



THE MARKETER'S

2015 HOLIDAY FORECAST

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How Marketers Are Gearing Up—Online and Offline

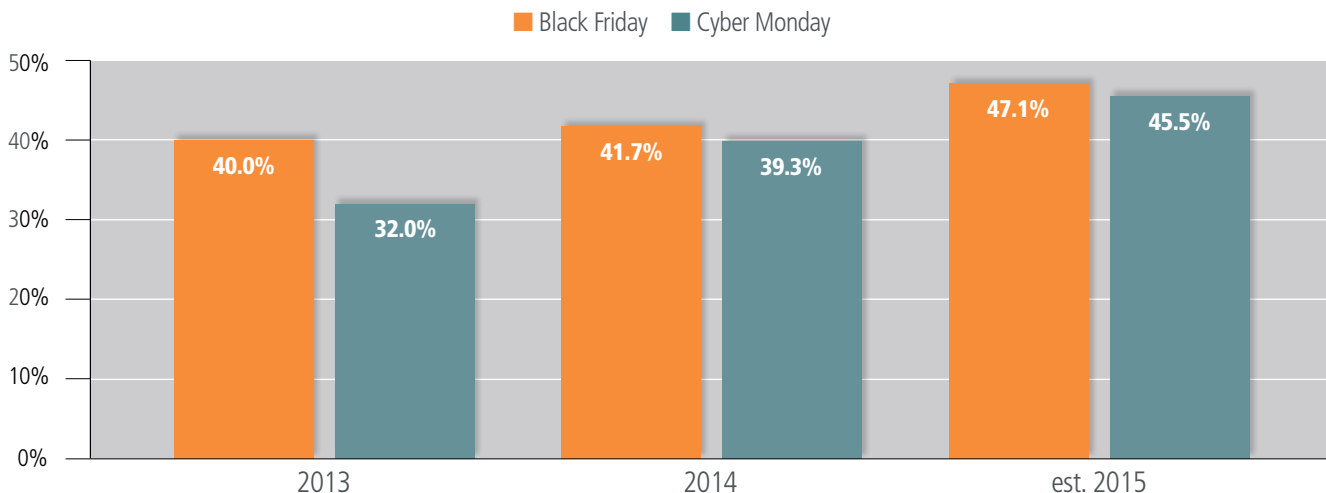
The Black Friday-Cyber Monday weekend is the blockbuster sales period for marketers, not just as the holiday launching point, but also as a contributor to overall annual sales. Digital sales are gaining as consumers find it easier than ever to research and make purchases from all of their devices, thanks to the growth in cross-device usage, mobile and apps. To help brands prepare for this crucial holiday period, Ad Age and Criteo conducted an exclusive survey to find out what steps are key to success. Here are the three main points that marketers and their agencies need to know:

- **Marketers need to start earlier than ever to prepare for the holiday shopping and buying season.** Make sure your brand is ready by establishing your marketing plans (including infrastructure and themes) but remaining flexible with things like budget and channel strategy to adapt—to double down, for instance, when you see results.
- **The holiday kick-off weekend will bring in huge sales, not just for the holidays but for annual results as well.** While fourth-quarter sales are always an important season for retail advertisers, consumer expectations of sales and supply mean that this trend is even more pronounced in the last five weeks of the year.
- **Omnichannel optimization is a must.** Your customers are using multiple devices, and if your digital assets aren't fully optimized for mobile at all points of contact (mobile Web, in-app, email and, yes, traditional advertising), you aren't optimized for sales.



THE IMPORTANCE OF BLACK FRIDAY AND CYBER MONDAY

Black Friday is critical to the overall success of marketers' annual sales, while Cyber Monday is a key contributor to annual digital sales.



Base = 257 respondents; based on 8-10 ratings on a scale where 1 is "not at all important" and 10 is "extremely important."



FOURTH QUARTER ACCOUNTS FOR DISPROPORTIONATE SALES

According to the Ad Age-Criteo survey, 47.1% of respondents said Black Friday will be very important to their 2015 annual sales effort, and 45.5% rated Cyber Monday just as highly as a contributor to their overall digital sales success. The importance of this weekend has increased significantly over the past two selling seasons, respondents said.

James Smith, Criteo’s exec VP of the Americas, says the company expects that 24% to 33% of this year’s holiday shopping will occur during the Black Friday-Cyber Monday weekend, fueled by great deals and heavy marketing. Survey respondents estimated that 30.6% of their total annual digital budget will be spent during the traditional holiday period this year, up from 24.1% in 2013.

Mr. Smith says the explosion of shopping via mobile devices will only accelerate the trend. Even more consumers can take advantage of first-weekend holiday shopping, he says, “because they don’t have to be sitting at their desktop computer to access information or deals—they can be shopping on their phones while at the mall or on the road.”

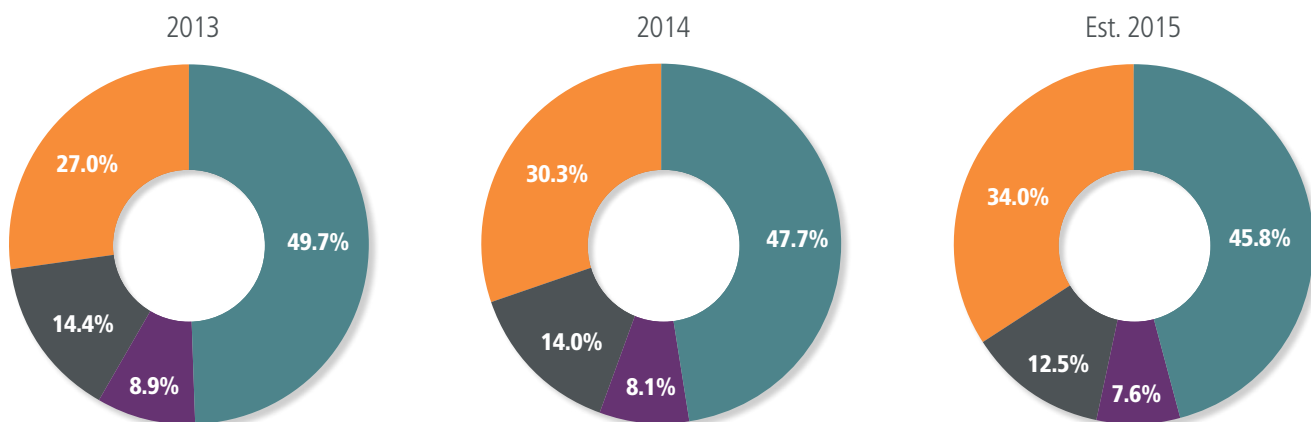
The increasing ease and popularity of mobile shopping is one of the factors insiders cite when predicting a strong 2015 holiday shopping season overall.

HOLIDAY SALES BY CHANNEL

Digital and mobile are gaining on in-store visits as holiday sales leaders.



■ Email ■ Digital/mobile ■ In-store ■ Other



Base = 257 respondents; average percent.



SUCCESSFUL HOLIDAYS START NOW

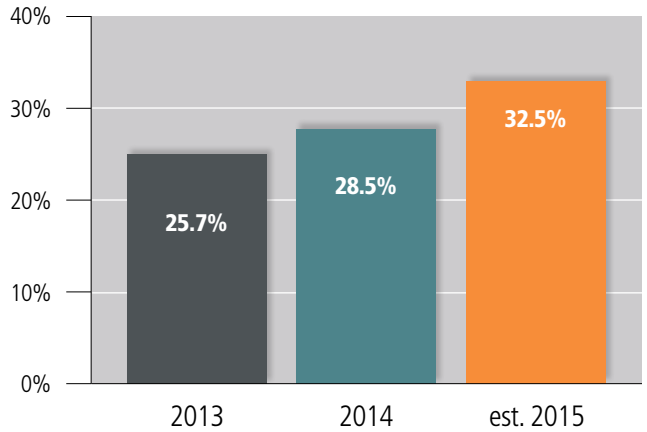
“[Moving early has] been huge for us in the last couple of years,” says Craig Shields, VP-eCommerce for Jewelry TV, or JTV.com. “In a baseball game, it’s good to get some runs in the first inning. That is how we think of the first week of the holiday season.”

For JTV, which sells through its TV shopping network and its website, holiday messages can start as early as October “to get to customers a little early when ... they are not necessarily actively engaged in shopping, but we’re introducing them to products they might want to think about.”

Supporting Mr. Shields’ comments, respondents to the Ad Age-Criteo survey said they expect nearly a third, or 32.5%, of their digital sales to take place during the holiday selling season—up from just 25.7% in 2013.

DIGITAL SALES DURING THE HOLIDAYS

The holiday period accounts for a growing percentage of annual sales.

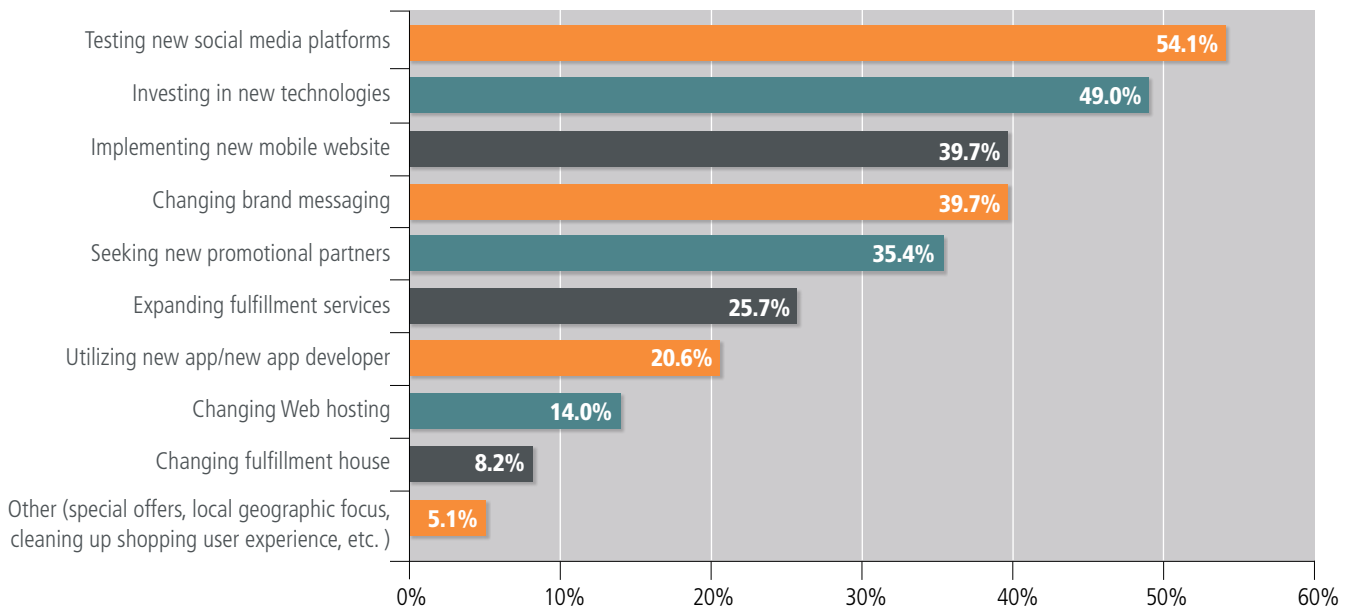


Base = 257 respondents.



HOW MARKETERS ARE GEARING UP FOR THE HOLIDAY 2015 RUSH

Social, mobile and new technologies are key to holiday sales efforts this year.



Base = 257 respondents.



TARGET HOLIDAY DIGITAL SALES WHEN BUDGETING

Ad budgets reflect the growing importance of digital sales during the holiday season. Ad Age-Criteo survey respondents estimate that 39.3% of 2015 annual ad budgets are being targeted to digital sales—up from 27.0% in 2013 and 33.2% last year. And according to the survey, marketers are spending an increasing portion of those digital ad budgets specifically during the holiday selling season, up to an estimated 30.6% for the 2015 season, compared to 26.8% in 2014.

“People are continuing to spend on digital advertising, and e-commerce is increasing,” says Mollie Spilman, chief revenue officer at Criteo. “Now that consumers can buy on a watch, a smartphone, a computer, a tablet or a television, I think that will only keep growing.” Criteo research shows that 40% of people are using multiple devices to shop—“showrooming,” shopping and comparing and contrasting products. Beyond that, consumers are “webrooming”—using their digital devices to do their research before going to the store to purchase the item.

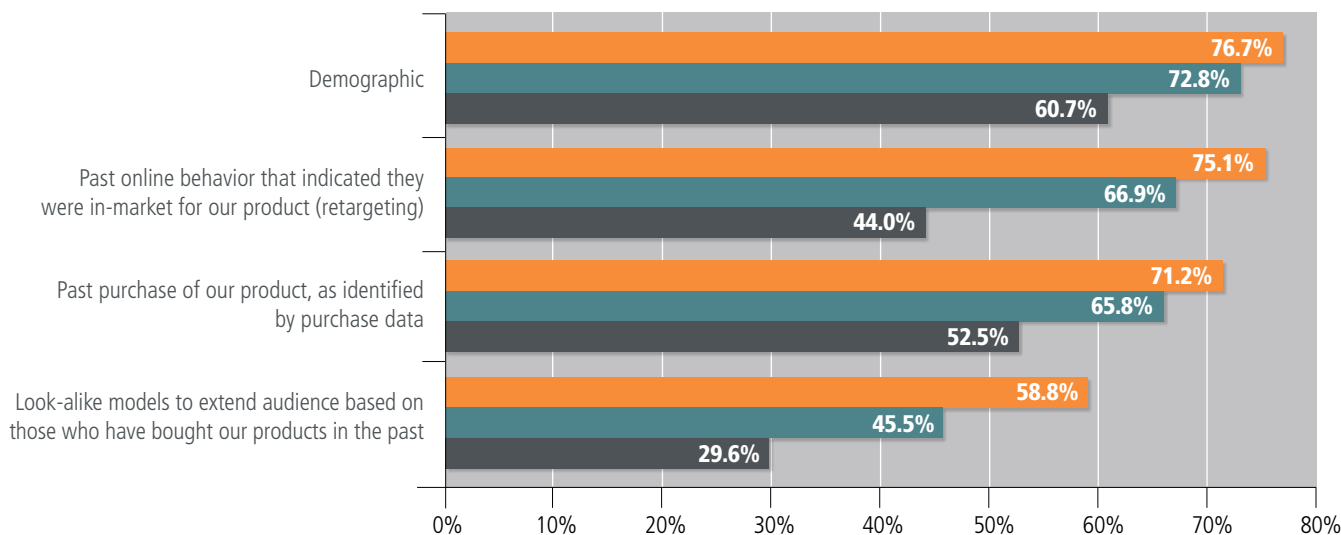
When asked what they were doing to gear up for the coming holiday season, more than half of survey respondents said they were testing new social platforms. Some 49% said they were investing in new technologies, followed by those who said they were changing brand messaging (39.7%), implementing a new mobile website (39.7%) and seeking new promotional partners (35.4%).



DIGITALLY TARGETING CONSUMERS DURING THE HOLIDAYS

Marketers are putting more emphasis on demographics and past behaviors when digitally targeting their audiences.

Est. 2015 2014 2013



Base = 257 respondents.



THERE'S NO PLACE LIKE MOBILE FOR THE HOLIDAYS

"This holiday season, it will be all about mobile," Mr. Smith says, pointing out that Criteo expects half of digital sales to occur on mobile devices in 2016. Criteo's research shows 31% of all e-commerce transactions in the U.S. are coming from mobile devices, and globally that number is closer to 40%.

Respondents to the Ad Age-Criteo survey said mobile is not only important for e-commerce, but also for brand building. Some 52% said mobile would be very or extremely important to drive e-commerce this holiday season—but 57% said mobile would be very or extremely important in driving brand awareness as well.

Marketers are spending more on mobile initiatives overall. Some are choosing between mobile apps and websites optimized for mobile devices. A recent Criteo study, "State of Mobile Commerce," found that apps generate at least half of all mobile sales for retailers that have made their app experience a priority, generating 58% of all mobile revenue for those retailers. In fact, the report finds that apps convert visits to sales 2.8 times better than mobile Web and 1.8 times better than desktop sites.

According to the Ad Age-Criteo survey, 81.4% of respondents say apps will be important for dynamic creative for cross-targeting while 78.1% say they will be critical to mobile retargeting.



THE MOBILE WEB IN THE 2015 HOLIDAY SEASON

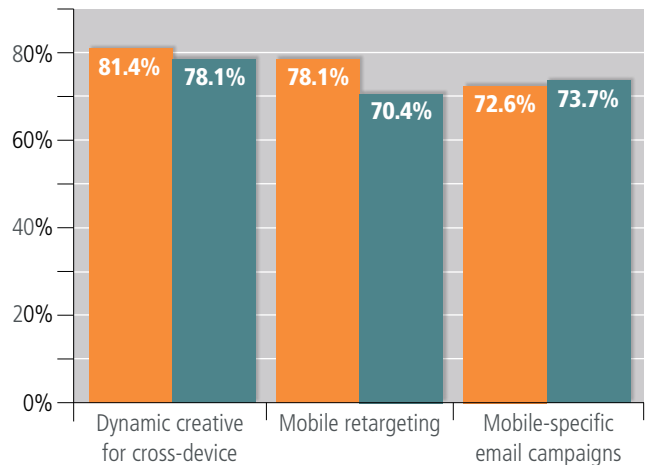
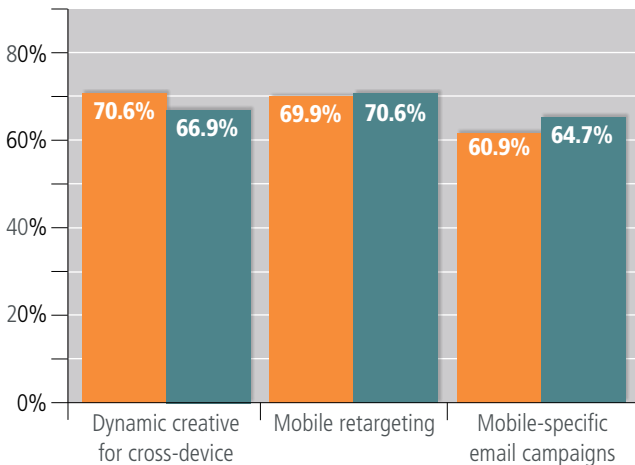
Mobile Web initiatives are both important and useful in marketers' holiday selling plans.



MOBILE APPS IN THE 2015 HOLIDAY SEASON

Mobile apps are even more important and useful than mobile Web initiatives for holiday efforts.

■ Importance ■ Usefulness



Base = 257 respondents; based on 8-10 ratings on a scale where 1 is "not at all important" and 10 is "extremely important."



OPTIMIZE CROSS-CHANNEL SALES WITH EMAIL AND SEARCH

Ad Age-Criteo survey respondents said the

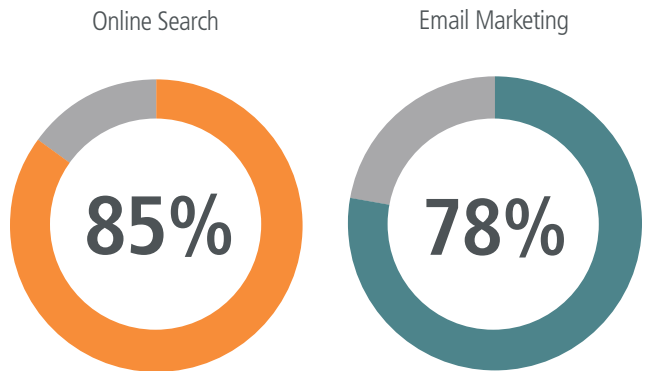
top two methods that will be used to optimize cross-channel sales this holiday season are online search and email marketing. Email is still the common denominator for Internet users, because almost everyone has an account, and with smartphones it can be accessed virtually anywhere—even in stores.

One of the reasons JTV has shifted resources to email marketing is that it's become a more attractive option in light of stiff prices and competition on paid search, Mr. Shields says.

"We have found that with our model, email could play a significant role in making or breaking certain weeks and dayparts of the holiday season," he says. "If we are sitting around and see sluggishness at 3 or 4 p.m. we can react and use email to improve the day."

BEST WAYS TO OPTIMIZE CROSS-CHANNEL SALES

Marketers rank online search and email marketing as the top two cross-channel optimization tactics.

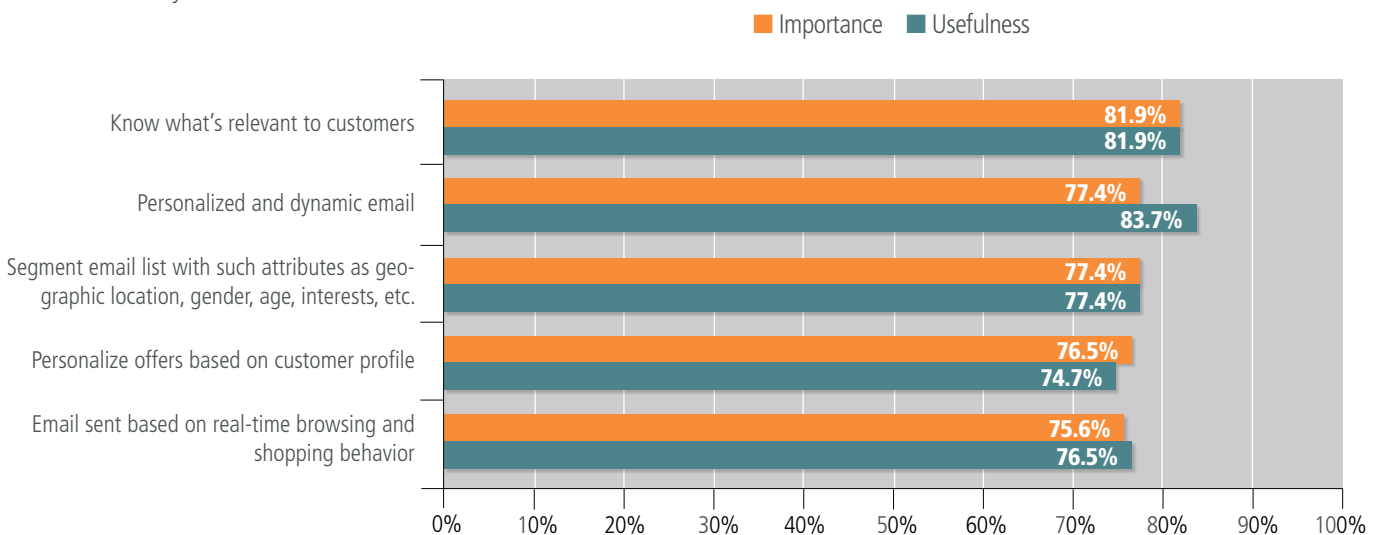


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EMAIL RETARGETING IN THE 2015 HOLIDAY SEASON

Marketers will be looking to email retargeting to help them get and stay personal with customers during this holiday season.



Base = 257 respondents; based on 8-10 ratings on a scale where 1 is "not at all important" and 10 is "extremely important."



BEST PRACTICES: HOW TO IMPROVE YOUR MARKETING EFFORTS

When asked what they learned from the 2014 holiday season that will be important to address this year, Ad Age-Criteo survey respondents' top answer: Mobile is key. As one respondent said, "Mobile is more important than ever. We might see the conversions and actual sales on desktop, but most information-seeking and decision-making is happening on mobile."

The other top learnings cited by respondents were the need to start early, differentiating and targeting ad messages, and the importance of digital.

THE 2015 HOLIDAY CHECKLIST

Criteo experts offer some best practices for effective holiday marketing:

It's never too early to start thinking about holiday marketing.

"We coach our clients to plan early," Mrs. Spilman says.

Don't forget about email marketing—integrate it into your overall marketing campaign.

Email is a key tactic for reactivating shoppers who went partway through the process and then dropped out. But Mrs. Spilman says you need to think about email strategies early because it takes longer to integrate with the rest of your digital marketing: "If you want the most personalized approach to email, you need to start a month ahead of time," she says.

Stay flexible.

If one channel is overdelivering results, you want to be able to support that with increased attention. "We tell our clients to make sure they have agility in their plans and fluid budgets to make adjustments as the season progresses," Mrs. Spilman says. That includes possibly increasing spending in response to success.

Keep spending after the first big weekend.

This year's holiday kickoff weekend runs Nov. 27 to 30. Because the weekend falls in November, make sure your holiday budget doesn't dry up once you hit December. "After Black Friday and Cyber Monday are over, there is still a lot of shopping time," Mrs. Spilman says. "Don't blow through your whole budget in those few days." Find increased sales, for instance, by retargeting messages to consumers who shopped early but didn't buy. In short, she says, "Careful planning and spending will help guarantee a successful holiday season."

ABOUT THE SURVEY: The Advertising Age-Criteo Holiday Marketing online research survey was conducted from June to July 2015 by third-party research firm Advantage Business Research. The final survey findings are based on 257 respondents made up of 58.4% agencies and 41.6% marketers, all based in the U.S. Fully 100% of respondents said they sell products and services via an e-commerce site. The margin of error for the total of 257 respondents of the survey, at a 95% confidence level, is +/- 6.1 percentage points.

Ad Age

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The Ad Age Content Strategy Studio, an extension of Advertising Age and adage.com, works with companies to help them tell their brand stories their way. Built on Ad Age's heritage of editorial expertise and excellence, the Content Strategy Studio works to develop the ideas that create an emotional connection with customers. Through articles, blogs, video, microsites, research, events, white papers and other opportunities, it provides end-to-end solutions for brands that will create the story that's fueling today's conversations.

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ABOUT CRITEO

Criteo delivers personalized performance advertising at an extensive scale. Measuring return on post-click sales, Criteo makes ROI transparent and easy to measure. Criteo has over 1,600 employees in 27 offices across the Americas, Europe and Asia-Pacific, serving over 8,500 advertisers worldwide with direct relationships with over 11,000 publishers.

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