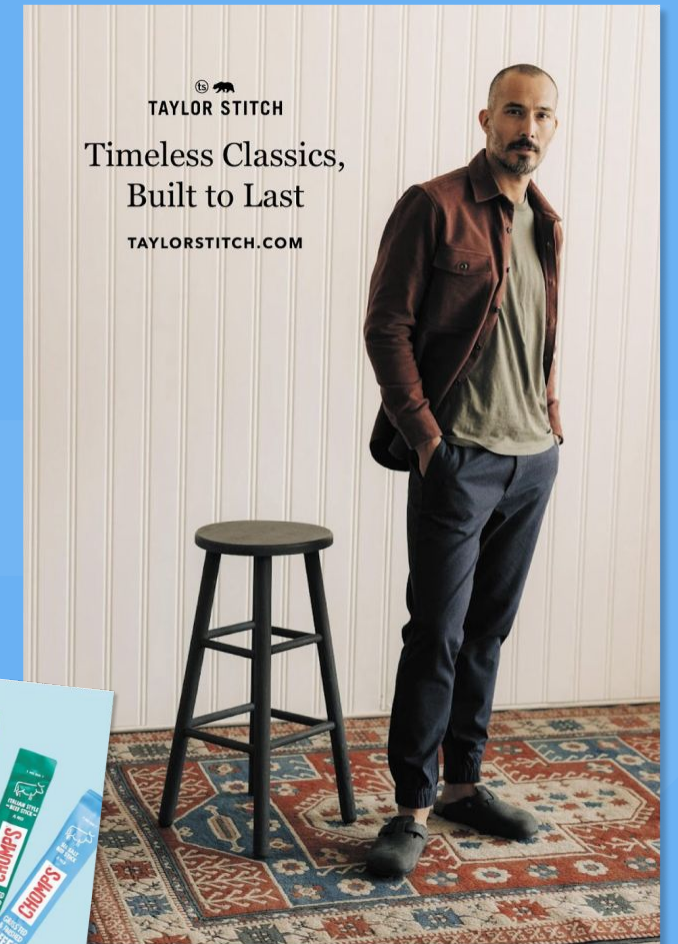# Bottom Line BFCM

6 Lessons from 20 BFCMs to Maximize Profitability over the holiday season

Drew Sanocki

1. Use direct mail

For BFCM: Digital + Physical
(Why)

1. **Whales.** Brands (like Nike, JCrew) have hurt themselves by cutting mail

2. **Costs.** CPAs are gonna suck more than usual in Q4 (Election + BFCM)

3. **Owned audiences.** Spend early on digital ads, pull back pre-peak. Then use mail.

Nike: An Epic Saga of Value Destruction

Massimo Giunco
CMO/Brand Strategist/Human Being

July 28, 2024

A month ago. June 28th, 2024. Nike Q2 24 financial results. 25bn of market cap lost in a day (70 in 9 months). 130 million shares exchanged in the stock market (13 times the avg number of daily transactions). The lowest share price since 2018, - 32% since the beginning of 2024.

U.S. political advertising spend
Annually; 2016-2023, 2024-2028 projected
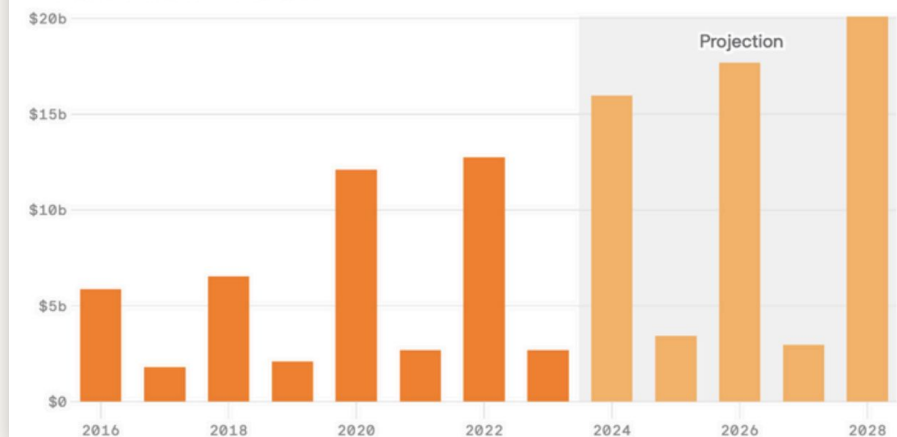
For BFCM: Digital + Physical
(How)

- Hit the whole funnel

- Prospecting: AcquisitionAI

- Retargeting: MailMatch^{TM} + SiteMatch^{TM}

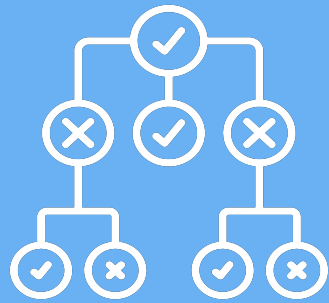- Retention: Winbacks, incl. "reawakening zombies" (unengaged customers)

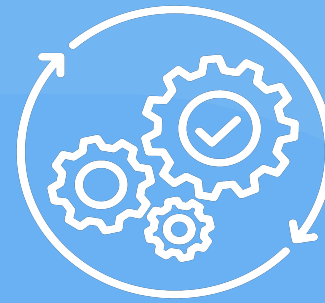# 2. Consider DM new customer acquisition

PostPilot

We put the AI in MAIL

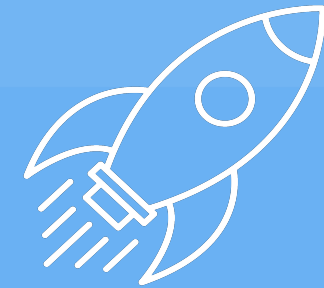Run direct mail prospecting campaigns more like Meta.

Test

Like Meta, launch initial campaigns with multiple models and creatives.

Optimize

As conversions come in, data is fed back into the models for the next batch. Rinse & repeat.

Scale

Lean into what's working and ramp up budget.

Engaging Formats

Test various styles to maximize ROI.
Done-for-you design.

Postcard

Lowest cost. Good for brands not requiring much explanation.

Cardalog

Lower minimums than catalogs. Ample space for presenting assortment and inspiration.

Catalog

Tell your full brand story, show full assortment, and engage with content.
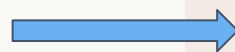
3. Consider a gift guide

PostPilot

15% off Use Code DEN15

15% off Use Code MOON15

Tekay Subheadv Nunc feugiat tristique ante, at rhoncus nisl pharetra gravida. *Rocky Performance Velvet Fabric fschumacher.com*

Tekay Subheadv Nunc feugiat tristique ante, at rhoncus nisl pharetra gravida. *Rocky Performance Velvet Fabric fschumacher.com*

15% off Use Code BLU15

Tekay Subheadv Nunc feugiat tristique ante, at rhoncus nisl pharetra gravida. *Rocky Performance Velvet Fabric fschumacher.com*

Zen Den

Pour some tea, cue the perfect off–duty playlist, grab a chic throw, and cozy up.

Morning Glory

Tekay Subheadv Nunc feugiat tristique ante, at rhoncus nisl pharetra gravida. *Rocky Performance Velvet Fabric fschumacher.com*

Fuzzy slippers, heavenly bedding, and a smooth satin mask. The perfect combo for sweet dreams.

15% off Use Code BRKLN15

Tekay Subheadv Nunc feugiat tristique ante, at rhoncus nisl pharetra gravida. *Rocky Performance Velvet Fabric fschumacher.com*

Tekay Subheadv Nunc feugiat tristique ante, at rhoncus nisl pharetra gravida. *Rocky Performance Velvet Fabric fschumacher.com*

15% off Use Code PARA15

Tekay Subheadv Nunc feugiat tristique ante, ate. *Rocky Performance Velvet Fabric fschumacher.com*

Tekay Subheadv Nunc feugiat tristique ante, at rhoncus nisl pharetra gravida. *Rocky Performance Velvet Fabric fschumacher.com*

SUMMER FRIDAYS.

Tekay Subheadv Nunc feugiat tristique ante, ate. *Rocky Performance Velvet Fabric fschumacher.com*

Tekay Subheadv Nunc feugiat tristique ante, ate. *Rocky Performance Velvet Fabric fschumacher.com*

Magnesi-Om

RESTORE

15% off Use Code MOON15

Tekay Subheadv Nunc feugiat tristique ante, at rhoncus nisl pharetra gravida. *Rocky Performance Velvet Fabric fschumacher.com*

Tekay Subheadv Nunc feugiat tristique ante, ate. *Rocky Performance Velvet Fabric fschumacher.com*

SUMMER FRIDAYS

Tekay Subheadv Nunc feugiat tristique ante, ate. *Rocky Performance Velvet Fabric fschumacher.com*

15% off Use Code PARA15

Mind & Body

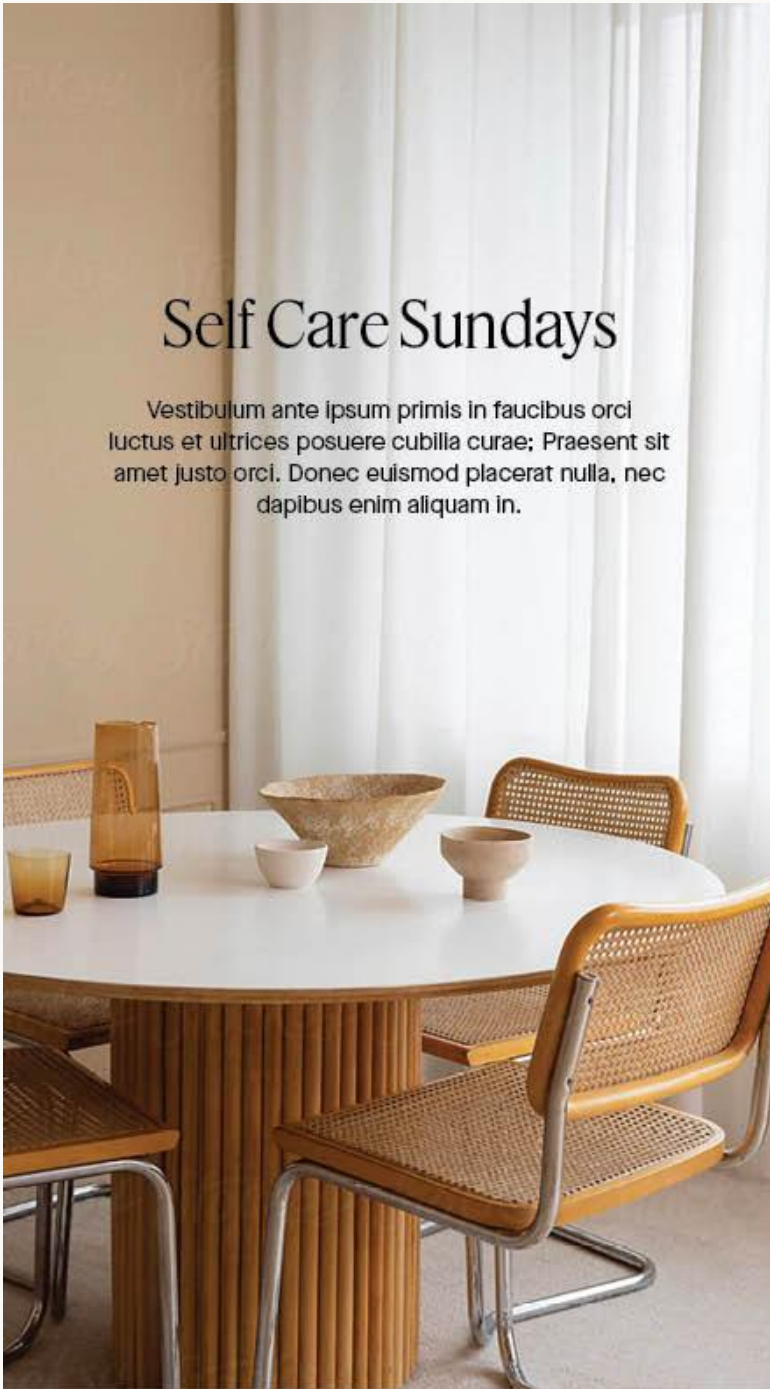A restoring candle, plush towels, and other necessary indulgences to channel the ultimate stay–in spa.

Self Care Sundays

Vestibulum ante ipsum primis in faucibus orci luctus et ultrices posuere cubilia curae; Praesent sit amet justo orci. Donec euismod placerat nulla, nec dapibus enim aliquam in.

Ready for a Reset?

Curated picks from your favorite brands for the perfect wind down at home.

Exclusive Offers from Your Favorite Brands!

See inside for details.

brooklinen   Fable   BLU DOT

DENVER MODERN   SUMMER FRIDAYS

PARACHUTE   Moon Juice   blissy

Brand Logos

Shared Cardalog | Weekend Reset

Overall

ers - Orders	Existing Customers - Orders	Rev. per Recipient	ROAS	New Customers ROAS	CVR
0	203	$0.42	4.15x	1.39x	0.60%
0	46	$0.49	4.88x	3.41x	0.29%
0	75	$0.51	5.07x	2.33x	0.24%
0	26	$0.36	3.60x	2.15x	0.15%
0	14	$0.47	4.70x	4.37x	0.06%
0	1	$1.24	12.37x	12.33x	0.05%

4. Run some reports

PostPilot

Must Run Analysis #1
Recency Analysis

- List dump → bucket customers by 30, 90, or 180-day intervals (bigger ints. further back)

- **Bring 'em back with mail (no opt-in)**

- Win back customers from 3-5 yrs ago

How HexClad Uses Recency Over BFCM

"HexClad uses purchase recency to steer offer timing and messaging in our owned channels over BFCM and post-BFCM. For example, we aim to drive second purchases among customers we acquire in October/November with a combination of email, SMS, and direct mail, and we use direct mail to win back lapsed customers (specifically during purchasers from last year's BFCM, as well as any high value lapsed customers)."

Andrew Windle
Director of Retention

Must Run Analysis #2
Highest LTV Product

- Break down products by LTV (appx → gross margin/customer)

- Most orgs have a product/SKU that drives 10-30% more LTV than the next best

- Lead with this over BFCM → ads, email, SMS, direct mail

LTV by First Order Product

5. Optimize your merchandising

PostPilot

It's Getting Cold. Bundle Up.

- Volume discounts to get that first-purchase GM%: protein, coffee

- Bulk refill programs: soap, beauty, pet food

- Premium Service Upsell (consult, installation)

- GWPs
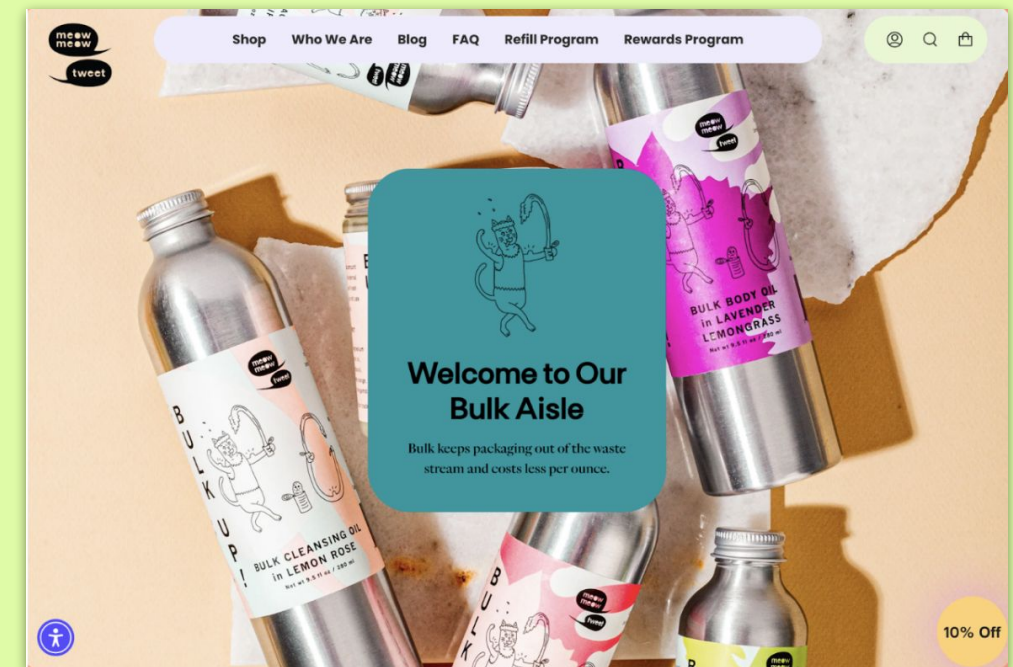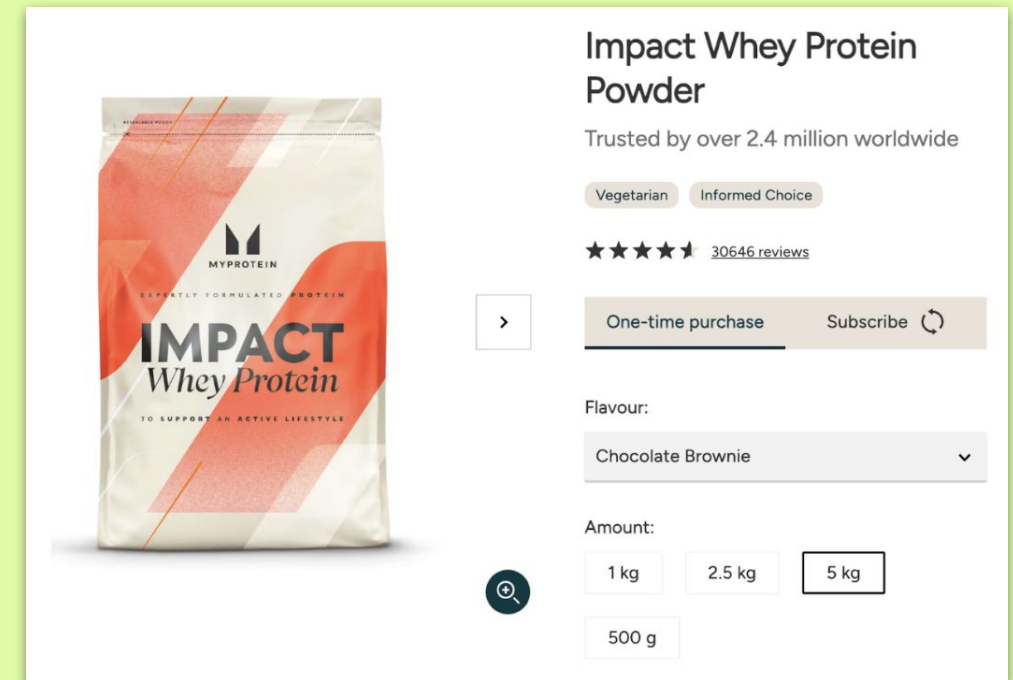
Stop Free Shipping
(Or Set a Threshold)

- Biggest retailers aren't shipping free

- Set free shipping threshold @50-75% of AOV

- 3 reasons:
  - Taxes lowest value customers
  - Instant higher margin on low AOV
  - Customers increase cart size
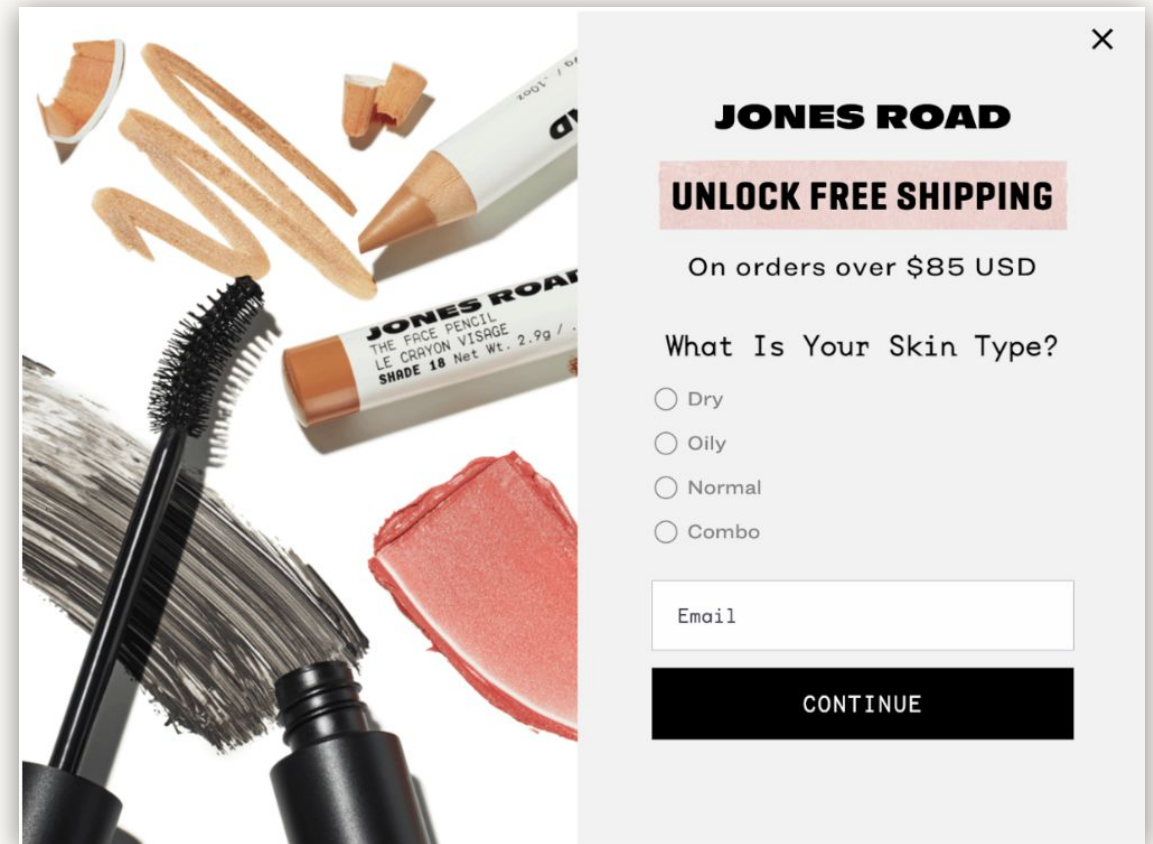
Discounting? Let's Discuss.

- The Jones Road route: don't discount at all
  - Launch limited release/beloved product
  - Skyrocket demand
  - Massive, profitable revenue

- May want to reduce discounting gradually (by 10-30% less YoY)

6. BFCM doesn't end on BFCM

PostPilot

Post-BFCM:
What'd'yado?

- Time between orders (another must-run analysis)
  - Free in PostPilot App

- Use for **Alert Marketing**

- Drive second purchases among customers reactivated or acquired in Q4

- Pairs well with email + direct mail

Time between 1st and 2nd orders
● Total Customers ● Cumulative % of Repeat Orders
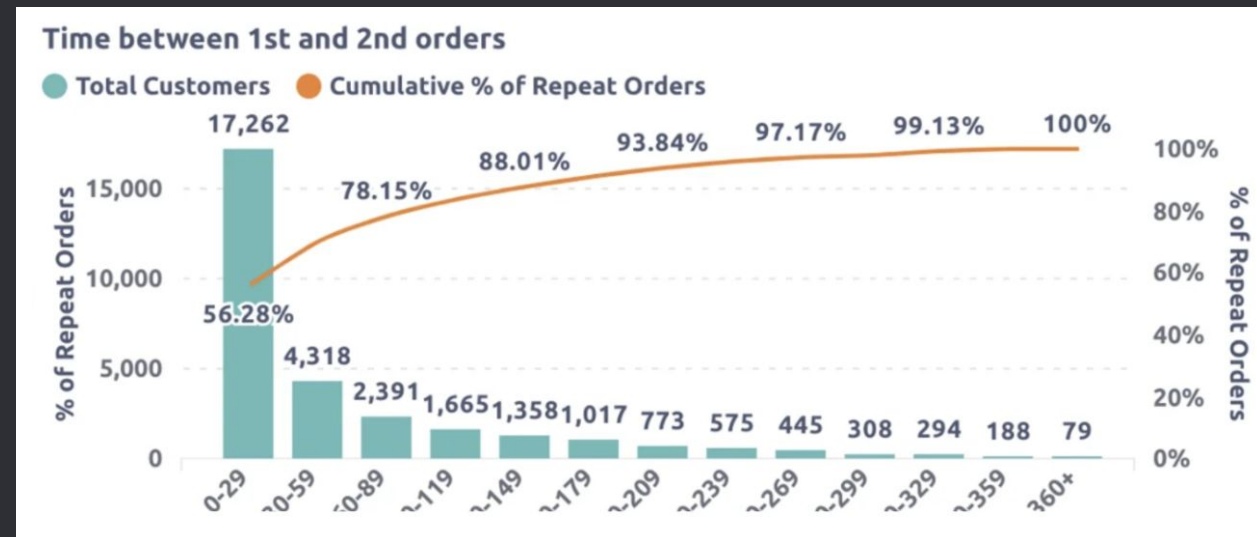
Engineer a second purchase

One-off promotional or seasonal events

Abandoned carts

Handwritten VIP cards

Win-back campaigns

Cross-sells

Next steps?

PostPilot

Q4 GFO

- Done for you setup, strategy, creative & optimization.
- 4 months of our Pro plan. ($2000 value)
- Up to 7,000 free cards towards your first send. (Up to $5600 value)
- Fully built, full funnel campaigns: Reactivation, MailMatch, SiteMatch & Prospecting.

PostPilot.com/GFO

PostPilot

POSTPILOT.COM