Quantum Metric

HOLIDAY RETAIL BENCHMARKS SERIES:

A look at Cyber5.

How digital has reshaped the busiest shopping days of the year.

What is Cyber 5 to a digital-first world?

Cyber Week is known for seeing the highest online sales in the holiday season, with retailers saving their best discount for Cyber Monday. But, retailers are starting discounts earlier to avoid out-of-stocks and online shopping becoming a daily activity. Can we really expect the same kind of surge in 2021?

Probably not. With consumers having spent at least 30 minutes a day on online holiday shopping since August, it's likely that Cyber Week is actually seeing different kinds of holiday traffic this year. So, how have shopping habits changed?

In the second report of our holiday retail benchmarks series, we examine anonymized data from our retail customers, alongside survey insights from 2,000 U.S. consumers to understand what Cyber 5 means to consumers today. We'll uncover:

- **How Cyber 5 habits have changed** - with Black Friday and other Cyber days seeing less of a spike in traffic, even though conversion rates more than doubled since 2020.

- **The growing power of mobile - a**n average of 68% of Cyber 5 sales came from mobile. What will this mean for retailers going forward?

- **Why frustrations didn't rage - e**xamining a 62% decrease in frustration year-over-year, but an increase in cart abandonment during Cyber days.

Cyber 5 Stats.

With the majority of consumers shopping earlier than ever this year, Cyber 5 is less of a peak in the holiday season. When compared to 2020, which shows rapidly climbing levels of traffic, 2021 traffic evens out as we move into Cyber week.

NOVEMBER ECOMMERCE DAILY TRAFFIC: 2020 V. 2021   2020 —   2021 —

Source: Quantum Metric
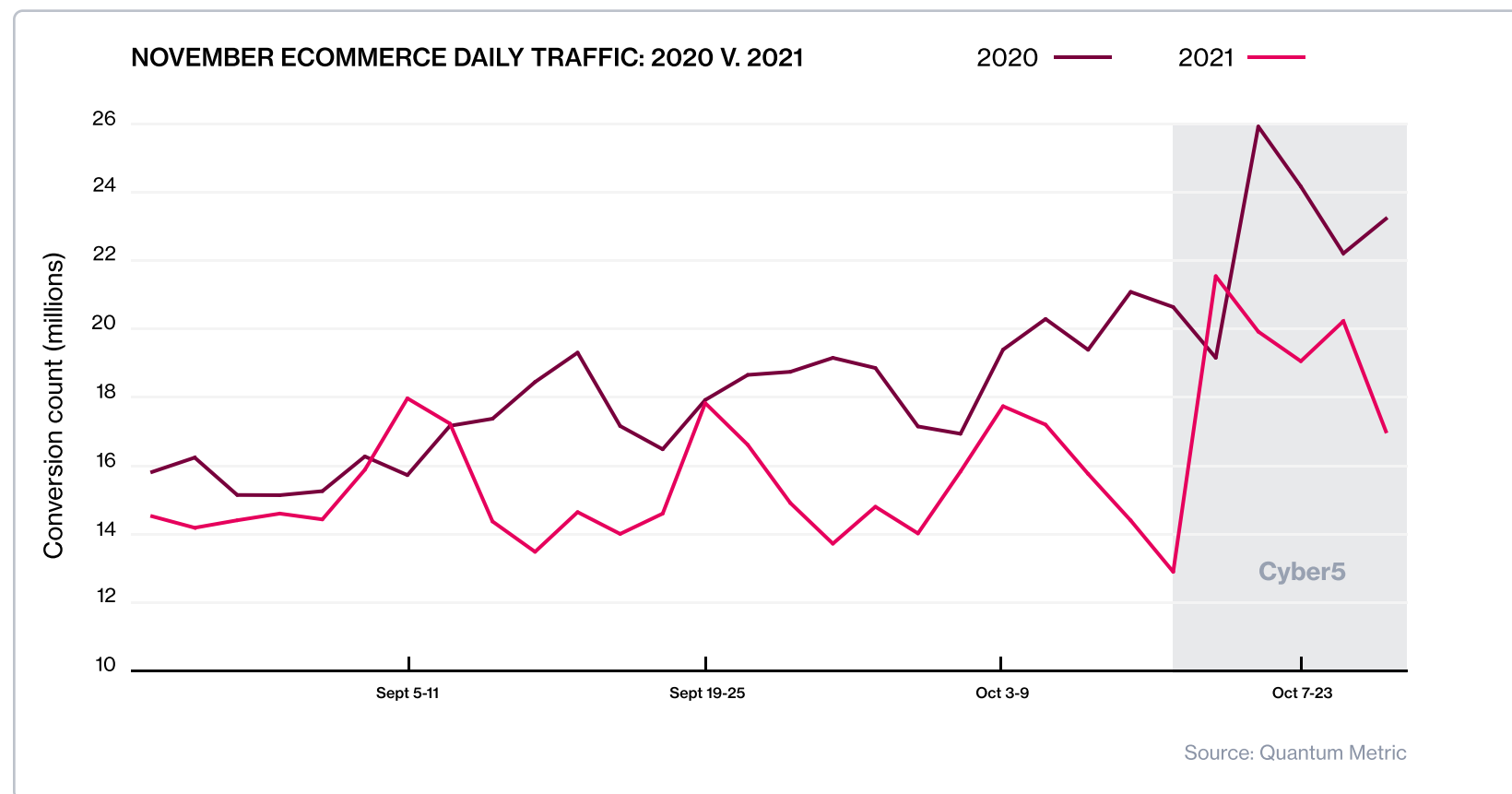
When compared to the monthly average for November, 2021, Cyber 5 traffic had less of a spike than in 2020. Black Friday 2020 saw a jump of 39% from the monthly average, while 2021 saw just a 35% increase.

The difference was especially staggering on Thanksgiving. While Thanksgiving 2020 was a meager 3% higher than the monthly average, Thanksgiving 2021 was 19% lower than the monthly average. With consumers shopping more at times that suit them, it's no surprise that many forgoed cutting their holiday short in pursuit of the best holiday deal.

So, did consumers actually buy more?

Taking a look at conversion rates for November, we saw that consumers were making more purchases during the month. In fact, daily conversion rates for November 2021 were twice as high as what was seen in 2020.

ECOMMERCE CONVERSION RATE: 2020 V. 2021   2020 —   2021 —

Source: Quantum Metric
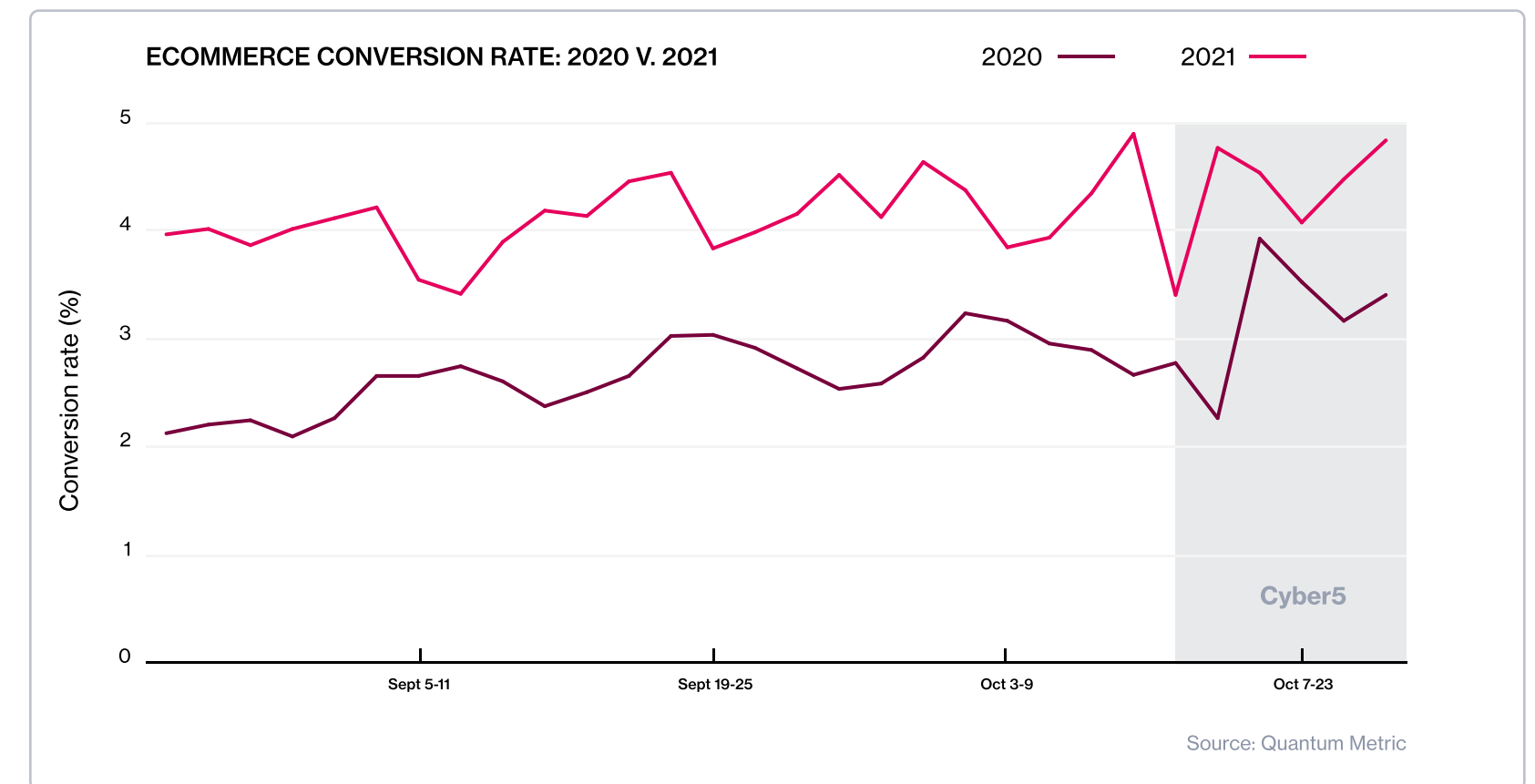
What we aren't seeing is a major spike in conversion rates during Cyber 5. Since consumers have been shopping for so long, Cyber Week instead fell very consistent with rates seen across the month.

However, there was a gradual increase in purchases across November, showing that consumers were making the switch from casual to more serious shopping. This reflects consumer habits found in our recent survey, which cites that 57% planned to finish their shopping by the end of November.

The average cost of a single transaction was also lower. Looking at November overall, the average order value remained below what was seen in 2020 at $175, compared to $197 the year before. For retailers it will be increasingly important to optimize their supply chain to minimize shipping costs of small orders.

This was the case over Cyber 5, where carts were on average smaller than they were in 2020. Black Friday and Cyber Monday saw a roughly 6% drop in order value year-over-year.

ECOMMERCE AVERAGE ORDER VALUE: 2020 V. 2021   2020 ■   2021 ■
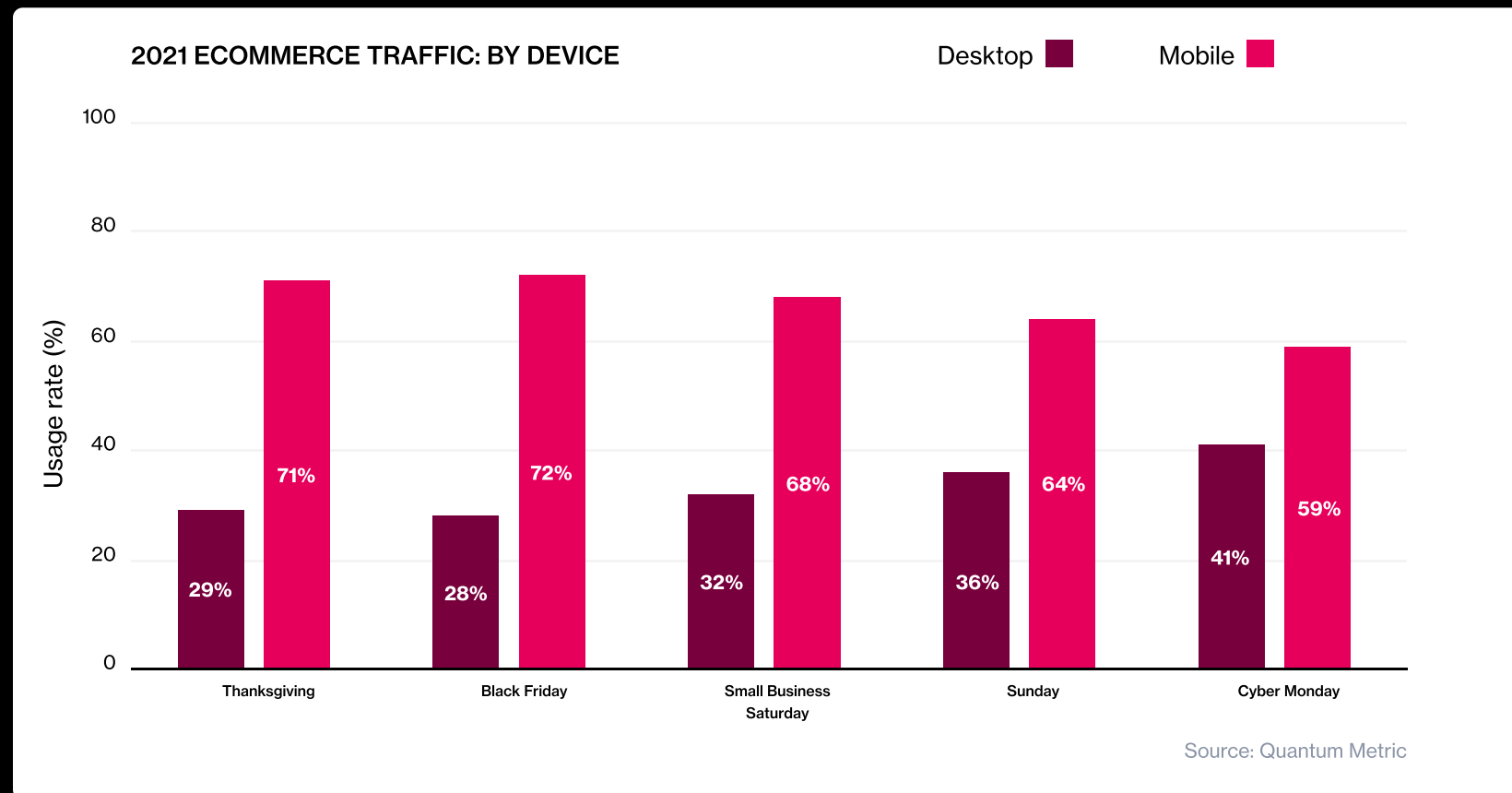

Source: Quantum Metric
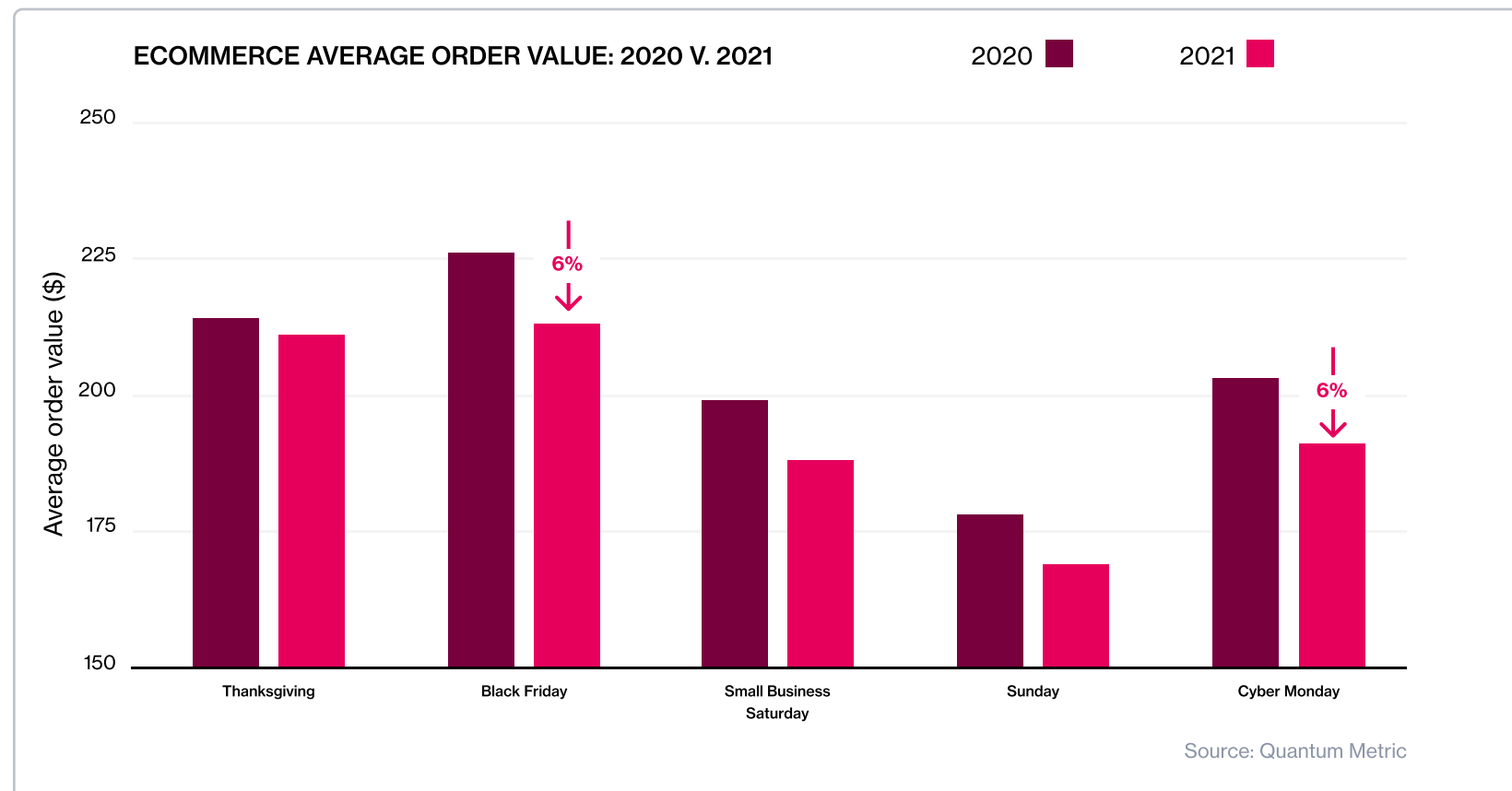
A slow steady burn.

Despite lower average order values, higher conversion rates and conversion values will drive bigger overall sales for the holiday season. Similar to conversion rates, we saw conversion values at the start of November that were double what was seen in 2020 and while they didn't see a huge jump over Cyber 5, the steady levels of revenue will certainly add-up, quickly.

For retailers, this should be a noted change in how consumers shop. It's no longer about just having a good experience on the biggest sale days, but offering a continuously optimized experience year-round.
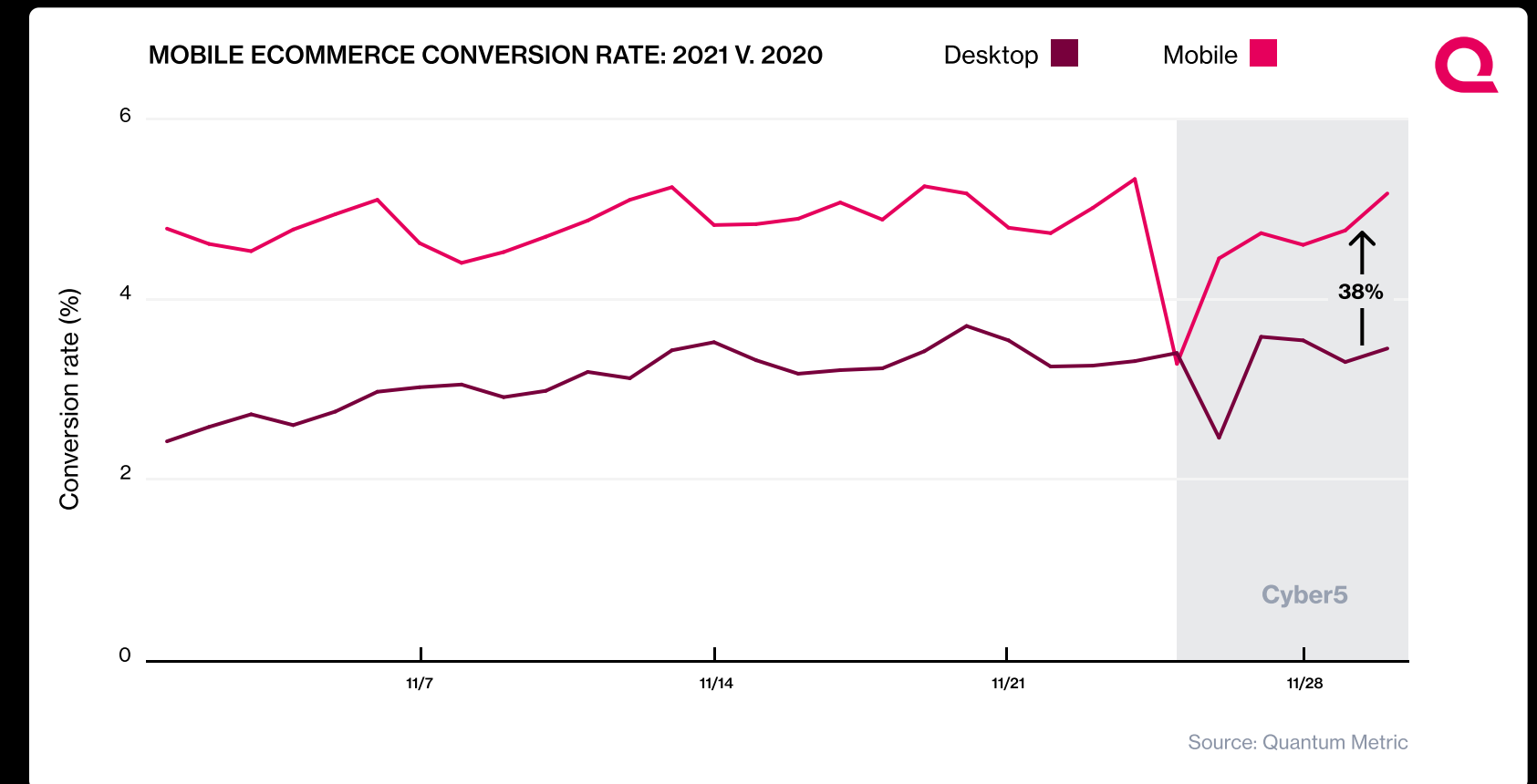
The age of mobile shopping.

Mobile shopping drove holiday traffic during Cyber 5 with 67% of holiday shoppers on average visiting retailers from a mobile device. Mobile especially took the lead on Thanksgiving and Black Friday. Both days saw at least a 7 percent increase in mobile traffic.

2021 ECOMMERCE TRAFFIC: BY DEVICE   Desktop ■   Mobile ■

Usage rate (%)

	Thanksgiving	Black Friday	Small Business Saturday	Sunday	Cyber Monday
Desktop	29%	28%	32%	36%	41%
Mobile	71%	72%	68%	64%	59%

Source: Quantum Metric

On Cyber Monday, however, we saw an increase in shopping traffic on desktop. This was likely caused, in part, by the 72% of consumers who admitted they shop for holiday gifts during the workday. In some cases, consumers could even be starting their browsing on a mobile application before pivoting to their desktop to make the final purchase during a meeting!

Mobile brings in more money.

Mobile shoppers were also more likely to make a purchase during Cyber week, driving an average of 68% of overall sales from the first three days of Cyber 5. Despite only a slight increase in mobile traffic year-over-year, we see a significant increase in mobile conversion rates for 2021, when compared to 2020.

MOBILE ECOMMERCE CONVERSION RATE: 2021 V. 2020   Desktop ■   Mobile ■

Conversion rate (%)

38%

Cyber5

11/7   11/14   11/21   11/28

Source: Quantum Metric

This follows the trend of more sporadic and casual holiday shopping in 2021 and shows that mobile is likely the primary driver of this habit.

Taking a look at average order values, we are able to also see that desktop purchases are typically of a higher value than mobile.

While consumers are shopping more on mobile, it's likely for one-off items, rather than a full cart. Desktop is reserved for bigger purchases, especially on Cyber Monday when discounts drove some consumers to more serious purchasing.

ECOMMERCE AVERAGE ORDER VALUE: BY DEVICE   Desktop ■   Mobile ■

Source: Quantum Metric
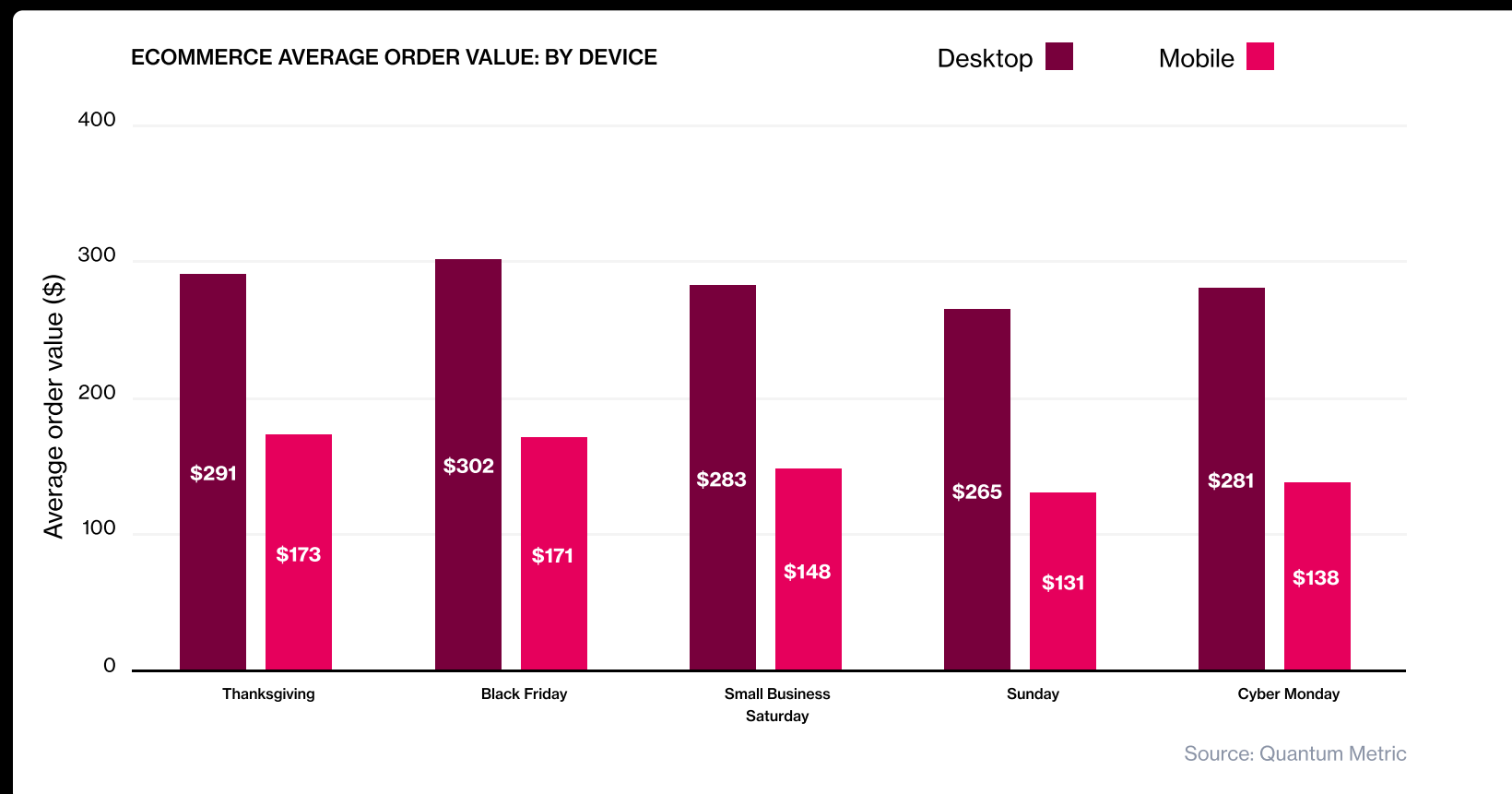
Throughout the duration of the holiday season, it's expected that mobile will continue to lead sales. As out-of-stock issues become more prevalent, consumers will likely be switching from site to site to find the item they are looking for.

It's in these instances that retailers need to consider how they can create a more engaging and convenient shopping experience, by proactively offering recommendations or other options for managing inventory issues.

Holiday stress and frustration.

Despite higher prices and out-of-stock concerns, consumers were less likely to be agitated during Cyber 5. This November's monthly average frustration rate was half of what was seen in 2020. Cyber 5 itself had little increase in customer frustration this year, compared to the huge spikes seen in 2020.
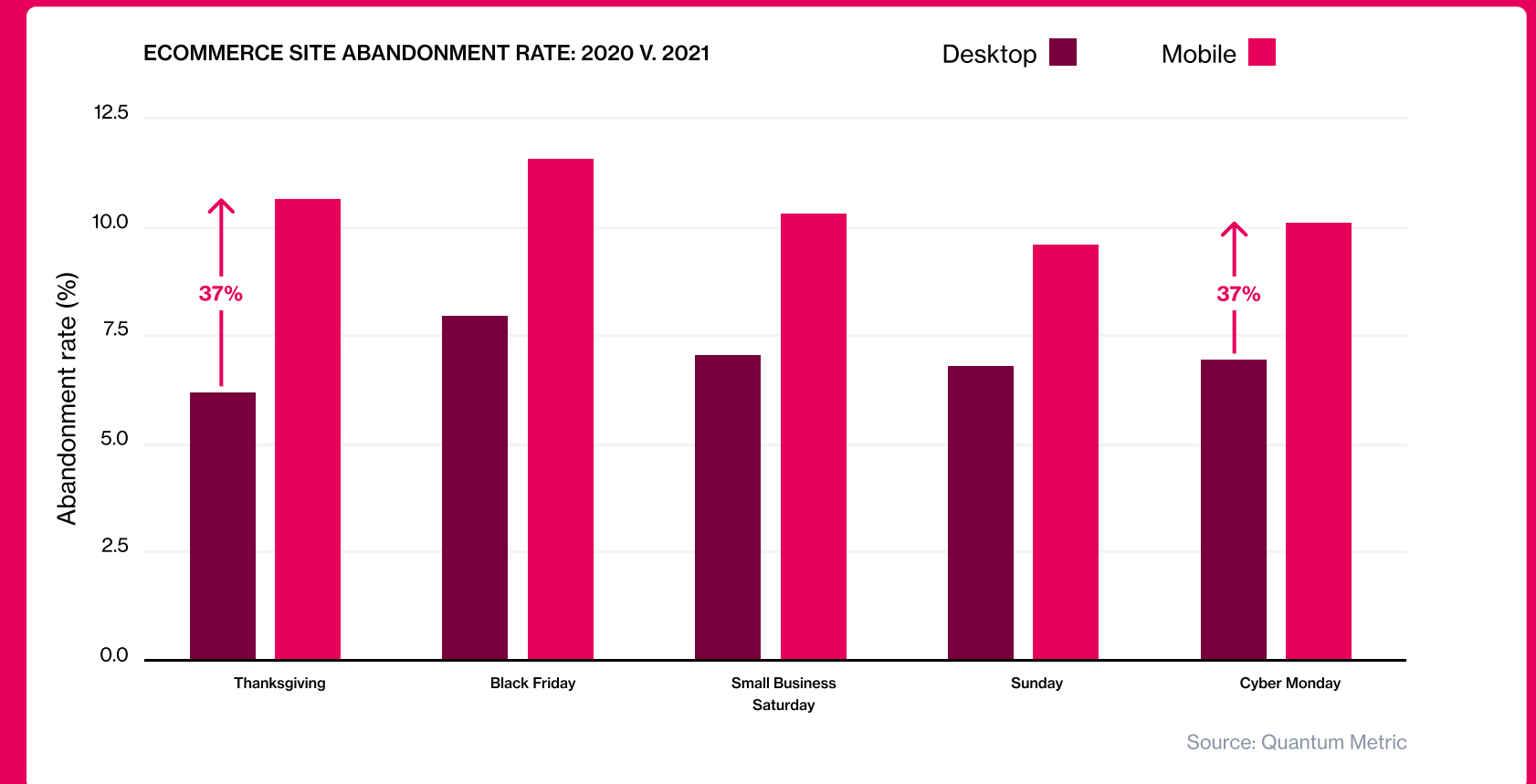
This isn't because inventory issues were any better this year. Our recent survey found that 62% of consumers say they've had more out-of-stock issues this year than in 2020.

Lower frustration levels are the result of lowered expectations from consumers. This doesn't mean retailers shouldn't focus on customer frustration, rather they need to continue to monitor how customer expectations are continuously changing to remain effective.
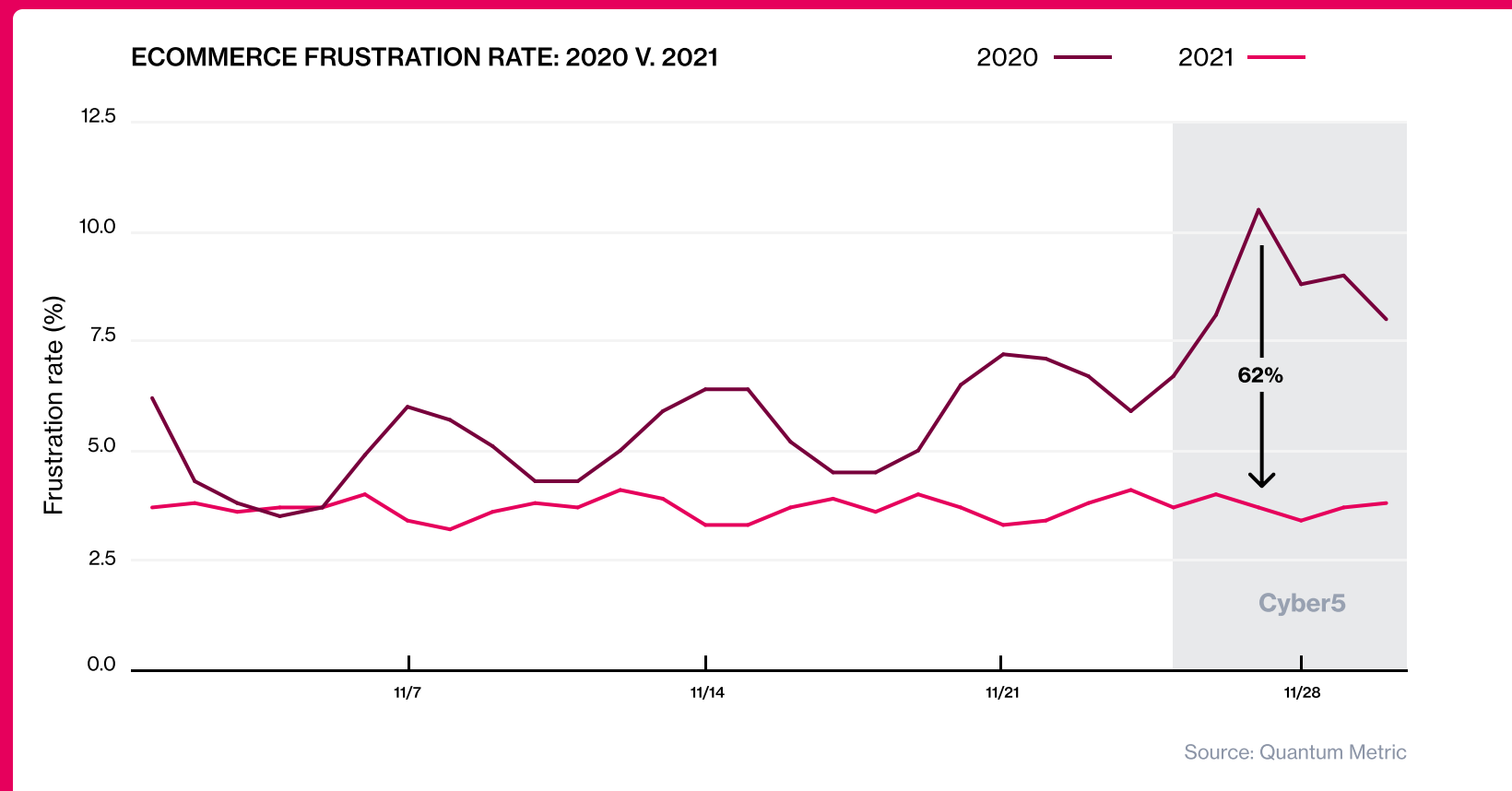
One reason we are seeing less frustration is because consumers are more likely to abandon a cart full of items when they reach a roadblock. In fact, our data shows the percentage of retail traffic that abandoned before checkout almost doubled for November, when compared to 2020.

Cyber Week saw much higher abandoned cart rates in 2021 than were seen in 2020. Both Black Friday and Cyber Monday saw site abandonment rates increase by 37%, while Thanksgiving saw a 53% increase in consumers ditching their cart at the last minute.

ECOMMERCE SITE ABANDONMENT RATE: 2020 V. 2021

Desktop ■   Mobile ■

Source: Quantum Metric

ECOMMERCE FRUSTRATION RATE: 2020 V. 2021

2020 —   2021 —

62%

Cyber5

Source: Quantum Metric

Consumers today have numerous ecommerce options and they are no longer shopping based on loyalty to a particular brand. In the face of increasing inventory challenges, it's critical retailers deliver value to their customers through a seamless and personalized shopping experience.

Mobile will be the center of customer rage.

With higher traffic rates also comes more customer frustration. Taking a look at November, 2021, mobile saw twice the frustration rate of desktop during November and especially during Cyber 5.

MOBILE ECOMMERCE FRUSTRATION RATE: 2020 V. 2021   2020 — 2021 —

Source: Quantum Metric
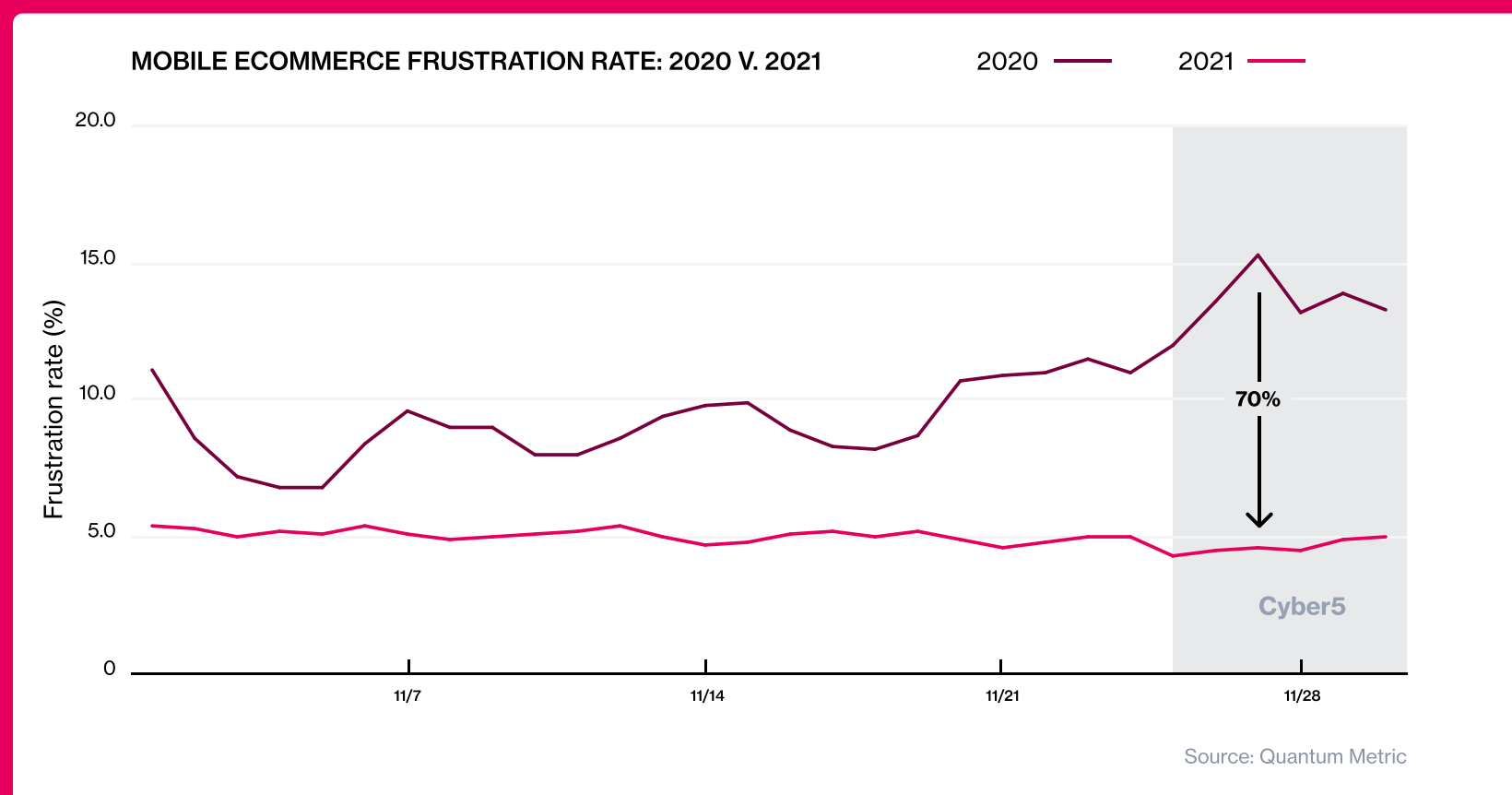
The good news? These frustrations are actually lower than what was seen last year, showing brands' investments in mobile are starting to pay off. On average, mobile frustrations were 48% lower this year, than in 2020. During Cyber 5, customer frustration saw as much as a 70% decrease, when compared to the previous year.

Mobile also saw significantly higher rates of customers abandoning their carts before a purchase. When looking at the percentage of customers who added items to their cart, almost three quarters of those potential sales were abandoned on a mobile device on Black Friday alone.

Compared to the previous year, we've seen abandonment rates make a big jump. On both Black Friday and Cyber Monday, rates increased as much as 47% over the previous year. Year-over-year we see mobile abandonment rates that are double what is seen on desktop.

MOBILE ECOMMERCE SITE ABANDONMENT RATE: 2020 V. 2021   2020 ■ 2021 ■

Source: Quantum Metric
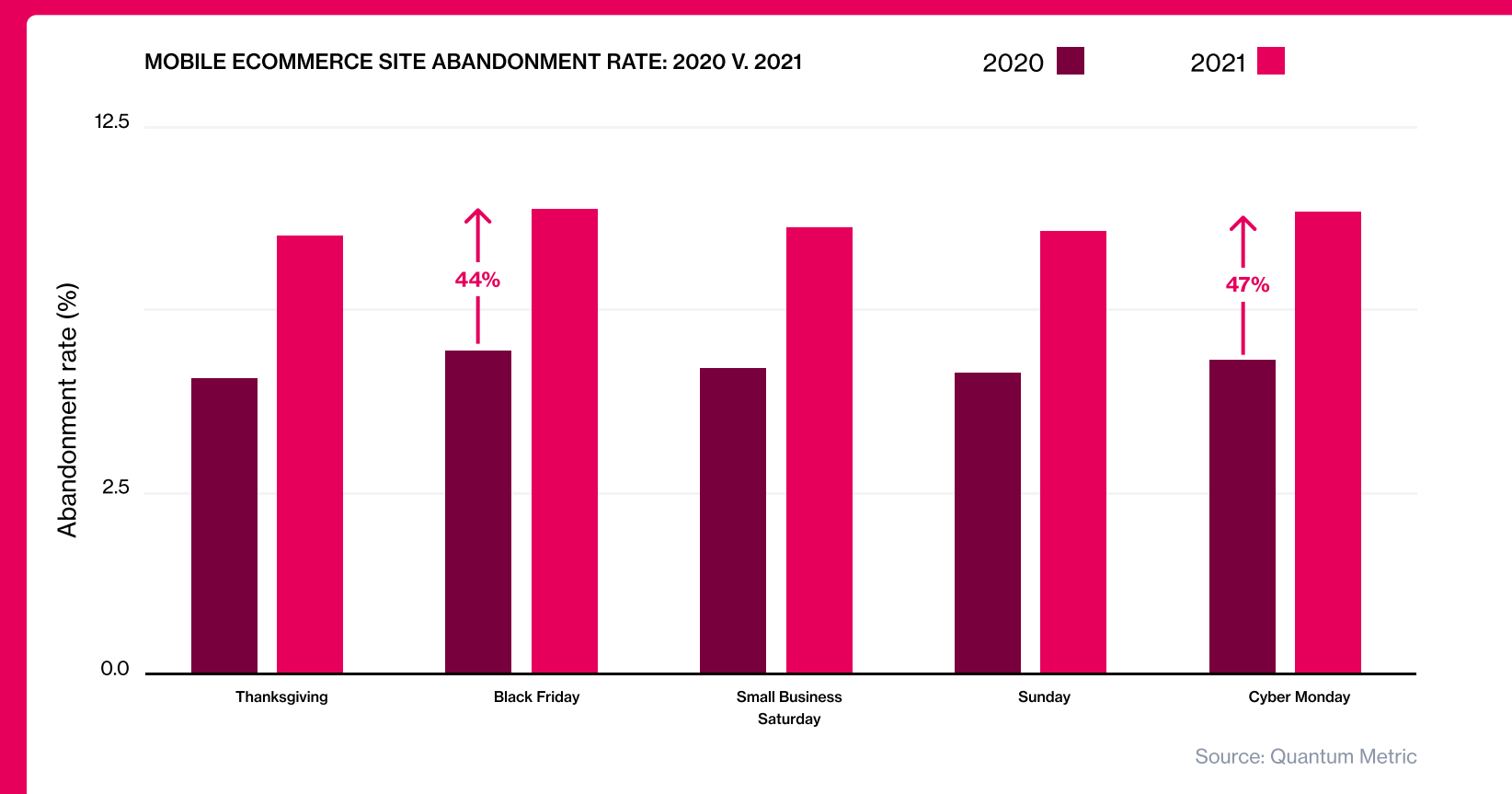
When it comes to mobile convenience is key. So much so, that if customers aren't finding a seamless experience they are more likely to just leave than express any sort of frustration. It's important that retailers build mobile experiences with the user in mind, understanding how their needs for a seamless experience may be different from desktop.

Customers' habits are changing. Are you prepared to build meaningful digital experiences?

Expectations for the digital shopping experience have shifted from free and convenient to engaging and meaningful. Retailers will win if they are able to build experiences that do not just engage customers, but truly connect with them.

Armed with the right data, digital teams are empowered to effectively respond and build a more personalized and meaningful experience for the customer. When consumers have millions of retail options available, it's important to not just be an online store, but a partner and advocate in the shopping experience.

This recipe for success is what we at Quantum Metric call customer-centricity. To learn more visit: www.quantummetric.com

About our methodology.

The findings presented in this report are based on anonymous and aggregated browsing information across multiple retail sector sites and native apps collected via the Quantum Metric platform from January 2020 through November 2021.

Definitions for metrics in this report are as follows:

- **Abandoned carts** refer to the number of sessions where consumers placed items in a virtual cart, but did not complete a purchase.

- **Abandoned cart** rate refers to the aggregated percentage of abandoned carts, during a specific period of time, compared against total sessions.

- **Average order value** refers to the aggregated average amount that consumers purchase per transaction.

- **Conversions** refer to the number of converted sessions, which in turn corresponds to sessions that have completed a purchase.

- **Conversion rate** refers to the aggregated percentage of completed conversions, during a specific period of time, compared against total sessions.

- **Frustration rate** refers to the aggregated percentage of consumers who expressed frustration during their session, during a specific period of time, compared against total sessions.

For more information on these findings, contact press@quantummetric.com.