

#### 2023

# Holiday Guide for E-Commerce Apps



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## Introduction

The 2023 holiday season is fast approaching. While the Covid-induced boom cycles of 2020 and 2021 are at an end, and worries linger about the macro environment, digital spending will continue to grow. According to Insider Intelligence, the long-term outlook for e-commerce is <u>still bright</u>, with total sales from digital channels set to increase by 11% YoY. According to a new Optimove consumer survey, <u>consumers are more confident about their budgets this year</u>, and 81% expect to spend the same or more during the holiday season.

As e-commerce apps look for aggressive gains between October and December, they will have to adjust their approach. Savvy app marketers know that competition for quality users starts long before sale days like Black Friday, Cyber Monday, or Singles' Day. As inflation and economic uncertainty persist into Q4, acquiring your users earlier is more important than ever. 50% of consumers expect to <u>start their</u> <u>holiday shopping before November starts</u>, and 93% are likely to revisit a brand or retailer after a positive experience. By engaging target users early and remarketing strategically during the season, e-commerce apps stand to win big in the coming months.

To help e-commerce marketers prepare, Liftoff's 2023 Holiday Guide for E-Commerce Apps looks at the key seasonal cost trends and details ways to tap into them effectively. We break down seasonal changes in CPI and CPA across platforms and regions to help marketers find the best ROI for their ad spend in this crucial season.

We are also aware that ad fatigue can set in as the season progresses, and interest may drop. To ensure high user engagement during key spending windows, app marketers must run campaigns with top-notch ad experiences to build sustained relationships with quality customers. To assist, the experts at Liftoff Creative Studio compiled six mobile ad creative best practices that will help integrate holiday campaigns into a winning, year-round e-commerce strategy. Read on to ensure your promotions stand out in a crowded field.



## Highlights & Methodology



#### Seasonal CPI by Platform

Install costs on iOS hit a seasonal high in early November at \$3.45 and costs on both platforms dipped in early to mid October—signaling an opportunity to increase ROI and engage users before the holiday rush.



#### Seasonal CPA by Platform

iOS sees more seasonal variation than Android, with purchase costs peaking in November at \$11.20 and dipping to new lows in January.



#### Seasonal CPI by Region

Marketers in NA and EMEA in particular stand to make significant gains by taking advantage of the dip in install costs in October.



#### **Gamify Your Promotions**

Seasonal shoppers are looking for discounts. Use fun designs like scratch-off vouchers and countdowns to sale days to supercharge engagement.



#### Win the Holidays by Keeping It Evergreen

Try running your holiday ads in a separate campaign to drive gains without disrupting ROI from your evergreen campaigns.

Data for the report comes from <u>Accelerate</u>, Liftoff's programmatic advertising solution.

### CPI and CPA based on data from

64B

Impressions

1.4B Clicks 6.2M Installs

September 2022 – February 2023



## **CPIs & CPAs by Platform**



Q4'22 - Q1'23 CPI BY PLATFORM

E-commerce is highly seasonal, and install costs can vary significantly in the weeks leading up to top sales days. As apps scale their ad spend this holiday season, finding low-cost windows can be key to upping overall ROI. Where possible, marketers should also be looking to drive installs early and remarket strategically throughout the season.

- Install costs on iOS hit a seasonal high in early November at \$3.45 and dropped
  closer to Black Friday and Cyber Monday. Costs on both platforms dipped in early to mid-October, signaling an opportunity to increase ROI and engage users before the holiday rush.
- iOS and Android CPIs both drop precipitously in mid-December and the run-up to January, when holiday shopping tapers.





#### Q4'22 - Q1'23 CPA-PURCHASE BY PLATFORM



CPA-Purchase can vary greatly depending on region. On average, Android costs are relatively flat between October and early December.

iOS sees more variation, with purchase costs peaking in November at \$11.20 and dipping to new lows in January.

"The ad experience as we know it is changing—they're becoming longer and more complex. We've seen on both Liftoff Accelerate and Direct, users are willing to engage with longer ads. You should experiment with finding the right combination of ad formats—interactive, video, or static—to build new experiences that tap into what works for your audience."

ALEXANDRA VORNLE Director, Creative Strategy, Liftoff





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### **CPIs & CPAs by Region**

#### Q4'22 - Q1'23 CPI BY REGION



Globally, CPIs fell significantly YoY compared to the <u>previous holiday season</u>. We see greater variations in cost in NA and EMEA during the holiday months, while CPIs and CPAs stayed comparatively steady in APAC and LATAM.

- Across all four regions, we see install costs dipping in October, peaking in November, and continuing to fall into January.
- Marketers in NAR and EMEA especially stand to make significant gains by taking advantage of the dip in October before Black Friday and Cyber Monday.
- Costs stayed relatively constant, hovering around \$1.00 in APAC between October and December 2022. This may be a result of a more muted Singles Day in China due to the ongoing impact of Covid.







CPA-PURCHASE BY MONTH BY REGION

CPAs in NA dipped significantly before November and stayed high throughout the holiday season.

In EMEA, CPAs fell in October and peaked at around \$17.50 in November before falling again in December and January.

"The holidays can be an engagement goldmine with various touch points and opportunities to talk to your customers, even if you're not promoting or selling anything. I have seen some of my best direct-open rates for push notifications from sending a 'Happy Halloween' personalized message. The knock-on effect of the send naturally led to an uplift in product usage and sales. "

#### Iain Russell

Head Of Performance Marketing, Moneyhub

### **MOBILE** HEROES



moneyhub 🗳



## Creative Tips for Peak Performance

In a season of extremely competitive marketing, top creatives can give your campaigns the edge you need. Holiday performance depends on a solid foundation of evergreen campaigns combined with strategic promotions that speak to your target audience. The experts at Liftoff Creative Studio compiled six tips to help you maximize returns on top sales days—and boost performance throughout the year.

- ightarrow Win the Holidays by Keeping It Evergreen
- $\rightarrow$  Make the Ad Experience the App Experience
- → Gamify Your Seasonal Promotions
- → Spark a Personal Connection
- $\rightarrow$  Go Local, Keep it Authentic
- $\rightarrow$  Experiment with Generative AI



## Win the Holidays by Keeping It Evergreen

The holiday starts early—so build on your evergreen campaigns to win over audiences before top sales days.

#### LEAVE GENERIC HOLIDAY THEMES BEHIND

Don't focus on dressing up your ads in a generic holiday theme. Santas and snowflakes can blend into the flurry of holiday ads, making it impossible to stand out. You know your audience, so lean into what works.

#### ♦ ITERATE ON EXISTING CREATIVE

Use existing creative as your starting point, and experiment with a holiday component for a little seasonal magic. But remember, the addition is less important than highlighting your brand communicating your message effectively.

#### LAUNCH A SEPARATE PROMOTION CAMPAIGN

You've honed your evergreen campaigns to maximize performance, and introducing new elements can disrupt your hard-earned ROI. Try running your holiday ads in a separate campaign alongside your evergreen ad creative. This way, you are free to experiment.



Be strategic with seasonal messages. \*



\*Representation based on actual OTTO ad.





## Make the Ad Experience the App Experience

Product-forward ads that show off your UI are a must. Add an interactive component for an extra twist.

#### LET YOUR AUDIENCE TRY-BEFORE-THEY-BUY BY SHOWING OFF YOUR UI

Sometimes, the experience is the selling point. Showcase the app UI by adding a scrolling or clicking visual to simulate the shopping experience. This can be the adrenaline boost viewers need to install the app.

#### ROTATE YOUR TOP PRODUCTS TO DRIVE MORE INTEREST

Rotate through popular seasonal items or this year's must-have gifts. What are your customers looking for? Catch their attention by getting straight to the point.

#### ADD A POLL OR QUIZ TO YOUR AD TO LEARN WHAT CUSTOMERS WANT

Seasonal shopping is about the joy of choosing what you want. Adding a poll or a multiple choice quiz to your ad—blue sweater or red?—can spark user curiosity. Let users choose and see how other people choose. You can learn more about your audience this way.



Spotlight the fun and ease of shopping with your app.



NET-A-PORTER





## Gamify Your Seasonal Promotions

When asked about what motivates them to buy, <u>65% of US</u> <u>consumers</u> pointed to discounts. Lean into your promotions this holiday season—but make them fun.

#### EMBRACE LO-FI APPEAL

Tapping into a nostalgic design can capture user attention and increase impressions. A retro design like a scratch-off voucher is a novel way to stand out in a crowded field.

#### USE COUNTDOWNS TO DRUM UP EXCITEMENT

Seasonal sales are top calendar events, so treat them that way. Add countdowns to your ads to increase anticipation before top sales days, and iterate on what works for the next holiday.

#### NURTURE YOUR CUSTOMERS

In the run-up to November and December, leverage promotions that nurture new and potential customers. Discounts for first-time users, first orders, or non-high-end users can encourage app use and make remarketing for top sales days more impactful.



Add a little joy with a scratch-off design.



SHOPEE



## Build Ads That Spark a Personal Connection

Remember that the holidays are about more than just discounts. Familiar brands become part of their consumers' everyday lives.

#### TELL A STORY WITH YOUR AD

In ad formats with limited space—banner, interstitial—every word or image counts. Leverage your ad copy and visual assets to tell a story that connects your product with a lifestyle or an aspiration.

#### TAP INTO DIVERSE MOTIVATIONS

Consumers are inspired to make a purchase for different reasons. Create distinct versions that tap into why diverse audiences with different needs and motivations may want to buy—or gift—your product.

#### TRY LONGER VIDEO ADS—YOUR CUSTOMERS ARE HERE FOR IT

The data is clear—<u>longer ad</u> <u>experiences</u> are on the rise. This is good news for creators looking for a deeper connection with their audience. Try using a 45-second or longer video that shows a product in action or how it fits into everyday life.



### Show off the appeal of your products in real life.



YOOX





## Go Local, and Keep It Authentic

For an authentic connection, work with creators, and always localize your ads-don't just translate the ad copy.

#### LEVERAGE UGC FOR A UNIQUE CONNECTION WITH YOUR AUDIENCE

Brands already know the benefits of working with creators—and <u>UGC can</u> <u>make for compelling ads</u>. In addition to an effortless human touch, creator content can appeal to what uniquely motivates their audience.

#### CAPTURE INTEREST WITH REGIONAL TRADITIONS & EVENTS

Research local sales days, holidays, and traditions. In addition to surprising opportunities to drive purchases, you'll find new ways to build connections between your product and your audience.

#### PLAY WITH LOCAL SAYINGS

Telling a story is not just about what you say, but how you say it. Incorporate local sayings and catchphrases to connect with a niche audience and spark regional curiosity.



Creators can bring your promotions to their unique audience.



SWEATCOIN





## Experiment With Generative Al

Tis the season .to give generative AI a try! The technology is still in its early stages, but it's already making an impact.

#### INTRODUCE AI TO YOUR BRAINSTORMING SESSION

Al is no replacement for design strategy. But introducing Al queries to your research can push out-of-the-box ideas in surprising ways.

#### ADD AN AI VOICE-OVER

While certain elements—like Al influencers—are not always campaign ready, generative Al can be a valuable resource when you're short on assets. Adding Al-generated voice-overs is an easy way to supplement a UGC or lifestyle ad.

#### ♦ AI-DESIGNED MASCOTS

Users are already familiar with big brand mascots. Brands without one can experiment with incorporating holiday-specific avatars that align with their brands to make their ads more engaging. For example, enhance a product-focused video with voice-overs by adding an attractive animation.



Capture user attention with an AI generated mascot.



**BEAUTYLAB'S** 





Advertising powered by expert design and explorative technology, informed by data that matters.

### We connect you with the right audience.

Our proven design approach helps you get most from your campaigns.

#### Expert Design

Partner with us to tap into a wealth of creative expertise. We can help you build ads and execute on creative strategies that give your campaigns the competitive edge they need.

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### 2 Forefront of Technology

Stay ahead of "what comes next" in to ad formats, experiences, concepts, technologies including Generative AI, and creative ML.



We use data to explain the why behind our design decisions. We leverage our knowledge of the Liftoff network to test new concepts, derive insights, and drive creative performance.

## Who is **Aliftoff**?

Liftoff is the leading growth acceleration platform for the mobile industry, helping advertisers, publishers, game developers and DSPs scale revenue growth with solutions to market and monetize mobile apps. Liftoff's solutions, including Accelerate, Direct, Influence, Monetize, Intelligence, Vungle Exchange, and Creative Studio, support over 6,600 mobile businesses across 74 countries in sectors such as gaming, social, finance, e-commerce, and entertainment. Founded in 2012 and headquartered in Redwood City, CA, Liftoff has a diverse, global presence.

