

From Black Friday to Christmas

How will shoppers & retailers spend money on holiday season 2018?

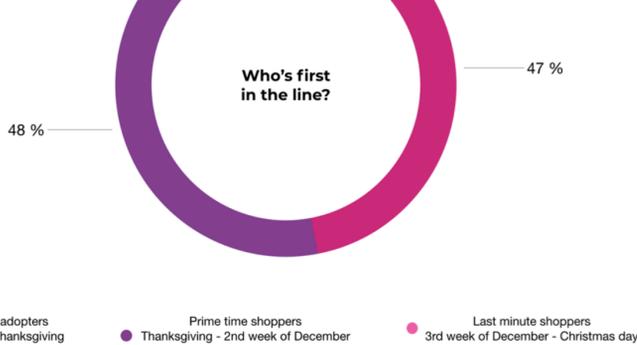
The busiest season of the year

At least 30% of retail sales take place between Black Friday and Christmas season. The season when the shoppers' dreams come true officially kicks in on Thanksgiving and comes to an end after Christmas.

Not only shoppers prepare for the spending marathon, retailers invest billions in advertising to keep purchasers' wallets wide open. Exactly in 2018 the US brands have the chance to skyrocket their profits as 84% of consumers will be spending money like never before - \$1,250 per each holiday.

Let's take a sneak peak!

Shoppers



Outcomes: The majority of shoppers prefer to wait till Thanksgiving - 2nd week of December and then run for the presents. Almost the equal part (47%) belongs to the early birds as they start purchasing before Thanksgiving starts, and only 5% leaves the shopping for the last minute (The Christmas day).

Online purchasing is on fire

the national survey of 2,071 consumers, August 2018

84% of consumers are shopping online

75% are shipping both online and in stores

30% of consumers use smart payment

Outcomes: Same as the last year (2017), this holiday season 84% of shoppers shop online. 75% buy both in online and average stores. A good part of people (30%) is using smart payment for transactions.

Purchasing methods: mobiles win

the national survey of 2,071 consumers, August 2018

In stores

24%

6% Year-over-year increase



Smartphone

50%

High-earning millennials

16%

8% Year-over-year increase



Wearable

41%

High-earning millennials

Online

39%

via smartphone



«Buy» buttons

57%

millennials

25%

via smartphone



Shoppable photos

42%

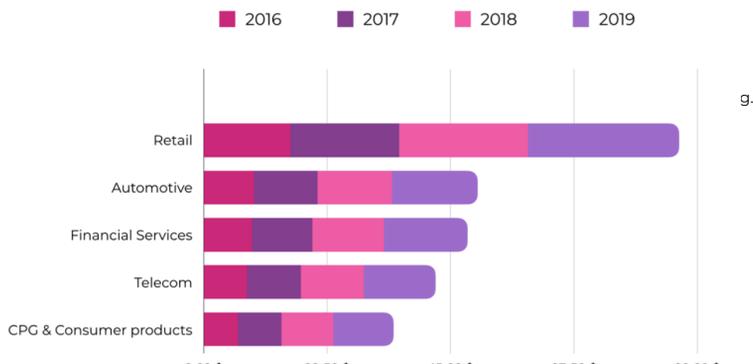
millennials

Outcomes: 24% of high-earning millennials (aged 23-36 earning \$70,000 or more annually) will use smartphone for shopping (6% Year-over-year increase compared to 2017) and 16% by wearable (8% Year-over-year increase respectively). 39% of Millennials who earn less than \$70,000 will use "buy" buttons via smartphone and 25% will click on shoppable photos.

Retailers

Retail leads in digital ad spending

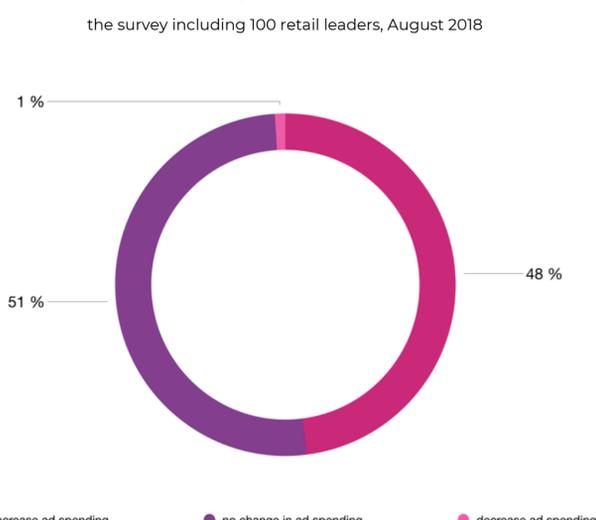
US Digital ad spending, by Industry (2016-2019), Billions and GAGR



Outcomes: In 2018, the retail is still the leading industry that invests more than others in digital advertising. The trend has been growing since 2016 since it's crucial for the retailers to win in search. The industry leaders spend \$23.50 billions in 2018 and \$27.58 in 2019.

Digital advertising budgets grow: the comparison to 2017

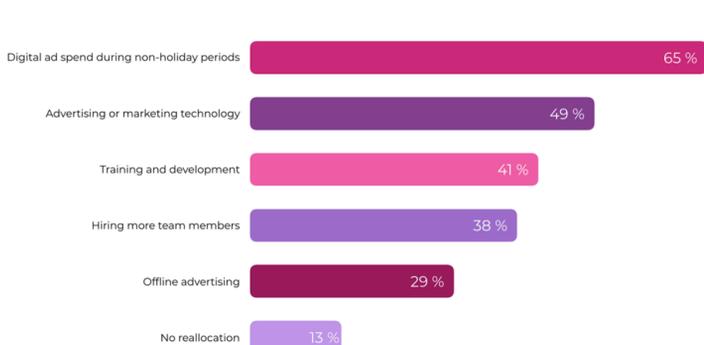
the survey including 100 retail leaders, August 2018



Outcomes: 51% of retailers don't change their ad spending on holidays. While 48% of questioned increase their budgets, only 1% shrink their ad budgets in 2018 compared to the previous year (2017).

How retailers reallocate holiday digital ad spend

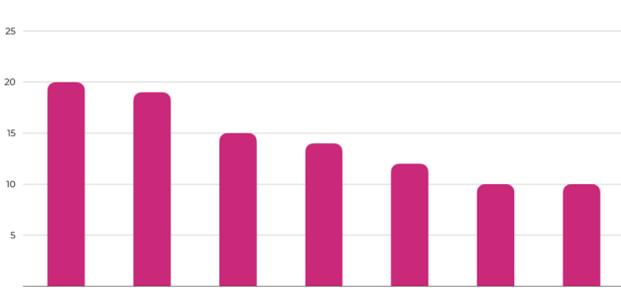
the survey including 100 retail leaders, August 2018



Outcomes: 65% of retailers reallocate their digital ad spend during non-holiday periods. As well, the retailers like to shift the ad spend for the different periods of the year, subsequently investing in advertising or marketing technology, training and development.

Holiday retail digital ad spending by channel

the survey including 100 retail leaders, August 2018



Outcomes: The retailers prefer to invest their budgets on the Searching ad campaigns, Social, and Display. The rest of the funds are allocated on the Video advertising (14%), Email (12%), Native/Branded Content (10%), and Audio ad format campaigns (10%)

Happy Holidays!