How to Grow Revenue & Thrive In Flash Sales

Flash Sales Performance Marketing Survival Guide
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Introduction

In recent years, the world of Flash Sales has seen some big successes along with a sort of shakedown, as some sites simply couldn’t survive. There are many challenges to running a successful Flash Sales site, and performance marketers need every trick in the book to drive revenue. We’ve developed this guide from our years of experience working with some of the larger and most successful Flash Sales sites. Maintaining a loyal customer base while acquiring new customers are the chief objectives for performance marketers in Flash Sales. This guide will provide some practical advice in achieving those objectives.

In the guide, we’ll address some misconceptions, problems, challenges and offer insights we’ve collected to help Flash Sale performance marketers thrive.

“Flash sale sites tend to target a problem, grow fast in the early stage, and slow down rapidly.”

—Alexander Zacke, founder and CEO of the e-commerce platform Auctionata
Chapter 1: Flash Sale Campaigns
Whenever new products with limited stock or large discounts become available, the targeted audiences are often created from old CRM data. The offers are then targeted at previous customers who bought a particular brand. This can be ineffective because these customers might receive an offer they have no interest in. The other audience produced from old CRM data is shoppers who have previously been marketed to, but haven’t purchased. This is an ineffective way to pretarget and acquire new customers because they’ve been saturated with offers and never responded.

So how can you effectively expand your target audience and acquire new customers? Tracking the profiles of customers—the brands, styles, categories, etc. that typify their purchases—is an effective way to target them with the offers that are of interest to them. Creating a Lookalike audience in Facebook using old data is an effective way to reach shoppers similar to your loyal customers.

“We’ve been able to seamlessly set up and track performance of Facebook ads, as well as target Lookalike audiences on top of our email database.”
—Karmel Mandrick, Social Media & Community Editor

**Actionable Insight**

Create audiences to track profiles of buyers on every sale. Use these audiences from previous sales to target a brand buyer with offers that reflect previous purchases. Use these audiences to create Lookalike audiences (i.e., people with similar interest) for targeting and acquiring new customers.
Simply promoting a brand can take time to achieve the results for Flash Sales. Product campaigns achieve results faster & build brand loyalty over time. Targeted, relevant products to consumers give them the brand experience they want. This removes the annoyance to the consumer of being bombarded by brand ads.

It’s best to align sale products with a target audience. In other words, don’t choose sale products simply based on margins.

“"If you go back to Fifth Avenue, all the highly successful stores target one specific audience with one specific product. Those businesses have been there forever because they’ve sold the same product. Create excitement around the product and it means you’re building trust among your consumers.”

—Alexander Zacke, founder and CEO of the e-commerce platform Auctionata

**Actionable Insight**

Develop granular profiles of shoppers you want to attract. Narrow down the possible sale items and select the right product mix for the right audience.
Single product ads can work, especially if they are targeted to the right audience at the right time. However, targeted multi-product ads achieve even greater results. Presenting an ad unit with multi-products, each with its own landing page, provides greater opportunity for engagement. Well-crafted multi-product ads can be more relevant to shoppers. Retailers taking advantage of this approach are seeing a 36% to 54% decrease in Cost Per Acquisition (CPA) using targeted multi-product ads.

**Actionable Insight**

Pair similar products together based on your buyers to provide them with a few options that engage them in a multi-product ad unit.
Campaigns & Sale Duration

It’s a common practice among Flash Sale sites to run campaigns at the same time, and for the same duration, as the sale. However, there are pitfalls of running campaigns and flash sales side-by-side. Inventory often runs out quickly in a flash sale, this creates unnecessary tension between the retailer and would-be customer. To avoid this tension, it’s a good idea to run the campaign for half the time of the sale, during the sale. In the case where inventory runs out, it’s a good idea to have a back-up offer for would be buyers.

Actionable Insight
Run campaigns for half the time of the sale, during the sale. Have a back-up offer ready in case inventory runs out. Build up to the sale with social posts/advertisements, which can result in anticipation and social sharing.
Performance Marketers Don’t Need More Time

Finding the time to create campaigns can be challenging. Especially given the fast-paced nature of flash sales. There are software tools that can automate much of the process involved in campaign creation. Having a platform that ingests a product feed into the ad creation workflow can alleviate much of the grunt work. A good scheduling system for campaigns is another way to maximize the effort needed in creating smart campaigns.

Actionable Insight
Research and trial software that can save time in campaign creation. Make sure you have a standard product feed that can be used for creating campaigns.
Chapter 2: Reaching Shoppers Where They Are
The Importance of Smartphones and Tablets

Last year 35.7% of online sales in November and December were from smartphones and tablets, according to IBM’s Online Retail Christmas Shopping Trends. There was significant year-over-year growth in sales completed via mobile devices too (94% growth in the UK and 63% growth in the US for sales completed via mobile devices).

Facebook leads the way in social referral traffic and referral revenue to retail websites, According to Adobe’s Social Intelligence Report. Facebook’s Click Through Rate (CTR) to retail sites is up 365% year-over-year, while the relative cost for direct response ads on Facebook remains low. Because of Facebook’s reach on mobile devices and relatively low cost for advertising, it’s an ideal channel for Flash Sale sites.

“Mobile commerce in the US grew by 47% in Q2 2014, boosted by increased usage of tablets and bucking a seasonal trend for slower rates of growth during the second quarter.”

- Data sourced from comScore

Actionable Insight

Look at ways to begin reaching customers on Facebook. If you’re already advertising on Facebook, look at ways to increase spend and scale your reach particularly on mobile devices.
In order to increase reach quickly place accurate bids and high daily budgets before the start of your campaign. Leaving increased budget adjustments until after a sale has begun is a sure fire way to miss out on reaching your audience. Advertising platforms, such as Facebook, pace your campaign spend across the day. This is why it’s a good idea to set the daily budget as high at the beginning of the campaign to achieve a greater number of impressions.

**Actionable Insight**
Configure high daily budgets to get great early reach and allow rules to automatically manage performance based on CPA (email or sale).
Actually, they are a mix of impulsive and habit driven. Sure there are Flash Sales shoppers who only buy “last minute deals,” but the ones that return—the loyal, repeat Flash Sale shoppers—lock into the rhythm of when deals occur. Structuring your campaigns with a rhythm that shoppers can anticipate and count on, makes it easy for them to develop a habit around your sales.

**Actionable Insight**
Maintain consistency with your sales, marketing messages, emails, and deals, then you will tap into your audience’s proclivities and keep them coming back.

“I think the sense of urgency is very powerful in terms of eliciting consumer behavior. There is a good business model in these sites. They are tapping into something fundamental in terms of how humans respond to urgency and sales,”

- Andrew Lipsman, vice president of industry analysis at ComScore
Chapter 3: Tracking & Reporting
Obtaining the statistics when you need them, in time to make adjustments, can be a significant challenge for Flash Sales. “Always on marketing” is no joke—it’s fast-paced. There are online tools that exist to provide real-time reports on sales, sign ups, ROI and CPA. Some of these tools can even manage the campaigns for you using optimization rules.

**Actionable Insight**
Discover how real-time reporting and filtering can be used to measure the performance of specific brands over time. Contact one of our consultants for more details or request a free 14 day trial of StitcherAds and experience real-time reporting for your campaigns.
Tracking Product Performance Details

There can never be enough details being tracked for performance marketing. Analyzing every aspect of product campaigns, such as product category and demographics of buyers, is the performance marketing dream. What can be done to achieve the dream? Creating ad permutations with dynamically created URLs that contain product details is the way leading Flash Sales sites are accomplishing this. They are able to produce detailed reports, analysis and optimize campaigns for maximum performance.

**Actionable Insight**

Add product details to your URLs. Things like style, category, brand, device, variation, country, model, images type, colour, etc.
Measuring Campaign Performance

Measuring campaign performance effectiveness based on the number of email sign-ups can be misleading for Flash Sales depending on the underlying business model and Lifetime Value achieved. The number of email sign-ups alone can be misleading, especially if they don’t result in an eventual sale. Some Flash Sale sites measure using CPA based on a sale, not just based on sign-up. This gives them a more accurate indication of performance for a particular campaign/brand/product.

“Email fatigue is one of the biggest challenges flash-sale sites face. Emails are the primary way of disseminating deals, but after a while web shoppers can tune out and unsubscribe. This was even more true as more flash-sale sites came on the scene and as active shoppers subscribed to more than one flash-sale site.”

—Christina Cheddar Berk, Chief Trend Spotter, Consumer Nation CNBC.com

Actionable Insight
Calculate CPA and ROI of campaigns. Develop rules that can be used to manage performance.
Chapter 4: What can Facebook do for Flash Sales?
Does Facebook work for Flash Sales Business?

A common misconception about Facebook among retailers and Flash Sales is that it just won’t work for them. The truth is some of the biggest Flash Sales sites in the world use Facebook as their primary display channel. There are many reasons for this, but chief among them is the targeted reach that Facebook affords them. This reach is particularly valuable, as it’s able to target individuals across devices (mobile, tablet and desktop) because it’s identity-based not cookie-based.

**Actionable Insight**

Research Facebook advertising and begin putting a use case together. Run test campaigns on Facebook to assess performance for your products. If you would like support with this, [contact one of our consultants](#), who would be happy to assist you.

Of the people who showed interest in a mobile Facebook ad in the US before converting, over 32% converted on desktop within 28 days.

Source: [Facebook internal data](#)

Facebook is a profitable channel for product specific promotions and also influences cross-sell.
What if you don’t know who to target on Facebook?

There are a number of ways to find new customers and retarget existing ones on Facebook. Creating targeted audiences on Facebook can be done from existing lists in your CRM, general visitors to your website, visitors to specific pages and even visitors who have performed a specific action on your website. Facebook also allows you to create a “Lookalike” audience, which is based on the profiles of an existing list. A Lookalike audience is particularly good for pretargeting and prospecting new customers.

Actionable Insight

Leverage your existing CRM data to find new customers, who have similar profiles, on Facebook. Create a “Lookalike” audience based on your best customers and pretarget those shoppers with similar profiles.
Conclusion

Success in Flash Sales involves knowing your audience, what appeals to them, and delivering targeted, timely offers. Facebook offers a way to hyper-focus on your audience for specific product offers. The Flash Sales sites that have survived the past few years are the ones that have most effectively reached a targeted audience and continued to offer individual, loyal customers with relevant offers. Facebook advertising is complementary to email marketing for Flash Sales—resulting in increased revenue.

StitcherAds enables Flash Sale retailers to rapidly create ads and target their audience to increase sales. Using standard product feeds, thousands of ads and permutations can be created in minutes. The platform provides sophisticated rules-based optimisation to turn off underperforming ads or for products that fall out of stock.