The Performance Marketing Guide to Peak Planning

Holiday Campaign Planning: How to Get It Right in Q4 2018
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Introduction

As the world gets smaller and we adopt more international shopping days, the Q4 sales peak is no longer just about Christmas shopping in the UK. Brands and retailers that will succeed in Q4 2018 will be those that embrace the global market and the changing behaviours of today’s holiday shoppers. They will have planned sufficiently in advance to take advantage of the global opportunity but also have the support on the ground and tech capabilities to efficiently react to change.

The ever-increasing purchasing power of today’s holiday shopper

Q4 is the most crucial quarter for retailers, and that’s unlikely to change anytime soon. However, what is changing at a rapid rate is the behaviour of shoppers within that all-important gift-buying quarter.

The percentage of UK retail sales made online is, unsurprisingly, set to continue its rise. In 2018, eMarketer predicts that retail e-commerce sales will make up for 21.2% of the UK’s total retail market, exceeding one fifth of sales for the first time. In the same study, eMarketer attributes this growth largely to holiday shopping.

ONS figures back this statement up. Q4 consistently shows the highest percentage of retail sales made online in the UK. Not only this, but this percentage is growing steadily year-on-year, as the chart below shows. In 2017, 18.1% of Q4 sales were made online in the UK, up from 17.2% in 2016.

Internet sales as a percentage of total retail sales

Source: Office for National Statistics, Internet sales as a percentage of total retail sales, Retail Sales Index
As well as this, it’s vital to realise that it’s not only how people are choosing to shop during peak season that is changing, but also when and where.

**Q4 STRATEGY: DELIVER A CONSISTENT EXPERIENCE PEOPLE WILL LOVE**

The nature of online shopping is changing as fast as it’s growing, as device usage continues to become more diverse. For Black Friday in particular – now a key UK shopping date – Periscope found that while only 8.8% of people planned to shop in-store on Black Friday 2017, 45.3% planned to shop on their computer, 30.6% on their smartphone and 13.9% on their tablet.4

So, as the market for online retail continues to grow in the run up to the new year, Q4 remains a huge opportunity for retailers and marketers.

To make the most of this opportunity, commit to delivering a multi-channel cross-device campaign, which provides a consistent experience that potential customers will love, however they choose to shop.

As well as this, it’s vital to realise that it’s not only how people are choosing to shop during peak season that is changing, but also when and where.

**From Boxing Day to Singles’ Day: the changing Q4 calendar**

Although the ‘traditional’ discount shopping day in the UK might be Boxing Day, bargain hunters and holiday shoppers alike are beginning their spending earlier each year.

An international consumer survey commissioned by Rakuten Marketing highlights the growth of ‘early-start’ shopping. 24% of shoppers begin their gift-buying as early as summer, 59% aim to start by Halloween, and 48% plan to finish their holiday shopping before the start of December.3

This growing trend for earlier shopping is having an impact on Black Friday sales in the UK. Although the estimated increase in sales on Black Friday vs. an average Friday in 2017 was 320%, this is well below the 450% average for the EU.5

However, this does not necessarily mean that shoppers are spending less, but that their spending is more spread-out. UK shoppers are bargain savvy and many people realise that discounts are typically not isolated to that one frenzied day.
As eMarketer points out in its ‘Holiday Shopping in Europe’ report, many UK retailers extend the sales period around Black Friday – sometimes as early as October, and prolonging it all the way through to December.

‘New’ shopping days in the UK calendar are also having an impact on dispersing Q4 spend. In a similar vein to the adoption of Black Friday, UK retailers and shoppers alike are looking for other global shopping events to capitalise on, for example Singles’ Day (11th November).

Last year, Rakuten Marketing proprietary performance data showed a 32% year-on-year increase in sales on Singles’ Day for UK retailers, indicating its growth in popularity.

**Q4 STRATEGY: PREPARE FOR PEAK EARLY**

Although it’s advice that gets given every year, it’s worth reiterating as early shopping becomes even more common. One of the major keys to success in Q4 is to be as organised as you can, as far in advance as possible. Get everything for your Q4 campaigns – from agreeing objectives, through budget sign-off, all the way through to an agreed media plan – ready to go as soon as 1st October hits. However, be sure to build in enough flex into your campaigns to react to market and/or business changes over this incredibly important retail period.

**Going global: making the most of new horizons**

We’ve established that digital spending is a huge contributing factor to the growth of events like Black Friday, Singles’ Day and indeed shopping across the whole of the Q4 peak period. A contributing factor to that growth in digital spending is the improving ease of cross-border shopping. Indeed, as revealed by the Rakuten Marketing New Horizons report, in Britain as many as 35% of transactions driven for Rakuten Marketing clients are now taking place overseas.

Thanks to the evolution in e-commerce platforms, translation tools and, most importantly, freight forwarding, shoppers have abandoned their concerns around confusing websites and long delivery times. They now actively seek out products to buy from overseas based on the promise of quality and value.

Q4 presents global brands with an opportunity as shoppers look to foreign e-commerce sites for bigger discounts throughout the period, for example on Black Friday and Singles’ Day. Research from PayPal and Kantar Millward Brown showed that nearly half (46%) of internet users in Europe planned to make a cross-border digital purchase during the holiday season.
For UK marketers and brands looking to expand into emerging markets, Q4 presents an opportunity to do just that. However, such expansion is clearly not a strategy to be taken lightly. The strategies suggested below give some top-line recommendations – for further practical advice, read our ‘Performance Marketing Guide to Guide to Going Global’.

**Q4 STRATEGY: EMBRACE GLOBAL MARKETS**

If you’re brand new to a market, use performance marketing to test the waters prior to Q4 to establish what works for that market and what doesn’t, enabling you to employ the most effective tactics for your holiday campaigns. Performance marketing allows you to reduce overheads and financial risk so marketing costs are based purely on a performance basis.

**Make sure you understand the unique retail calendar for each market.** Countries across APAC, for example, have many different holidays that are not observed by many people in the UK. Do your research to ensure opportunities around these dates aren’t missed – and that any activity around such holidays is culturally appropriate.

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**Practical tips for your Q4 performance marketing**

What tactics should performance marketers employ for a successful Q4? As with all aspects of marketing, this depends on what you’re trying to achieve. Here, we break down the steps to success on a goal-by-goal basis.

**Goal: brand awareness**

**Display – use social and shoppable video ads**

Statistically, the growth of video is unstoppable in terms of investment and the amount of traffic and inventory available. By 2019, it is predicted that 80% of internet users will be ‘digital video viewers’ – equivalent to approximately 45.5 million people⁹. Video enables advertisers to use exciting and eye-catching creative to tell the brand’s story and raise awareness. Combining video with social advertising – perfect for using across mobile and desktop – means advertisers can provide the sorts of experiences that resonate with consumers regardless of device.
Affiliate – use attributed ROI to measure and optimise performance of upper-funnel publishers

If you’re looking to drive brand awareness, it’s important to measure performance on a non-last-click basis to better understand the value of your work. Measuring ROI on an attributed basis – taking the entire user journey into account – enables you to associate a revenue figure to this important but often long-term (rather than immediate) revenue-driving activity. With this more accurate understanding, you can then optimise your activity accordingly.

Common publisher types to work with are shopping sites, content sites, bloggers and content-based subnetworks. Balance this activity alongside a campaign to capitalise on those last clicks to drive a strong last-click ROI for a more comprehensive strategy that reaches customers at every step of the consumer journey.

Search – maximise brand impression share

Paid search offers the ability to control your brand message via tailored ad copy and extensions. To make sure that message gets seen, impression share must be maximised. Pair your strategy with one that ensures bids and quality scores are fully optimised to keep brand impression share strong. This will help ensure that when someone searches for your brand, they see the right messaging – for example, new product arrivals or a major sale – that confirms they’ve found the brand they were hoping to engage with.

Goal: customer acquisition

Display – use social and banner ads

Using display advertising for customer acquisition enables advertisers and consumers alike to discover the unexpected: consumers find new brands and products they love that they didn’t even know existed, and brands find consumers they were unaware were the right fit for them. Use a combination of first, second and third-party data to build audiences and target advertising based on location, interests, purchasing patterns and so much more. Be sure to build your audiences up at the beginning of Q4 so they are ready to purchase by the time Black Friday arrives, or when free delivery ends.

Affiliate – optimise voucher and cashback activity to attract new customers

Typically, the same types of publishers that are good for brand awareness (i.e. bloggers, shopping sites and content sites) also drive customer acquisition. Data from Rakuten Marketing insights and attribution platform, Cadence shows that on average over Q4 2017, 61% of the visits to client websites driven by content, shopping, blogger and content-based subnetworks were new users. Of the attributed revenue generated by the same group of sites, 84% of it was from new customers, indicating how valuable these partners are for attracting new consumers.
However, brands can also use voucher and cashback sites to attract new shoppers – provided they optimise their activity accordingly, for example by being featured in email newsletters or in homepage ads. Rakuten Marketing data shows that for a brand that optimised activity with cashback and voucher publishers in Q4 2017, an average of 70% of sales generated were from new customers. This is compared to 53% of sales for a brand that did not optimise for this activity.

Search – leverage non-brand coverage

As paid search is such an intent-driven channel, it offers an effective way to acquire new customers – especially with non-brand keyword (generic) coverage. People conducting these types of searches are typically in the research phase, looking for new brands to discover. Use the right combination of keywords, messaging and targeting using tools such as Remarketing Lists for Search Ads and Customer Match early on in Q4. This will help increase the chances of your brand being top of mind when it comes to purchasing time later in the quarter.

Goal: sales/conversions

Display – use dynamic creative optimisation (DCO)

If you’re looking to optimise post-click performance, then DCO is a must. DCO allows advertisers to experiment with different creative or products, using AI to optimise and identify the best performing ads. A revenue-driving tactic, it is again best to get these campaigns running as early as possible in Q4 so you have enough data to run the most effective advertisements during the core peak period.

Affiliate – use cashback and voucher partners to drive sales volume

Working with cashback and voucher affiliates will offer strong exposure thanks to their large customer bases, often generating the sales volume brands look for in Q4. However, it’s worth noting that despite the perception of these publishers being last-click drivers, if you optimise your activity you’re likely to find that voucher publishers appear earlier in the consumer journey and have a higher attributed value, and that cashback publishers increasingly appear as the sole touchpoint.

Search – align audiences & targeting

To increase the likelihood of conversion, use the appropriate targeting mix for the right audience. Targeting can take many shapes – the messaging of your ad copy, the right mix of ad extensions, bidding adjustments, location and device-use. Getting your targeting right will ensure that your different audiences have an experience that is relevant and valuable to them, and therefore increase their chance of purchasing. For example, one headline may better target new visitors rather than existing customers. Alternatively, a lower bid may be more feasible for loyal users who frequently purchase on mobile.
Q&A: How to make the most of an integrated approach to Q4

Taking an integrated approach to marketing – one that unifies strategy to achieve a certain goal, regardless of channel – helps ensure all marketing activity across the channels previously covered in this report work together effectively. Emma Davis, Rakuten Marketing Director of Integrated Marketing Services, shares her thoughts.

What is the most important thing brands or retailers using integrated marketing can do now to prepare for peak?

The first thing is to completely understand what the most important business metrics are – what does the business need? Then you can look at how you strategically align with partners and publishers and plan multi-channel activity to meet those objectives. It’s vital to make sure whoever you work with understands those objectives and are embedded in those goals.

How can marketers best learn from Q4 2017?

To gain the most insight from last year’s activity, it’s vital to have reviewed performance through a variety of lenses and go further than in-channel performance. For example, if your goal is new customer acquisition, you need to be able to track the number of new customers you’re attracting, and where they are coming from, and adjust your strategy across channels accordingly. Looking at revenue alone won’t give you that view of performance.

It’s also important to look at what was happening in the lead-up and aftermath of the peak sales days. Our data shows there’s a massive amount of demand in the lead-up to Cyber Week; a lot of people are researching, which drives traffic up but conversion rate often stays static or drops. This can reduce ROI but clearly you must be there in the mix to stay ahead of competitors. Here, you need to understand what your retargeting strategy is – how are you going to attract these researchers again to purchase during peak? We’ve also found that customer intent to buy remains strong after peak, generating higher sales after that, indicating that the Q4 opportunity for retailers and brands goes way beyond the peak sales days alone.

How can you make the most of an integrated marketing approach during peak?

Using multiple channels in an integrated way means you can deliver a consistent experience that is more compelling and valuable to consumers. Provided you’ve got access to the right data, you can understand how different channels work together, and which levers to pull to get the best
performance out of all channels combined. To make the most of this opportunity and react to consumer behaviour, it’s also important to be as flexible as you can. Budgets might have already been assigned, but it’s important to not rigidly stick to them when the data is telling you otherwise.

Taking this agility one step further, aligning stock data with conversion data means you can shift budgets and activity to support lines that are selling well and still have stock available. Looking at product-level data enables you to understand what is selling and why, so you can be ready to respond with upsell messaging to maximise basket value, for example.

Choosing the right partner

To carry out the strategies and tactics necessary to make the most of the huge opportunity that Q4 offers UK retailers, you need an experienced partner that can offer you the combination of tech and service needed to succeed. Rakuten Marketing exists so advertisers can deliver experiences people love, helping brands bring their next customer and bring them back again and again.

Here are just some of the reasons we’re trusted by brands and retailers across the globe to support their holiday campaigns:

- **Award-winning global network** – The industry has voted us the #1 Affiliate Marketing Network for seven consecutive years and is truly global. Having expanded organically, our advertisers and publisher benefit from a unified platform with localised language capabilities and currency support across all markets. Our regional offices mean our teams of local experts can service accounts in real time and with knowledge based on the market the client is in.
- **The best of man and machine** – We combine unique data and AI technology to ensure every interaction between our clients, partners and their audiences is timely, relevant and adds value to consumers. Combining this with the skill of our knowledgeable client services team enables our clients to deliver advertising experiences that people love.
- **A true partner** – The partnerships we’ve established across the industry, as well as our consultative approach to your media programme, make us a true digital marketing partner to your in-house teams.
- **Integrated marketing services** – With expert capabilities in affiliate marketing, display advertising and paid search, we’re uniquely positioned to help you run connected and consistent campaigns across channels and devices.

Learn more about what makes us your ideal partner for a successful peak season:

rakutenmarketing.com | +44 (0) 207 427 8120 | rm-ukmarketing@mail.rakuten.com
New markets present more opportunity – with the help of Rakuten Marketing’s local experts, we’re able to acquire and target a slightly younger customer beyond our borders, which is upping growth even further. We’re pushing the boundaries, not being afraid to try something new. There’s no failure, it’s just constant learning.

John Sadeghipoor, Global Head of Digital Marketing, FitFlop

One True Global Network Delivering Experiences People Love

Rakuten Marketing helps brands discover and attract new customers, and bring them back again and again. Voted the #1 Affiliate Marketing Network for seven consecutive years, we offer local expertise on a global basis. Spanning affiliate, display and search, our integrated marketing solutions combine the best of man and machine, supporting brands in reaching global audiences.

Talk to us about your global digital needs:

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ENDNOTES

1. eMarketer, Dec 2017
2. Office for National Statistics, Internet sales as a percentage of total retail sales, Retail Sales Index (DSRI)
5. Holiday Shopping in Europe: Black Friday and Beyond – eMarketer, April 2018
8. Holiday Shopping in Europe: Black Friday and Beyond – eMarketer, April 2018
9. Digital Video Viewers – eMarketer, January 2018