Preparing for a Profitable BFCM

What 2022's Data Tells Us

DATA-BACKED REPORT



BeProfit

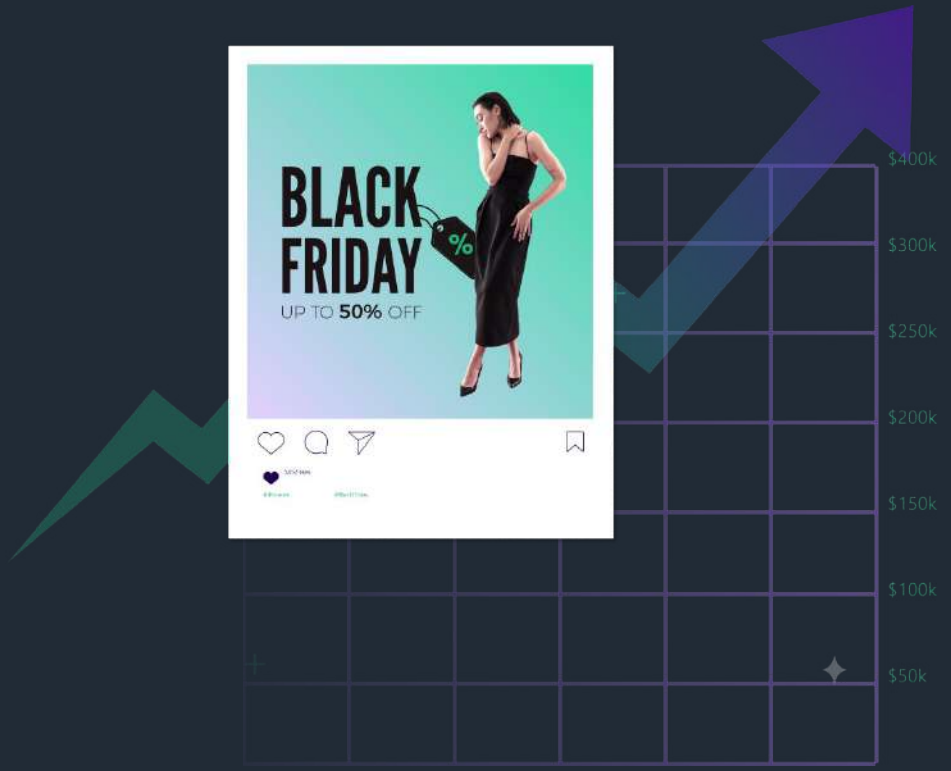
Wouldn't it be incredible to have
a crystal ball to foresee your BFCM 2023 profits?

We can't offer magic, but we've got the next best thing: DATA!



We've crunched the numbers of 50,000 transactions over 2022 BFCM from our BeProfit customers, grouping them into key industries.

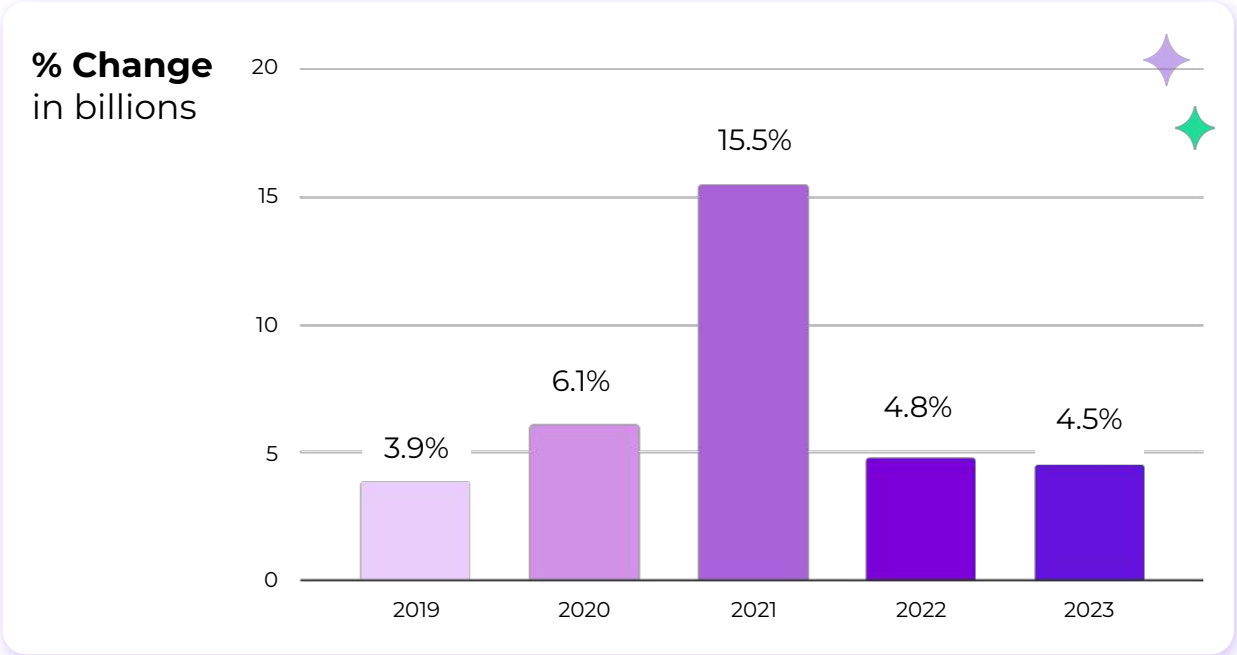
Looking at BFCM in the eyes of the 2022 economic downturn: BFCM Showing Resilience



U.S Retail holiday season sales

While the spike in 2021 stands out, don't overlook the solid 4.8% growth in 2022.

This is expected to continue, with analysts predicting a similar 4.5% bump for 2023.



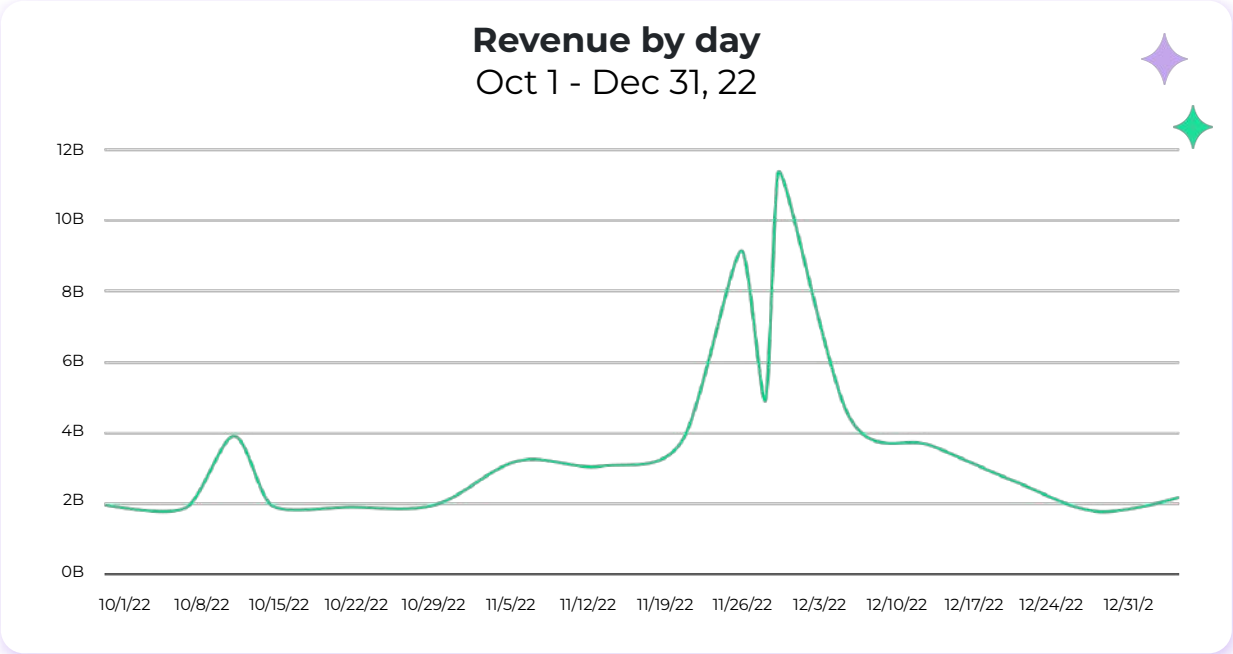
Cyber monday, Black friday 2019 - 2023

Source: Insider Intelligence

Jump in sales

Last year,
BFCM sales jumped from an average of 2-4 billion to over 9 billion.

This remarkable jump is even more impressive due to the economic crisis.



Source: Adobe Analytics

BFCM continued to generate substantial profits, demonstrating resilience and the unwavering consumer appetite for deals and discounts.

211.7

Billion dollars revenue

Adobe Analytics reveals that this was part of a larger trend, with a total holiday season revenue of 211.7 billion dollars, and that the hottest products that were best sellers were Airpods and Air Fryers.

But remember,
more sales don't always mean more profits.

More sales



More profits

Now let's dig into our network data for the nitty gritty and more interesting info.



Gross Margin Performance per Discount Rate

Industry	Discount Rate	Average Gross Margin
 Clothing fashion	1- -10	81
	41- -50	44
	61- -70	11
 Electronics	1- -10	62
	41- -50	23
	61- -70	6
 Home beauty	1- -10	57
	41- -50	46
	61- -70	37
 Jewelry Accessories	1- -10	74
	41- -50	61
	61- -70	39
 Toys Games	1- -10	55
	41- -50	11
	61- -70	-47

How Did the Discount Rate Impact the Shop's Gross Margins?



The Jewelry and accessories sector maintains strong gross margins across varying discount ranges.



The margin drops sharply in Clothing, Electronics, and Toys and games as discounts rise above 10%.



All in all, the Toys and games sector has the lowest profit margins. Offering a 61-70% discount appears unprofitable, especially for short-term results.



Health and beauty and Jewelry and accessories sectors remain consistent, showing relatively strong gross margins even when offering high discounts. Given the appeal these discounts have to attract new customers, it might be worth testing

Free Shipping vs Same Day Delivery

		Average Order Value (AOV)		Average Gross Margin	
	Industry	**Free Shipping**	**Same Day**	**Free Shipping**	**Same Day**
	Clothing Fashion	118	121	70	72
	Electronics	293	297	52	68
	Health Beauty	122	115	30	46
	Home Garden	189	188	49	49
	Jewelry Accessories	179	190	59	55
	Toys Games	62	65	31	32

Free Shipping vs Same Day Delivery

What Pays Off?



Clothing

Same-day slightly boosts Average Order Value (AOV) and margin



Electronics

Same-day delivery notably lifts margins and modestly increases AOV



Health and Beauty

AOV drops, but margins rise with same-day delivery. Is this worth the trade-off?



Home and Garden

Shipping type seems to have no impact



Jewelry

AOV goes up, but margins are slightly down with same-day delivery.



Toys and Games

Lowest Gross Margin and modest AOV, regardless of shipping method.
The differences are slim.

How Did Popular Gateway Processors Bite Into eCommerce Profits?

Getway	Total Transactions	Average Gateway Fee
shopify	147,406	3.0%
PayPal	80,318	3.6%
Braintree	47,155	5.3%
GlobalE	19,467	3.9%
stripe	19,370	2.3%
authorize.net	8,513	0.6%
amazon pay	8,256	2.9%
Klarna.	6,808	1.2%

shopify

Most of our customers are Shopify stores and they use Shopify Payments and PayPal and pay 3% and 3.6% fees respectively on average.

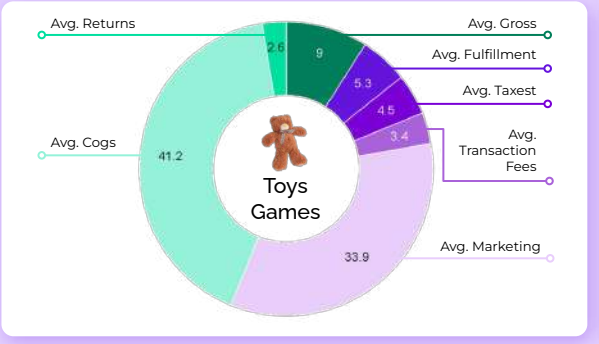
amazon pay

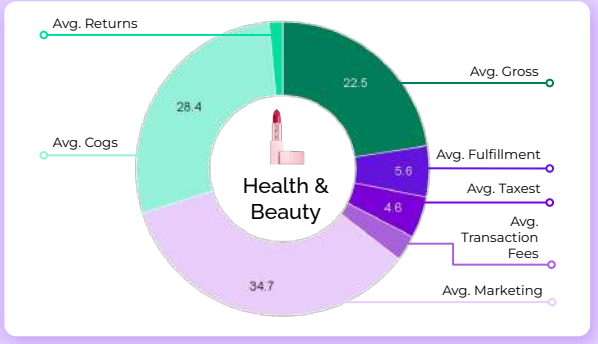
Amazon Pay (which also offers a one-click payment) costs only 2.9% commission.

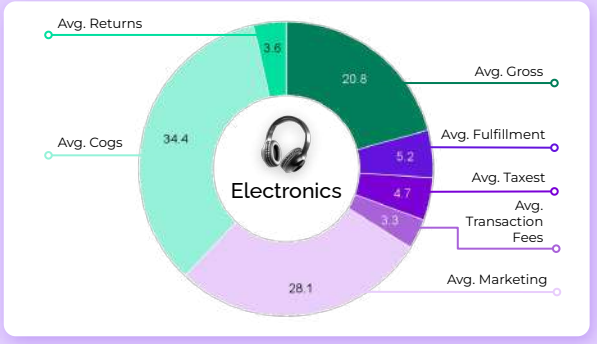
Braintree

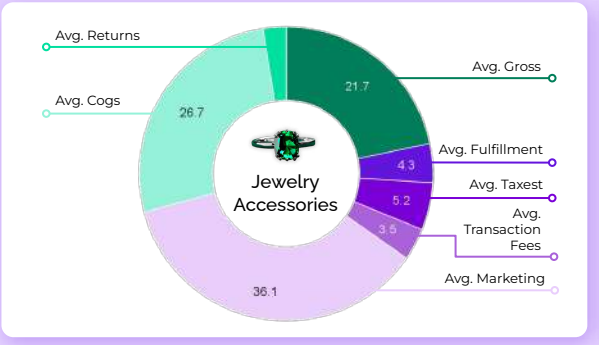
For implementing Braintree's one-click payment our customers pay a 5.3% commission

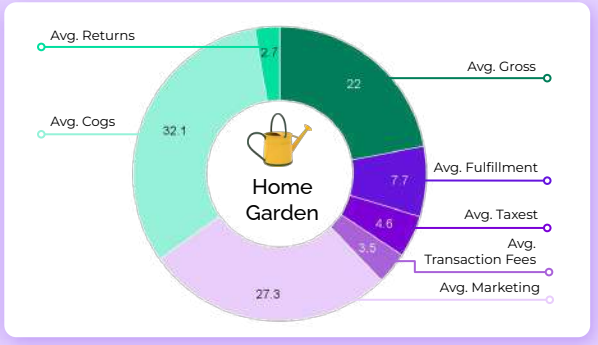
Costs Breakdown on BFCM









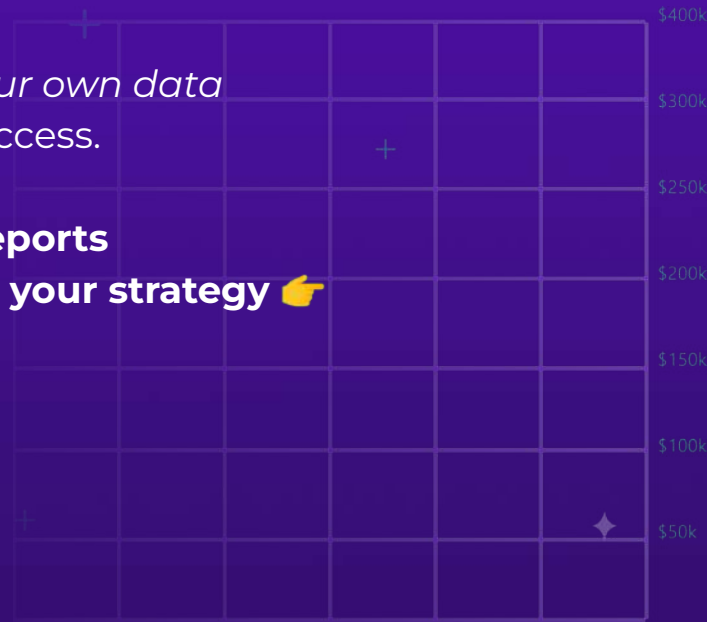




Use Your Data to Lift Your Store's Bottom Line

Industry numbers are helpful, but *your own data* is essential for YOUR BFCM success.

Here are a few examples of reports and data to look at to help you fine-tune your strategy 👉

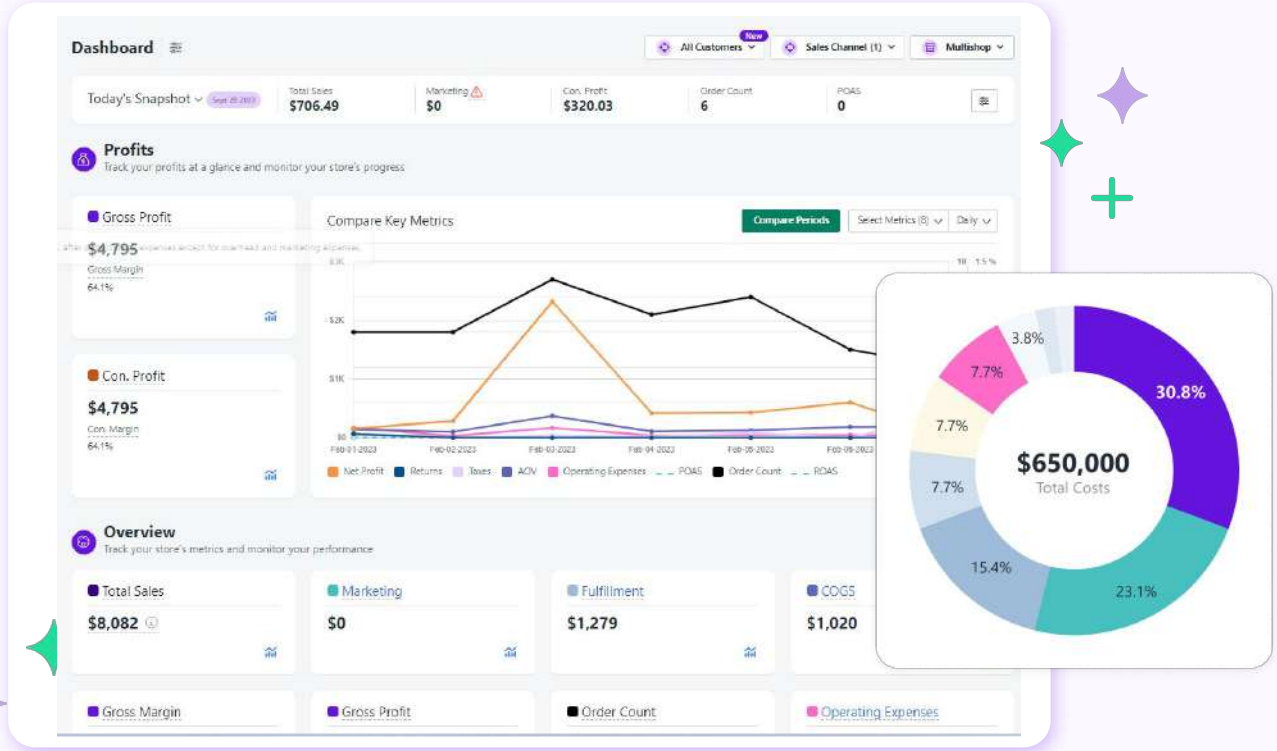


Main Overview Dashboard

This is how they look like in BeProfit:

*Don't have an account?

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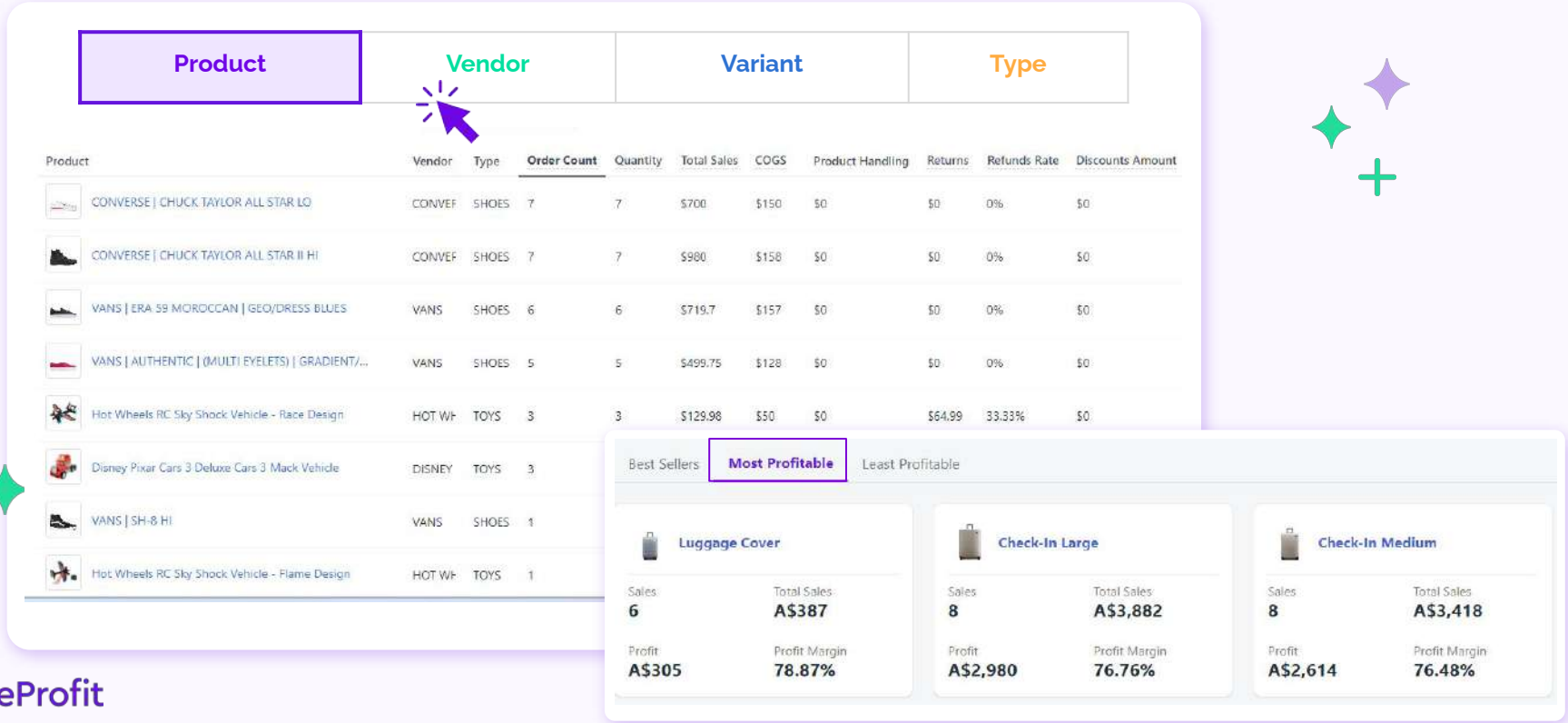


Orders Report

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ID	Status	Customer	Items	Paid	Shipping	Handling	Fulfillment	Tax	Processing Fees	COGS	Gross Profit	Gross Margin	Marketir	Con. Profit (New)	Con. Margin (New)
	Paid, Unfulfilled		1	$120.23	$12.02	$6.85	$18.88	$20.23	$2.84	$26	$46.27	46.27%	$0	$46.27	46.27%
	Paid, Unfulfilled	Foreman	1	$18.99	$1.9	$1.08	$2.98	$0	$0.45	$4.9	$9.71	51.14%	$0	$9.71	51.14%
	Paid, Unfulfilled	Alscher	1	$140	$14	$7.98	$21.98	$0	$3.3	$32	$75.72	54.08%	$0	$75.72	54.08%
	Pending, Unfulfilled	Levy	1	$505.64	$50.56	$28.82	$79.39	$375.69	$11.93	$38	-$24.65	-18.97%	$0	-$24.65	-18.97%
	Paid, Fulfilled	Levy	3	$74.13	$7.41	$4.23	$11.64	$0	$1.75	$7	$50.04	67.5%	$0	$50.04	67.5%
	Pending, Unfulfilled	Bender	1	$39.99	$4	$2.28	$6.28	$0	$0.94	$18	$12.77	31.93%	$0	$12.77	31.93%
	Partially paid, Unfulfilled	Holt	3	$150	$15	$8.55	$23.55	$0	$3.54	$26	$89.41	59.61%	$0	$89.41	59.61%
	Paid, Unfulfilled	Stark	4	$519.8	$51.98	$29.63	$81.61	$0	$12.27	$31	$368.93	70.98%	$0	$368.93	70.98%
	Paid, Unfulfilled	Holt	1	$140	$14	$7.98	$21.98	$0	$3.3	$16	$91.72	65.51%	$0	$91.72	65.51%

Product Profit Report



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LTV Report, Live P&L, Multi Shop Report

Cohort	Customers	CAC	LTV	0	1	2	3	4
Week 01	50	$150	$180	$80	$180	$90	$190	$120
Week 02	46	$230	$195	$120	$90	$160	$70	
Week 03	42	$95	$180	$160	$280	$180		
Week 04	66	$120	$170	$110	$320			
Week 05	71	$115	$110	$110				

	Total Sales	Gross Profit	Net Profit	Costs
Jade Accessories	$105k	$46.5k	$35.3k	-$5.3k
Jade Jewelry	$64k	$42.5k	$25.5k	-$18.3k
Jade Home Decor	$223k	$126k	$86k	-$12.3k
Total	**$392k**	**$215k**	**$146.8k**	**-$35.9k**

	Jan	Feb	Mar	Total
Revenue	**$223k**	**$254k**	**$301k**	**$778k**
Discounts and Refunds				
Discounts	-$32k	-$36k	-$42k	-$110k
Returns	-$13k	-$18k	-$15k	-$46k
Total	-$45k	$54k	-$57k	**-$156k**
Fulfillment				
Shipping	-$21k	-$17k	-$23k	-$61k
Handling	-$12k	-$14k	-$12.2k	-$38.2k
Total	-$33k	-$31k	-$35.2k	**-$99.2k**
Con. profit	**$145k**	**$169k**	**$209k**	**$522.8k**

BeProfit

Effortlessly Maximize on BFCM Profits with BeProfit

BeProfit empower eCommerce brands to optimize their shop for profit first.

By uncovering what's eating your margins and what's contributing to your profitability growth, we enable you to maximize every profit opportunity.

Make your BFCM all about profit growth by using Beprofit's ready-made reports.

Book a Demo Today

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BeProfit

Our Impact

After 3 Months

+24% Con. Profit

+20% POAS

5-10 Weekly Hours

Our Brands

+1000

Profit-first Optimized Merchants