

Social Advertising Trends

How consumers will shop this Fall

U.S. Report – July 2021



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A New Reality... Again:



1 A New Reality... Again

Shopping Behavior Changed and Isn't Really Changing Back

The events of the past year caused seismic shifts across industries. As “in-person” became nonexistent and brick-and-mortar stores and venues closed, consumers flocked to social media platforms, e-commerce apps, streaming services, and more at staggering rates.

As a result, marketers and advertisers were challenged to quickly adapt -- optimizing their marketing mix and to meet consumers where they were at the moment. Brands had to completely rethink and redesign their advertising strategies to capture audiences.

As vaccination rates in the U.S. rise, we're experiencing somewhat

loosened COVID-19 restrictions, showing a return to ‘normalcy.’ But what is this new normal...*again?* Of course, many are enjoying a return to in-person interactions -- from the option to travel as borders reopen to the ability to visit schools and offices. But, the way consumers engage with brands has irrevocably changed.

For a greater understanding of consumers' current shopping behaviors, sentiment towards brands and what they expect going forward, we conducted a survey of 1,000 US based consumers in July 2021.

1 A New Reality... Again

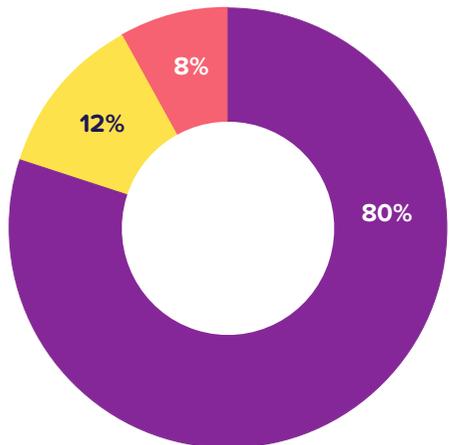
Consumers Prefer to Stay Online to Shop

With in-person experiences becoming a possibility again, it may have been expected that there would be a mass movement back into physical locations. However, we haven't seen the pendulum swing back to where it was in pre-pandemic times. Some of these new behaviors developed over the past year+ will stick long-term, including an affinity to online channels.

Of those we surveyed who said they already shop online, 87% plan to continue doing so even as restrictions ease further and physical retailers open up. Recent [data from YouGov](#) also supports this point -- finding that 78% of consumers intend to shop online with either the same frequency or even more than they did pre-outbreak.

Do you plan to continue shopping online even once physical retailers/locations open up and COVID restrictions ease?

- Yes
- No
- I don't shop online





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Loosening COVID-19 Restrictions Spur Online Spend in New Categories

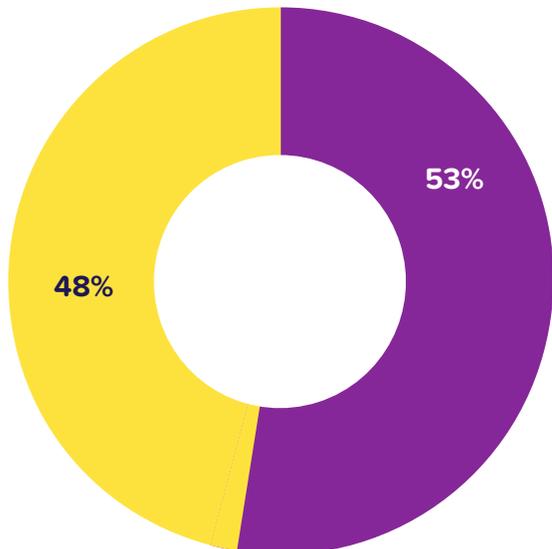


Beyond where consumers are shopping, we explored what they're shopping for. Impulse spending has become a norm this year as consumers look to make up for lost time -- making purchases they weren't able to do during global shutdowns. **Data estimates from Bloomberg** note that U.S. consumers now have roughly \$1.5 trillion in savings coming out of the pandemic last year...and they're ready to burn it.

With this in mind, it's not a surprise to learn that consumers are spending on items they can now finally put to good use. Over the past 30 days, more than half (53%) of U.S. consumers we surveyed said they've been motivated by loosening COVID-19 restrictions to buy items online that they can use right now (e.g., new clothing, travel accessories, and more).

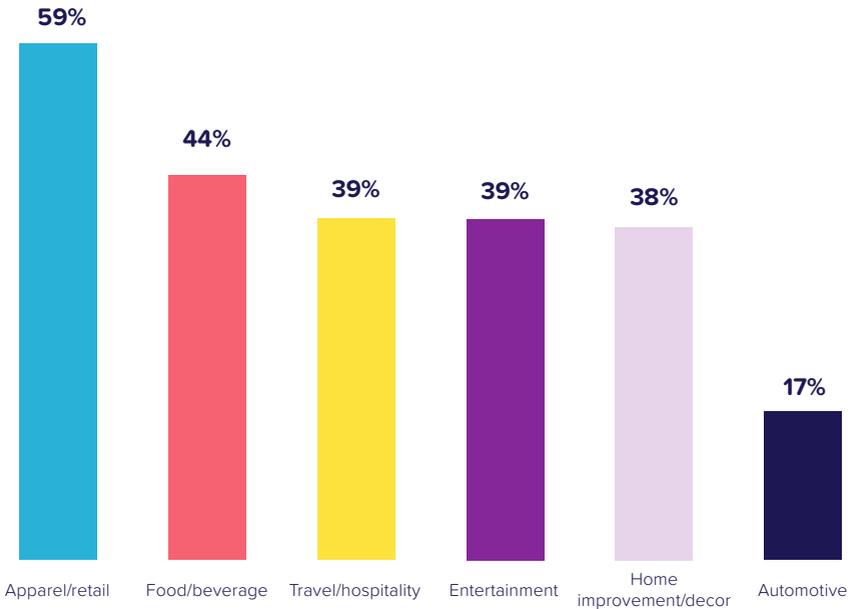
Over the past 30 days, have loosening COVID-19 restrictions motivated you to make a purchase online for an item you can now use (e.g., new clothing, travel accessories, etc.)?

- Yes
- No



87%

of respondents expect to make online purchases in at least one of the below categories this year:



With nearly **6 in 10 online shoppers making apparel purchases**, we can expect many consumers to be trading their at-home athleisure for fresh, stylish ensembles. Whether it's for back to work, back to school, or readying for summer travel and outings at restaurants and other venues, retailers should prepare for this influx. And while some consumers might not yet be comfortable with travel, there is a clear uptick in confidence as nearly 4 in 10 respondents look to make travel/hospitality related purchases online this year.

Some are referring to this period once restrictions ease as “shot girl summer” or “hot vax summer.” Whatever you call it, four things are clear:

1. Consumers are ready to spend
2. They'll continue to spend online
3. They're making impulse purchases for items they can finally use
4. This sentiment will last beyond the summer, and at the very least through the remainder of 2021





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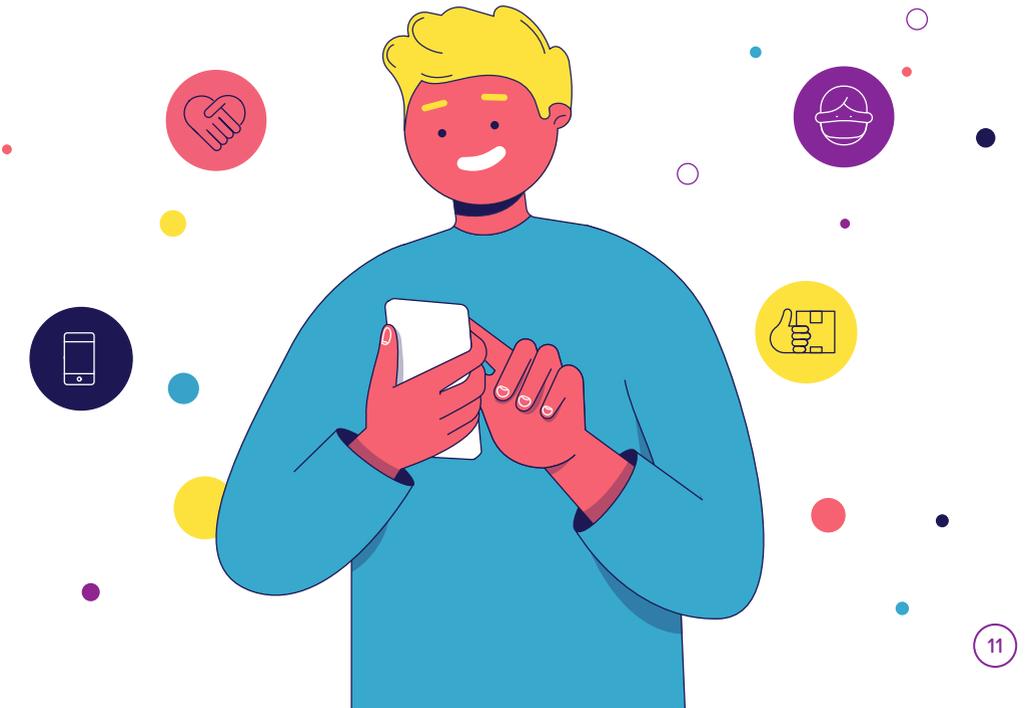
Social Media Plays a Key Role in the Path to Purchase



If you were like most, your smart phone's screen time report during the pandemic has most likely increased. More time spent inside meant more time on our phones. And more time on social media. As a result, usage across all social platforms **skyrocketed**.

And while growth has tapered off, there is still a very active opportunity for brand engagement on social media. eMarketer has even **forecast** that the number of U.S. social commerce buyers will grow 12.9% to 90.4 million in 2021.

It's evident that digital advertising on social platforms will continue to have an increasingly critical role in driving consumers to make purchases. Recent consumer behavior supports this too, as nearly 4 in 10 (38%) respondents from our survey reported making an online purchase based on a digital ad they saw on social media in the past 30 days alone. Additionally, 44% said they discovered a new product or brand over the past 30 days based on a digital ad they saw on social media.





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**Consumers
Are More
Data Privacy
Conscious
Than Ever
Before**

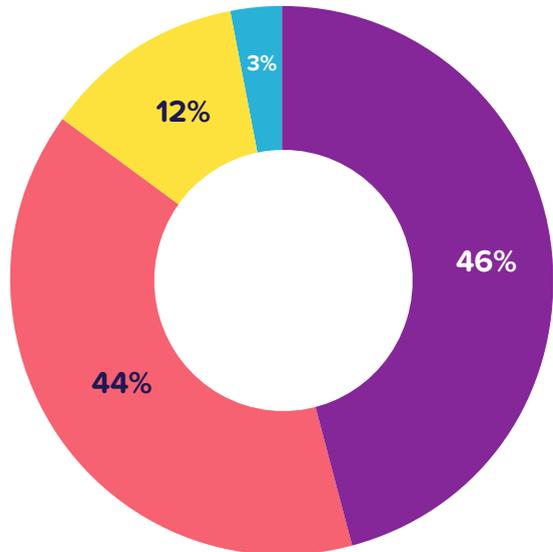




Despite consumers' confident outlook on online shopping and product discovery through social advertising, they are much more privacy conscious than they have been in the past. In fact, 85% of US consumers we surveyed said they prioritize their personal privacy data more than they did a year ago.

To what extent do you agree with the following statement: I prioritize my personal data privacy more than I did a year ago

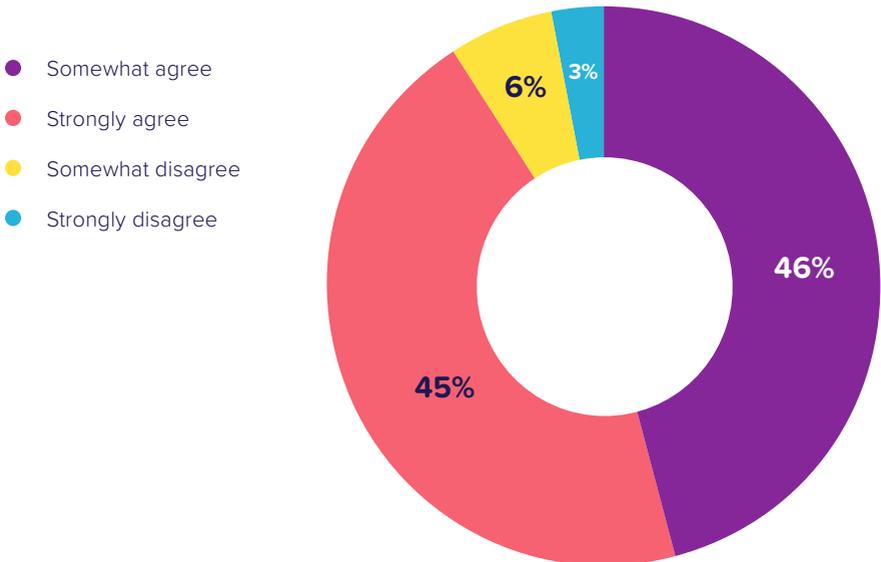
- Somewhat agree
- Strongly agree
- Somewhat disagree
- Strongly disagree



Despite Google's latest announcement that they will be delaying the phase out of 3rd party cookies to 2023, brands can't afford to delay their attention on respecting consumers' data. Consumers still want to see that companies are prioritizing privacy now.

An overwhelming majority of respondents in our survey -- 91% to be exact -- report that they would be more likely to purchase from a brand online if they feel that brand is trustworthy and has transparent data practices. And nearly three-quarters (74%) said that they are more receptive to digital ads from brands when it is clear how their data is being used.

To what extent do you agree with the following statement: I am more likely to purchase from a brand online if I feel that brand is trustworthy and has transparent data practices

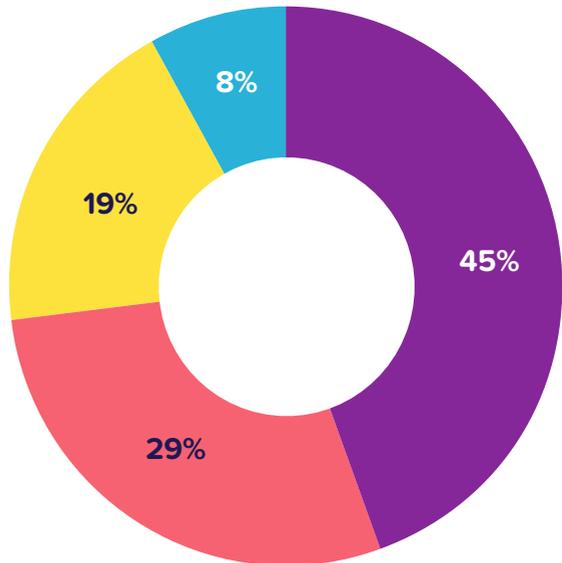


Consumers are also paying more attention to how companies engage with them when it comes to collecting their data. Two-thirds of respondents (66%) said they have noticed more brands online requesting their approval to track

their data -- and most (72%) appreciate this added step of providing opt-in approval for data tracking and collection from brands online.

To what extent do you agree with the following statement: I am more receptive to digital ads from brands when it is clear how my data is being used

- Somewhat agree
- Strongly agree
- Somewhat disagree
- Strongly disagree





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The Opportunity for Brands to Differentiate With Creative



So...what does this all mean for advertisers and marketers going forward?

While undeniably powerful, the traditional tracking practices the digital advertising industry has relied on for several years are going away. Even with Google's delay, they will be gone in the not-too-distant future. Brands need to be agile to adapt, leveraging new tactics to build trusted connections with consumers and audiences. In a privacy-first world where consumers dictate the experiences they desire online, the way brands approach ad personalization must evolve. How? With Creative.



The importance of creative in an increasingly privacy-first world:

Brands need to rely more on relevant, personalized creative delivered in the right place at the right time -- with privacy-friendly contextual targeting. The best performing target audiences can't be the sole focus anymore. It's not as easy to target key audiences as they've become more opaque. There is also a need to be more iterative, scaling creative production in a faster, more agile way to ensure there's enough creative to find the "one" that resonates. Use creative, rather than specific targeting, to highlight what is unique, what stands out and what is relevant about an offer -- and do this across the buyer journey, making creative compelling at every possible conversion point.

Scaling creative execution is a challenge:

Content demands are increasing and design teams often lack bandwidth to manually produce the amount of content they need for the amount of channels and formats there are. Silos across design and performance teams slow execution, as these teams leverage different tools for planning, asset creation & management, review, approvals and more. Ultimately, this slows time-to-market. Silos across creative and data tools hinder the ability to create data-driven assets, creating an inability to make quick changes to creative in real-time based on performance.



Smarty.io is here to help - we empower marketers to scale creative smartly:

It's all about volume (meeting growing content demands), velocity (accelerating time-to-market, and vantage), and simply producing smarter ads. Smarty.io empowers advertisers with the creative tools to quickly produce and launch creative variations across markets, channels, products, and more, ensuring creatives resonate with audiences. Uniting design and performance teams from start to finish, advertisers are also empowered with the speed to iterate and scale creative production in an agile way. Silos between creative and data are broken down, with deep insights to test what's resonating in the market and optimize campaigns, both in-flight and future, to drive engagement.



Outro

This current environment poses both a challenge and opportunity for brands. There is a clear appetite for online shopping and advertising -- including on social media. However, to meet consumers' needs for convenience and privacy preferences, brands must build trust, including making it clear how data is being collected and how it will be used.

As marketers and advertisers gear up for a future without 3rd-party cookies, they are tasked once again to get creative in reaching wider audience pools. This often untapped and overlooked function can serve as the silver bullet to differentiate going forward -- especially as creative optimization becomes more sophisticated. The brands that come out on top will be

those that leverage creative insights to serve up ads that drive sales across social platforms -- with an ever watchful eye towards privacy.

The future of social advertising is a winning combination of creativity, data and insights.

Overlook any of these components and consumers may overlook you.



About Smartly.io

Powering beautifully effective ads, Smartly.io automates every step of social advertising to unlock greater performance and creativity. We combine creative production and ad buying automation with outstanding customer service to help some 700 brands scale their results—not headcount—on Facebook, Instagram, Pinterest, and Snapchat. We are a fast-growing community of more than 500 Smartlies with 16 offices around the world, managing nearly €3B in annual ad spend and growing rapidly and profitably.

Visit [Smartly.io](https://www.smartly.io) to learn more.