



BLACK FRIDAY

REPORT 2021

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BOOT CAMP

Introduction

The coronavirus pandemic has continued to have a significant impact on the retail industry worldwide.

Depending on where they are in the world, some stores are slowly reopening whereas others have sadly closed their doors for good. Retailers have also had to deal with continued issues such as laid off or furloughed staff and disrupted supply chains, making it another difficult and unpredictable year. So, with the biggest retail period of the year fast approaching, what are brands to do when it comes to Black Friday?

The retail event has traditionally been an opportunity for retailers to shift stock and significantly drive revenue over a short period of time. In fact, even with most physical stores closed last year, Black Friday shoppers were not put off, spending \$9 billion online instead — a 22% increase over the previous year.

However, long gone are the days of shoppers turning into mobs and queuing outside their favorite shops for hours to get the best Black Friday deals. With the future remaining uncertain for the industry, this year's big day on November 26 is likely to remain a far cry from pre-coronavirus times.

This guide will help retailers prepare for Black Friday, providing insights from Emarsys research into how customers across the globe are expected to behave during this year's sales event.

Too many retailers use Black Friday to make a quick buck, or view it as a "flash sale," rather than seeing it as a huge opportunity to gain and retain loyal, repeat customers. This report will teach retailers how to leverage the power of omnichannel to drive revenue and foster long-term loyalty — through the busy Christmas period, January sales, and beyond.

- ▶ This Summer, Emarsys is conducting ongoing research, interviewing over one hundred retail and e-commerce marketers across five countries.
- ▶ The in-depth research spotlights how retailers and marketers are preparing for this year's retail event and maps how Covid-19 has changed expectations
- ▶ This report provides valuable insights and lessons for retailers and marketers currently preparing for Black Friday 2021

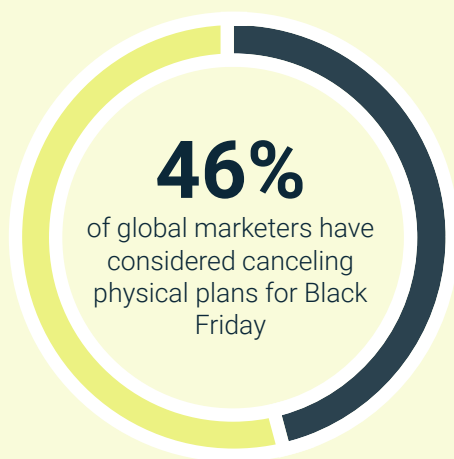
Lessons from 2020

In light of the experience gained during 2020, many retailers are taking new approaches and implementing new procedures this Black Friday to better engage with customers and ensure their peak-season plans go smoothly.

For a handful of marketers, the uncertainty has been overwhelming, with one in ten (11%) saying that, while their company had previously taken part in Black Friday, they are abandoning the event this year. This rises to a quarter (25%) in Australia. Globally, a further 46% have also considered cancelling their physical Black Friday events because of ongoing fears surrounding Covid-19. This consideration is most prevalent in France, where the number rises to over three-quarters (77%). Meanwhile, those in the US appear more optimistic – just 25% have contemplated calling off their plans.

For the majority, however, there have been some positive learnings that will allow them to approach this year's event with more confidence, whether that's investing in customer data infrastructure to help identify and target the right audiences or exploring new marketing channels to create a better omnichannel experience for customers.

Many brands are also realizing the opportunities that lie in mobile apps and mobile engagement, with 75% recognizing this as an important channel. This approach also calls for the need to invest in more real-time engagement to ensure that the brand experience is strong and positive, without lag or delay. After all, mobile is where the majority of customers are spending their time – whether it's browsing, purchasing or interacting with a brand. It makes sense to ensure that this platform is as strong as possible.



Marketer mindset

Although it is important to learn from the past, we also need to understand the present mindset of marketers as they plan for Black Friday 2021, and how prepared they feel for the upcoming event. When interviewed, 17% of marketers said they are well underway with plans for the day, while 13% have already completed their preparations and are ready to lock down their sites (rising to 50% in the US). Worryingly, 28% say they are yet to start preparations, with an overwhelming 80% of retailers in the UK admitting that they have not begun. Globally, over a third (34%) have a plan in place but have not yet started to implement it. Perhaps 100 days until the event seems like a long time, but marketers need to use every one of these days effectively — from planning war rooms to experimenting with new customer journeys.

Half (50%) of retailers expect fewer people to shop in store for this year's Black Friday events. While opinions might be divided, looking at last year's figures, consumers are still likely to want to take advantage of the sales, whether they're shopping online or in store, so there is a clear opportunity for brands, no matter what happens in the next few months.

But it's not just about that one big day, or even a weekend of sales and discounts. It's worth remembering that although there is a huge amount of hype around Black Friday, most marketers should

not look at this retail event in silo. With budgets assigned to the whole of Q4, it's vital that they plan not just for a one-off sales event, but also for the busy and profitable Christmas period, which obviously falls into the same "golden quarter."

It's not just about acquiring new customers either. Instead, marketers must focus on leveraging their existing customer database to drive growth — in the golden quarter and beyond. With new changes in first-party data and acquisition rules changing in the ad landscape, driving customer loyalty using existing shoppers should be front of mind for every brand. So, with the big day around the corner, how have marketers been preparing?



Finding the right technology

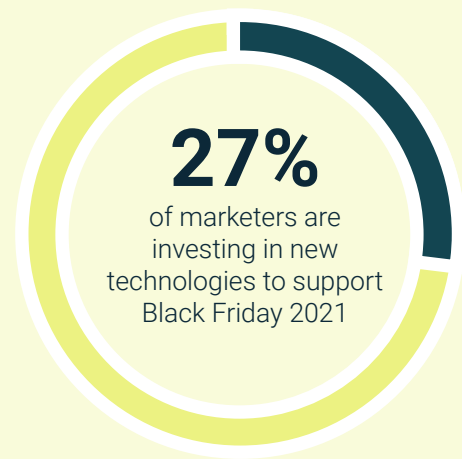
Investing in the right technology is a critical piece of the puzzle for retail success, yet 15% of retailers do not feel that their company has the right technology stack in place to manage Black Friday in 2021. This number more than doubles in Germany, where 38% are of this opinion.

Most marketers understand that implementing new tools takes time, meaning that any additions to their technology stack should be in place months before their digital channels or data intelligence tools are “locked down” for Black Friday. However, with only a quarter (27%) of marketers saying that they are currently investing in new technologies in advance of Black Friday, it’s clear that more education is needed.

In terms of what marketers need from tech, the key priorities need to be scalability, real-time data and unification. Implementing one unified marketing platform gives retailers one centralized “source of truth” that brings together customer data from multiple systems, rather than having this information in lots of different places.

Ahead of a busy event like Black Friday, retailers can scale and manage the sheer volume that they might expect, getting a unified view of each customer and allowing them to both effectively segment and personalize communications. This creates an omnichannel experience for those people as individuals.

Scalability based on customer centricity and the sheer volume of customers that can be reached is also vital during Black Friday, especially if retailers are forced once again to lead with a digital-first approach to this year's sales.



- ▶ Last year, Emarsys successfully triggered 189 real-time campaigns, targeting a database of 6 billion customer records in our Emarsys platform
- ▶ Each of these consumers was given a unique and personalized catalog of content and offers, and this year we will be working with brands to create the same great experiences for their customers

Customer data

Collecting first-party data directly from your customer base allows brands to gain more accurate and higher quality insights into behavior, predicted spend, lifetime value, loyalty status, product affinity and much more. This information can inform your marketing strategy, guide tactical execution, and predict future trends, as well as personalizing the experience for customers on any channel — and in real time.

While there are many approaches to capturing this information, shoppers are now savvier than ever about what their data is worth and what it means to share it with a company. Therefore, creating an overall experience where they see value in providing you with their data, otherwise known as a **value exchange**, is key.

For retail marketers, a key learning from last year's Black Friday was how to effectively use data to create revenue, drive engagement, and build loyalty. So far, 57% have invested additional budget in their customer data infrastructure ahead of this year's event. The country where this approach is most popular is Germany, where 92% of our marketers have pumped money into this engagement method.

One of the few silver linings of the last 18 months is the increase in data that marketers have been able to collect and learn from. In-store shoppers don't leave much of a data footprint, but with Covid-19 forcing retailers online, the amount of customer data they've been able to collect has increased dramatically. This data can help retailers build a better view of their customers' wants, needs, and purchase behaviors — all of which can be used to drive growth and loyalty.

A big issue for most retailers is that this data is either dispersed throughout multiple systems, or simply isn't being used to its full effect. To make the golden quarter successful, retailers need to ensure that customer data is not only being collected at every touchpoint, but is also being fed back into their marketing, targeting, and personalization efforts.



Automation

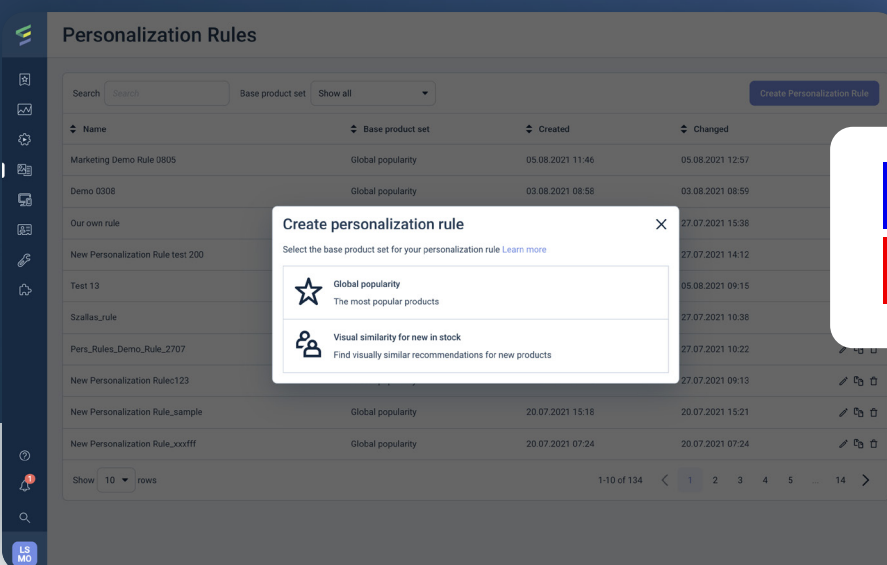
Marketers are keen to make changes following last year's Black Friday. However, just 4% used the last 12 months to build automated marketing programs and campaigns. Despite the lack of investment from global marketers, these automated systems, which drive accurate personalization and data-driven retail, are key to business growth.

Through digital transformation and the introduction of AI, independent retailers of all sizes can take control of this data and compete with even the biggest players. This goes far beyond Amazon-style recommendations based on what "similar customers" bought and is an opportunity to engage with your shoppers in more tailored ways than ever before.

The worst automation initiatives treat every customer in the same way, which feels cold and robotic. To regain that human touch, retailers must put personalization at the heart of their automated campaigns. This means going beyond simply segmenting customers into groups — it means valuing every customer as an individual and building an experience that's uniquely tailored to them.

Every successful brand uses automation. Looking to the future, it will have a key role in improving efficiencies, allowing marketers to use customer data more effectively to provide better personalization. This, in turn, will drive repeat purchase and loyalty.

- ▶ Emarsys' "AI Visual Similarity" is an automated, data-driven tool that uses Google Clouds's image recognition technology to analyze all product images on a website
- ▶ The tool notes elements such as product type, color, size, pattern and texture and then uses customer data to personalize product recommendations based on the features shoppers prefer
- ▶ Emarsys customer Sports Direct tested out our new "AI Visual Similarity" technology in late 2020 to build up a view of their customer's preferences and cross check against purchasing patterns
- ▶ Rather than grouping people into segments, Sports Direct can now make truly individualized personal recommendations
- ▶ By following the AI's recommendations, Sports Direct achieved a 10% uplift in traffic and a 20% increase in email open rates



Finding the right channel

Since last year's Black Friday, over a quarter (28%) of marketers have branched into new marketing channels to make sure this year's event goes as smoothly as possible, increasing to 75% for the Australian markets. This confirms what we already know — the greater variety of channels where you can connect and engage with your customers, the better.

Every channel plays its part and has an important role to play in the overall ecosystem. However, personalization sits at the heart of everything a brand should be doing to build loyalty and create lasting advocates out of Black Friday shoppers.

So, whether it's creating revenue opportunities through a perfectly tailored email or boosting engagement via an in-app marketing message, brands can create memorable, seamless retail experiences for customers across each and every channel.



Email

Email is a vital aspect for any retailer, with 100% of marketers across all countries agreeing this channel is important to the success of their Black Friday approach.

By knowing what brands and items shoppers are keen on, retailers can maximize impact and build better relationships with customers. If you know the brands your customers are most likely to buy, you can make all communications aligned with those specific companies and personalize your touchpoints to reflect those preferences. It's equally important to be aware of any dislikes or turnoffs. Instead of making suggestions based on assumptions, the key is to ascertain the specific triggers for each customer and then deliver an email program that's contextually relevant.

This is win-win for both the customer — who feels valued and appreciated as a shopper — and the brand, which can grow a more loyal base of shoppers.

100%



of marketers believe email is the most important channel for reaching Black Friday shoppers

Social

Social is an incredible tool, which allows super-personalized contact with both existing and potential customers using first-party data and insights, as well as using clever retargeting to pull people back into the funnel if they drop out for any reason. Retailers agree, with 57% believing paid social media marketing is a vital aspect of their approach – a number that rises to 100% in Germany. Of our global respondents, a further 40% see “organic” social channels as important during Black Friday.

Whether it’s paid or organic, social media is a place where you can build brand affinity, hop on popular trends, and attract the attention of new audiences who may have never come across your brand otherwise. It allows retailers to build a presence on their customers’ preferred channels to start actively managing and scaling relationships.

A paid strategy is being increasingly relied upon to support marketing approaches and ensure that content is both seen and engaged with. Using a range of data, paid social can be employed to build rich customer profiles using behaviors, interests, and specific locations as well as the ability to match channels and devices.

Used in conjunction with other channels, social helps create a more complete omnichannel experience that will boost both retention and acquisition as well as reach and ROI. With new regulations on first-party data and growing concerns around privacy, customers are becoming increasingly aware that they're giving their data to brands without realizing it. Brands have to work extra hard to obtain the information that customers once gave freely, which is why using a value exchange that incentivizes them to give you their data is so effective.



An omnichannel approach

There must be no weak links in the chain when it comes to your marketing channels this Black Friday. Every touchpoint with the customer is a potential opportunity to create a longstanding relationship beyond just a sales weekend. That's why omnichannel campaigns are a must in today's digital world.

A successful omnichannel approach relies on customer service. Those positive experiences are key to driving repeat purchases and long-term loyalty. Marketers agree, with 15% saying they've developed better customer service via connecting internal teams, such as contact center, merchandising, stores, and operations. In the US, this is unanimous, with 100% of American marketers having made this change.

Taking this joined-up approach to marketing allows retailers to develop both in-store and digital experiences that combine the best of both worlds and target consumers on the channels they know, use, and love.

Getting all these aspects working together and feeding into each other creates an overall brand experience for your customers. It's your job to make sure every channel you use can "communicate" with one another so everything you do works together to offer a connected, seamless customer experience. By aligning these channels, retailers can ensure their shoppers get the best possible experience, whatever the future holds and however they feel comfortable shopping.



Online vs offline

This year, retailers are going to have to think carefully about how they present their Black Friday deals to different audiences and how they balance in-store and online. With restrictions in each country varying drastically, this is likely to be a highly localized decision — and potentially one that is made last minute, or even in real time.

It's clear that savvy retailers have been thinking about this balance. Half (50%) of the global base of marketers we spoke to agreed that they expect fewer people to shop in store during Black Friday 2021 than in previous years.

Clearly learning from the last disruptive 18 months, a staggering 96% also claimed to have a contingency plan in case of another lockdown or increased restrictions, rising to 100% in the USA and France. This nervousness is to be expected, given the last year that we've experienced. However, with the right insights and plans in place, retailers can ensure that whatever happens, their event is a success.



Digital

With the next few months remaining uncertain and several countries under the threat of lockdown, many retailers are preparing for the very real possibility of an online-only Black Friday. In fact, 81% say that they will actively encourage customers to shop online rather than in store this year, with this number jumping to 100% in the UK. This means that, wherever they are in the world, perfecting the digital experience for consumers has never been more important.

One of the few benefits of the past year is that many retailers were forced to shift to online. This means that, should the worst happen this November, the infrastructure is in place already for a digital-first Black Friday. Customers will therefore be able to continue to get the same personalized experience via the channels that they've become so used to over the last 18 months.



Click and collect

With many physical stores closed, “click and collect” is another option that saw a surge in popularity during the pandemic.

Previous Emarsys research reveals that half (50%) of US consumers admitted to preferring this service over others during various lockdowns, and one in five (21%) of UK shoppers agreed that having this opportunity would encourage them to try a new online store for the first time.

With November bringing colder and darker weather in many places, this method of purchasing would allow people to avoid the queues. This also allows retailers to rethink how they give their loyal customers a more personalized experience. For example, you could provide a “priority” click-and-collect queue service for those customers that have been shopping with you for a long time, or those that return time and time again.



Post-Black Friday

As a retail brand, it can be easy to get caught up in planning your next big event or activity without taking the time to stop and think about appropriate Black Friday follow ups.

When consumers buy from you on Black Friday, they don't want that to necessarily be the end of their relationship with you. As much as brands want customer loyalty, customers themselves also want the type of great experiences that lead them to becoming loyal.

Whether shopping online, in store, via a mobile app, or calling a service center, customers need to feel that they are valued beyond their transactions. Rewarding customers means keeping them engaged between purchases by knowing who they are, understanding their attributes, and ensuring that the channels they use are consistent and personalized.

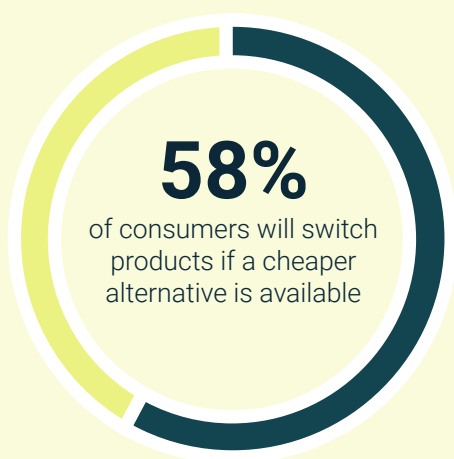
Beyond price cuts: Keeping customers coming back

A common approach to Black Friday is offering compelling discounts. And it's true that shoppers are motivated by price — over half (58%) of consumers will switch products if a cheaper option is available, and 45% only stay loyal to brands when regularly offered points, discounts, and rewards.

With over a third (36%) of retailers planning to enter customers into a loyalty program post-Black Friday (rising to 58% in France), it's worth remembering that many shoppers only sign up for these programs to get their hands on introductory offers. This customer may never shop with your brand again, whereas a lifelong customer who is not part of your official loyalty program can still have a high lifetime value.

This is where in-depth customer insights are so valuable. Working out how to individualize and prioritize these deals is key to keeping people coming back for more. That means controlling who sees what reductions to deciding exactly how much of a discount each person receives, rather than a blanket, indiscriminate percentage off for each and every shopper.

Targeting a customer with the right incentive, at the right time, and on the right channel drives first-time customers to repeat purchases and, ultimately, creates more loyal customers, because it demonstrates you truly understand that customer.



Post-event dynamic product recommendations

Black Friday is typically an opportunity for brands to clear old stock, but with a mere 8% of marketers revealing that they want to use dynamic product recommendations to keep shoppers coming back after Black Friday, it's clear that more education is needed about these more advanced offerings.

We already know that it pays to treat customers as individuals, to make them feel valued, and keep them coming back beyond this one-off sales event. However, many brands often forget their loyal customers during Black Friday, instead focusing on getting new customers to buy as much as possible. This is counterproductive, as loyal customers traditionally spend the most money with brands. So, how can retailers ensure the stock that has been sitting in their warehouse is sold, without alienating customers through blanket offers or impersonal communications?

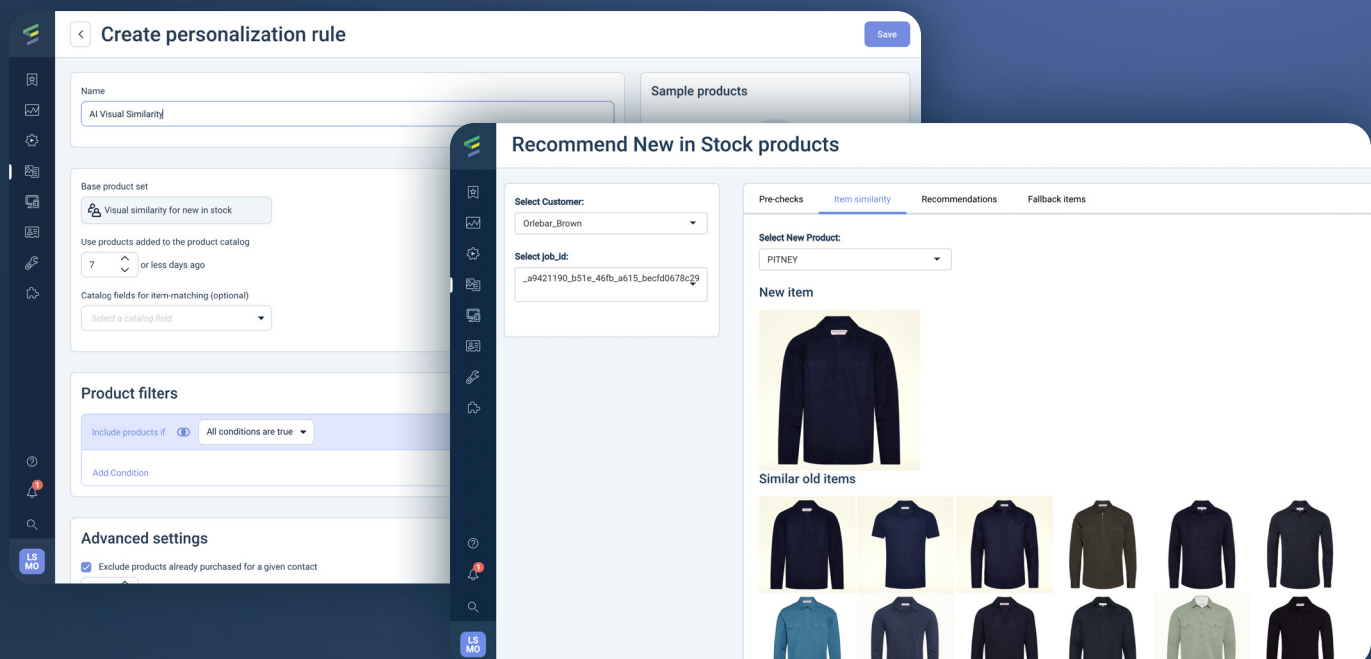
Dynamic product recommendations are a win-win for the consumer and the retailer — the shopper feels more valued which, in turn, can drive long-term profitability (instead of short-term revenue), all while improving customer satisfaction and encouraging lasting loyalty.

8%

of retailers will use dynamic product recommendations to retain shoppers after Black Friday



- ▶ AI Visual Similarity is a digital personalization tool for online brands that allows them to match shoppers with products on any channel
- ▶ The Emarsys tool delivers an automated personalized experience for every single customer by building up a detailed bank of product data through AI, as well as customer behavior and preference data
- ▶ The tool then matches products to appropriate and individual customers based entirely on their intricate behaviors and preferences, rather than generic assumptions



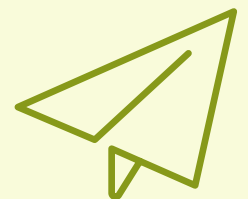
Follow up emails: Keeping communications relevant

Email is a tried and tested form of communication when it comes to post-transaction interactions between a brand and a consumer.

An overwhelming 100% of marketers agree that email marketing is a very important way to engage shoppers – and when effectively carried out, a very strong tactic. With 3.9 billion email users in the world, email remains one of the most effective ways to engage customers. However, many brands are still doing this wrong, especially when it comes to personalization.

Retailers have scores of data that they can use to gather insightful and useful information about their customers. Creating emails that are tailored to the individual is critical to building a lasting relationship with that person. When it comes to after-sales, following up with timely, relevant, consistent, and regular emails is a key approach to making that person feel valued and creating lifelong loyalty with your brand.

100%



of retailers believe that email marketing is a key channel for engaging customers

Providing a great post-purchase experience

Many brands are doing a great job when it comes to customer experience, but often that experience stops with the transaction. Post-purchase interactions must be just as high level, allowing you to get more detailed insights from customers to better predict their needs and grow them as a loyal customer. It also means you can adjust your regional and local merchandising, inventory management, and fulfilment strategies accordingly.

It's clear that this is well understood by brands. When asked how they planned to keep shoppers coming back after the sales, a third (32%) of our global marketers wanted to ensure they were giving customers a great post-purchase experience. This increases to 40% of marketers in the UK and 50% in Germany. Additionally, 15% revealed that they had connected with internal teams (such as contact center, merchandising, stores, and operations) to develop better customer experience. This number reaches a quarter (25%) in Australia.

Positive and memorable post-purchase engagement can allow you to create lasting relationships with customers, encouraging them to promote, endorse, and show true loyalty towards your brand. Not all customers will be satisfied 100% of the time, but having these conversations can also enable brands to identify detractors and those who might have otherwise slipped through the cracks, or worse — visit your competitor.

With more purchases being made during a busy time such as Black Friday, or the sales spike that comes with Christmas shopping, it's vital that post-transaction inquiries and complaints are dealt with quickly and efficiently via call centers, for example. While this may seem obvious, the long-term impact of such a simple action can have great consequences for your brand — driving satisfaction, reducing customer churn and encouraging repeat or more frequent purchases. This can be 'make or break' when it comes to retaining and growing a loyal customer or losing them — potentially for good.



Next steps

As with most major revenue-driving opportunities, preparation needs to start well in advance – and Black Friday is no different. Now is the time to ensure you have the right technology and approaches in place to ensure success.

Black Friday is more than just a sale. While getting a spike in sales is beneficial to Q4 numbers, the main goal should go way beyond short-term profits. This year, the annual retail event is an opportunity for brands to collect meaningful data that helps them to better understand their customers – both new and existing. Brands can also use Black Friday to create memorable and positive experiences that drive lasting loyalty, which will provide long-term value throughout the year.

By following this advice, offering great experiences, and investing in the right technologies, brands can set themselves up for success, not just for Black Friday – or even the busy Q4 period as a whole – but all year round.

To find out more about how to prepare for Black Friday and how to ensure you take a forward-thinking approach to marketing, visit: **emarsys.com/black-friday**



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