

# 'Tis the Season for Growth



## MUTESIX'S Q4 2022 PLAYBOOK

Q4 2021 gave brands a run for their money. But, it also made them some, too.

Well, more than just *some*: \$886.7 billion (up 14.1% from 2020) to be exact.

Not bad considering the ripple effects of the pandemic, the rocky terrain of a slowed-down economy, and the performance-tracking hurdles set up by iOS 14—challenges that were only exacerbated by record-high ads costs.

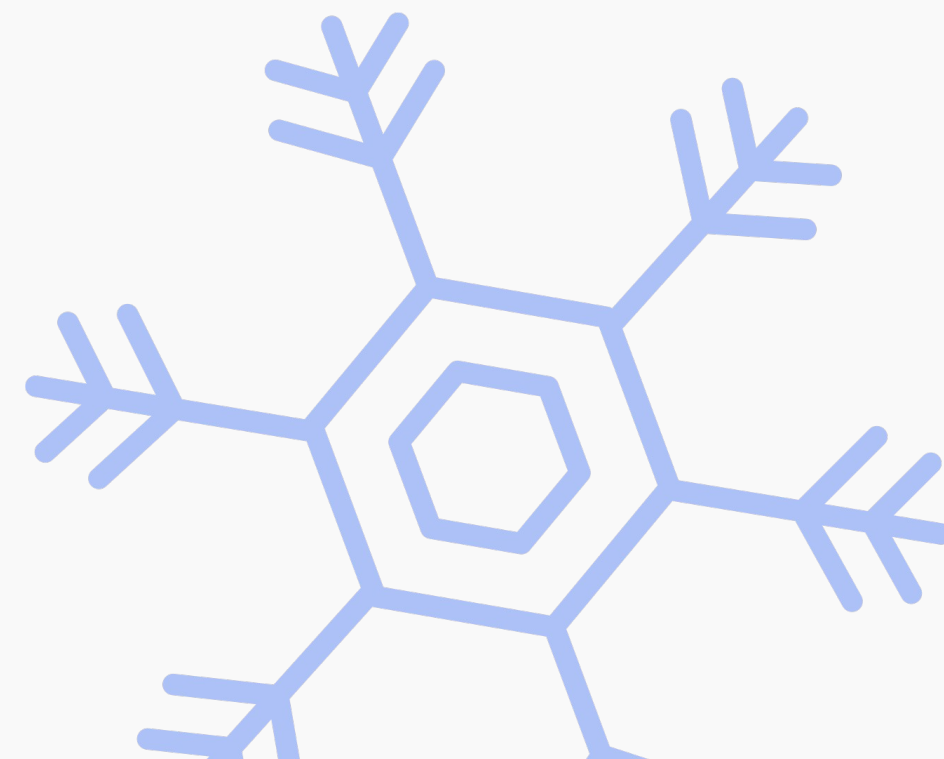
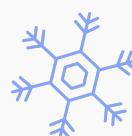
While holiday sales grew overall, the industry watched as Mega Sales Days dropped 1.4% YoY, and November deals took center stage, with 49% of consumers releasing pent up revenge shopping well before Thanksgiving to snatch up competitive offers and circumvent shipping delays.

As we look to Q4 2022, we predict that this fast-approaching holiday season will be no different. With the usual suspects—inventory, iOS 14, and inflation—still frustrating marketers, brands will need to once again think on their feet and outside-of-the-box if they want to make the most wonderful time of the year the most profitable one.

In this Q4 2022 playbook, MuteSix identifies seven trends that every brand needs to consider as they start to customize their own holiday gameplan, along with an exclusive Brand Growth Checklist to tick off as they scale their way through the season.

**“Now more than ever, brands need to get creative to find efficiencies to offset mounting pressure from shrinking media audiences and increases in competition.”**

**JOSH MA, VP, GROWTH STRATEGY**





## DON'T EXPECT BLACK FRIDAY AND CYBER MONDAY TO BE THE MOST PROFITABLE DAYS OF THE YEAR.

If we learned anything last Q4, it's that in a sea of competition, the early bird gets the worm. This year, shoppers will be reaching into their pockets as early as October, beginning with Amazon's newly launched Prime Early Access Sale.



### MuteSix's Advice

#### For Paid Social:

- Start running campaigns the first week of November.
- Run a tiered sales strategy, improving the offer until the weekend before Black Friday through Cyber Wednesday.

#### For Paid Search:

- Implement any feed optimizations and campaign creation now so that they will reflect budget and bidding changes.
- Tee up countdown ads, promotion extensions, as well as display / discovery promotion ads.
- Start running campaigns at least one week before Black Friday.
- Analyze Search term trends now to open Search, Shopping, and Performance Max budgets during peak days.

#### For Amazon:

- Start now. October's Prime Early Access Sale is coming in hot, with inventory deadlines expected around September 12.
- Planning for not one, but two major sales events makes prioritizing inventory and shipping at least one month in advance more challenging and thus critical.

#### For Lifecycle Marketing:

- Start leveraging Email and SMS well ahead of Black Friday deals, offering promos for VIPs 1.5 weeks before Black Friday.
- Host one-day sales on specific products leading up to a major sitewide sale to help drive repeat purchases.

#### For Programmatic:

- Begin early in November, ramping up efforts prior to Black Friday / Cyber Monday, as CPMs will increase greatly throughout Thanksgiving week.
- Prepare to bump spend again during the first two weeks of December, as CPMs will jump toward the back half of the month.

#### For Marketing Science:

- Start to implement measurement frameworks now to better understand the impact of media investment on business objectives.
- Leverage advanced forecasting techniques and tools to determine how much investment is required to hit sales and revenue targets, as well as diversify media budgets.



## DON'T LOSE SIGHT OF 2022 CHALLENGES IN FAVOR OF 2021'S USUAL SUSPECTS.

Inflation, inventory shortages, and shipping delays are here to stay. But, Q4 2022 has ushered in a few new frustrations that need to be alleviated—but run the risk of getting overlooked instead.

### MuteSix's Advice

#### For Lifecycle Marketing:

- Following Q4 2021, Gmail spam inboxing shot up 160%. Ensure sender reputation and deliverability are in good standing to steer clear of Spam folders.
- Dial back on sending before November to focus only on your most engaged lists. This will set you up for success when blasting your holiday offers in larger volumes.
- Lean heavily on SMS as a more direct way to reach customers.

**“One of the biggest steps brands can take to ramp up for the holiday season is to ensure their email deliverability is healthy. This might mean scaling back on pre-holiday sends to focus only on engaged lists, but doing so will set you up for success once you’re sending offers to larger volumes.”**

**CHANEL DEVETTER, HEAD OF LIFECYCLE MARKETING**

#### For Amazon:

- With the newly-launched October Prime Sales Event slated to be just as big as Prime Day 2022, brands need to double down on investment in Q4.
- Properly plan inventory to circumvent possible restrictions imposed by Amazon on FBA fulfillments. Brands should dig deep into their backend to see how they will be impacted, then develop a promotional strategy accordingly.

#### For Paid Search:

- Consider the deprecation of Smart Shopping and the adoption of either Standard Shopping or Performance Max.
- Test and migrate as soon as possible to allow machine learning to acquire ample data to most accurately predict ads and optimize bids ahead of Black Friday / Cyber Monday.

**“With Google leaning more and more into automation, the controls we have—especially for Shopping ads—lie within feed optimization to combat SERP competition (especially with Amazon) and ensure brands are showing for their most relevant queries.”**

**JENNA CHANDLER, VP, PAID SEARCH**





## EVOKE EXCITEMENT! INFLATED PRICES MAY MEAN DEFLATED SHOPPERS.

As all-time-high inflation continues to mark up price tags, it's reasonable to expect consumer sentiment to follow the opposite trajectory, as a greater share of the average household's budget continues to go toward necessities.



### MuteSix's Advice

- Use 1:1 channels like Email and SMS to nurture engaged audiences, boost morale, and inform shoppers.
  - Be proactive and transparent in messaging about price surges, possible shipping delays, and unforeseen inventory issues, etc.
  - Offer loyal customers opportunities to shop and save early by serving up special incentives or increasing reward points.
- **"By being proactive and transparent in your email messaging and providing loyal customers opportunities to shop and save early, brands can nurture trust and mitigate potential issues that arise, which may be completely out of their control."**  
**CHANEL DEVETTER, HEAD OF LIFECYCLE MARKETING**
- Evoke a sense of urgency, and create as much excitement as possible.
  - Across Paid Search, leverage countdown ads to help drive urgency, which will typically drive higher CTRs & CVRs.
  - Implement bold creative and promotional strategies including:
    - Stacked Promotions: Buy More, Save More
    - "Buy something for you, get something for your friend!"
    - Flash Sales and Advent Calendars (X Days of Savings)
    - Mystery Items / Boxes for Surprise and Delight
    - Make this your biggest offer of the year—and say so.
    - Avoid "Sale on Sale" or other offers where heavy exclusions apply
    - Giving Tuesday: Social and Environmental issues are strong buying motivations for Gen Z
    - Amazon: Prime Exclusive Discounts and Lightning Deals





## BRICK-AND-MORTAR IS NOT ONLY BACK IN BUSINESS—IT’S BACK WITH A VENGEANCE.

Expect the return of brick-and-mortar to eat into some of e-commerce’s remarkable YoY growth. Depending on where and how your primary audiences shop, decide if you want to combat the competition or complement it.

### MuteSix’s Advice

- Frontload your sales and drive anticipation earlier so shoppers use up their spending dollars online.
- Plan adequately to ensure as seamless and frustration-free an online shopping experience as possible, with fewer out of stocks and delays.
- Offer online-exclusive promotions that evoke a sense of excitement and urgency, with limited restrictions.
- For relevant products, consider Buy Online, Pick Up In-Store (BOPIS). For non-necessity items, ensure BNPL is available for an easier checkout experience.
- For brands with predominantly brick-and-mortar customers: Promote in-store traffic and offers.
- For brands with partner-owned distribution locations, set up promotions well in advance, which can then be used digitally to drive foot traffic.
- Consider offline conversion tracking attribution solutions to optimize efforts.

**“Brands need to identify where their primary customers prefer to shop —whether it’s on-site, at brick-and-mortar, on Amazon, or across other marketplaces—and encourage that behavior by directing traffic toward those destinations.”**

**JOSH MA, VP, GROWTH STRATEGY**



## WHEN IT COMES TO CONTENT, THINK HIGH-IMPACT, HIGH-VOLUME, AND TIKTOK.

Creative content fatigues faster at high spend—the more shoppers you reach, the higher the frequency, and thus the need to keep things fresh. Get a robust, highly diversified context mix in place now so you can easily roll out new creative throughout November and December to keep audiences engaged.

### MuteSix's Advice

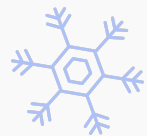
- Start developing a strong and diverse creative lineup now to ensure you have sufficient thumb-stopping content to keep audiences engaged throughout the holidays.
- Review all of your highest-performing creatives of the year, then refresh and repurpose for the holidays.
- Prepare to diversify creative beyond promotion- and product-focused creative in favor of lower-lift user generated promo content.
- With the surge of TikTok-style creative, expect to rely heavily on content creators to fill the funnel in the lead up to sales.
- Save on production costs by rolling TikTok-style content out across all major media placements, including TikTok, YouTube Shorts, Instagram Reels, and Facebook—where TikTok native content is poised for success.

**“Paid Social will be critical for the discovery and research stage of Q4 buying, but expect CPM headwinds, particularly in the bottom of the funnel. In order to offset high CPMs, TikTok should comprise a greater share of your media mix than it has in any other quarter, meaning brands need to have cracked TikTok before November.”**

**CAROLINE SPENCE, SENIOR DIRECTOR, PAID SOCIAL**

- Invest now in strong upper-funnel video creative that boosts awareness and stops scrolling thumbs so as to fill your funnel and build a robust remarketing audience.
- Leverage surprise-and-delight tactics like Flash Sales, Advent Calendars, Mystery Boxes, etc. to build excitement.





## WITH RECORD-HIGH LEVELS OF COMPETITION COME JUST-AS-HIGH AD COSTS. USE EACH PLATFORM STRATEGICALLY TO MAXIMIZE EFFICIENCY.

In a recent Facebook IQ report, an incredible 91% of shoppers surveyed said they are likely to try a new brand during the holiday season.

With a number like that, brands should assume the fight for their attention will follow suit. To avoid being drowned out by the competition, investment levels will also need to be competitive, and strategically allocated.



### Here's What Advertising in Q4 Will Cost

#### For Paid Social:

- Ad costs last year skyrocketed by 44% in November and December.
- Expect CPMs across Meta to grow slightly within the 5-10% range.
- Bottom-funnel CPAs will likely also be higher YoY, thanks to the rise in CPMs plus iOS 14's pillaging of remarketing pools.

#### For Paid Search:

- Expect CPCs to be higher this year, though Google predicts that e-commerce CPCs will be down roughly 3% YoY.
- Consider the visibility limitations of Performance Max, which relies on machine learning and automated bidding, thereby inflating CPCs.

#### For Amazon:

- Some categories will vary throughout the quarter, but we anticipate an increase in ad costs at the start of Q4 for household items in time for the savings event, followed by giftable items like electronics and apparel around Black Friday / Cyber Monday.
- Given that CPCs and CPMs typically increase 10-20% QoQ on Amazon and the all-time-high competition as evidenced by Prime Day 2022, we can expect even higher spend levels needed to earn increased impression share.
- With the heightened competition, it's critical to lock in your strategies, including proper inventory management, pricing and promotional strategies, and advertising spends across retention and acquisition.

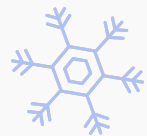
**"Market softness has led many brands to funnel more focus into Amazon, where the consumer continues to buy. Amazon's ad revenue has grown 18% QoQ, which indicates that more brands are spending at a higher frequency. Q4 is always competitive, but this year we are anticipating the highest level of competition yet."**

**JESSICA SUNDERLAND, DIRECTOR, HEAD OF AMAZON**

#### For Programmatic:

- CPMs will increase roughly 10% in the months leading up to November, then 20%.
- All formats are expected to be impacted, but we will see a noticeable increase in CTV, Podcast, and DOOH rates, where there is more focus on awareness and upper-funnel tactics.
- Popular inventory, such as Pandora and Spotify, can be expected to sell out in late Q3 / early Q4.





## WITH RECORD-HIGH LEVELS OF COMPETITION COME JUST-AS-HIGH AD COSTS. USE EACH PLATFORM STRATEGICALLY TO MAXIMIZE EFFICIENCY. (CONT'D)



### MuteSix's Advice

- Spread sales out throughout the duration of Q4, kicking off with Amazon's Prime Sales Event, in order to maximize revenue.
  - Invest in an upper-funnel push one month prior to Black Friday to drive momentum around offers and build informed remarketing audiences.
  - Control acquisition and remarketing costs across Paid Social by capitalizing on efficiencies across other channels. For example:
    - Think TikTok for acquisition and remarketing. Though CVRs have historically been lower there as compared to Meta, this will improve during the holidays, and given their relatively low CPMs, it's low-hanging fruit.
    - Use Programmatic to fill in the gaps and drive consideration with contextual, behavioral, interest type targeting. These users will be valuable because Programmatic can then retarget them.
- "Brands have recognized how exceptional consumer spend has been over the last two years, and are starting to really expand their Programmatic marketing efforts to drive awareness. As more and more consumers head out of their homes, there are more interesting digital out-of-home (DOOH) opportunities to consider, as well as podcasts for their commutes."**
- MICHAEL YIP, VP, PROGRAMMATIC**
- Capitalize on Amazon's unrivaled volume to capture new customers via compelling offers. Go heavy on acquisition through both DSP and Search to fill the funnel ahead of time, then focus on retargeting and lower-funnel during actual events.
  - Evoke on-site urgency so as to convert shoppers at earlier touchpoints. Tactics include promos prominently displayed sitewide and countdown timers at checkout.



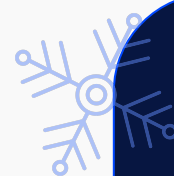


## TO GROW, YOU'VE GOT TO GO BIG OR GO HOME—SO, CONCENTRATE ON REVENUE, NOT ROAS.

Given the all-time-high costs and competition at play, it's important to remember that Black Friday / Cyber Monday is more about capitalizing on high-intent shoppers eager to try new products at a bargain than it is maximizing efficiency.

Fortunately, by following MuteSix's industry-leading Paid Media and Creative strategies from start to finish, there's a formula to maximizing those revenue dollars.

Here, we've outlined an exclusive MuteSix Brand Growth Checklist to help optimize your Q4 omnichannel solution so as to maximize dollars in as you dish all-time-high dollars out.



### MuteSix's Brand Growth Checklist

- ❑ **Tailor your Q4 messaging to differentiate from competitors.** Stand out to consumers by identifying with the core pain points and lifestyle choices of primary audiences, rather than overly product-specific messaging, which will not drive as much engagement.
- ❑ **Start earlier and drive anticipation.** Collect new shopper touchpoints for access or additional sale value. Use an earlier launch cycle to collect emails and audience retargeting buckets at more affordable cost metrics.
- ❑ **Activate on core customers to become your advocates.** The holidays are about taking advantage of deals and shopping ahead of the gifting season. Run campaigns that incentivize your top-engaging customers to refer their family and friends.
- ❑ **Think omnichannel.** When diversifying your mix, consider how each channel can fuel growth across another. And don't forget to consider brick-and-mortar: Empower customers to shop how they want by also promoting in-store traffic and promotions.
- ❑ **Map out a post-Q4 game plan.** Keep momentum going after the competitive market has quieted. Re-engage your hard-earned new customers by leveraging channels like Email and SMS, putting into motion a positive post-purchase experience, and concentrating on upsells, referral incentives, and repeat purchases for recurring revenue.





# READY TO GROW THIS Q4?

Reach out to MuteSix today for an end-to-end omnichannel solution custom tailored to maximize growth for your brand this Q4 2022 and beyond.

**GET STARTED WITH MUTESIX**

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