

TUNE

MOBILE MARKETING INSIGHTS



What **700M** mobile ads say about

**BLACK FRIDAY**

**& CYBER MONDAY**

2015

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TUNE sees billions of ad events every single month. Billions of app installs, and billions of both brand and performance ads. We studied over 700 million of them to learn how mobile marketers tackled one of their biggest challenges: holiday sales.

What we learned can help mobile marketers strategize for the rest of the 2015 holiday shopping season, as well as prepare for future holiday events such as Valentine's Day, Super Bowl week, Mother's Day, Halloween, and all the major events of 2016.

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## KEY FINDINGS



“This new mobile economy changes the way we think about customer relationships and marketing strategies, forcing us to look at the personal device as the center of the consumer experience.”

Peter Hamilton, **CEO OF TUNE**

- Black Friday & Cyber Monday advertising doubled from normal days
- Top categories, like commerce, saw up to 9x the volume of ads
- Clickthrough rates suffered in some categories, but not all
- Marketers need campaigns not just weeks but months ahead of big holidays to get their apps installed pre-holiday
- M-commerce apps are hitting increased headwinds in install campaigns, and have seen their install rates drop by 50% year over year
- Ads for complementary products and services sometimes do better than ads for holiday-specific items
- Real life continues: just because it's a holiday doesn't mean all the advertisers for “normal” categories take a break
- Counter-cultural #optoutside messages might just work for you

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# INTRODUCTION

Everyone knows that Black Friday and Cyber Monday are consumerfest free-for-alls in which many Americans spend, spend, spend. It's not just TVs and sofas, tablets and Xboxes. Guns had their biggest day ever too.

But what are marketers doing to feed that frenzy? And how should they approach it in the future?

## THE NUMBERS ARE IN

- Black Friday sales were up 13% Monetate, 18% Adobe or 21% IBM
- Cyber Monday sales were up 16% Adobe, 24% ShopperTrack, or 24% MarketWired

To a marketer, it all sounds good. Whichever metric you believe, American retailers rang up somewhere around \$6 billion between Black Friday and Cyber Monday sales combined. And while millions still spent an average of 5 hours waiting in lines at the Ye Olde Mall on main street, bricks-and-mortar sales slumped badly this year overall, with spending down more than \$1 billion. Digital, however, more than filled the gap, as people let their fingers do the walking and bought online, where sales were up 25% across the board.

The big story, of course, is mobile.

Especially for shopping: mobile shopping "trumped the desktop," with a 57% share on Black Friday, according to Adobe. The day before, on Thanksgiving, that was even more apparent, as mobile accounted for 60% of all online traffic, IBM says. After all, it's much easier to listen to Uncle Alfred with one ear while keeping an eye on the Amazon app for the new daily deals than to trundle over to your desktop computer ...

which you didn't bring along in your pocket.

When it comes to completed purchases, however, the desktop still wins, with 66% of sales. Mobile grew to 34% of sales, though, and smartphones grew the most: generating 70% more sales this year than 2014. Pretty clearly, with growth rates like that, desktop's days of dominance will soon be doomed.

**All of this doesn't happen by accident. Marketers worked extremely hard to make it happen, and part of what they did is double down on mobile advertising.**

Driving those increased sales is increased advertising on the actual holiday days of Black Friday and Cyber Monday: in fact, about double average Fridays and Mondays.

This report examines exactly what mobile marketers did, and what results they generated.

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# MORE ADS, MORE NOISE

It won't be surprising to marketers that holiday weekends in general and Black Friday/Cyber Monday in particular are noisy marketing environments. In fact, TUNE saw about double the number of ads published on Friday and Monday compared to average Fridays and Mondays in the past month.

## 2X THE NUMBER OF ADS OVERALL



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Interestingly, Cyber Monday was busier than Black Friday both proportionally and in absolute terms. Cyber Monday saw 214% of the usual number of Monday ad impressions, while Black Friday had about 170% of its usual complement of advertising. And when you compare the two days, Cyber Monday was about 14% busier than Black Friday.

### TUNE INSIGHT

*Advertising on a holiday? To cut through the noise, you'd better craft a message like never before.*

## BUT 9X THE ADS IN ONE SPECIAL CATEGORY

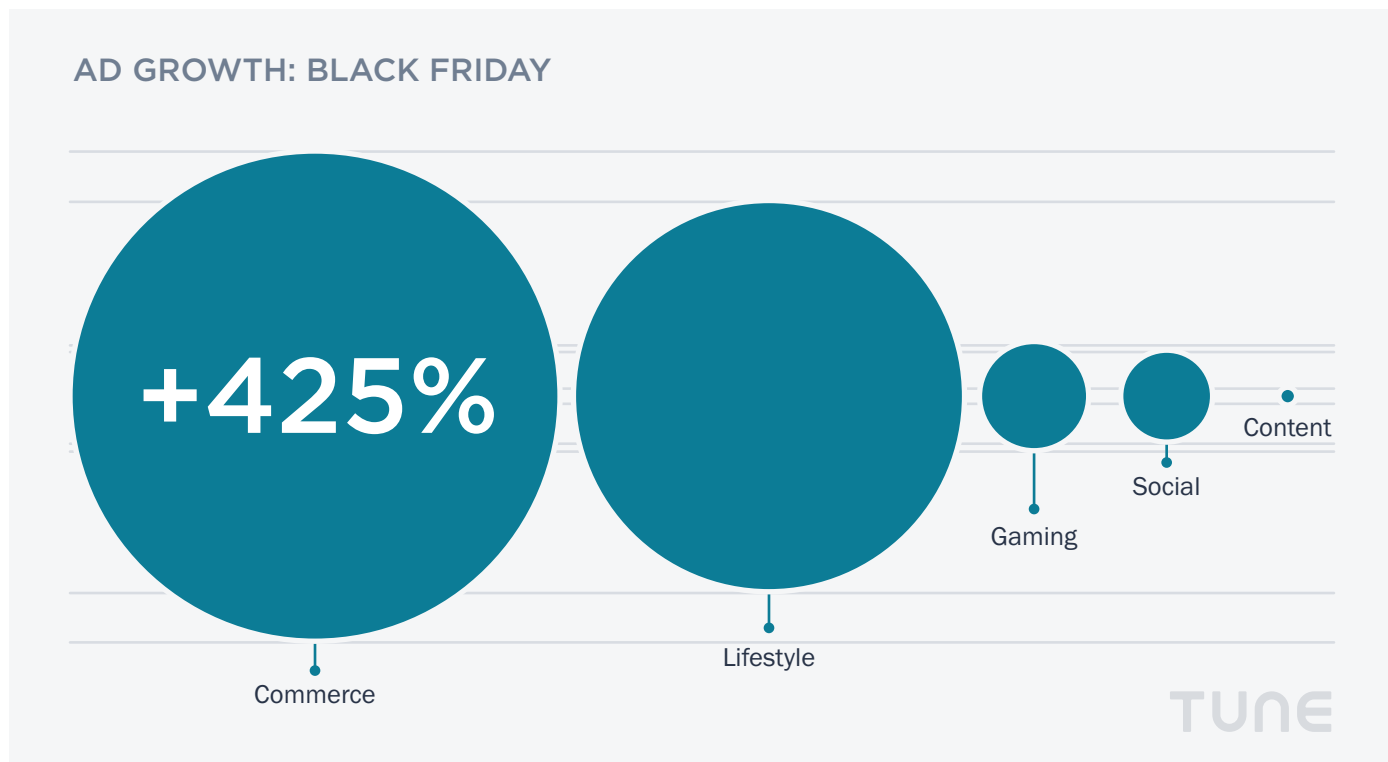
Just because there was more advertising didn't mean that everything was up.

In fact, ad impressions for mobile apps in the Utility categories were slightly down on the holiday weekend, as were a basket of other mobile-first categories. Ads for content apps, for instance, were down 13% on Cyber Monday.

The big winner? Commerce ads.

Again, it won't be shocking to marketers that ads promoting specific products for sale -- and the apps that sell them -- were up on one of the biggest consumer spending events of the year.

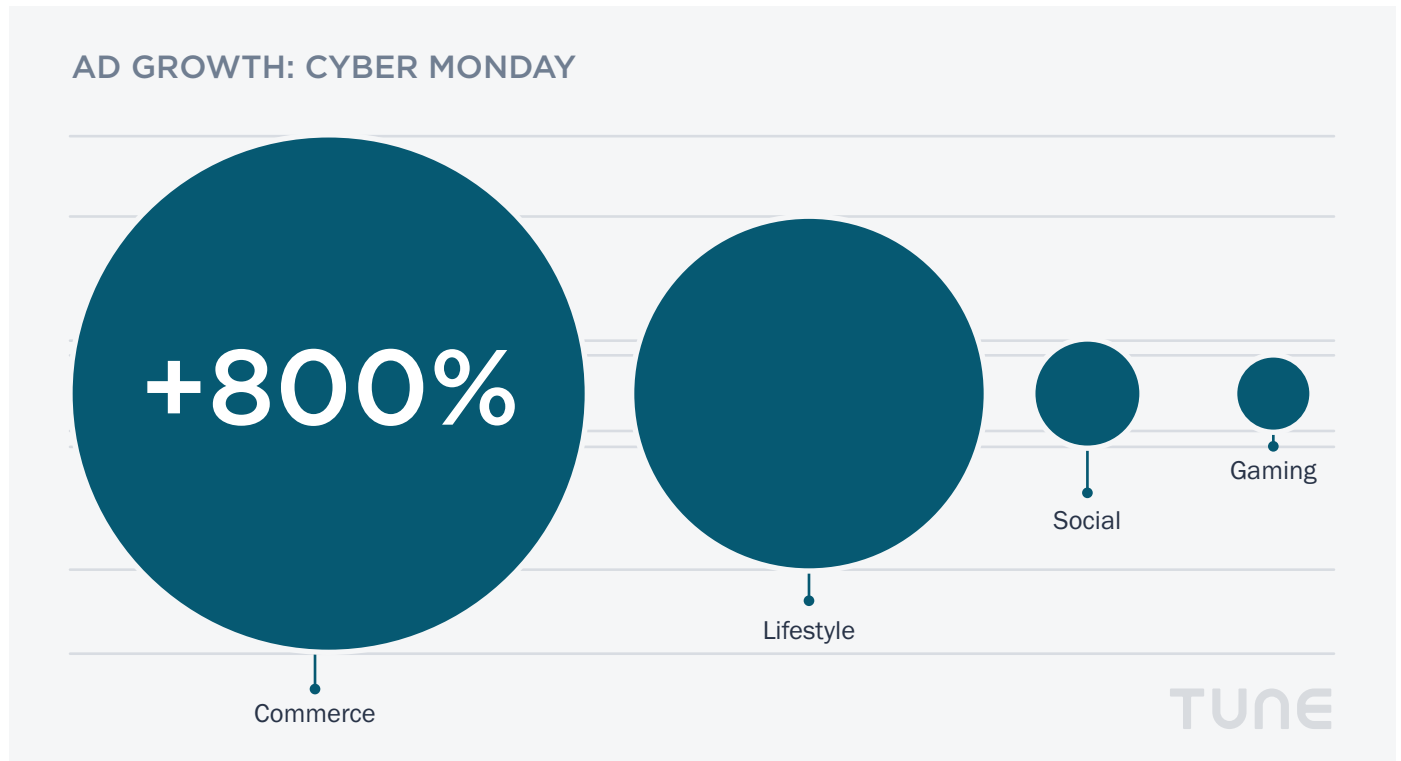
What might be shocking is the scale.





The commerce category showed massive growth from the mean: 425% of the ads typically shown on a standard Friday ... a massive 5X more than usual.

Think that's impressive? So do we, but it pales before Cyber Monday.



#### TUNE INSIGHT

*CTRs suffer on big holidays, especially for products related to the special day.*

On Cyber Monday, marketers opened the floodgates for commerce ads, flooding mobile apps and the web with almost 9X more commerce ads than usual ... no less than 800% the standard flow. That's huge -- and it clearly had consequences on click-through rates (as we'll see shortly).

Interestingly, people didn't want to just buy things on Cyber Monday.

They also wanted to talk about what they just scored ... and social ads were up about 40%.

## BUT THE GAMERS NEVER STOP

You might think that on a holiday weekend that's all about shopping, buying, and getting (sorry, Thanksgiving) the mobile-first gaming apps would slow down their adspend and wait for calmer seas to proceed.

You'd be wrong.

In fact, gaming app publishers increased their spending on both Black Friday and Cyber Monday, adding an average of around 20% to their budgets on the holiday weekend. The interesting part is we saw significantly more mobile game ads on Monday than Friday.

### GAMING APPS: MONDAY RULES



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In fact, gaming publishers pushed almost 35% more ad impressions to mobile users on Cyber Monday than they did on Black Friday ... in spite of the fact that standard Fridays and Mondays are pretty similar in gaming ad impressions.

### TUNE INSIGHT

*Thanksgiving isn't just about the turkey. And BF / CM aren't just about stuff. Marketers have a chance to promote complementary products and services.*

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# MORE ADS, MORE CLICKS

So there are a lot more ads. The big question: are they working?

## SURE, ADS ARE WORKING

By at least one measure, all the extra effort is working. All those additional ads did in fact lead to more clicks through to marketers' apps and sites -- an average of about 20% more clicks compared to daily averages.

### MORE ADS = MORE CLICKS



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That's particularly true in certain categories: commerce, of course, and gaming stand out. But we also saw a lot of clicks, proportionately, in social.

There is a challenge here, however.

### TUNE INSIGHT

*More effort can get you more result. But it's often not proportional.*

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# TOUGHER TO FIGHT THROUGH THE NOISE

While clicks might be up as we just saw, it's not very exciting for marketers to show 200% more ads and get only 20% more clicks. In fact, it's downright discouraging.

Depending, of course, on one very important thing: **the revenue model those ads were sold under.**

If those ads were sold via a CPM model, advertisers are paying app publishers regardless of whether or not any consumer clicked on them. If, on the hand, they were sold via any kind of performance-driven model, that's not the case. In that case, the risk is on the publisher's side.

This means that both publishers and advertisers have to choose their models carefully.

## PUBLISHERS

Publishers don't want to accept all the risk of whether ads will attract consumers' attention, for two reasons. First, uninteresting and poorly targeted ads won't make them any money, and second, uninteresting and poorly targeted ads destroy their user experience, annoying users, and making it less likely that they'll have a positive brand experience with that publisher.

## MARKETERS

In much the same way, marketers placing advertising have a common interest with publishers. Smart marketers want to add to the reader or user experience, not detract from it. When advertising, they want to target their messages to people who might be most interested. And, of course, when the stars align and the moments collide and the right message meets the right person at the right time ... most marketers are more than happy to share the rewards of the resulting value.

One other thing: We saw some key advertisers -- big names you'd recognize -- upsize their ad budgets by 10-20X over the holidays. Make a call: can you afford to play that game?

### TUNE INSIGHT

*Some of your mobile ads will be programmatic. Some will be more strategic placements. For long-term success, it's critical to have alignment of interest between publisher and advertiser/ marketer.*

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# DIVING DEEPER: THE BIGGEST CHALLENGES

Holiday shopping events such as Black Friday and Cyber Monday are unique, with different dynamics in the marketplace. Here are some of the biggest changes we saw in this year's mobile marketing ecosystem.

## COMMERCE COLLISION

Clearly, marketers in commerce categories were pushing hard -- we've seen that already, and it's not surprising that we saw a massive jump there.

What is surprising is the scale: 5X on Black Friday, and 9X on Cyber Monday.

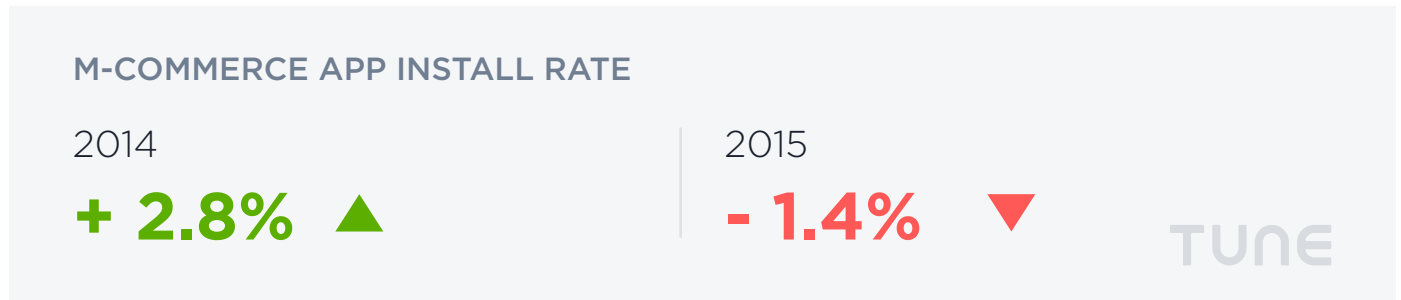
That scale has consequences, and what we saw is that click-through rate dipped a bit -- about 6% -- on Cyber Monday. That's actually a pretty small dip, as Monday is actually the last day in a series of big shopping days starting with early Black Friday deals on Thanksgiving Day, continuing on Saturday and Sunday, and culminating on Monday.

But it is indicative of the fact that consumers do tire of consuming at some point. Another indicator, and a stronger indicator, is mobile commerce app installs.

TUNE tracks install rates for various types of apps -- including taps on mobile ads that lead to an app install. And the commerce app install rate dipped significantly in 2015. In the 2014 holiday season, 2.8% of

m-commerce app install ads that we tracked resulted in an app install ... a pretty impressive rate.

Reality is returning in 2015, as the rate dipped by half to 1.4%.



Part of the reason, of course, is simply that the mobile app ecosystem continues to get more and more competitive, with more and more players. But part of the reason as well is that all of those players are trying to reach consumers at the same time, and not all the messages are getting through.

#### TUNE INSIGHT

*Avoid app install campaigns on the big day. Instead, lay the groundwork in the weeks and months before the event, so you already have the app installed.*

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# SOCIAL DOUBLE-DOWN

Social saw a small increase on Black Friday – about 20% more ads than normal as social networks and apps saw an opportunity to connect all the busy buyers. That might not sound like much, but only a few categories saw lift on Black Friday besides commerce, so it's more significant than might at first appear.

Cyber Monday, however, saw social marketers double down.

On Monday, there were almost 42% more ads for social categories than usual – a major jump. It's a smart move by marketers for social apps, as the holidays are when we're reconnecting with friends and relatives.

Clearly, social marketers were on to something: install rates were up this holiday season for their apps:

## SOCIAL APP INSTALL RATE

2014

**0.67%** ▼

2015

**+ 1.7%** ▲

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Apparently, not only is Thanksgiving a time for celebrating with existing friends and family, it's also a time for making new friends – and maybe families. And, perhaps, introducing aged uncles to Snapchat and grandmas to Periscope.

## TUNE INSIGHT

*Sometimes the original reason for the holiday is the best thing to promote... not the ancillary and additive things it has become.*



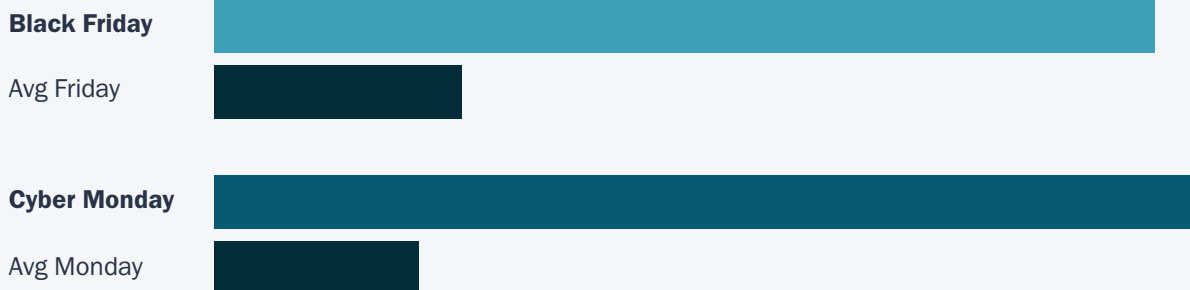
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# LIFESTYLE: UPSIZED

Lifestyle apps, publishers, and marketers were happy to help people learn the right way to upsize their lives on Cyber Monday and Black Friday.

In fact, lifestyle marketers broke the piggy bank on the holidays, pushing out a massive 278% more ads on Friday and 377% more ads on Monday, compared to average Fridays and Mondays earlier in the holiday season.

## UPSIZED MY LIFESTYLE APPS



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That's almost a 4X jump on Friday, and close to a 5X on Monday. Interestingly, in spite of the increased onslaught of mobile ads, app install rates in the lifestyle category didn't suffer. While they did dip, the install rate was still 2.62% -- very, very respectable indeed.

### TUNE INSIGHT

*Well-crafted and timely messages can break through the noise and get strong conversions.*

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# CYBER GAMING MONDAY

Of course commerce ads were up on the holiday weekend. But so were mobile gaming ads.

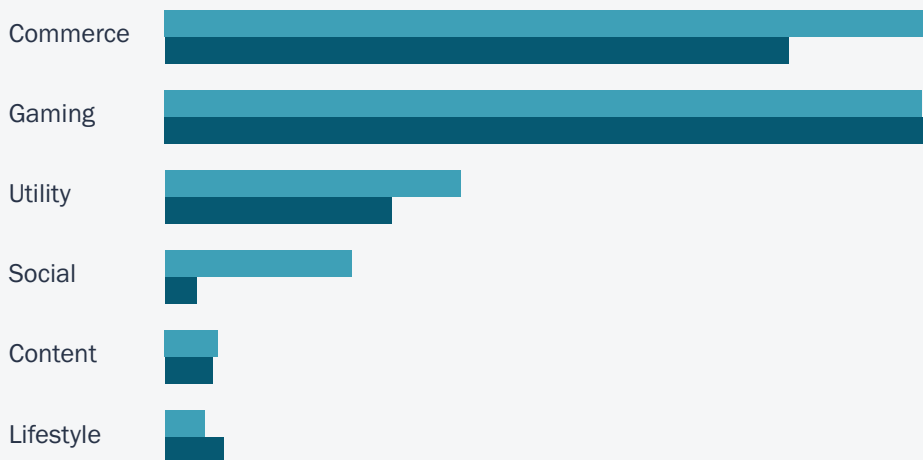
Gaming publishers seem to have anticipated the holiday advertising headwinds and still doubled down on paid user acquisition. It makes sense: most people are off work, others are at home relaxing, and many are waiting in long lines with nothing good to do but [brawl for the best products](#).

It's probably a much better idea to find a great new mobile game and play it.

So in spite of the holiday commerce growth, gaming ads were up about 20% on both Cyber Monday and Black Friday. Of course, since game publishers are such a massive driver of mobile ads in the first place, that means that commerce and mobile battled for the lead (in volume).

## COMMERCE EDGES OUT GAMING, BUT GAMING RECLAIMS THE THRONE

● Black Friday ● Cyber Monday



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And in fact, for Black Friday, commerce narrowly won, pushing out just slightly more ad impressions than gaming.

But for Cyber Monday, when perhaps when commerce marketers saw they were hitting their numbers, or were exhausting their ad budgets, or both, mobile game publishers reclaimed their top spot.

The results make sense to Chris Akhavan. He's the president of publishing for Glu Mobile, maker of games such as Kim Kardashian Hollywood, the Deer Hunter franchise, James Bond: World of Espionage, and Mission Impossible: Rogue Nation.



*We always see increased usage/time spent in our games over the holidays.*

*Chris Akhavan, Glue Mobile*

#### TUNE INSIGHT

*Real life continues. Even on a special day, people still eat, drink, play, and do most of the things they normally do. It's not just about holiday-specific products and services.*

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# HOLIDAY WEEKEND: APP INSTALL-FEST?

The Thanksgiving holiday weekend isn't just a good time to stock up on toys for big boys and big girls. It's also a good time to install new apps.

But... not in all categories.

Social apps and content apps saw their install rates go up: about 3X for social, and about 2X for content. Commerce apps, however, saw install rates go down (as we've already seen). And so did gaming apps, lifestyle apps, and utility apps.



So mobile marketers need to prepare for the holidays season by getting their apps installed beforehand -- especially if you're an m-commerce or e-commerce company. The brands that will win in the next decade will have a tight relationship with their best customers: they will ride along on the "3-foot" device ... our mobile phones that go with us wherever we go, are the centers of our digital lives, and will manage everything from communication to payments to identity.

Earning that install is central to success because you will be able to understand your customer, her location, his desires, and their patterns, much, much better. Earning that install is also critical because as I've heard from executives at companies like GameStop, customer who also have their mobile app are twice as valuable as even the most loyal customers -- the top tier -- in their loyalty programs.

In addition you'll have the opportunity to message them -- appropriately and sensitively -- to inform them about things they want to know, and, in some cases, your best deals.

Which means that your holiday advertising strategy can then transition to engagement and re-engagement -- hitting a double, triple, or home run, if you will -- rather than fighting so hard just to get on first base in a busy, noisy, and very expensive marketing environment.

It's building and extending a relationship rather than establishing one. That's easier to do, first of all, and secondly, customers are likely to spend more from companies and brands they have a relationship with than those they've just met.

That what old-school marketers call building your brand. I asked branding guru David Aaker how this relates to mobile, and he said:



*"In this world of cluttered communication driven by fast changing and fragmented media vehicles, brand is more important than ever. It provides stable credibility and a base-line associations onto which to build."*

*David Aaker*

Brand matters in mobile too ... maybe even more than before. It's a touchpoint of quality and assurance of delivering on promises.

#### **TUNE INSIGHT**

*Testing is critical. It's not always possible to know what will work and what won't. So follow a MoneyBall approach: run a few test campaigns with different messaging, ad partners, and publishing partners. If something strikes, follow up. If not, rest up and return after the holidays.*

# REI IS CLOSING ON BLACK FRIDAY

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## PERHAPS #OPTOUTSIDE WORKED

Cyber Monday was a bigger day for marketers than Black Friday. Not only did they sell more product, they bought more ads and they got more clicks.

Outdoor gear retailer REI, of course, had promoted the #optoutside hashtag and movement – almost a mini buy-nothing-day – and closed its doors on Black Friday. While the company was likely singing to the favorite songsheet of its healthy, outdoors-loving, back-to-nature demographic, the campaign got wide pick-up in the press: Google returns about 540,000 results for the tag, and REI says that about 1.4 million people opted in (so to speak).

It's hard to say how successful the campaign was, but it's clear that Cyber Monday was bigger than Black Friday in a number of different measures: 14% ads published, 8% more clicks, and hundreds of million of dollars of additional revenue.

### TUNE INSIGHT

*Not every holiday resonates with your demographic. REI probably got more marketing benefit out of closing than any ad campaign it could have run. And since it's not a big discounter anyways, this is a perfect plan for REI. What's a similar opportunity for you?*

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# KEY TAKE-AWAYS

## START EARLY

Time spent earning the install and earning the right to push message pays off bigtime on holidays.

## BE REALISTIC

More does mean more. But it doesn't mean proportionately more. We saw key advertisers 20X their spend this holiday season – you need to make a call if you can play the game at that level.

## COUNTERCULTURAL MAKES NOISE

Maybe you can't outspend the big boys. Maybe this holiday isn't right down your strike zone. Find a way to be relevant – or make the holiday irrelevant – for your customer community.

## ALIGN WITH YOUR PUBLISHERS

Set up performance-based deals with publishers so that as you do well, so do they. This incentivizes them to work in your favor, and incentivizes you to be relevant and timely. The ideal result is a triple win: right ad in front of the right consumer at the right time, publisher makes money, you make money.

## DON'T COUNT YOURSELF OUT

You may not have products or services that are holiday-specific. But people are still living their lives, and still need everyday things, even on special days.

## DOUBLE DOWN TO BEAT THE HEAT

Expect the major players in your space to go big, like the m-commerce retailers we saw in this report. Bold moves on your own part keep you in the conversation—and in the hunt for revenue.

## ABOUT TUNE

Our mission is to make mobile marketing better, for everyone. TUNE is the global marketing platform to help marketers measure the performance of their marketing campaigns. Headquartered in Seattle, with global offices including San Francisco, NYC, Seoul, London, Berlin and Tel Aviv, TUNE is the most widely adopted solution to measure mobile marketing performance and trusted by top brands including UBER, Sephora, Trulia, Alaska Airlines, EA, Supercell and more.

For more information, visit [www.tune.com](http://www.tune.com).