



Q4 | Cyber Five After-Action Report

2021



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Executive Summary

From our perspective as an agency, Cyber Five (the five days covering BF/CM (Black Friday/Cyber Monday) was busier, more-complex, and more-difficult than any year since we started the company in 2008. There are clear trends to share, and learnings for next year.

IN THIS REPORT, WE'LL COVER:

- **Analysis:** Industry-wide data trends, and how they affected our brands
- **Challenges:** What this data tells us
- **Solutions:**
 - » What winners in our client portfolio have in common
 - » Innovative things we saw clients do
 - » Things we'd like to take away for 2022

In brief, brands that diversified their media mix, spent the summer planning for Cyber Five, came out ahead. Brands that were reactive, and too-reliant on too-few media platforms, climbed a steep hill.

AREAS OF FOCUS

Diversifying the media mix with layers of complexity: OTT, TikTok, LiveIntent, Taboola

Consolidating account structures to lean further into automation and machine learning (leaning into broad audiences)

Building 1st party data - list building became a crucial piece of our strategy discussions with our most successful clients.

Building consensus on global business goals and using a greater source of truth platform data to prove results

Ensuring that our partners were branching out to build up their influencer connections so we could launch branded content ads

After Action Report

FOR BLACK FRIDAY + CYBER MONDAY

CHALLENGES

The challenges we saw center around the changing efficacy of the Facebook advertising platform. We are still in the very early stages of this, and it looks like Facebook performance is increasing since mid-summer, but audiences were smaller, costs were up, and efficiency was down.

Most of our D2C clients count on Cyber Five to push them into the black for the year, and rely heavily on Facebook for this success.

Overall Market Trends

- On Facebook, CPMs increased - One client saw CPMs for remarketing increase by 3X over BF/CM
- Google retained its efficiency, and most clients moved budget there
- Larger & broader groups worked better than smaller audiences
- Over-segmentation of limited budgets inhibited account and revenue growth

SOLUTIONS

The Solution for this is to **diversify your media mix, invest more in creative, and prioritize first party data.**

Diversifying your media mix can be painful, but we saw that clients who had more advertising platforms in market, live and spending, did better than the clients who did not.

Investing more in creative is important, because Facebook's algorithmically-created ads, do not work as well post iOS14, as they did before.

Prioritizing first party data is key, because the changing attribution methods of the platforms, makes them a less-reliable data partner. Said plainly, you can't rely on Facebook conversion data: you need to rely on your "source of truth" whether that's Salesforce, Shopify, or Google Analytics.

The Shifting Media Mix

KEY NUMBERS YoY

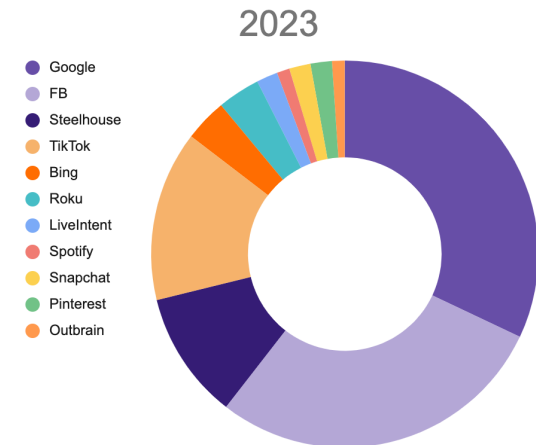
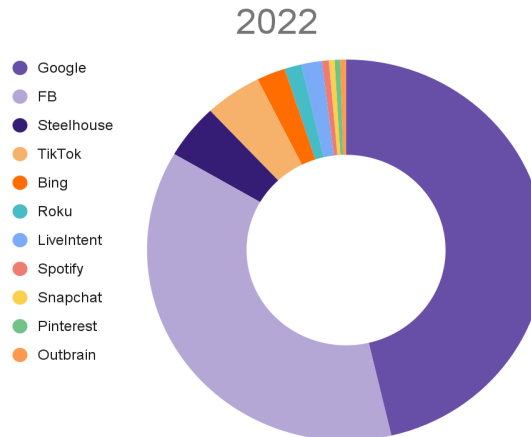
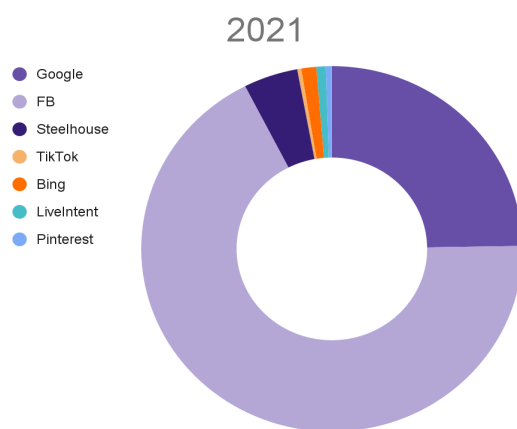
| | 2020 | 2021 | 2022(?) |
|----------|------|------|---------|
| FACEBOOK | 70% | 50% | 40% |
| GOOGLE | 25% | 35% | 40% |
| OTHER | 5% | 15% | 20% |

Mason POV: Our most successful clients are shifting spend away from the duopoly of Facebook and Google, towards emerging platforms. This does not mean they are spending less across the Duopoly overall, but rather investing in acquiring new sessions/users from other channels.

Trend: shifting budget away from Facebook, toward other platforms

in 2020, 70 cents of every dollar was spent on Facebook, versus 25 cents on Google. 5 cents of every dollar was being spent on testing other platforms.

OMNI-CHANNEL STRATEGY & PAID MEDIA SPEND ALLOCATION



After Action Report

FOR BLACK FRIDAY + CYBER MONDAY

RESULTS

Our winners had these things in common:

- **They put themselves where the customers are, by diversifying into more platforms.**

The clients who met or exceeded their goals were in (on average) 6 advertising platforms.

- **They know that Holiday starts in July.**

Winning clients invested heavily into prospecting in the months leading up to Black Friday, emphasizing list-building for owned 1st party data, allowing owned channels like email and SMS to scale. Examples of this include:

- a. "First to know"
- b. Product teasing
- c. Pop-Up testing to drive sign ups

- **They have integrated partnerships with hard business Goals.**

We always say that "'more' is not a goal," and that was true in 2021. Clients with specific, by-channel (and even by SKU) goals, with base-case and stretch-case projections, enabled us to make informed budget decisions based on hourly global brand trends.

- **They know where to double down.**

They know where to double down. Our winning clients isolate top geographical markets and focus on their most actively engaged audiences, letting us double down on purchase intent from two separate angles.

Some specific winning strategies from our portfolio:

1. Start sales before your competitors.
2. Spend more at the beginning of sales.
3. Creatives (ads) should focus on the sales - non-sale ads during sales, did not work.
4. Leaning into broader targeted Prospecting campaigns on Facebook

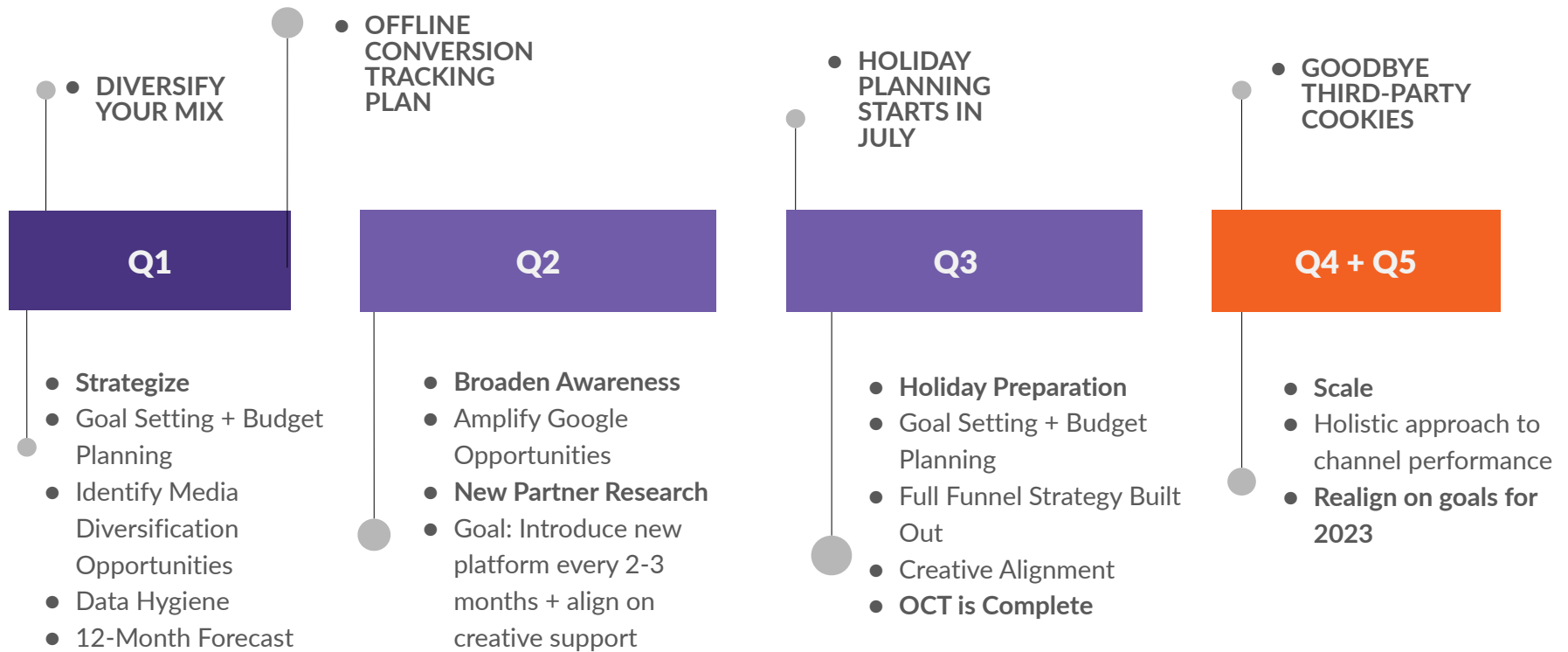
KEY TAKE-AWAYS FOR 2022

Consumers still look to the Black Friday weekend to do their shopping. While partners that had sales in-market saw conversions trending up in the week leading up to Black Friday, we saw that Black Friday and Cyber Monday were still top performing days. By planning our budget strategy accordingly we were primed to scale when the opportunity presented itself, ultimately helping our clients achieve their goals.

Brands that diversify into more platforms and begin planning for the Holiday season earlier, ultimately see more success during the Cyber Five.

Layering on Complexity

2022 TIMELINE



The Path **Forward**

HOW YOU CAN PLAN FOR 2022

- Request a competitive marketing audit, put together by our digital experts
- A fresh set of eyes never hurts
- Look at gaps, similarities and opportunities to diversify your mix
- Build a 12-month roadmap that takes all of your digital channels into consideration
- Data and Performance Lookback Analysis
- Let's work together to evaluate what worked/what didn't
- Lean into and capitalize on what worked across Paid, Organic, Email and Creative
- Research and test new strategies, tactics, and platforms
- Work in partnership to over-communicate goals, expectations, and the realities of the ever changing digital ecosystem
- Start planning for the depreciation of third-party cookies NOW



Google Data

ACROSS OUR CLIENT PORTFOLIO

Our most-successful brands leaned into Google this year. Some of this was increased budget at the expense of Facebook, and some of it was incremental advertising spend.

Our clients are split between Lead Generation and E Commerce brands; this data is for all brands in our portfolio, across all Google Strategies. If you're a client, we're happy to talk about how your numbers compare.

HOW GOOGLE PERFORMED FOR OUR CLIENTS

In short, Google over-performed for our clients; as a result, we moved budget there.

- **Cost Per Click** was up 30.64%, from \$2.17 in 2020, to \$2.84 in 2021
- **Average Order Value** was up 6.65%, from \$106 to \$112.
- **Cost Per Acquisition** was up 37.6%, from \$29.49, to \$40.89
- Google Campaign Type
 - Search Campaigns decreased as a total share of Google spend across our client portfolio from 69%, to 62% Year over year
 - At the same time, our agency-wide Shopping budgets increased from 29%, to 34%

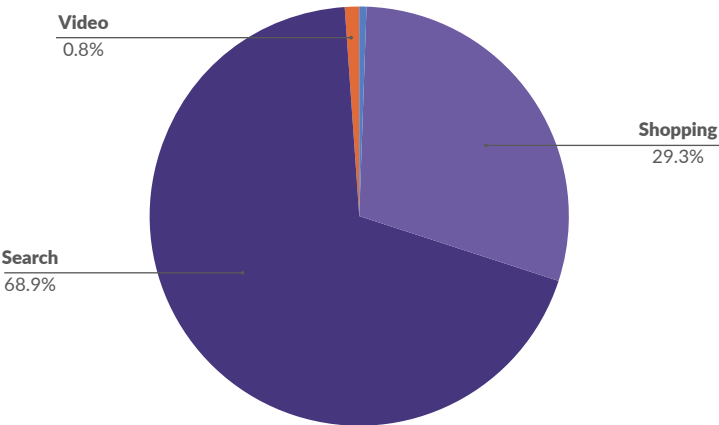
Note: these numbers are a function of many things, not least of which is our client portfolio. Again, if you're a client, we're happy to talk about how your numbers compare.



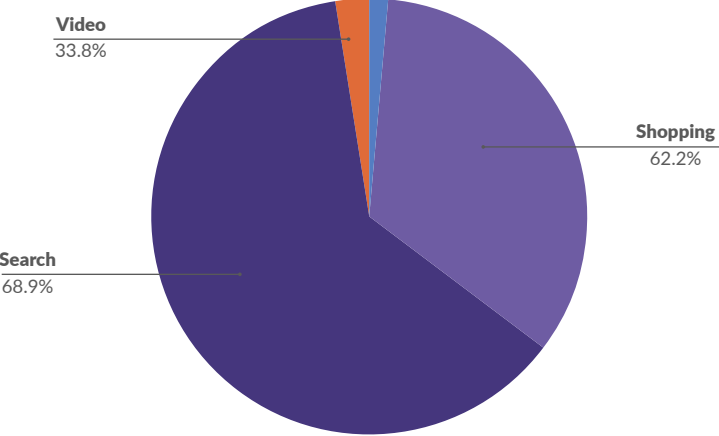
Google Data

ACROSS OUR CLIENT PORTFOLIO

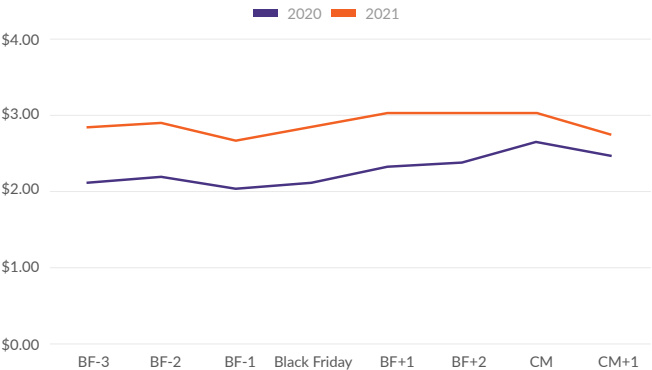
Spend by Google Campaign Type 2020



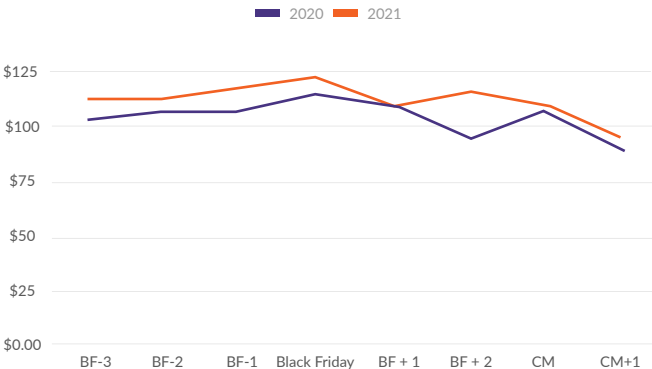
Spend by Google Campaign Type 2021



Cost Per Click

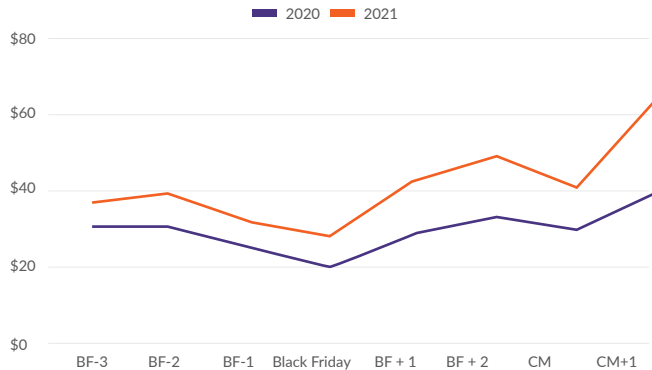


Average Order Value



*Decrease in AOV is due to increase in the amount of clients who have a lower AOV, combined

CPA



Facebook Data

ACROSS OUR CLIENT PORTFOLIO

HOW FACEBOOK PERFORMED FOR OUR CLIENTS

Changes to IOS did affect Facebook's performance in 2021, but it remains the biggest single market to introduce your brands to new consumers.

Costs were up, and audiences were less-targeted, but this was partially overcome by the fact that conversion rates increased.

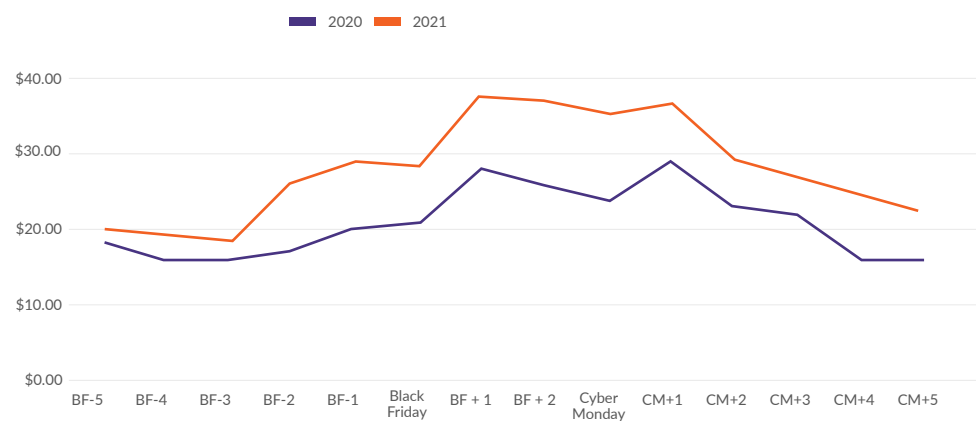
- **CPM's** were up 33% for the year, from \$21.10 in 2020, to \$28.12 in 2021
- **AOV's** actually decreased across our portfolio, but this is due to the fact that we have more clients now than we did in 2020, and more of them sell smaller-ticket items. Generally, individual clients saw their own AOV's increase.
- **The conversion rate** - the rate at which an impression leads to a customer order on a client website - actually went up Year over Year, from .12% in 2020, to .17% in 2021.



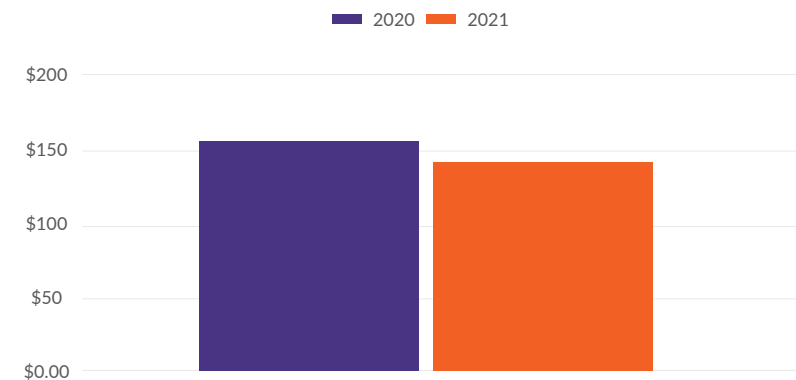
Facebook Data

ACROSS OUR CLIENT PORTFOLIO

CPM'S

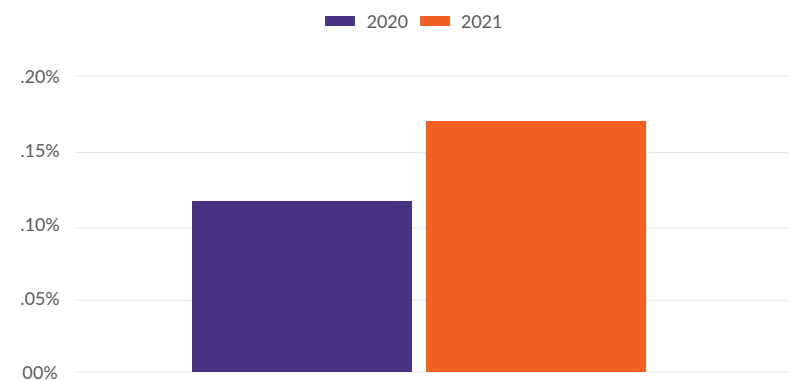


Average Order Value



**Decrease in AOV is due to increase in the amount of clients who have a lower AOV, combined*

Conversion Rates



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