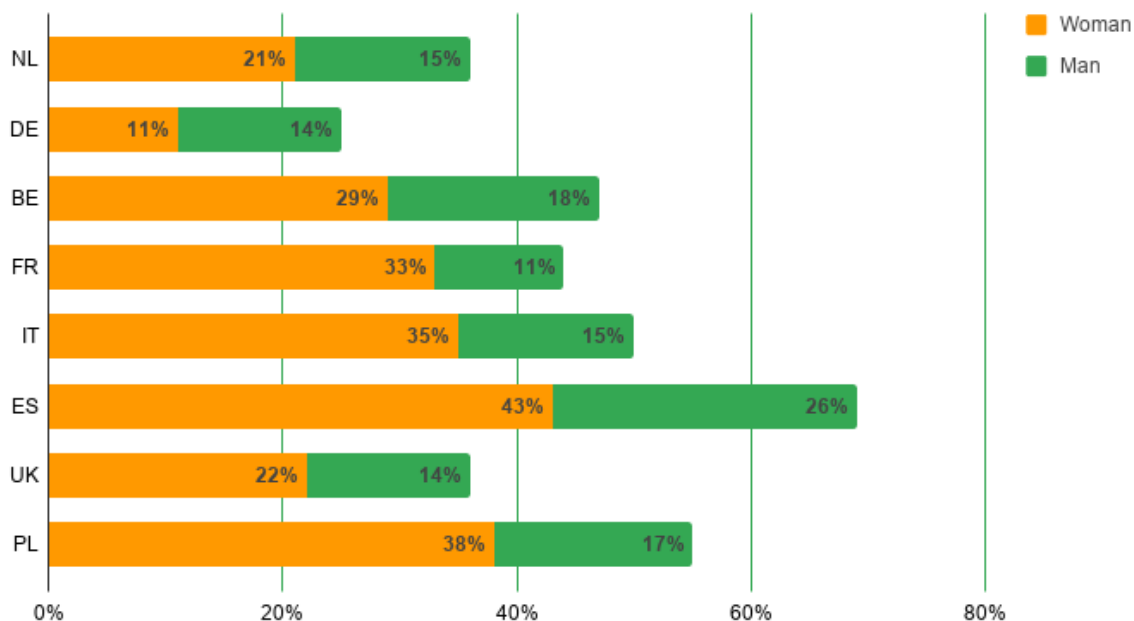
Significant growth in the total volume of transactions during Black Friday is expected once again this year. Certainly, in view of the fact that the event is beginning about a week earlier this year, with a variety of retailers making pre-Black Friday special offers.

Increase in the number of transactions in 2018



Around 45% of cashback shoppers are holding back on making their purchases this year, waiting for Black Friday to take off, so that they can profit from extra discounts from the webshops, on top of the cashback that they receive via the cashback community. In Spain as many as 69% are delaying making purchases, and in Poland this figure is 55%. Besides using search engines like Google they are mostly obtaining information on the best offers and Black Friday deals via their cashback community. Both on the website and via mailings, newsletters and social media.

Postponement of purchases until Black Friday 2019



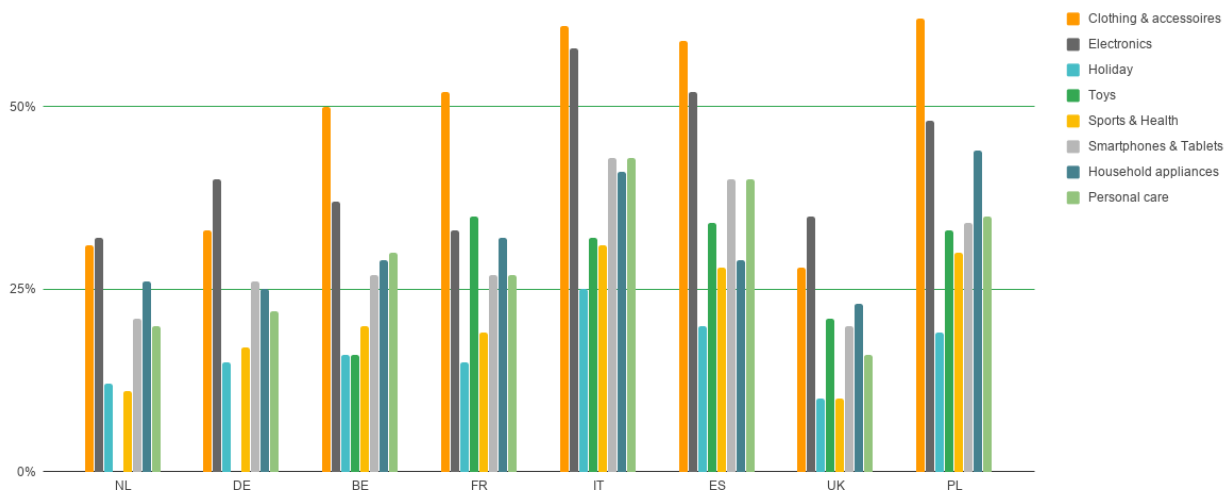
HOW TO TARGET

In order to gain good insight into the growth opportunities for retailers during Black Friday, OrangeBuddies Media has performed an in-depth analysis of the expectations and spending patterns of cashback shoppers during Black Friday 2019.

What products are popular on Black Friday?

The intention to make online purchases during Black Friday this year is strongly present among the 25,000 respondents from 9 countries who took part in this survey. The majority of these are women, and they state that they also made online purchases during Black Friday in previous years. More than half have done this via a cashback website before. In response to the question which product category they have in mind for this shopping event, clothing and accessories head up the list in most countries, closely followed by holidays and electrical goods. We see an exception to this in Germany, where electrical goods score higher than clothing and accessories. In France the product category of toys came second after clothing and accessories, with electrical goods coming in as equal third, alongside household appliances.

Products that consumers are likely to buy during Black Friday 2019



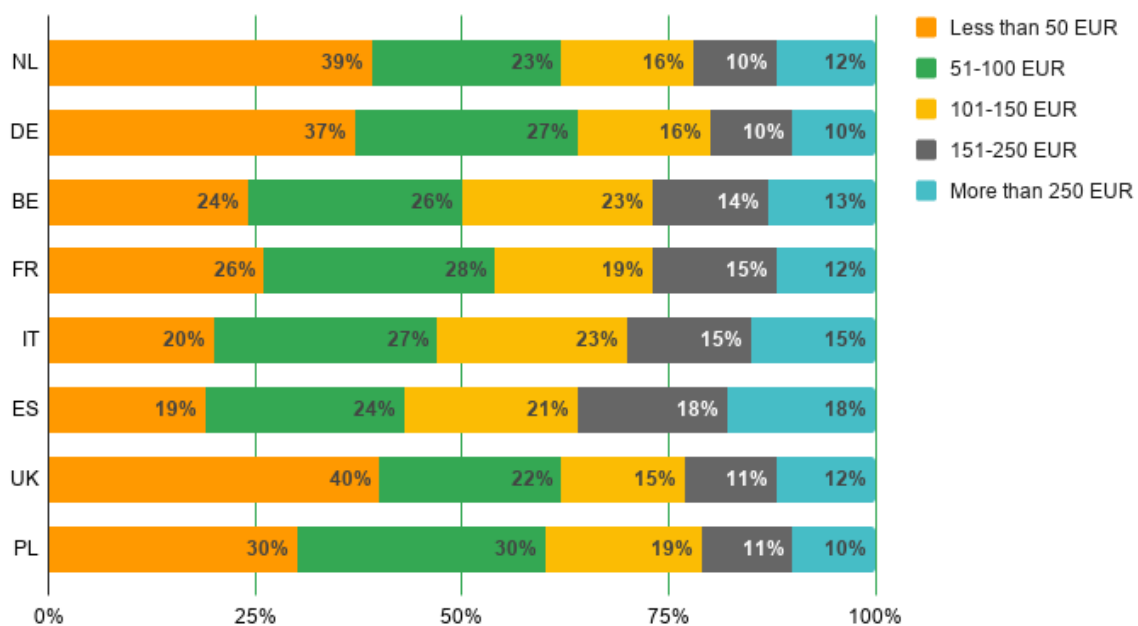
Level of Black Friday discounts

The fact that the discounts during the Black Friday weekend are higher than normal doesn't tell you what discounts you should offer as a retailer. What are online consumers expecting, and where is the line between the decision to buy or not to buy? The majority of those questioned are going for the highest possible level of discount, as expected, which comes down to a discount of 41% or more. A second group is more realistic and is willing to buy with discounts ranging between 21% and 30%. As a retailer it is therefore also wise, depending on your margins, to look into the possibility of offering discounts within the range of this second group. This can produce significantly higher volumes of purchases during Black Friday than with discounts of less than 21%.

How much are we intending to spend?

In estimating how much people are going to spend during Black Friday, we are cautious. Most online shoppers think that they will spend between 51 and 100 euros. However, these are mostly women, who appear to pay more attention to the budget than men. The latter group expects to spend 151-250 euros or even more than 250 euros. If we look at age, then it is the age range 35-50 that are the big spenders. In England and France the upper age limit is 65, whilst in Poland it is the 18-34 year-olds that intend to spend significantly more than those in this age range in other countries.

Expected spending budget Black Friday 2019



CASHBACK ON BLACK FRIDAY

In addition to the higher discounts on webshops, cashback shoppers also expect extra rewards via their cashback community. Namely higher cashback payments and exclusive Black Friday offers. Cashback communities can also play with their margins during this shopping event, with the exception of 100% cashback websites which are becoming increasingly popular in many countries. In England this is even more the rule than the exception. As a retailer it can be advantageous to increase the publisher commissions during Black Friday weekend. Given the no cure, no pay principle, a win-win situation. And more interesting for cashback publishers to promote these retailers more prominently. In combination with extra promotion via display or newsletter, as a retailer you can extend your reach among loyal online consumers during this event.

Think App & social

In a world where we just keep getting busier, but don't want to miss out on anything, the supply of information via mobile channels is expanding enormously. Whilst the actual Black Friday purchases are made via a variety of devices, the respondents in all the countries are clear about which channel they wish to use in order to receive information about Black Friday deals. They want to be kept informed on-the-go via channels such as newsletter and email, but also via social media and App push notifications. In the case of these last two channels we are not just talking about 18-34 year-olds; the group aged from 35 to 50 nearly make up the majority.

Compare before you buy

The level of the cashback is a determining factor for the choice of a webshop, as can be seen from the fact that the majority of those questioned compare cashback before making a purchase. As a retailer you should bear this in mind when you are agreeing the level of the

commission and cashback with a cashback publisher. Ultimately, you want to have the best cashback offers and fight off the competition. When cashback shoppers are comparing the alternatives you want to come out on top, to be sure of winning extra turnover.

BLACK FRIDAY SHOPPING METHODS

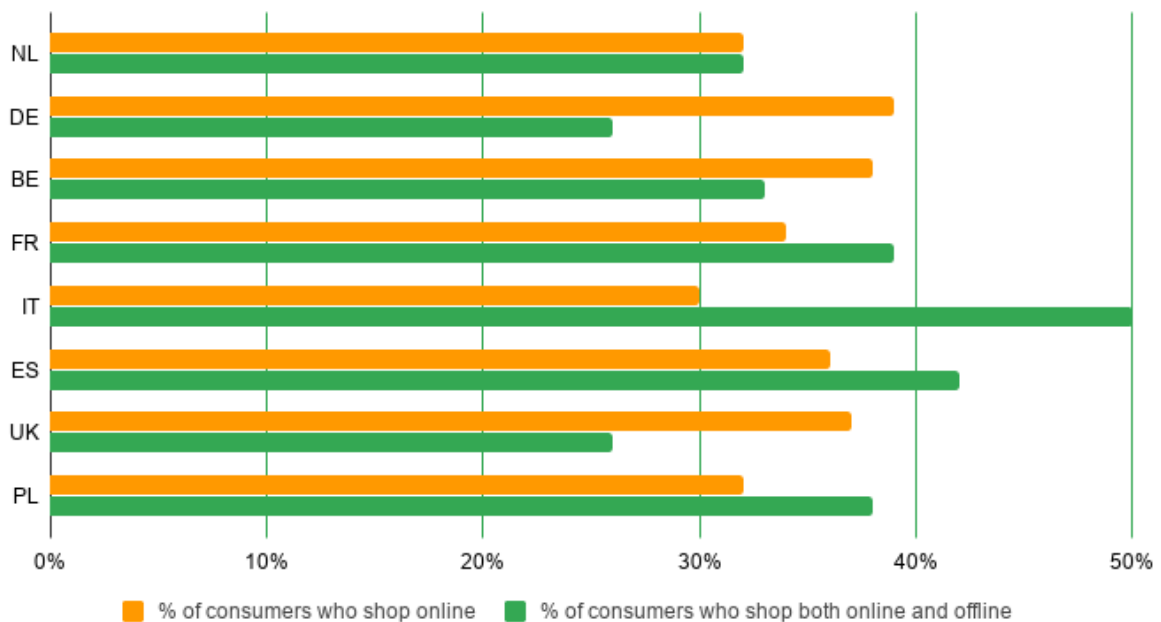
With the growing possibilities for on-the-go shopping, the ways in which consumers make their purchases are shifting. While they are walking around in physical stores they can be making comparisons at the same time via their smartphone, and then buy. The feeling that you don't want to miss any Black Friday deals leads to consumers buying both offline and online, often more or less simultaneously. Multi(channel) shopping; the new Black Friday trend.

Online vs. offline event shopping

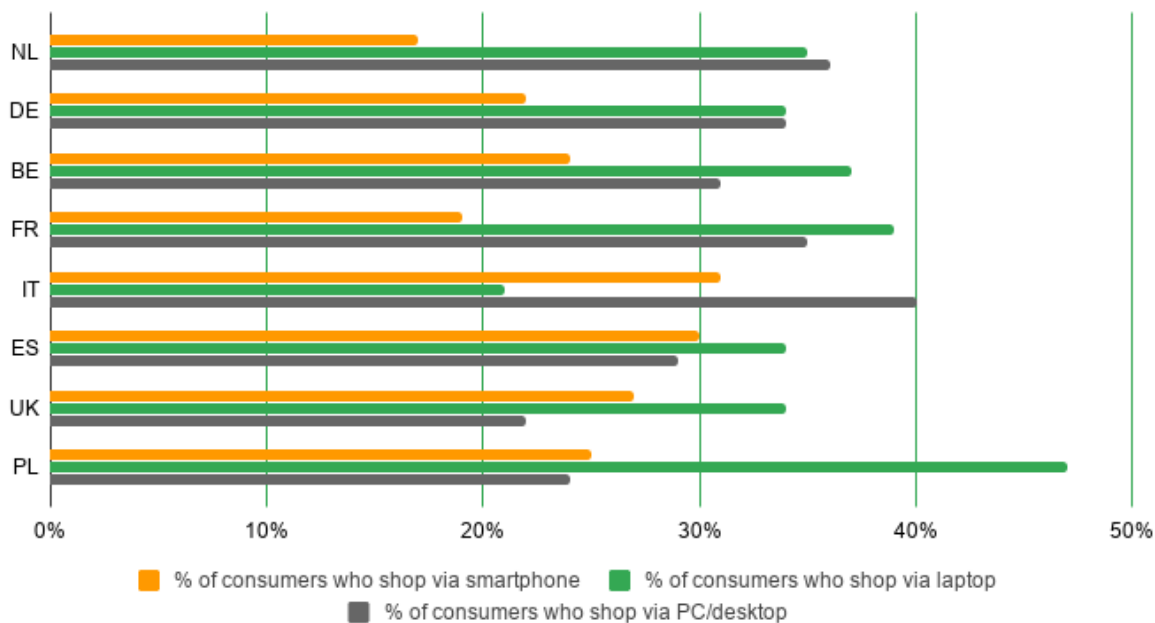
The multichannel trend can be seen in the results of the survey, in which the share of online shopping is virtually the same as part-online/part-offline Black Friday shopping. Hardly anyone will only be doing offline shopping during Black Friday.

Both department stores and smaller, specialised webshops can expect to make sales to the cashback shoppers who took part in the survey. No preference was expressed for either; people are interested in both the larger ecommerce players and the smaller webshops. So it pays for every retailer, large or small, to engage in extra promotional activity via cashback publishers.

Insights on Black Friday Shopping 2019 - Online versus offline shopping



Insights on Black Friday Shopping 2019 - Device preferences



On-the-go purchasing

Now that we are increasingly mobile and are not tied to one place, we see that purchasing is taking place increasingly via mobile devices, such as laptops and smartphones. Tablets, although they are mobile, seem to be much less popular for making purchases, and are more likely to be used as a source of information. Laptops, with a bigger screen than smartphones, are still viewed in most countries as the best way to make Black Friday purchases. This growth in mobility is not yet 100% though; the stationary PC (desktop) remains a favourite during Black Friday as well.

This mobility trend calls for webshops which have a user-friendly mobile interface and are optimised for a variety of screen sizes. A striking observation is that of all the respondents, women are more mobile-oriented than men. Whilst the differences in the share of men and women for laptop and stationary PC (desktop) are very similar, it's a very different story in the case of smartphone and tablet, with an average ratio of 20/70.

GOING CROSS-BORDER

Retailers who are not active internationally are in luck. A growing number of online shoppers are making their way over the border for products that they may not be able to find in their own country. Men are more willing than women to shop beyond the border of their home country. Events like Black Friday are perfect for tempting these cross-border shoppers.

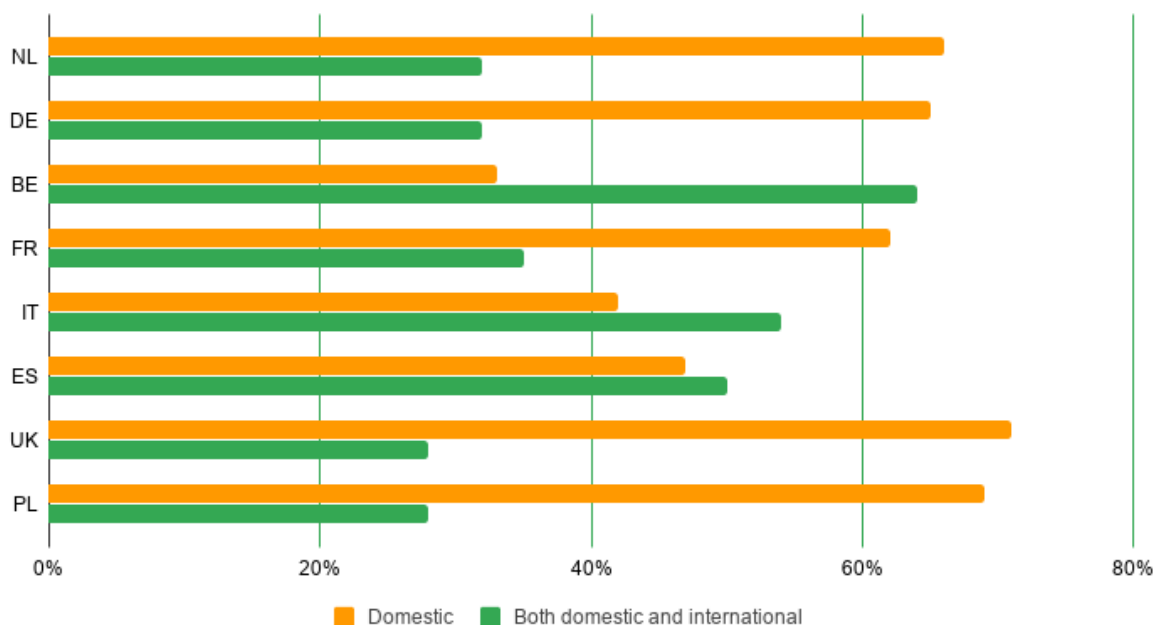
Which regions are taking the lead in international shopping?

The share of Black Friday cross-border purchases is expected to continue to grow over the coming years, due to the blurring of online national borders and the ease of international

shopping. Consumers look for the very best Black Friday offers and are happy to cross the border online, in order to find them.

Our analysis revealed that certain regions are more internationally oriented than others:

The domestic versus international commerce preference



In spite of the growth in cross-border shopping there are a number of reasons why consumers may prefer to carry on shopping within their own country's borders:

1. Security of data

The development of cross-border ecommerce offers enormous growth potential for retailers, provided they handle their customers' data correctly and are also able to convey an impression of security. Because the biggest reason given for not shopping internationally is a lack of confidence in the processing of the personal and bank details which are necessary for placing an order. Security is a concern that is shared by people throughout Europe. In every country that was included in this analysis, except for Italy and England, security is the biggest concern when it comes to cross-border shopping. In Italy and England it is the second most important concern, coming immediately after longer delivery times. Properly functioning websites and checkouts can help consumers to feel confident that their money and personal details are secure.

2. Longer delivery periods

Offering a fast to average delivery time for international customers throughout Europe is also essential. There is too much competition for retailers to be able to hope that international customers will accept a long delivery period for their order. The choice of an international webshop depends to a large extent on speed of delivery. Purchases made in the home

country are often delivered the next day, or within a few working days, and consumers are not willing to wait much longer than this for cross-border purchases.

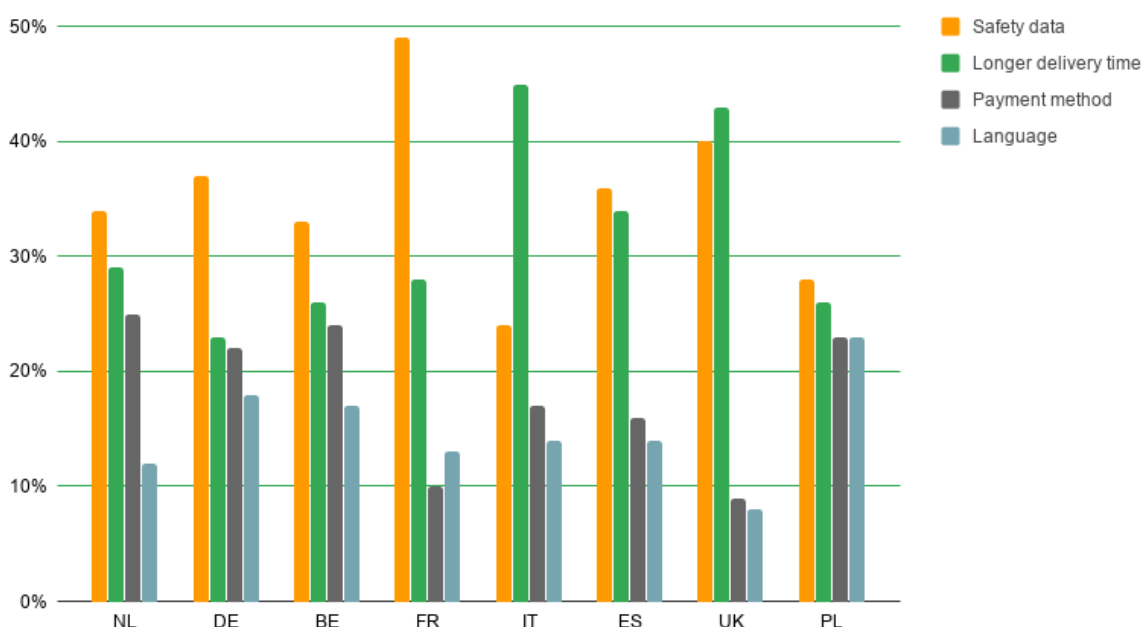
3. Payment methods

It is important as a retailer to be aware of which payment methods are desired, both for domestic customers and for (potential) international customers. Having the right mix of payment methods is also a key determining factor for the potential of retailers for international growth. Each region has its own habits, and this also applies to preferences for payment methods. For example, credit cards are not a favourite payment method everywhere.

4. Shopping experience

For many online shoppers the language of the website can make or break the user experience. They prefer to be talked to in their own language. Nothing is quite as frustrating as being unable to complete your purchase, because you can't understand the information or the instructions on the website.

Top reasons for not shopping cross-border



HOW ORANGEBUDDIES CAN HELP

Would you like to get more out of the Black Friday event? Below you will see what OrangeBuddies can do to help you.

There are a variety of ways in which OrangeBuddies can help retailers, depending on what you want to achieve, and on the target group and product. For example, if you want to achieve more traffic on one special day, then we can send a newsletter or dedicated email to all the members. If you are looking to generate traffic over a longer period of time, then we can draw up a promotional plan in consultation with you, making use of a variety of

channels. An initial trigger is followed by the provision of more information, ultimately leading to a purchase.

As a retailer you can also state which target group you wish to reach, so that we can apply the desired segmentation within our channels. We have promotional options to suit both large and small budgets.

HOW TO MAKE THE MOST OF BLACK FRIDAY

Here are our top tips for retailers to get the most out of Black Friday sales this year. By following these steps you as a retailer can be successful, not just during Black Friday but also later, after the event. These tools will help you to grow further, not just in your home country but also internationally.

#1

Offer the right product prices and product range in order to raise the trigger to buy.

#2

Agree the level of commission and cashback with (cashback) publishers in order to stay ahead of the competition. Remember: No cure, no pay.

#3

Optimise your webshop for mobile commerce.

#4

Make cross-border shopping more interesting by building confidence in security, fast delivery, desired payment method and local languages.

GET IN TOUCH

Would you like to know how we can help you boost your Black Friday sales? Then contact us via sales@orangebuddies.com.

About OrangeBuddies

Since its creation in 2009, OrangeBuddies Media has grown to become Europe's cashback leader. With a reach of more than 8 million active online shoppers in 15 countries, and more than 100 cashback websites. We work with approximately 30,000 retailers, from small merchants to some of the biggest ecommerce players in the world. With our cashback concepts we enable retailers to achieve their marketing and sales targets.