



CYBER 5 UNWRAPPED

2023 · US

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2023 · US

REPORT
CONTENTS

01. Cyber 5 Overview

02. 9+ Cyber 5 Insights

03. Holiday Dos & Don'ts

04. Amazon Benchmarks

05. Walmart Connect Benchmarks

06. Category Trends

07. Cyber 5 Summary

06. About Us

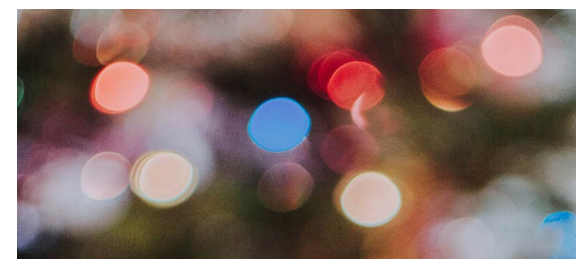
CYBER 5 OVERVIEW

Cyber 5 Overview

INTRODUCTION

In these initial 12 days of the Christmas and December Holiday Shopping Season, we are unveiling our Cyber 5 report on the most significant 11 shopping days in the 11th month: Black Friday and Cyber Monday Week. Who emerged as the winners in each category? What insights can we glean from Ad Spend, and what implications does this hold for the upcoming shopping days? Join us for 12 days in, 11 days of impact, 10 tips for practitioners, 9+ in-depth data insights and a partridge in a pear tree.

2023 brought significant changes to Cyber 5 week. Notably, deals arrived earlier than ever, driven by a trend championed by Amazon through their Prime Early Access. Several major players initiated deals as early as the Friday before Thanksgiving, creating more opportunities for consumers to make purchases. Amazon reported that its extended Black Friday and Cyber Monday holiday shopping event—spanning from November 17 through November 27—was its largest ever compared to the same 11-day



period ending on Cyber Monday in previous years.

Brands also explored new tools by harnessing the power of Artificial Intelligence (AI). Although still in the early stages of development, marketers utilized AI to streamline the process of building creative campaigns. Amazon's introduction of "audience-based creative" during its Black Friday NFL game marked a significant development in advertising personalization. This feature allowed for precise targeting, enabling the generation of tailored messaging and actions for different audience segments within the same viewing moment.

During Cyber 5 2023, Pacvue collected valuable insights into advertisers' behavior and performance. This comprehensive report includes data on Ad Spend, Cost Per Click (CPC), Return on Ad Spend (ROAS), and Conversion Rates from thousands of Amazon and Walmart advertisers in the United States, spanning across every major category.

9+ Cyber 5 Data Points

HIGHLIGHTS

1. Adobe reported a record-breaking \$9.8 billion in Black Friday sales, marking a 7.5% increase from 2022. Additionally, Cyber Monday saw consumers spend \$12.4 billion, reflecting a 9.6% increase from the previous year.

2. As brands continue reallocating budgets from PPC and social to retail media, the average advertising spend over Cyber 5 witnessed a substantial surge, increasing by 48% for Sponsored Brands and 37% for Sponsored Products compared to 2022.

3. With heightened competition and increased product prices, Return on Ad Spend (ROAS) saw a decline over Cyber 5 week, down by 13% for Sponsored Brands and 10% for Sponsored Products year over year.

4. Sponsored Brands CPC experienced a noticeable year-over-year increase of 15%, while Sponsored Products CPC increased by 7%. Cyber Monday placements proved to be



more competitive than those on Black Friday (14% higher for Sponsored Brands and 4% higher for Sponsored Products), as brands aimed to capture consumer spending in the final sales push before Christmas.

5. The Pet Supplies category on Amazon witnessed a significant surge in spending, growing by an impressive 114% from 2022. In addition, the Cost Per Click (CPC) increased by 35%, Click-Through Rate (CTR) saw a rise of 26%, and average daily sales were up by 51%.

6. To reinforce the notion that brands anticipated a consumer shift towards purchasing needs rather than wants, the Grocery and Gourmet Food category saw a 27% increase in ad spend. Growing

Cyber Monday consumer spend up 9.6% YoY

Sponsored Brands Ad Spend up 48% YoY

Sponsored Products Ad Spend up 37% YoY

9+ Cyber 5 Data Points

HIGHLIGHTS

competition and ad costs may have led to decrease in Return on Ad Spend (ROAS) by 11% and Conversion Rate by 30%. The Cost Per Click (CPC) held steady, dropping by just 1%. Meanwhile, there was a notable uptick of 12% in overall daily sales.

7. The Arts, Crafts, and Sewing category on Amazon stood out as one of the few categories that saw a positive Return on Ad Spend (ROAS) at 9.5%. It proved to be a robust category to invest in, with average daily spend increasing by 56% from 2022. The Conversion Rates rose by 32%, and average daily sales experienced a remarkable growth of 71%.

8. Office Products experienced the most significant drop-off from 2022, with Average Daily Spend plummeting by 63% from the previous year. Click-Through Rates (CTR) also saw a decrease of 37%, Conversion Rates were down by 16%, and average daily sales dropped nearly 50%. Oddly enough, Return on

Ad Spend (ROAS) showed an increase of 38%.

9. Advertisers significantly increased spending on Demand-Side Platform (DSP) during Cyber 5 this year, with a notable 16% increase in average daily Ad Spend (ADSP) throughout the promotional period. However, this led to only a 9% increase in average daily sales, with efficiency falling by -6% compared to last year. Ad engagement was also slightly slower than in the prior year, with a -2% decline in average daily detail page views during Cyber 5.



In the overall landscape of Cyber 5, the numbers increased, but not necessarily in the way brands would have preferred. Spend for both Sponsored Brands and Sponsored Products saw a surge, with average spend up by 39% and CPC rising by 12%. Despite average sales increasing by 23% and conversion rates rising by 5% from 2022, the Return on Ad Spend (ROAS) experienced a decline, falling by almost 12% due to heightened competition.

**9.5% ROAS
for Arts, Crafts
+ Sewing**

**114%
increase in
YoY spending
for Pet
Supplies**

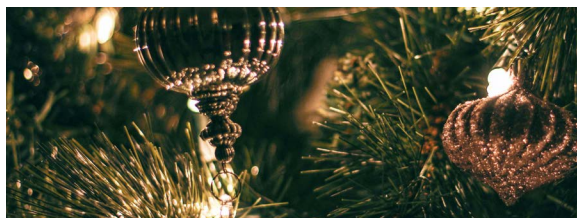
**2% decline
in average
daily detail
page views**

Pacvue Dos

NICE LIST

1. Increased Spending on Items People Need

The rise in costs and inflation influenced many individuals to prioritize spending on necessities over discretionary items. This shift was particularly evident in the Pet Supplies and Baby Products categories. Ad Spend increased by 114% for Pet Supplies and 76% for Baby Products, with average daily sales surging by 51% in Pet Supplies and 25% in Baby Products.



2. Buy Now/ Pay Later Format

Buy Now/Pay Later (BNPL) is on the rise, with over 50% of Gen Zers expressing intent to use it for holiday shopping. As this demographic gains more buying power, retailers are expected to enhance checkout options for greater accessibility.

3. Lean into New Ad Tech

Amazon's Black Friday football game introduced "audience-based creative," using first-party data for precise, real-time targeting of diverse audience segments. This allows customized messaging and actions during the same viewing moment, making Amazon's hyper-targeting capabilities ideal for marketers.

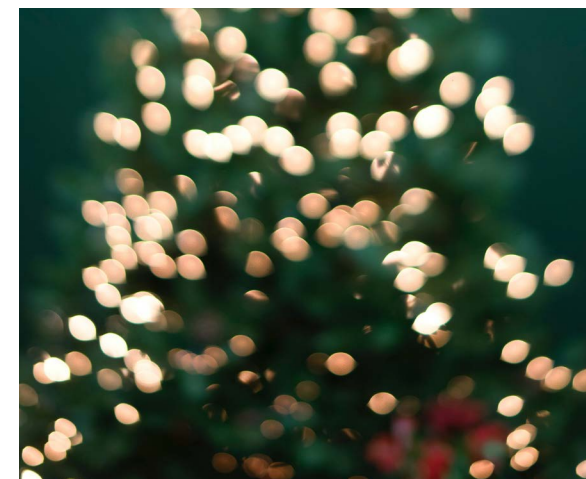
4. Get Seasonal with AI Generated Images

Amazon's Image Generation Tool, still in Beta, proves highly effective for early adopters

among select Pacvue users. It swiftly creates holiday-themed ad images using existing product content, resulting in increased conversion rates. Clients praise its unmatched speed in testing new content.

5. Develop a Dayparting Strategy

Effective Black Friday dayparting saw prioritized spending aligning with peak sales from 7-8 am PST. The subsequent slowdown in conversion rates suggests shoppers favored morning hours for deal shopping.





Pacvue Don'ts

NAUGHTY LIST

1. Increased Spending on Items People Want

With inflation rising and consumers becoming more conscious of spending, brands are urged to avoid excessive promotion of non-essential items. Office Products experienced a notable 63% drop in average daily spending from 2022, with overall sales decreasing by almost 50%. Tools & Home Improvement, Electronics, and Patio, Lawn and Garden also saw over a 20% decline in average daily sales.

2. Starting Deals Earlier isn't Best for Everyone

Earlier deal trends don't universally benefit all, as a surge in shoppers waiting for potential better deals led to lower ad conversion rates

this year compared to 2022. Sponsored Products experienced a 5.1% decrease, and Sponsored Brands placements were down 3.8%, despite an overall increase in Ad Spend.

3. A Single Ad Type isn't a Strategy

With growing competition during major events, Sponsored Products CPC increased by 17%, and Sponsored Brands CPC by 30% from 2022. To adapt, advertisers should diversify strategies beyond a single ad type, exploring full-funnel targeting with Demand-Side Platform (DSP) and leveraging customizable product offerings in Sponsored Brands, including Video, Headlines, and Catalogue.

4. Fall Behind the AI Curve

2023 brought about substantial changes to Cyber 5 week, and falling behind on the latest technology and strategies can be detrimental. Leverage Artificial Intelligence (AI) for creative assistance to maximize your brand's potential. Save time by letting AI efficiently handle menial tasks.

5. Forget the Lead-in and Lead-out

While the peak of traffic and sales often revolves around Black Friday and Cyber Monday, the lead-in and lead-out to Cyber 5 can be impactful for growth. The lead-in is ideal for increasing awareness of upcoming promotional products, while the lead-out is an excellent time for cross-selling or up-selling to customers who engaged with your brand during the event.



Amazon Benchmarks

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Use this report to benchmark your own performance on Amazon during Cyber 5 and uncover industry trends.



CPC

17% YoY
Increase in
Sponsored
Brands CPC



Increased
Overall
Ad Spend



Advertising Spend

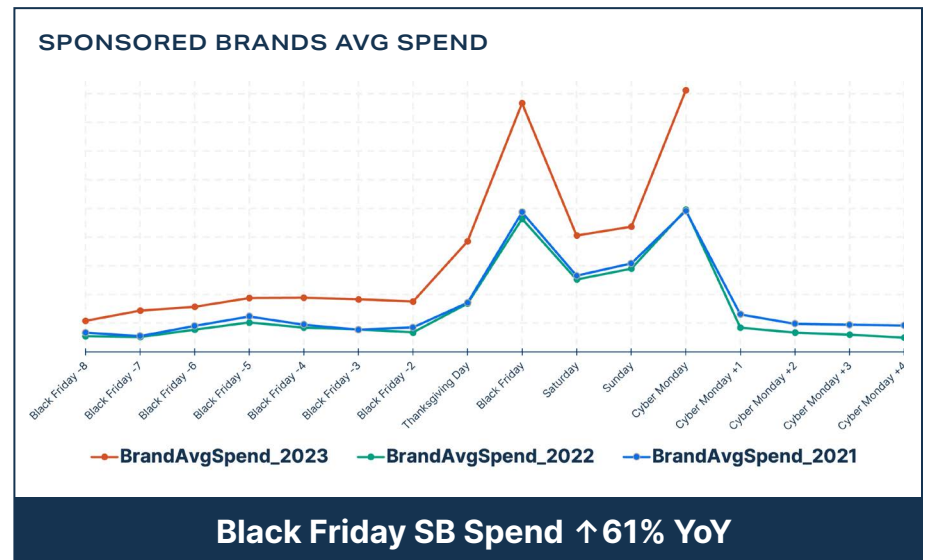
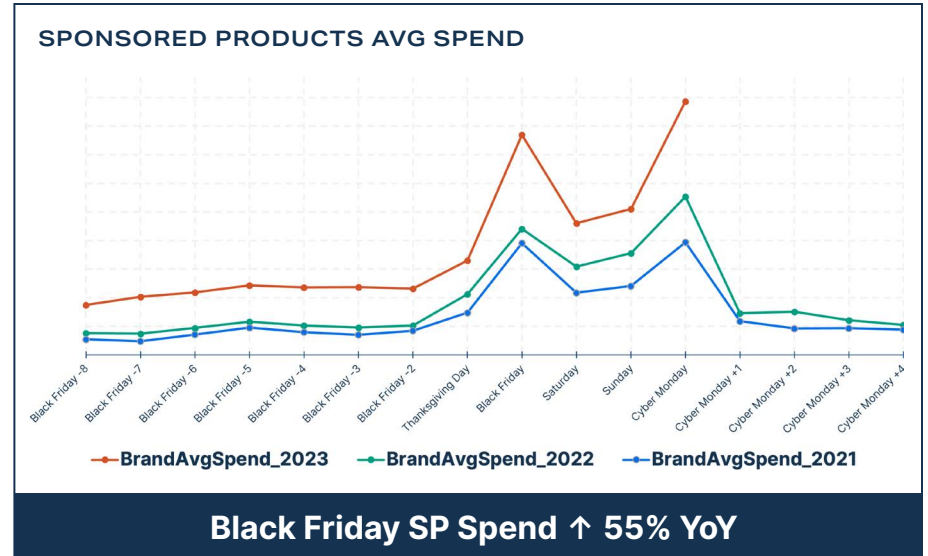
Advertising spend reached new heights in 2023. On **Black Friday**, **Sponsored Products Ad Spend averages were up 55% year-over-year**, and even more substantial increases were observed for **Sponsored Brands Ads**, up **61% from 2022**.

We also witnessed a surge on **Cyber Monday**, particularly in Amazon Sponsored Ad Spending. **Sponsored Brands** experienced a **60% increase**, while **Sponsored Products** saw a **47% rise compared to 2022**.

The spending increase for Sponsored Brands was driven by advertisers willingness to pay a premium to showcase their products above search results for more engagement and the adoption of new product offerings, such as Sponsored Video ads and Product Collections.

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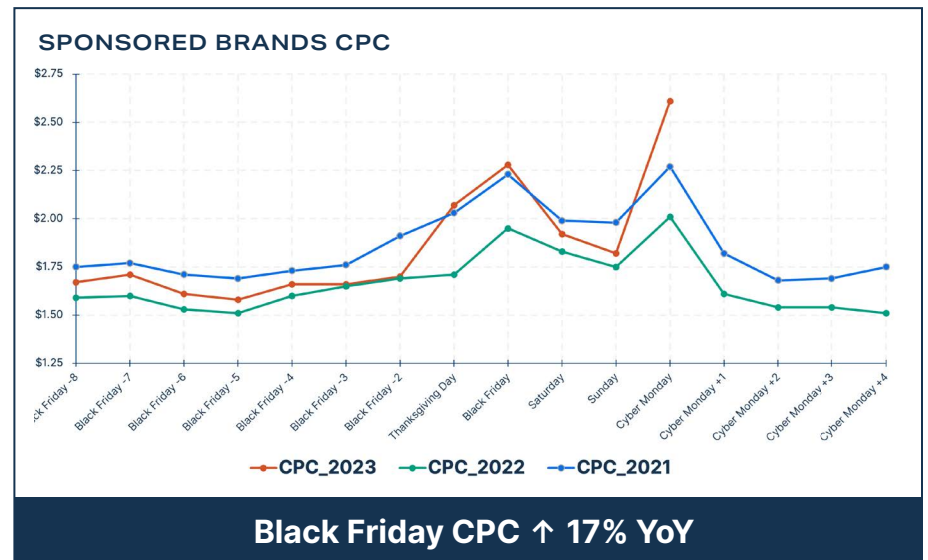
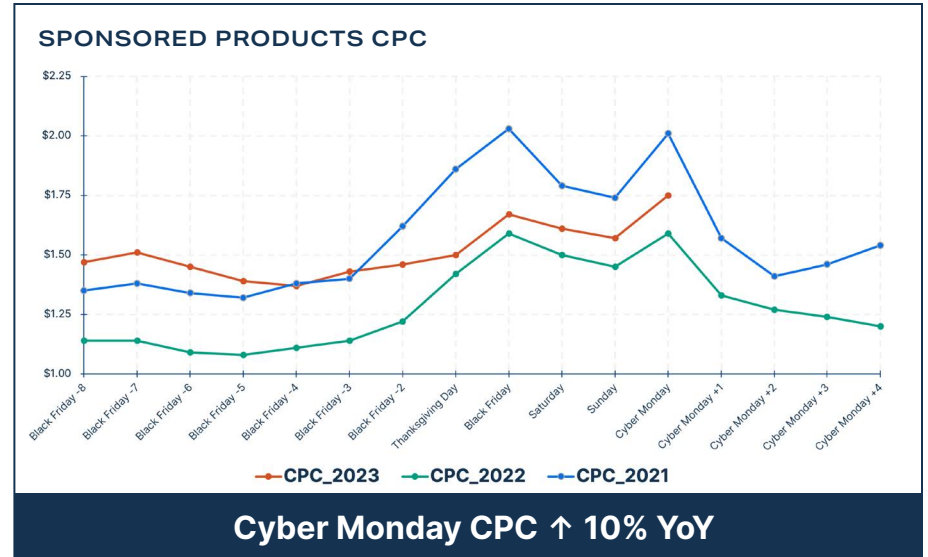
Source: Pacvue Amazon Ads Data



Cost Per Click (CPC)

Brands engaged in intense competition for **Sponsored Brands** placements on **Black Friday**, with **CPC experiencing a notable 17% year-over-year increase**. This surge in CPC brought costs to a level 30% above those for Sponsored Products, signifying a shift in advertisers' strategies to prioritize Sponsored Brands placements for key events.

Sponsored Brands CPC saw a significant year-over-year increase of **30%**, highlighting advertisers actively taking advantage of new customizable product offerings like Sponsored Brands Video, Headlines and Product Catalogue Ads. On the other hand, **Sponsored Products CPC** experienced a slight uptick for **Cyber Monday**, with a **10% increase compared to 2022**. Cyber Monday placements proved to be more competitive than those on Black Friday, as brands aimed to capture consumer spending in the final sales push before Christmas.



Source: Pacvue Amazon Ads Data



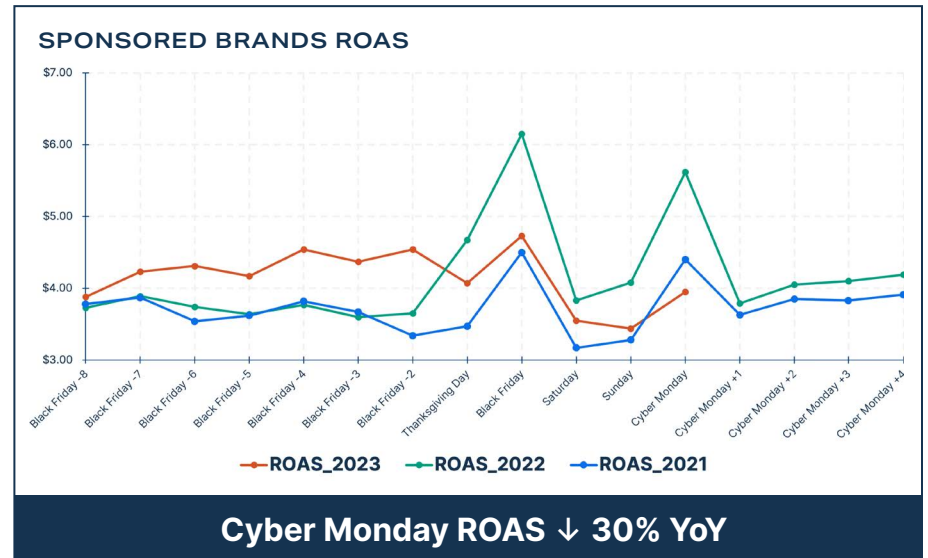
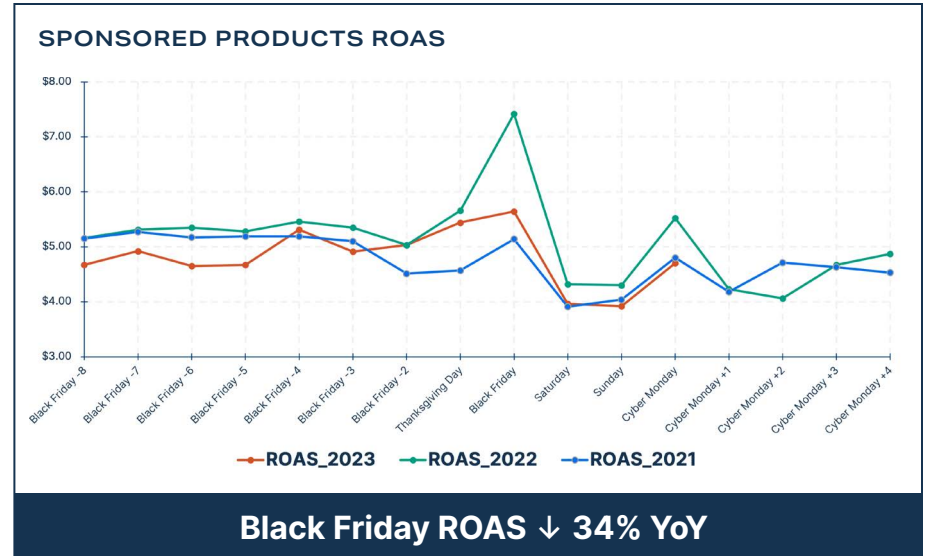
Return on Ad Spend (ROAS)

Advertisers experienced a decline in Return on Ad Spend (ROAS) this Black Friday. **Sponsored Products were notably impacted, with ROAS decreasing by 34% from 2022, dropping below the five-dollar mark. Sponsored Brands followed a similar trend, declining by 27% year-over-year to just below four dollars and fifty cents.**

The situation wasn't much better on Cyber Monday, as **Return on Ad Spend (ROAS) saw a decline of 15% for Sponsored Products and a significant 30% for Sponsored Brands year-over-year.** This decline is to be expected with the higher advertising costs and lower conversion rates as consumers were more cautious in their spending.

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Source: Pacvue Amazon Ads Data



Conversion Rate (CVR)

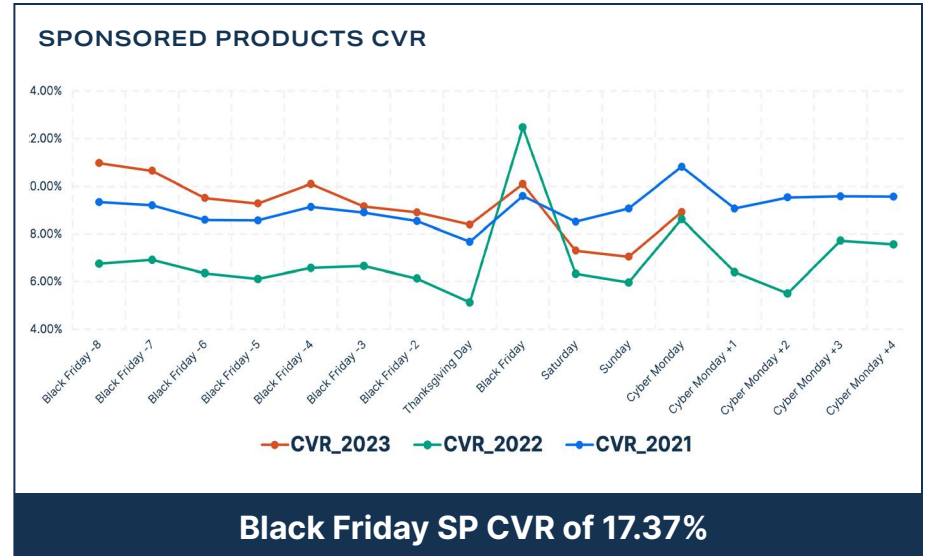
The directional trend for conversion rates reveals a downward trajectory for both Sponsored Products and Sponsored Brands compared to 2022.

The results suggest that **Sponsored Products**, with a conversion rate of **17.37%**, slightly outperformed **Sponsored Brands**, which had a conversion rate of **16.95%**, on **Black Friday** and in the week leading up to the event.

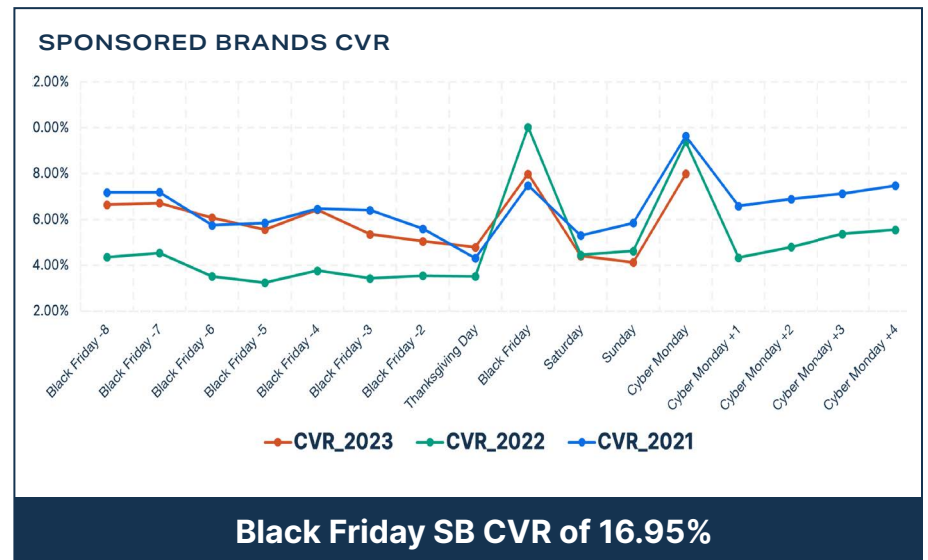
In contrast, **Cyber Monday's** conversion rates for both **Sponsored Products** and **Sponsored Brands** remained steady year-over-year. Spend conscious consumers held out making purchases until Monday, ensuring they were securing the best possible deal.

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Black Friday SP CVR of 17.37%



Black Friday SB CVR of 16.95%

Source: Pacvue Amazon Ads Data



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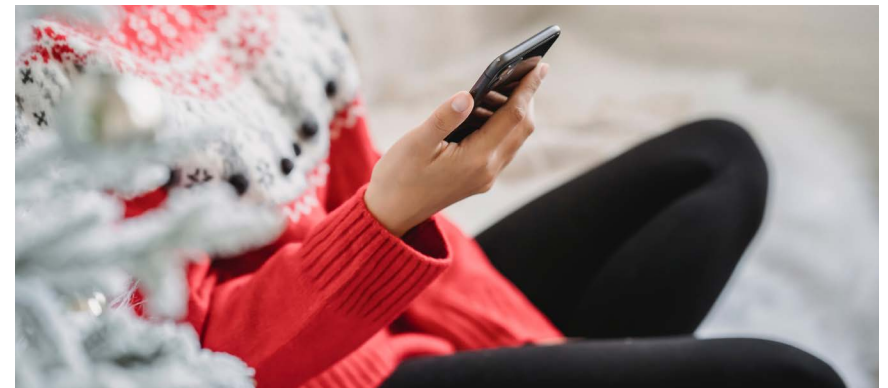
DSP

Advertisers heaved up on DSP spend during C5 this year with a **+16% increase in average daily ADSP spend throughout the promotional period.**

This led to only a **+9% increase in average daily sales with efficiency falling -6% compared to last year.** Ad engagement was also a bit slower than in the prior year with a **-2% decline in average daily detail page views** during C5.

Despite slower trends for the event period directly, the lead-in and lead-out trends are showing stronger swings for DSP advertisers with the **average daily sales for both periods showing a +33% jump on the prior year** while the **total return for the ramp up and ramp down has grown +24% YoY** so far.

DSP ads tend to start the customer journey, meaning the purchase cycle is normally longer than that of search advertising which explains the strength of the broader event period compared to the peak of C5.



Walmart Connect Benchmarks

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Use this report to benchmark your own performance on Walmart Connect during Cyber 5 and uncover industry trends.



ROAS

Ad Spend up
35% for
Black Friday
Advertisers

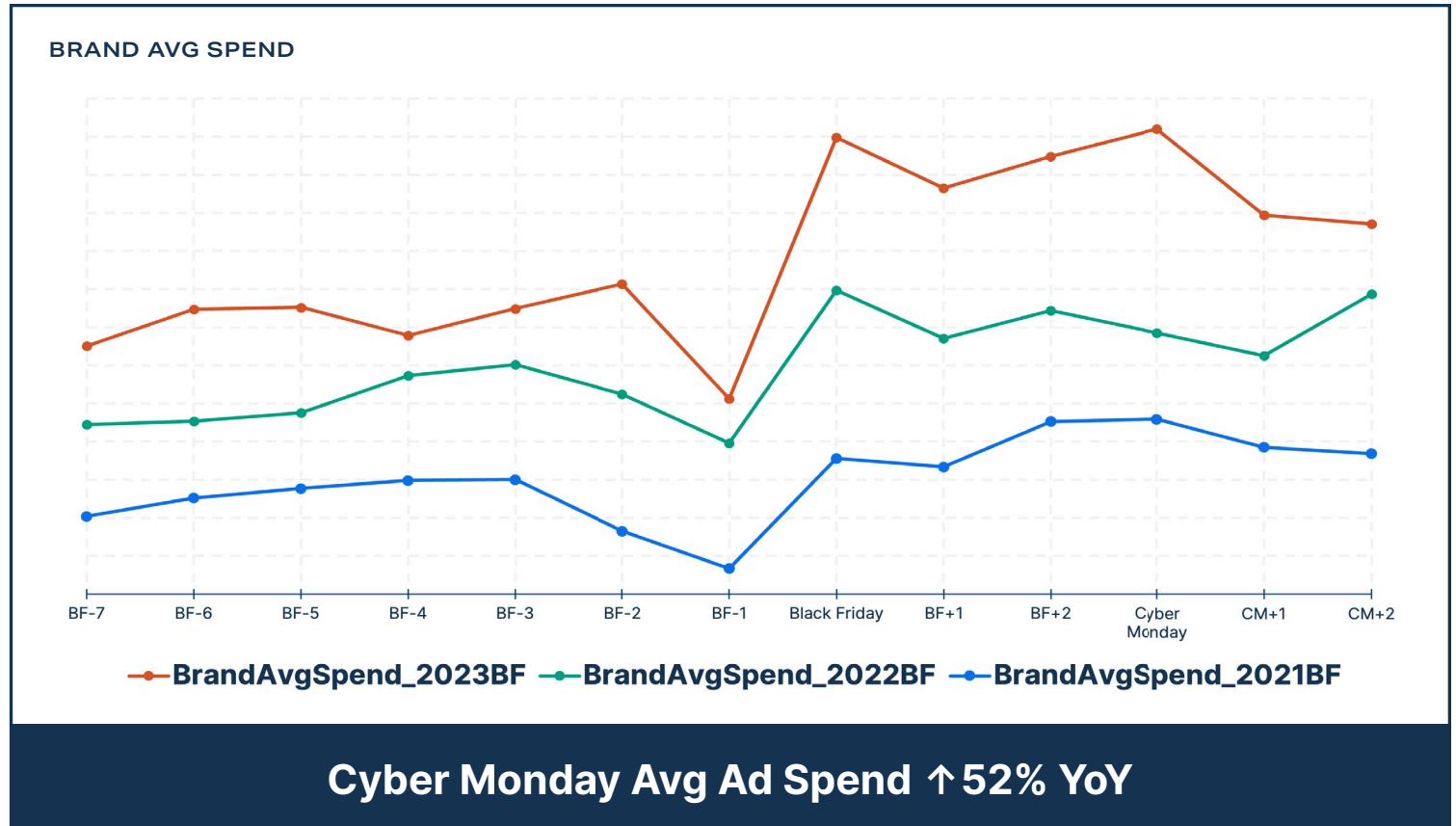


Ad Spend up
52% YoY on
Cyber Monday



Ad Spending Trends

Advertisers bet big on Cyber 5 this year on Walmart with **Average Brand Spend up 55% from the week prior**. Overall, brands spent significantly more this year with **Ad Spend up 35% for Black Friday Advertisers and 52% year-over-year for Cyber Monday**. Spend was consistently higher in the lead in and lead out to Cyber 5 as brands looked to take advantage of the holiday hype.



Source: Pacvue Walmart Connect Data

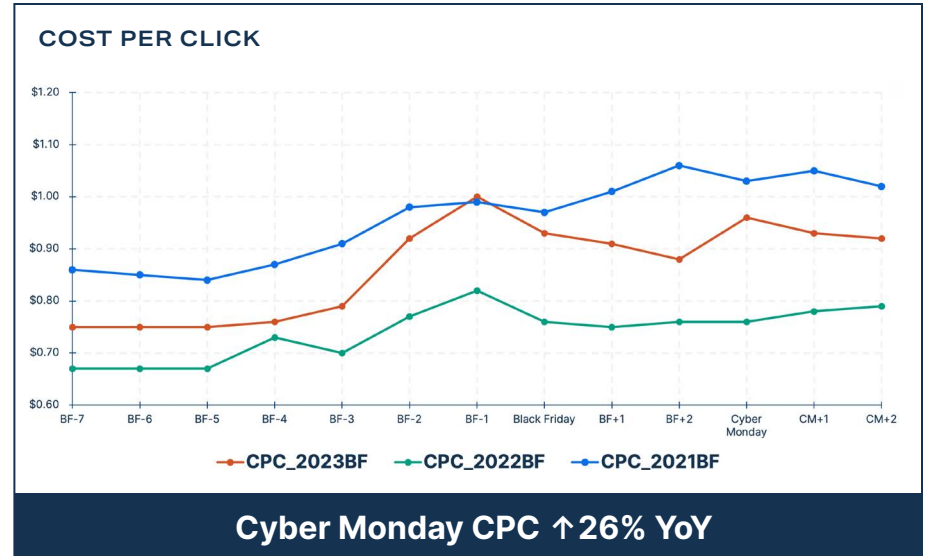
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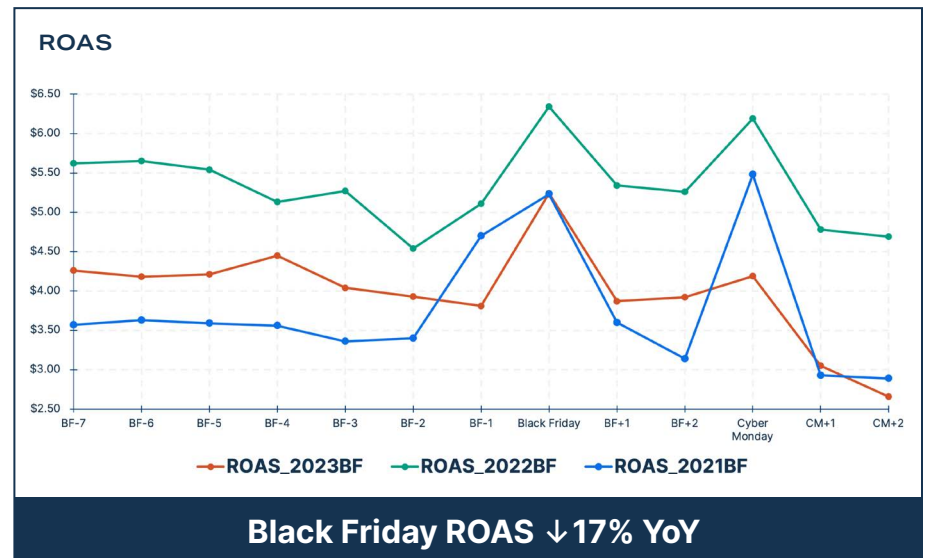
Advertising Costs

Cost-per-click peaked on Thanksgiving Day for Walmart following a similar trend from 2022 before dropping 7% for Black Friday. Despite this, **overall competitiveness increased by 22% for Black Friday and 26% for Cyber Monday in 2023**. These CPC levels are comparable to those seen in 2021 when the business overhauled its advertising offering.



Return on Ad Spend (ROAS)

Advertisers' returns on Walmart followed a similar decline to those seen on Amazon, likely due to rising product costs caused by inflation. **ROAS peaked on Black Friday but was still down 17% (\$5.24) year-over-year** and continued to decline throughout the Cyber weekend reaching \$4.19 on Cyber Monday.



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Source: Pacvue Walmart Connect Data

Category Trends

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Use this report to benchmark your own category performance during Cyber 5 and uncover industry trends.



CPC





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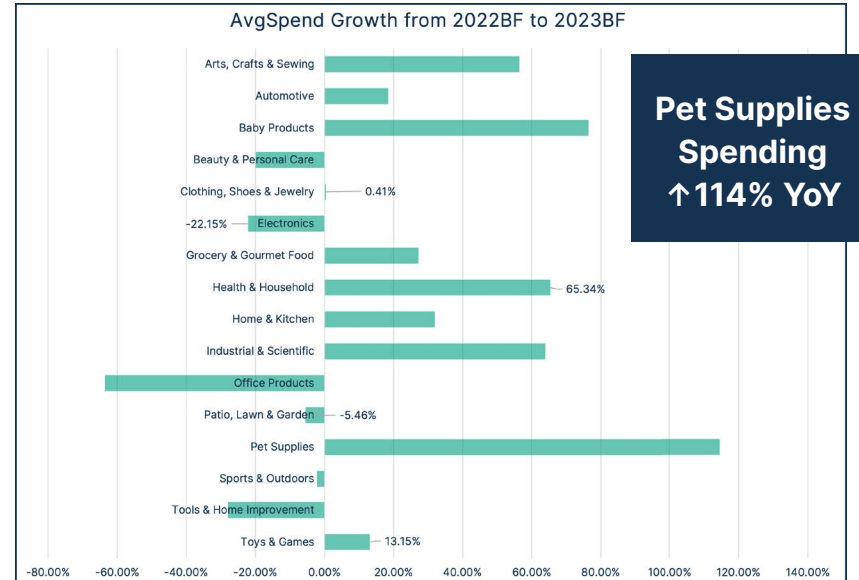
Advertising Spending

The Pet Supplies category on Amazon experienced a substantial surge in spending, growing by 114% from 2022. Similarly, Baby Products saw an increase of 76%, while Health & Household and Industrial & Scientific both exhibited growth of over 63%. Conversely, Office Products witnessed the most significant decrease, dropping by 63% from 2022. Tools & Home Improvement and Electronics also experienced declines of over 20%.

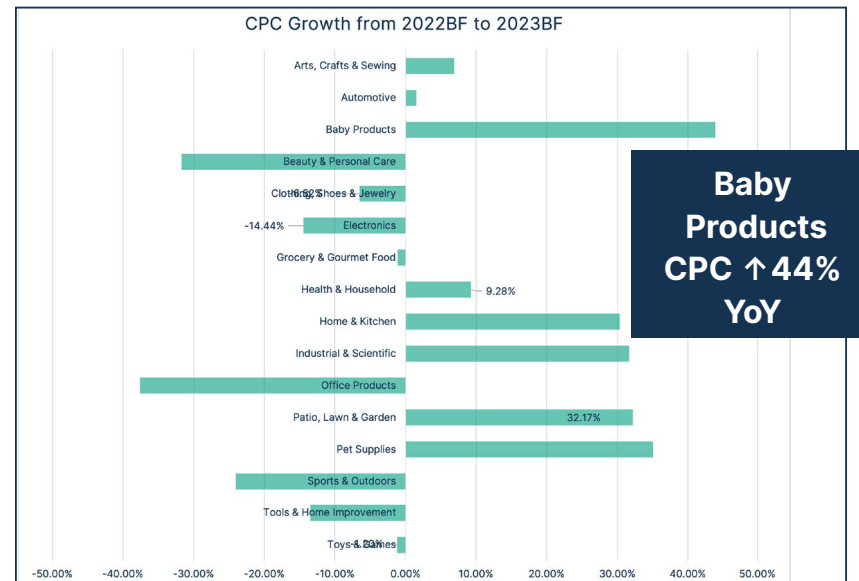
Cost Per Click (CPC)

The Baby Products category on Amazon experienced the most significant Cost-per-click (CPC) increase from 2022, surging by 44%. Similarly, categories such as Home & Kitchen, Industrial & Scientific, Lawn & Garden, and Pet Supplies all saw growth of over 30%. Conversely, Office Products experienced a notable drop of 37%, and Beauty & Personal Care saw a decrease of 31%. These trends align with the overall shift in consumer spending which saw dollar-conscious buyers prioritize bulking up on everyday essentials.

Source: Pacvue Category Data



Pet Supplies Spending
↑ 114% YoY



Baby Products CPC
↑ 44% YoY

CYBER 5 SUMMARY

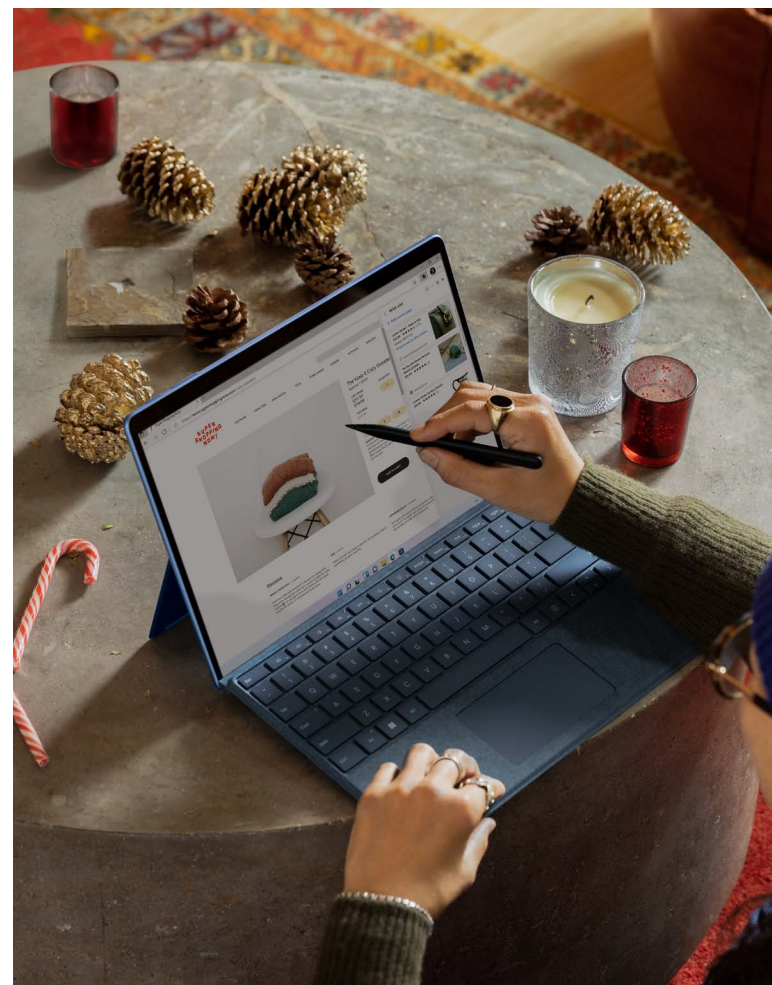
Cyber 5 Summary

CONCLUSION

Overall, spending increased during Cyber 5 week. A significant portion of the additional spend was allocated to Sponsored Brands Ads, where brands leveraged new product offerings like Brand Videos and Product Collections for Sponsored Brands Ad placements. Notably, brands prioritized spending on Cyber Monday over Black Friday, with average sales from Sponsored Ads on Cyber Monday growing by 16% compared to 2022.

Despite the heightened spending, conversion rates and Return on Ad Spend (ROAS) for both Sponsored Brands and Sponsored Products were lower than in 2022. This trend may be attributed to higher prices influenced by inflation.

As we enter the final weeks of the year, it's important for brands to prioritize the analysis of data from Cyber 5 and leverage [retargeting through DSP and AMC](#).



About Pacvue

A commerce acceleration platform that empowers businesses to discover the most impactful opportunities, activate sales growth, and streamline daily operations. The platform turns insights into actionable recommendations by integrating retail media, commerce management & measurement.

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A commerce suite of tools for entrepreneurs and businesses to manage and sell products, find keywords, identify trends, optimize listings, and more on Amazon & Walmart Connect. Helium 10 champions entrepreneurship at all stages with the playbook to build, grow and scale a meaningful and steadfast e-Commerce business.

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