



A GLOBAL STUDY

# THE PANDEMIC EFFECT

What HOLIDAY SHOPPING will look like in 2021

<<

- 1 New ways to adapt to changing customer behavior this holiday season
- 2 Where you should be looking to reach customers with new spending habits
- 3 Pre-purchase and research trends to use in your personalized campaigns
- 4 Why you need to think about your programmatic plan now
- 5 How to run a successful holiday campaign

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Twinkling lights, gifts topped with shiny bows and families and friends celebrating can only mean one thing: the holidays are coming. Even though the world is still cautious about starting to recover from the pandemic, customers are ready to shop.

The countdown to holiday spending has started early this year, with one in four consumers expected to begin their shopping as early as September. You already know that you must engage

customers for Thanksgiving, Black Friday, Cyber Monday, and Boxing Day to drive revenue - but this earlier start can provide a massive opportunity for extra interest in your brand.

Are you ready, marketers? The data shows that your audience is out there. Start solidifying your plans to attract them.

## Introduction

Introduction

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A note on our methodology

8

### A NOTE ON METHODOLOGY

To build this report, we used a mix of data from digital devices, such as PCs and laptops, as well as viewing data from connected TVs and location data from mobile devices. Historic campaign learnings and network-level inventories provided more information about seasonal variations. Additional insight came from a survey conducted by Sapio Research around customer behaviors from over 9,000 respondents across eight countries.



The pandemic and a year in lockdown altered all aspects of our lives, including how we shop and think about purchases. Household incomes changed along with the adoption of a new lifestyle, staying home and spending less on non-essentials. This drove alternate shopping habits to become normal.

Online shopping saw a massive uptick over the past

year with a surprising increase of first-time shoppers aged 45 and older. We predict that this trend will remain strong, even with the return of in-store shopping.

Non-essential spending took a hit over the past year. We are starting to see customer spending recover faster than anticipated due to household incomes improving and savings increasing,

accompanied by lower interest rates.

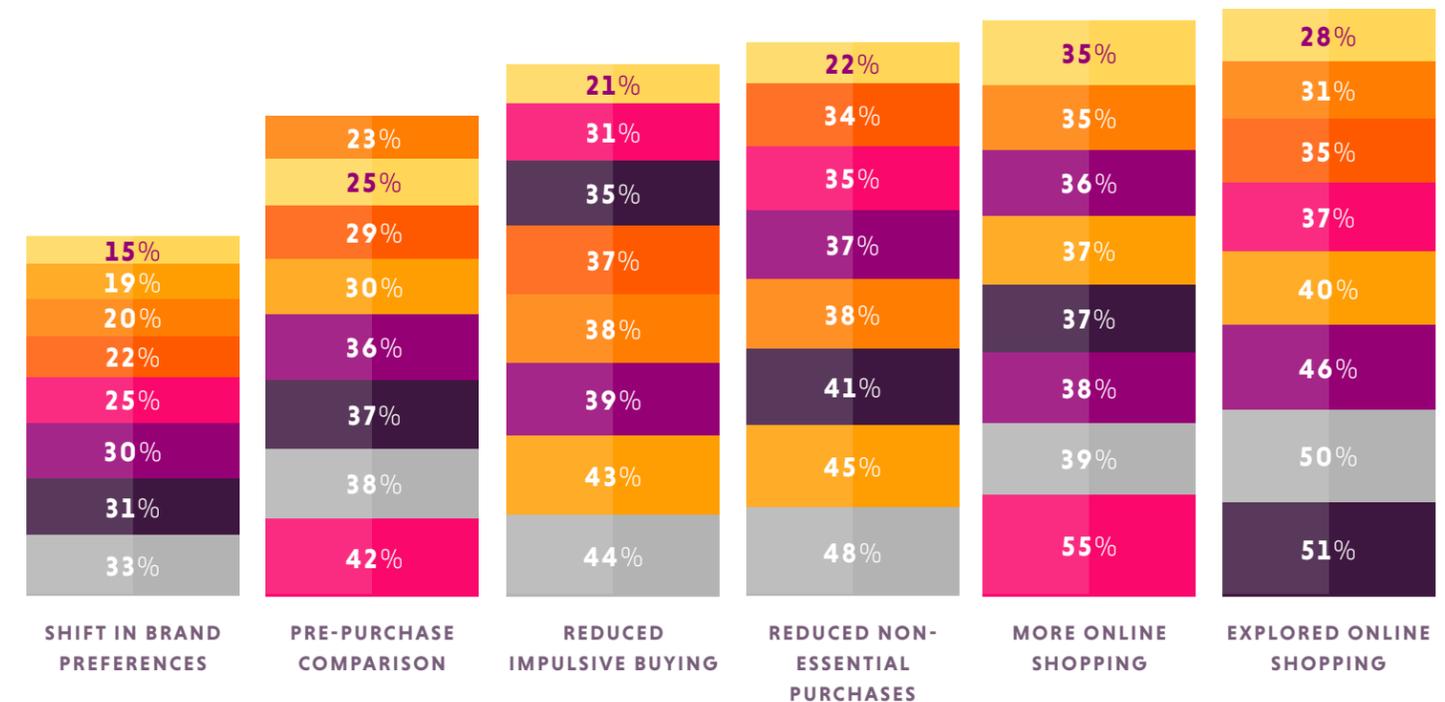
During the pandemic, one in three customers performed pre-purchase research. They were also more open to change with one in four shoppers aged 25-44 switching to different brands and trying out new items.

### ADOPTION OF ALTERNATE SHOPPING BEHAVIORS AMONG CONSUMERS, BY COUNTRY

GERMANY CANADA UK US CHINA AUSTRALIA INDIA SINGAPORE

SHOPPING BEHAVIORS  
PERCENTAGE OF RESPONDENTS

Source: MiQ - Sapio Consumer research, August 2021, n= 9000



## Pandemic shopping habits continue this holiday season

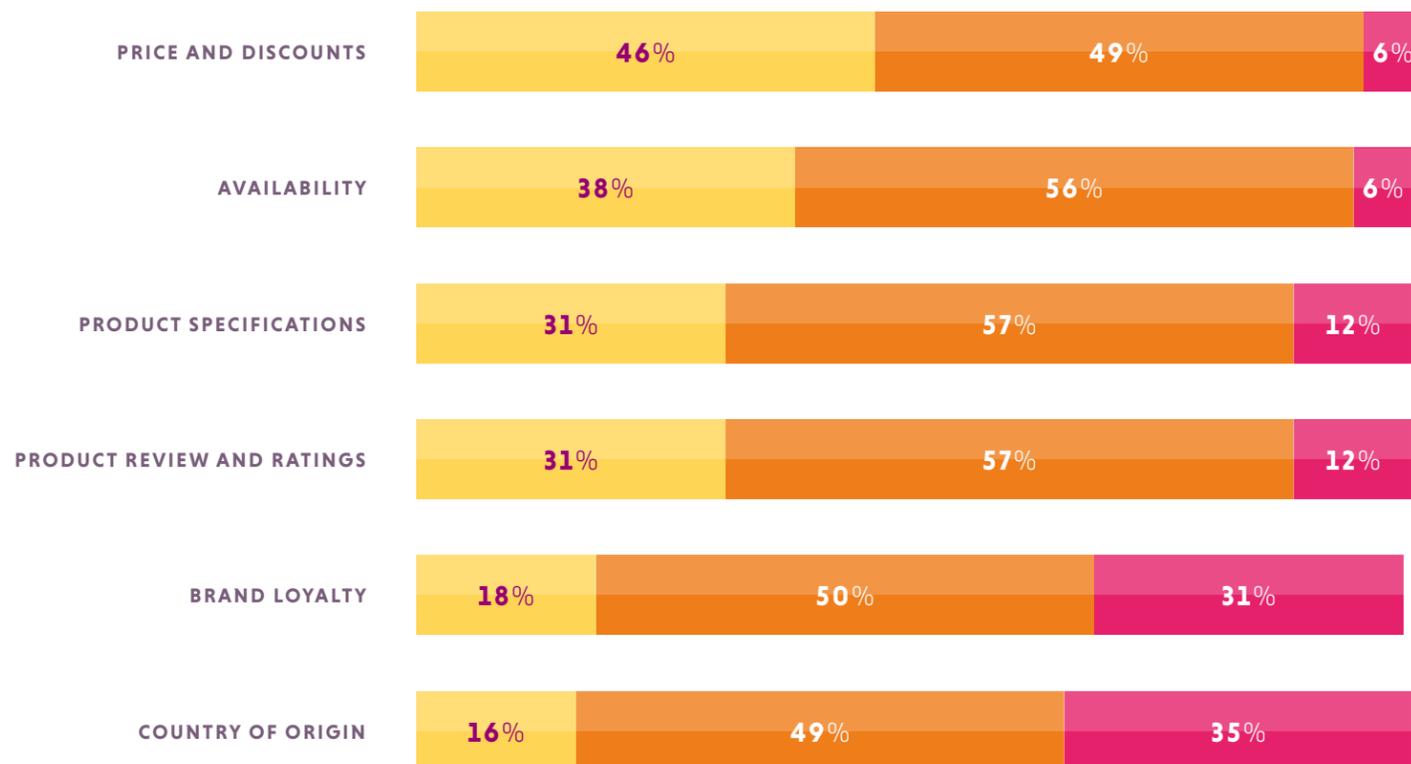
Adoption of alternate shopping behaviours among consumers, by country	<b>11</b>	Key considerations when making a purchase decision	<b>12</b>
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### KEY CONSIDERATIONS WHEN MAKING A PURCHASE DECISION

■ CRITICAL ■ IMPORTANT ■ NOT IMPORTANT

Source: MiQ - Sapio Consumer research, August 2021, n= 9000

PERCENTAGE OF CONSUMERS



Value-based shopping gained more traction globally as people were more open to pre-purchase research and alternative brands. Although brand loyalty is still huge with customers aged 45 and up, online reviews and ratings drive younger consumers to choose what they will purchase. Pricing and discounts are still the primary factor that influences purchasing globally, but

we found another trend for consumers in Asia. They are more likely to look at product specs when doing their research and prefer local alternatives to foreign products at similar price points.

Four out of five consumers plan on continuing their alternate shopping habits in the post-pandemic world. This means that marketers

need to account for these changes in consumer behavior when planning their holiday shopping campaigns. Try running a conquering campaign to find an audience searching to make a brand switch, or introduce personalization to drive engagement to the existing loyal high-value customer base.





Customer spending on most non-essential categories, including consumer electronics, fashion, apparel, health and wellness witnessed a decline ranging from 10% to 30% across different regions. But there is good news for marketers: faster than anticipated economic recovery shows that over 60% of consumers already have the plans and budgets ready to shop during the upcoming retail season. Another 25% are on the edge and awaiting an

added stimulus in the form of offers or discounts to entice them to start their holiday shopping. The holiday season increase in sales may help to offset some of the losses from last year.

We are seeing the younger audience ranging from 18-24 as very eager about upcoming holiday sales with one in two in the 18-34 age range planning to spend more this year. Parents are also looking to push their budgets

while looking for gifts for family and friends.

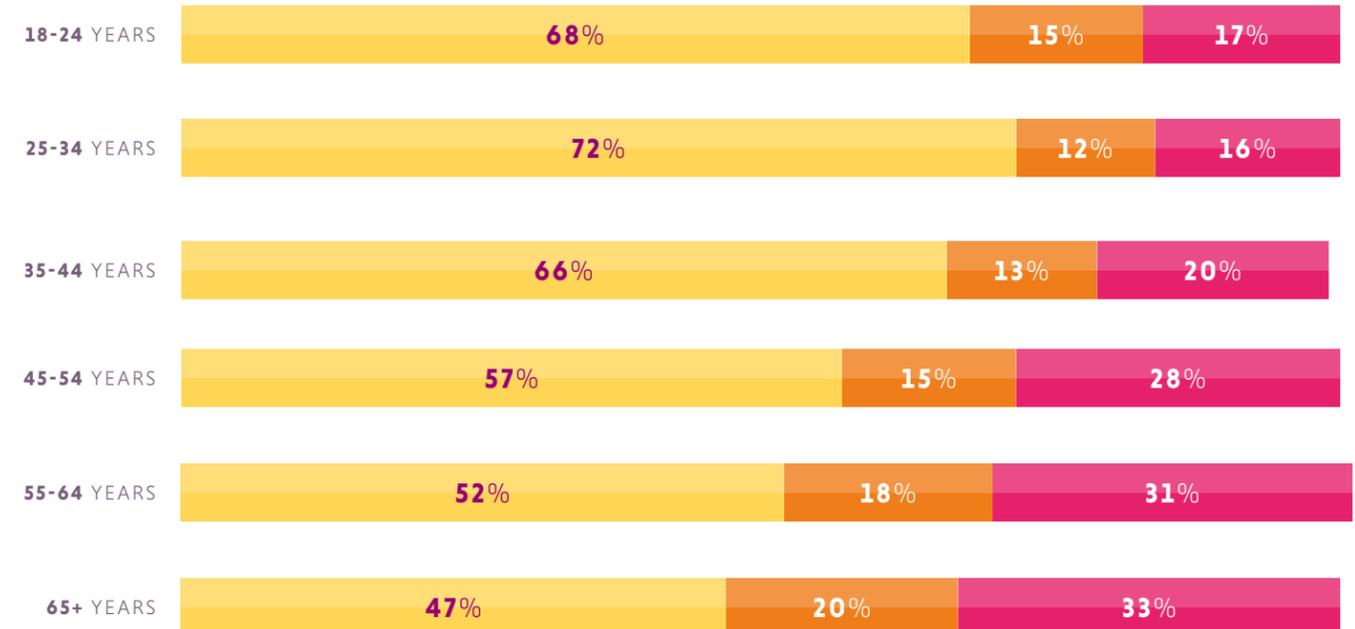
We found that, in Asian countries, interest in seasonal shopping is very strong. Around 81% of audiences are looking to engage during seasonal shopping events like Diwali, Prime Day, singles day, etc. Almost 51% are looking to spend more this year than they did last year. These statistics are extremely promising for the rebound of retail.

DO YOU PLAN TO SHOP DURING THE UPCOMING RETAIL SHOPPING SEASON?

■ YES ■ NO ■ NOT SURE

Source: MiQ - Sapio Consumer research, August 2021, n= 9000

PERCENTAGE OF RESPONDENTS



Millennials are ready to fill their closets

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### HOLIDAY SHOPPING CONSUMER SPENDING, BY DEMOGRAPHICS

MEDIAN SPEND FROM THANKSGIVING TO CHRISTMAS

	GERMANY	CANADA	UK	US	CHINA	AUSTRALIA	INDIA	SINGAPORE
<b>TOTAL</b>	€291	C\$379	£305	\$392	¥4,899	A\$1,050	₹1,042	S\$821
<b>MALES</b>	€324	C\$376	£327	\$428	¥4,910	A\$1,232	₹10,519	S\$941
<b>FEMALES</b>	€262	C\$383	£286	\$366	¥4,925	A\$914	₹10,400	S\$670
<b>18-34 YEARS</b>	€327	C\$382	£389	\$377	¥4,815	A\$1,115	₹9,720	S\$742
<b>35-54 YEARS</b>	€301	C\$385	£329	\$430	¥5,145	A\$1,167	₹11,652	S\$951
<b>55+ YEARS</b>	€208	C\$376	£184	\$373	¥4,352	A\$657	₹9,691	S\$640
<b>PEOPLE WITH CHILDREN</b>	€308	C\$443	£331	\$450	¥5,334	A\$1,171	₹11,465	S\$982
<b>PEOPLE WITHOUT CHILDREN</b>	€267	C\$320	£261	\$309	¥3,704	A\$821	₹8,504	S\$643

Source: MiQ - Sapio Consumer research, August 2021, n= 9000

The fashion industry took a hard hit and was one of the most-impacted segments among non-essential retail, with a decline in consumer spending of about 26%. It is expected to make a strong recovery with six in ten consumers planning to buy or ask for clothing and apparel for the holidays. Many purchases are expected to

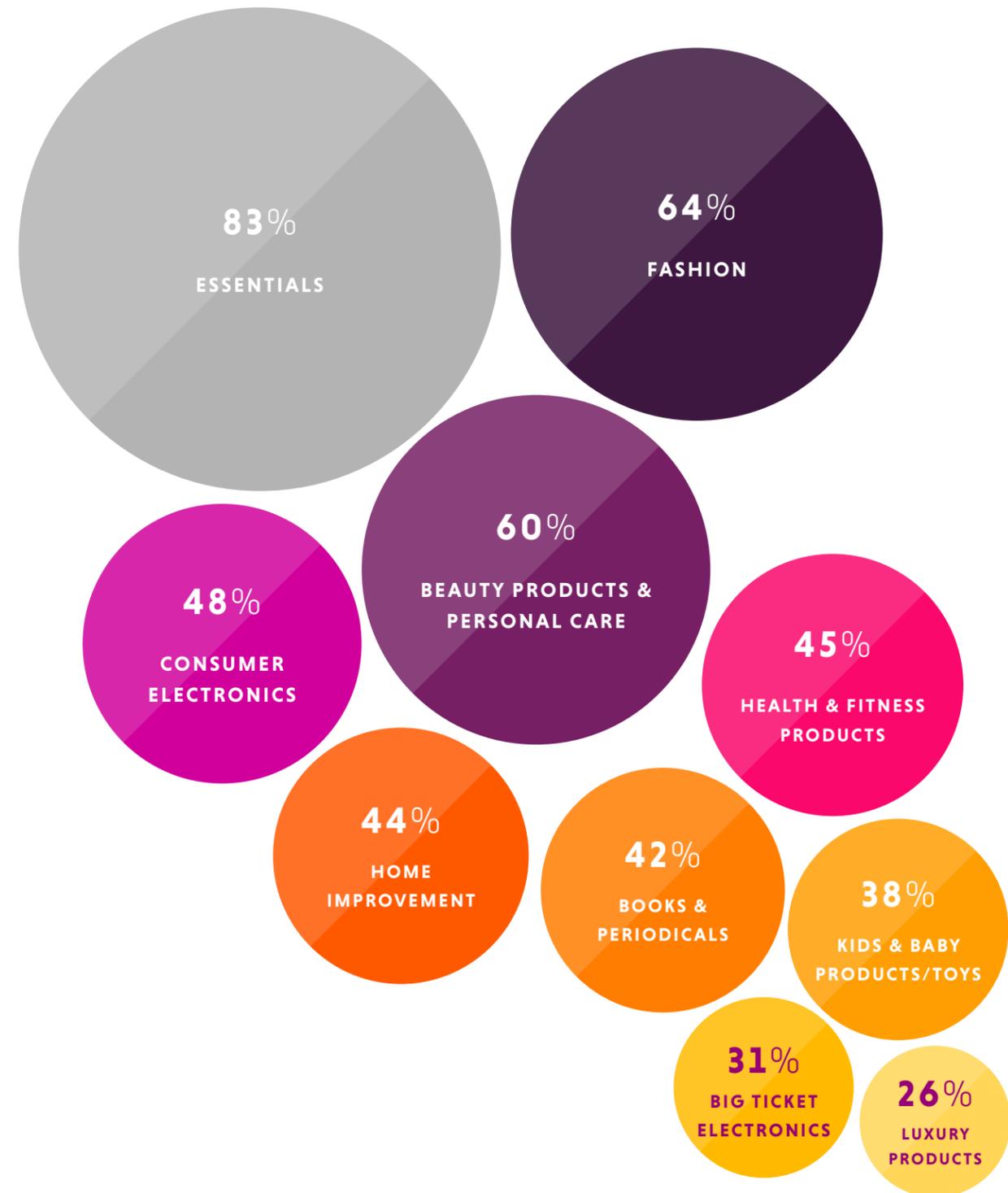
be completed by millennial customers. Other sectors that are on track for a surge in demand are home improvement, among British and Australian consumers, and electronics and entertainment products in the SEA market. The top ten percentile is made up of affluent consumers who

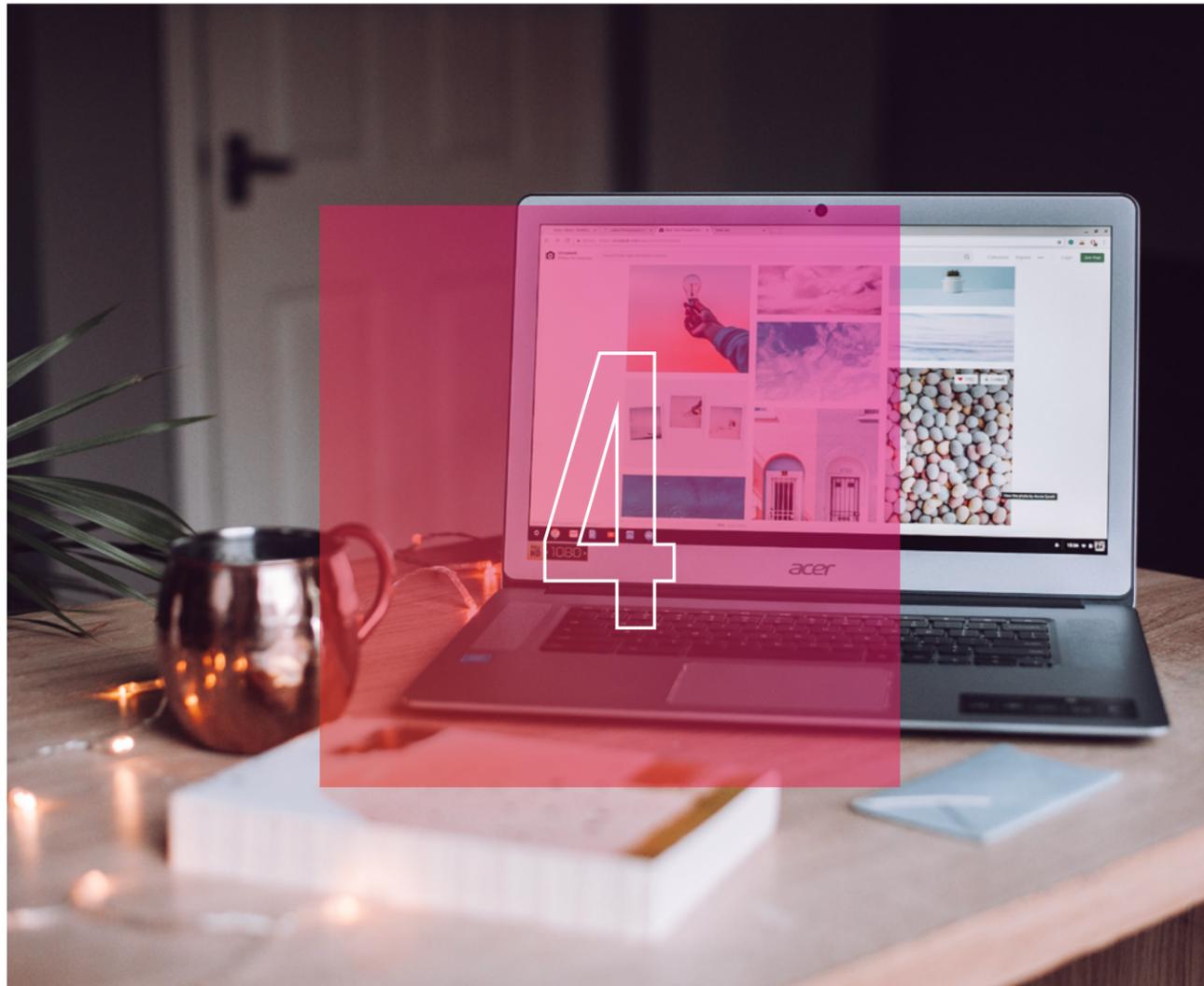
are expected to splurge this holiday season on luxury goods like watches, jewelry and fitness equipment. We also expect to see married individuals outspending single shoppers on planned purchases, while impulse buying will increase for the single consumers.

### PRODUCT CATEGORY PREFERENCE AMONG HOLIDAY SHOPPERS

PERCENTAGE OF CONSUMERS PLANNING TO SPEND ON THE CATEGORY

Source: MiQ - Sapio Consumer research, August 2021, n= 9000





Traditionally, holiday shopping spend was dominated by offline sales but not in today's world. Last year, the pandemic drove people to mostly online purchase but as society is reopening, in-store sales are on track to improve.

This does vary by region, with Western Europe and North America leading the way in openness to offline shopping due to the largely vaccinated populations. People in India

are still more likely to shop online as the vaccines are taking longer to become available.

Essential shopping will continue to be primarily offline with regular in-store shopping or order ahead with pick up services. Fashion and customer electronics will be bought mostly online but big ticket electronics or home goods are going to have the final decision made in-store.

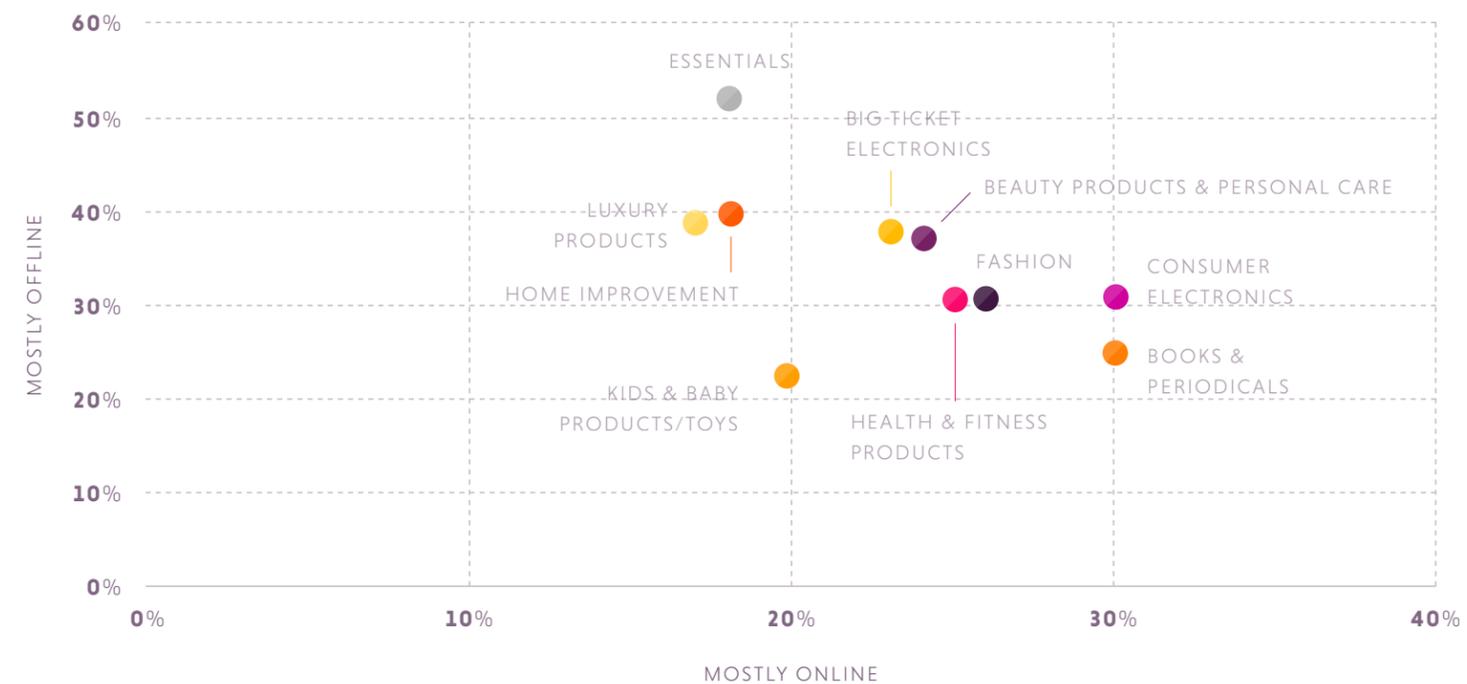
Marketers should put their focus on both online and offline campaigns to effectively reach all customers. A cross-platform campaign would be key to boost holiday shopping sales for your brand.

SHOPPING CHANNEL PREFERENCES BY PRODUCT CATEGORIES, ONLINE VERSUS OFFLINE

- LUXURY PRODUCTS   ■ BIG TICKET ELECTRONICS   ■ KIDS & BABY PRODUCTS/TOYS   ■ BOOKS & PERIODICALS
- HOME IMPROVEMENT   ■ HEALTH & FITNESS PRODUCTS   ■ CONSUMER ELECTRONICS
- BEAUTY PRODUCTS & PERSONAL CARE   ■ FASHION   ■ ESSENTIALS

PERCENTAGE OF TIME SPENT ONLINE/OFFLINE

Source: MiQ - Sapio Consumer research, August 2021, n= 9000



Holiday shopping: both online and offline

Product categories, online versus offline

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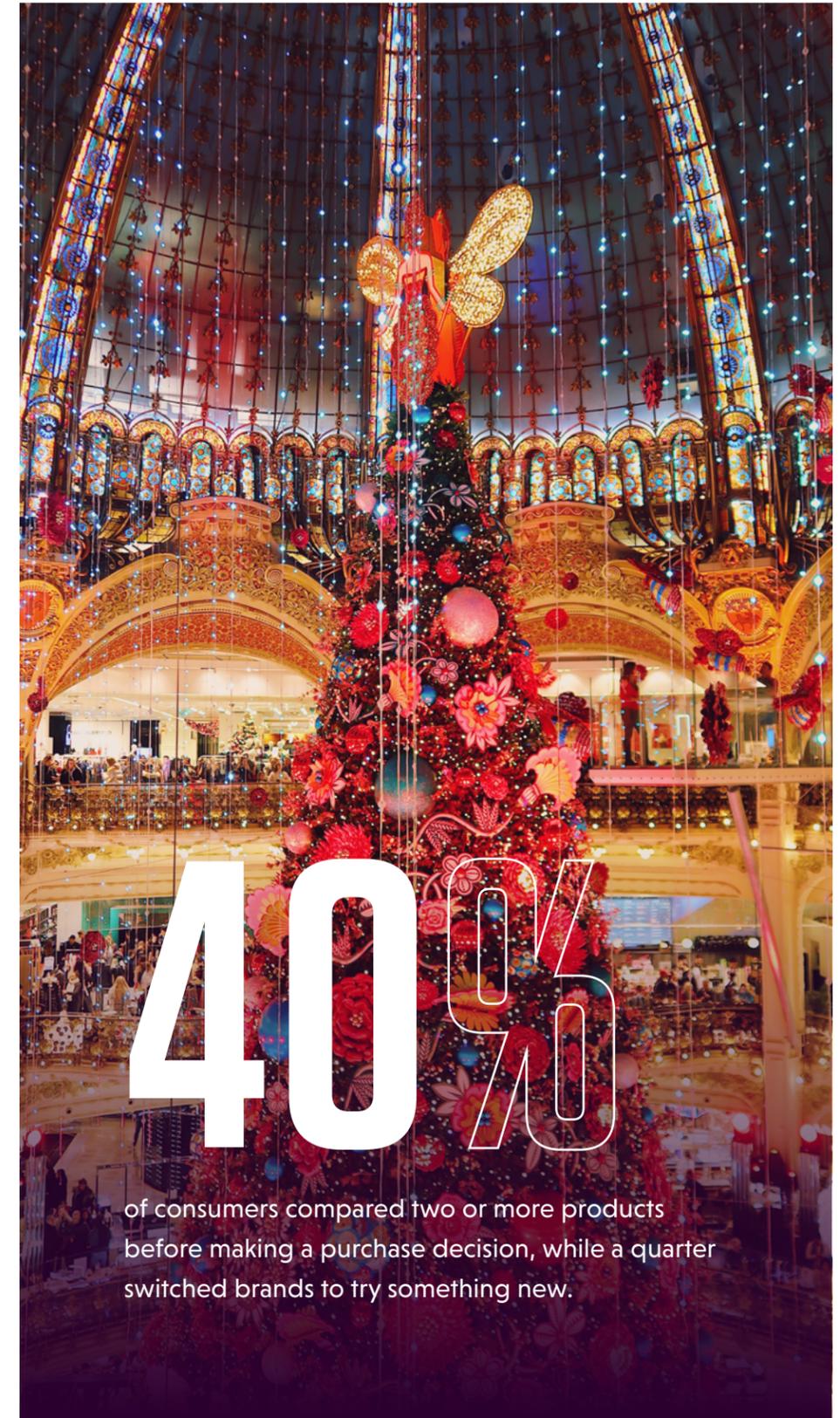
Consumers have adopted pre-purchase research as an important part of their shopping process. This behavior has grown in popularity over the past few years, with the pandemic accelerating it around the globe. Holiday shopping research is starting as early as September by consumers in the US and UK with Canadian shoppers spending less time doing research.

Last year, 40% of consumers compared two or more products before making a purchase decision, while a quarter switched brands to try something new. The past year has moved most of the pre-purchase research online.

Impulse buying used to have a strong hold on holiday shopping revenue, but we are seeing a shift to budget planning and due diligence prior to purchase. The old model of pricing changes and discounts still remains a big factor in shopping but now we are seeing product specs, ratings and online reviews influencing the shift from wishlists to shopping baskets.

### Pre-purchase research starts earlier, lasts longer

Research timeline for key holiday shopping events	22	Device preference across different stages of shopping research	27
Sources of information for holiday shopping offers	24		



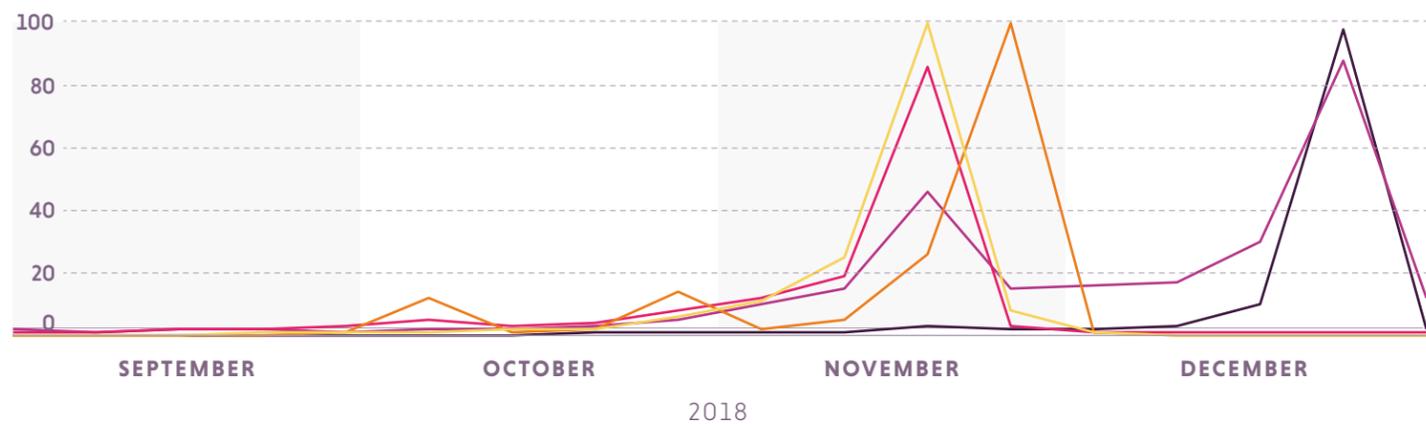
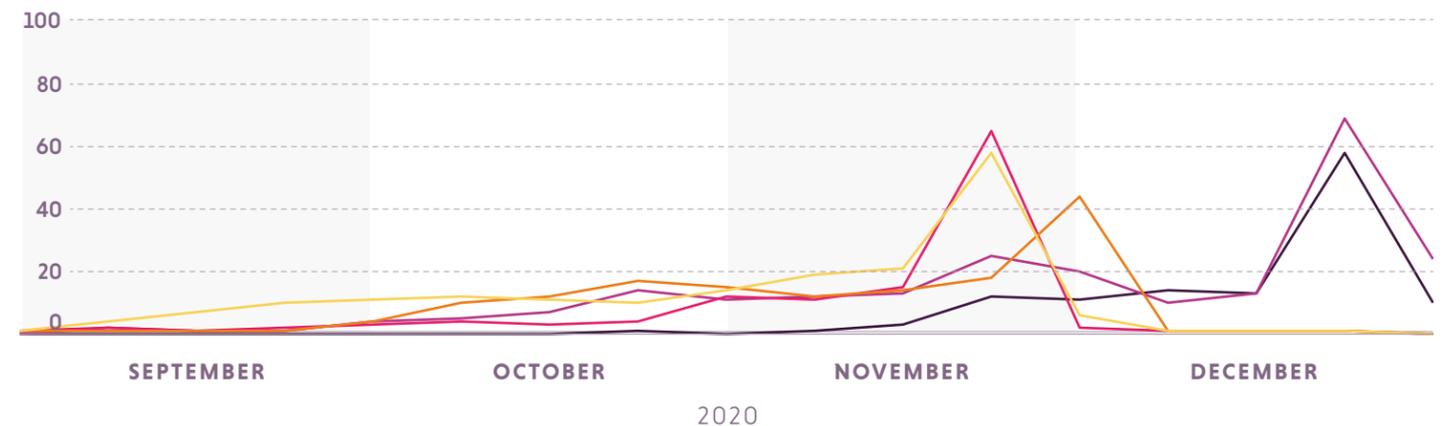
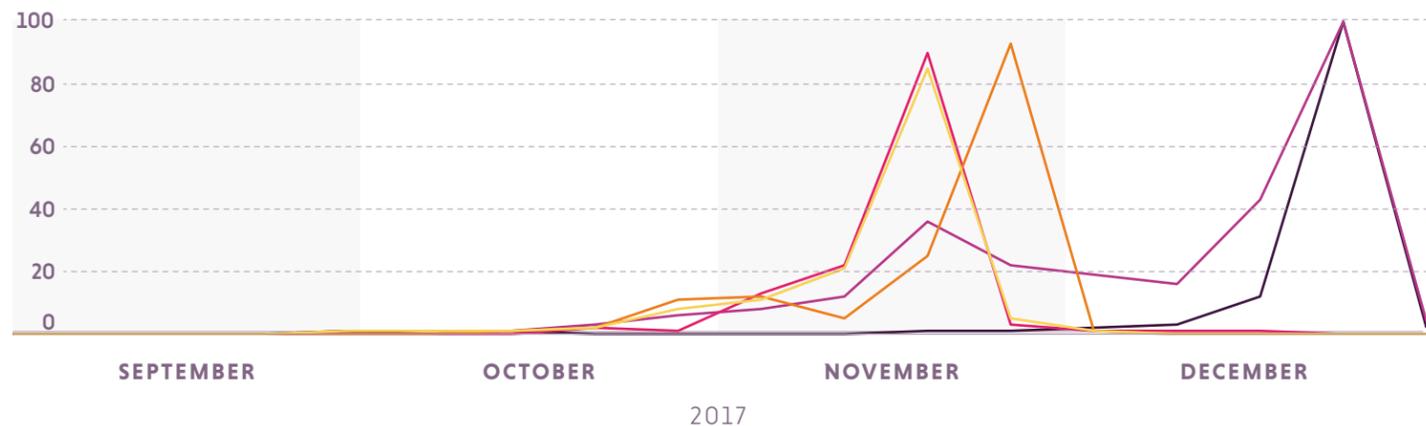
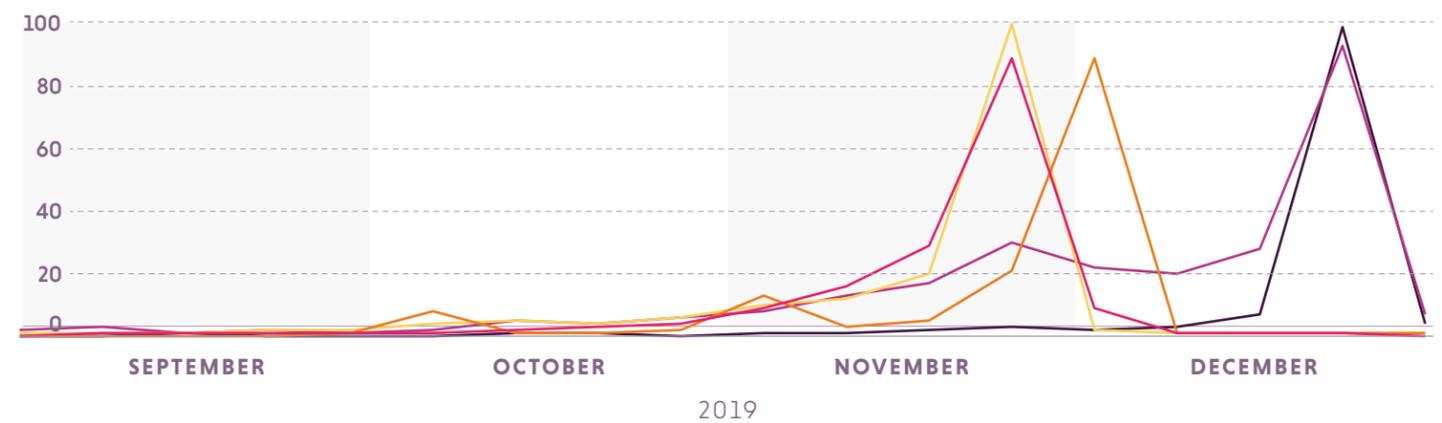
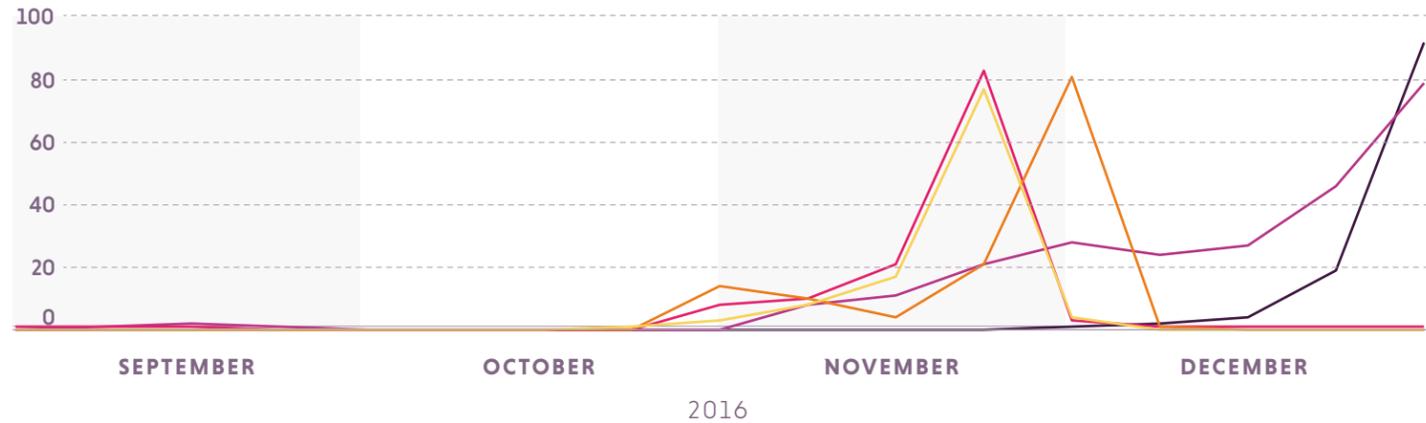
40% of consumers compared two or more products before making a purchase decision, while a quarter switched brands to try something new.

RESEARCH TIMELINE FOR KEY HOLIDAY SHOPPING EVENTS

- BLACK FRIDAY SALES   ■ CYBER MONDAY SALES   ■ THANKSGIVING SALES
- CHRISTMAS SALES   ■ BOXING DAY SALES

Source: Universal Search API, MIQ, Global Audiences, August 2016 - August 2021

NORMALIZED INTEREST



**TAKEAWAY FOR MARKETERS**

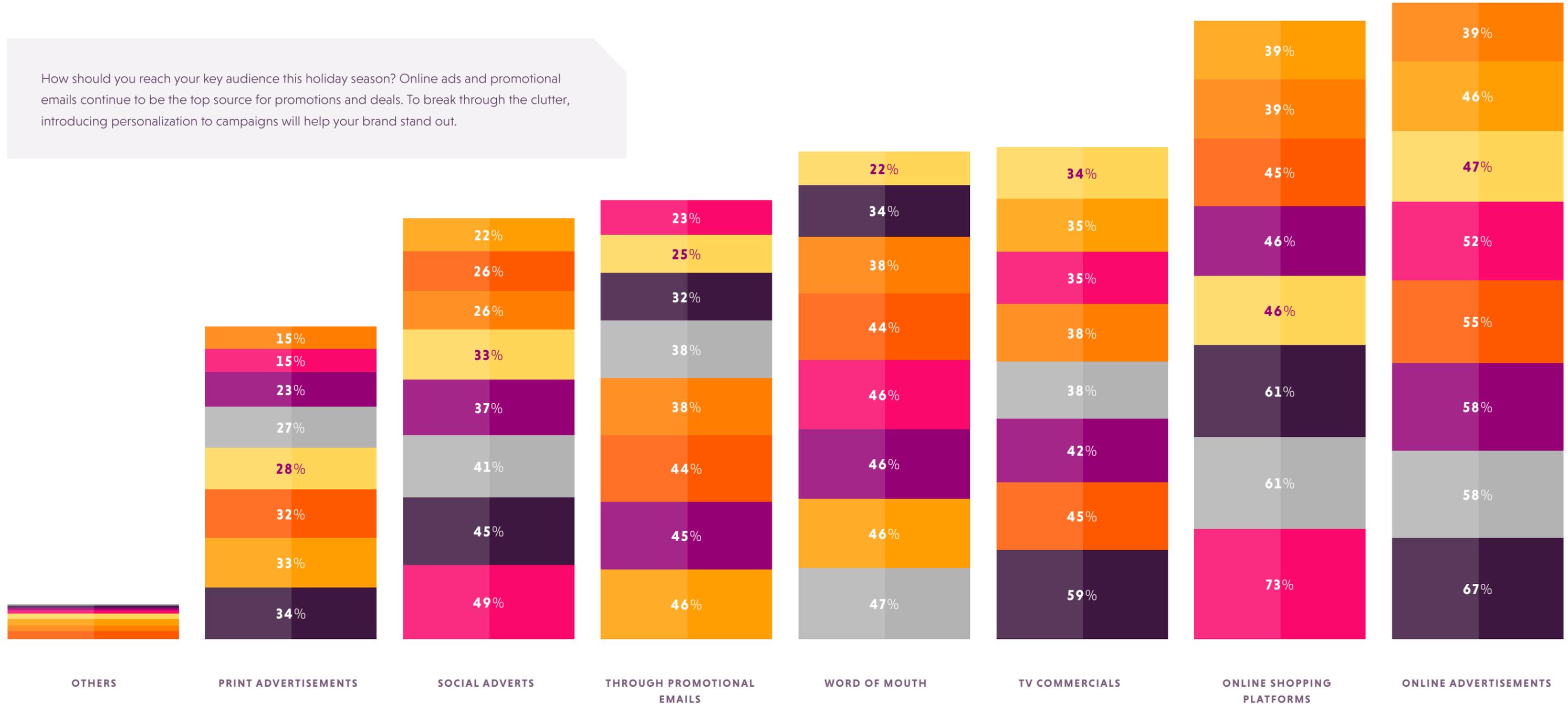
Over the past few years, we have observed a gradual shift in the research timeline around holiday shopping. Consumers around the world are now looking to initiate their research for the perfect Christmas gift as early as in September-October rather than waiting for the actual sales until November. This trend is likely to be exaggerated by the uptick in pre-purchase research over last year. We expect almost 1 in 5 shoppers to begin their holiday shopping research as early as in September - October creating wish lists with multiple preference that they'll then look to act on during the actual sale or pre-sale events.

SOURCES OF INFORMATION FOR HOLIDAY SHOPPING OFFERS

GERMANY CANADA UK US CHINA AUSTRALIA INDIA SINGAPORE

PERCENTAGE OF RESPONDENTS

How should you reach your key audience this holiday season? Online ads and promotional emails continue to be the top source for promotions and deals. To break through the clutter, introducing personalization to campaigns will help your brand stand out.



SHOPPING BEHAVIORS



We know that the majority of consumer research is conducted online, but what devices are shoppers using and at which stages? Desktops account for 62% of all initial research activity, while mobile devices are used for consideration and the

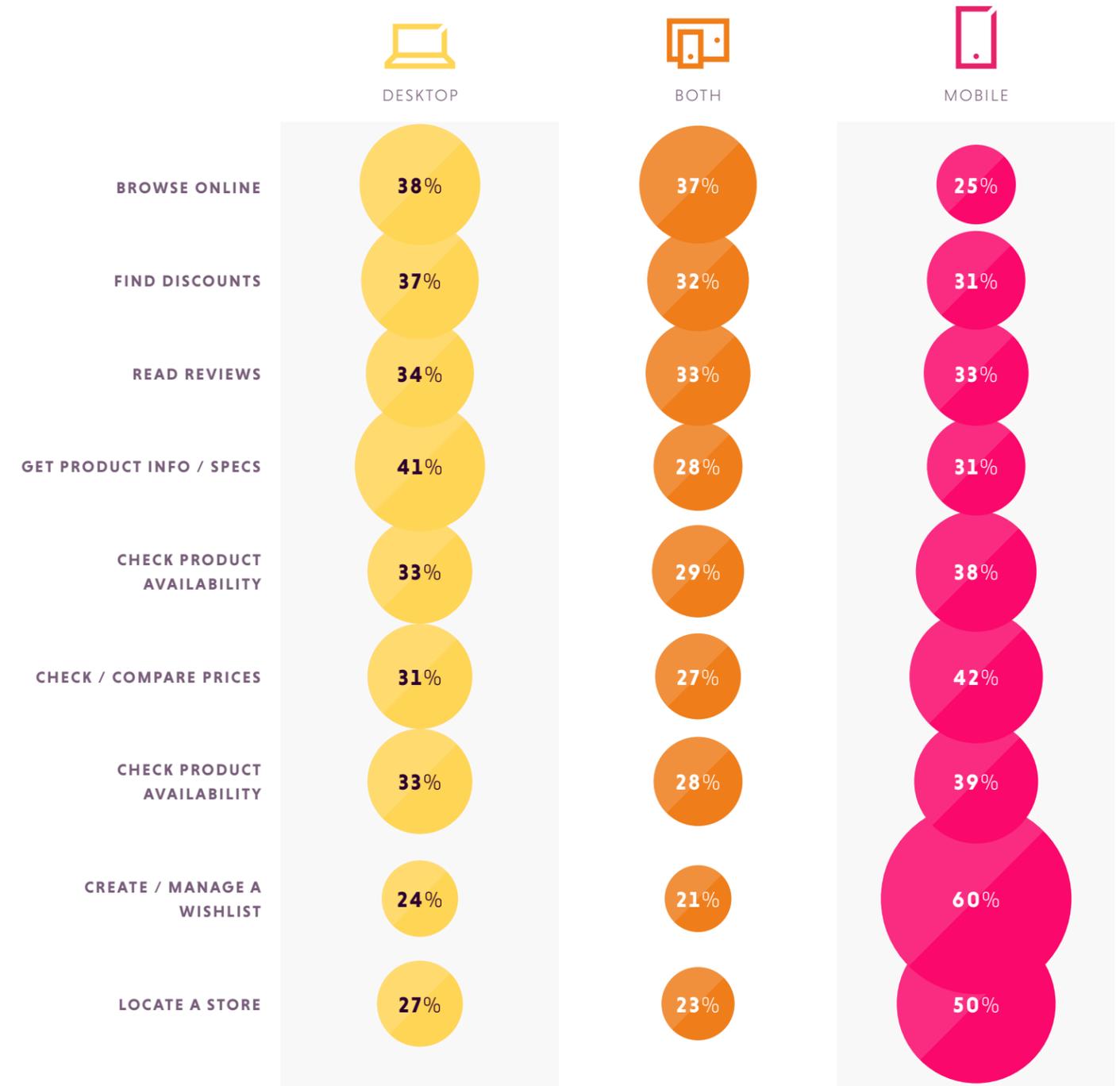
shortlisting stages. Comparing products, checking availability and creating wishlists are all predominantly happening on mobile devices.

When is all the shopping research happening? Mostly on the weekends.

We found that British and German consumers also used their weekday lunches to research Black Friday and Cyber Monday deals, while switching to weekend searches for winter holiday gifts.

### DEVICE PREFERENCE ACROSS DIFFERENT STAGES OF SHOPPING RESEARCH

PERCENTAGE OF RESPONDENTS



Source: MiQ Adsafte -Keyword reports, November -December, 2020



The demand for programmatic ad inventory has increased among marketers who are striving to reach relevant audiences during the holiday season. This leads to an increase in inventory costs. In Q4, there's a 12-18% increase in average CPM levels compared to the rest of the year. SEA and Canada have seen the most variation during the holiday period over the past

two years. CPMs during the third and fourth week of November are especially high as marketers make last-minute bids to engage online shopping audiences in the US. Inventory costs in the UK spike right before Christmas and Boxing Day sales.

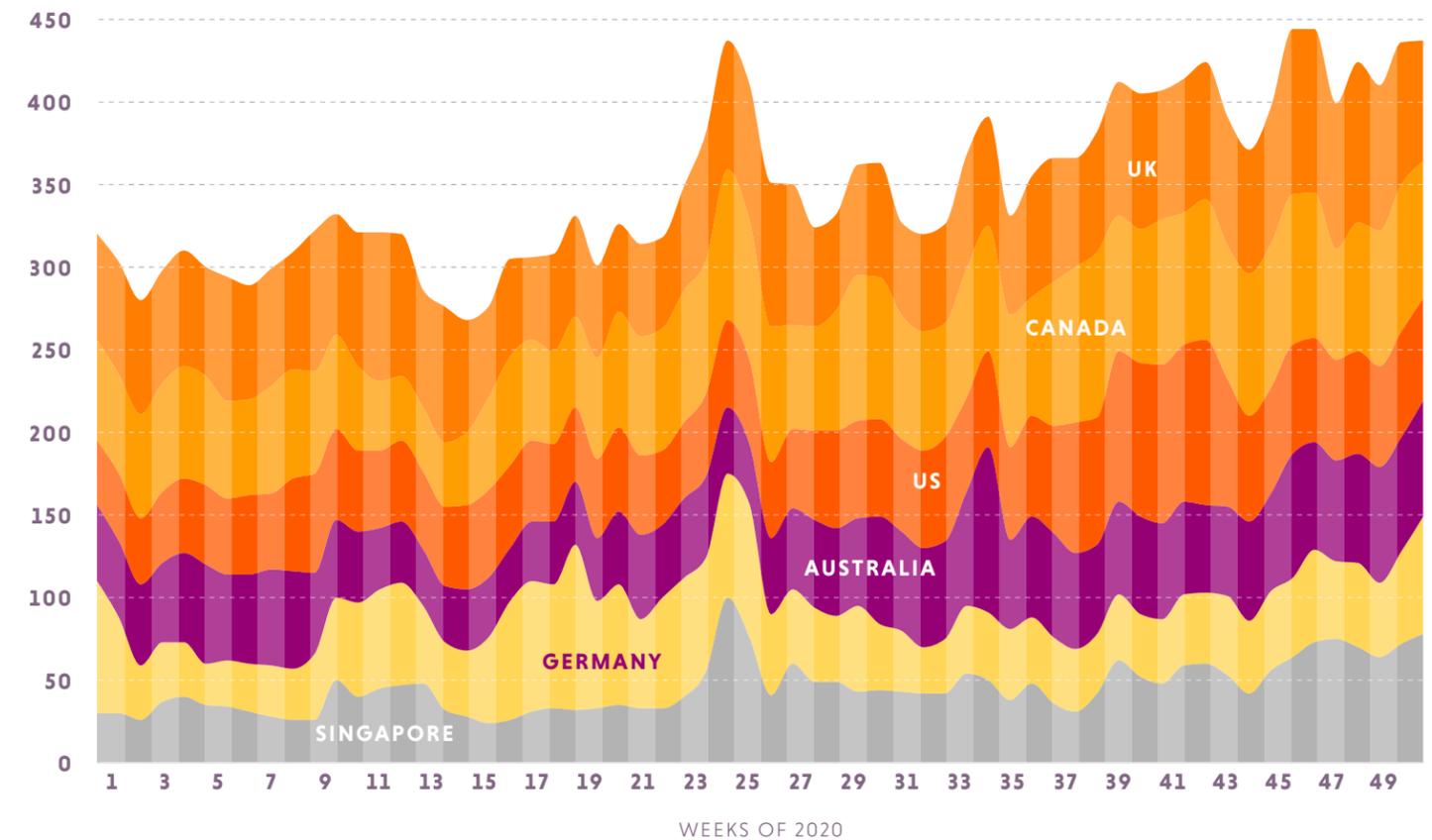
is corroborated an analysis of CPA trends over the last three years, which witnessed an increase of 3-8% during the actual week of these retail sales despite witnessing marginally higher user engagements (CTR).

The inflated CPM levels can put stress on the CPA goals if the seasonal variations have not been accounted for. This

### NORMALIZED WEEKLY CPM INDICES, BY COUNTRY 2020

NORMALIZED WEEKLY CPM LEVELS

Source: MiQ Inventory Stats, 2020



### Inventory and media consumption impact ROI goals

Normalized weekly CPM indices, by country 2020	29	Percentage change in inventory by site domain category Q4, 2020 versus 2020 average	32
Normalized weekly CPA levels, H2, 2020	30		

While CPA levels are elevated closer to the actual retail events, the general CPA performance during Q4 is relatively better or similar to the average CPA levels compared to H2 averages. For marketers looking to make good on their CPA goals, it is imperative to start early and maintain a balance between reach and performance goals.

in October and early November than during the actual retail events. This means that marketers should run branding campaigns in September and October, followed by more targeted actions in November and December to avoid the last-minute rush on programmatic inventory.

The variation in ROI levels across different delivery types isn't constant. While the

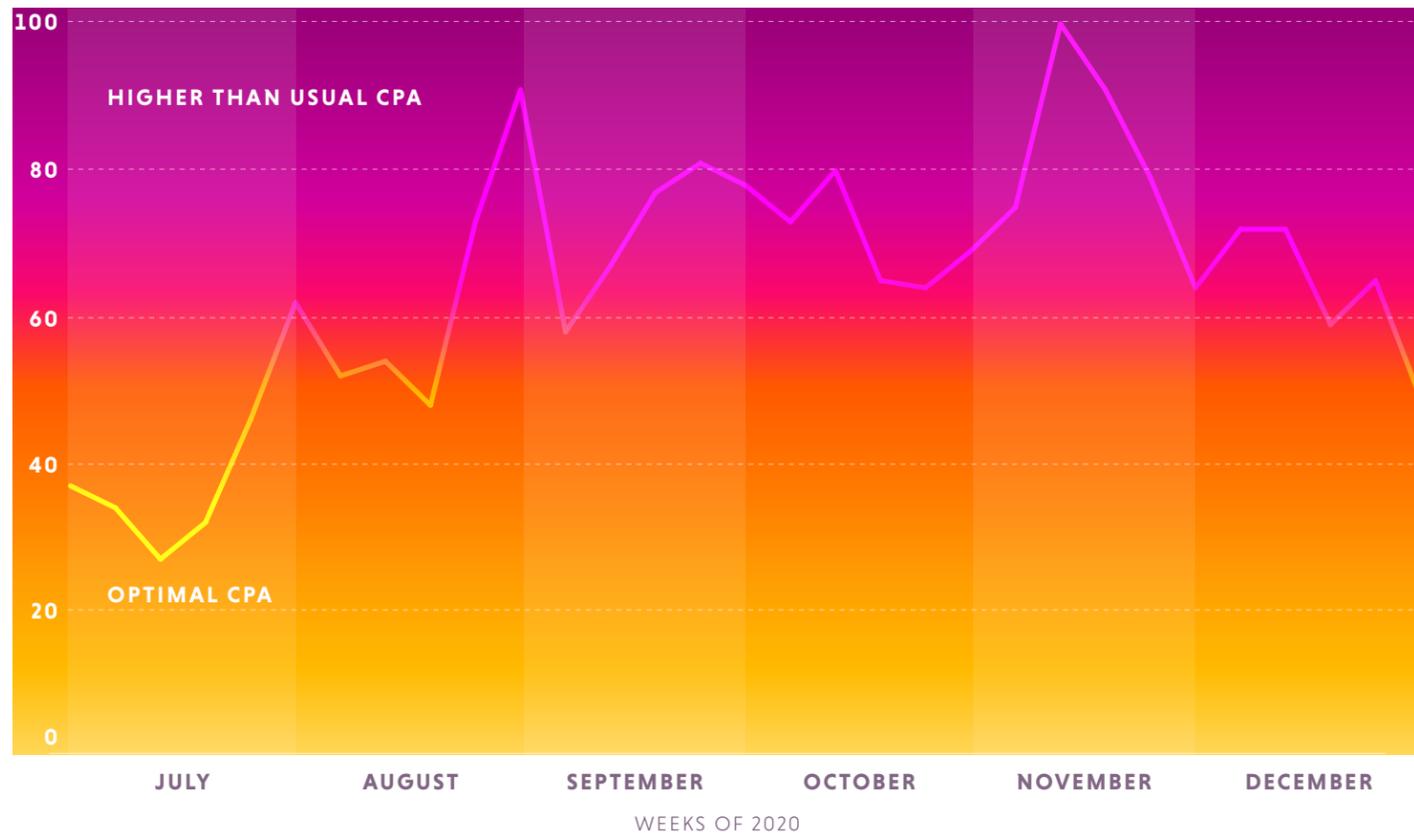
increase in CPM across mobile and tablets is higher than for desktop, mobile continues to offer higher returns. The emergence and growth of new platforms like TV and gaming consoles, further offer marketers the opportunity to use new high engagement platforms to reach new audiences.

We observed that CPA levels were more desirable

### NORMALIZED WEEKLY CPA LEVELS, H2, 2020

NORMALIZED WEEKLY CPA LEVELS

Source: MiQ Inventory Stats, Normalized over H2 2018 -H2 2020



Another thing that can save marketers thousands of dollars during the upcoming holiday shopping season is considering where they place ads. For marketers looking to future-proof their media strategies, finding ways to identify contextual relevance for their campaigns is key. Modeling website-website

and user-user interactions can recommend to marketers new audiences and opportunities with less rush to boost ROIs. While the general activity across shopping domains remains fairly constant (the reason for the elevated CPMs), there are other site categories where brands can

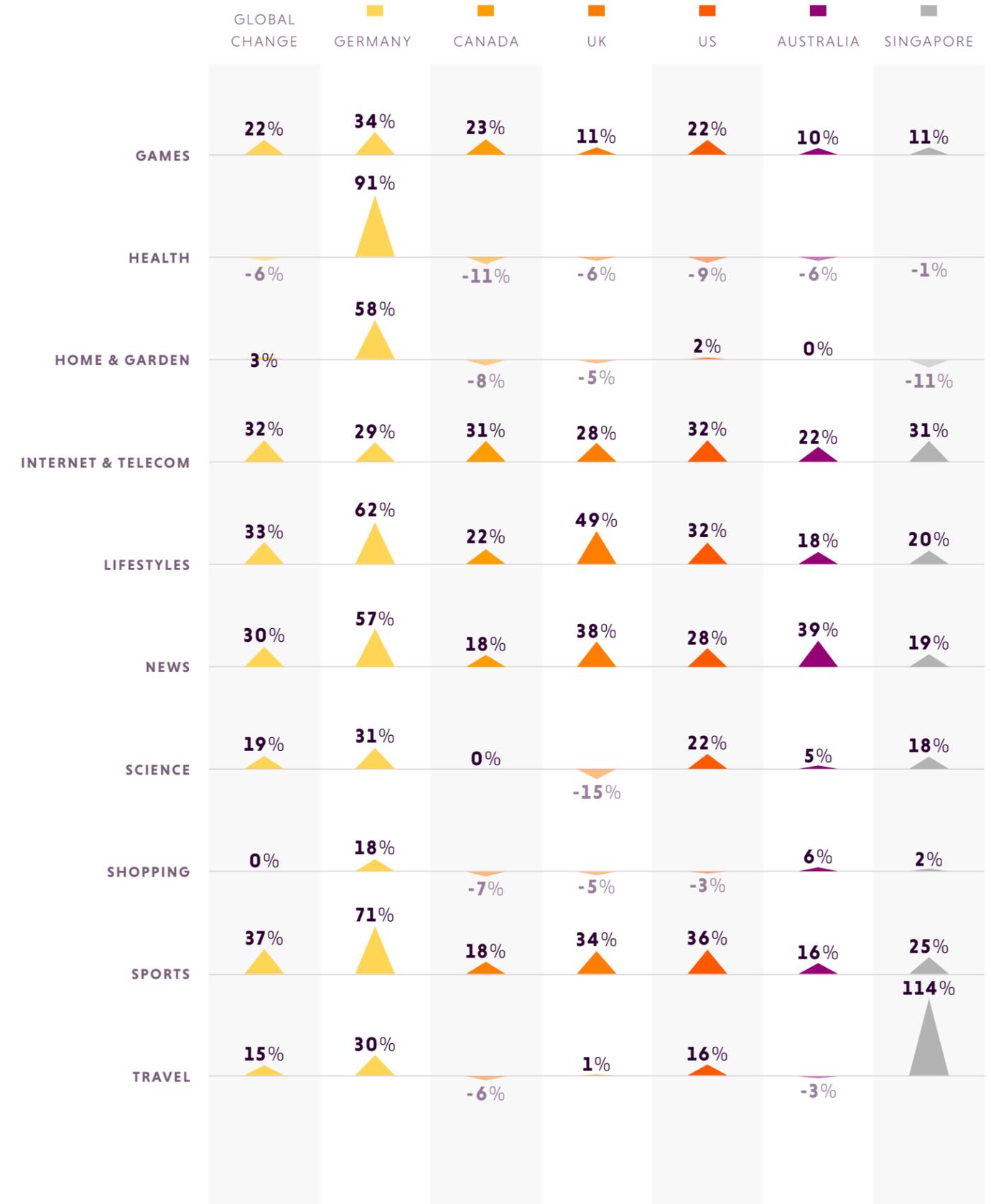
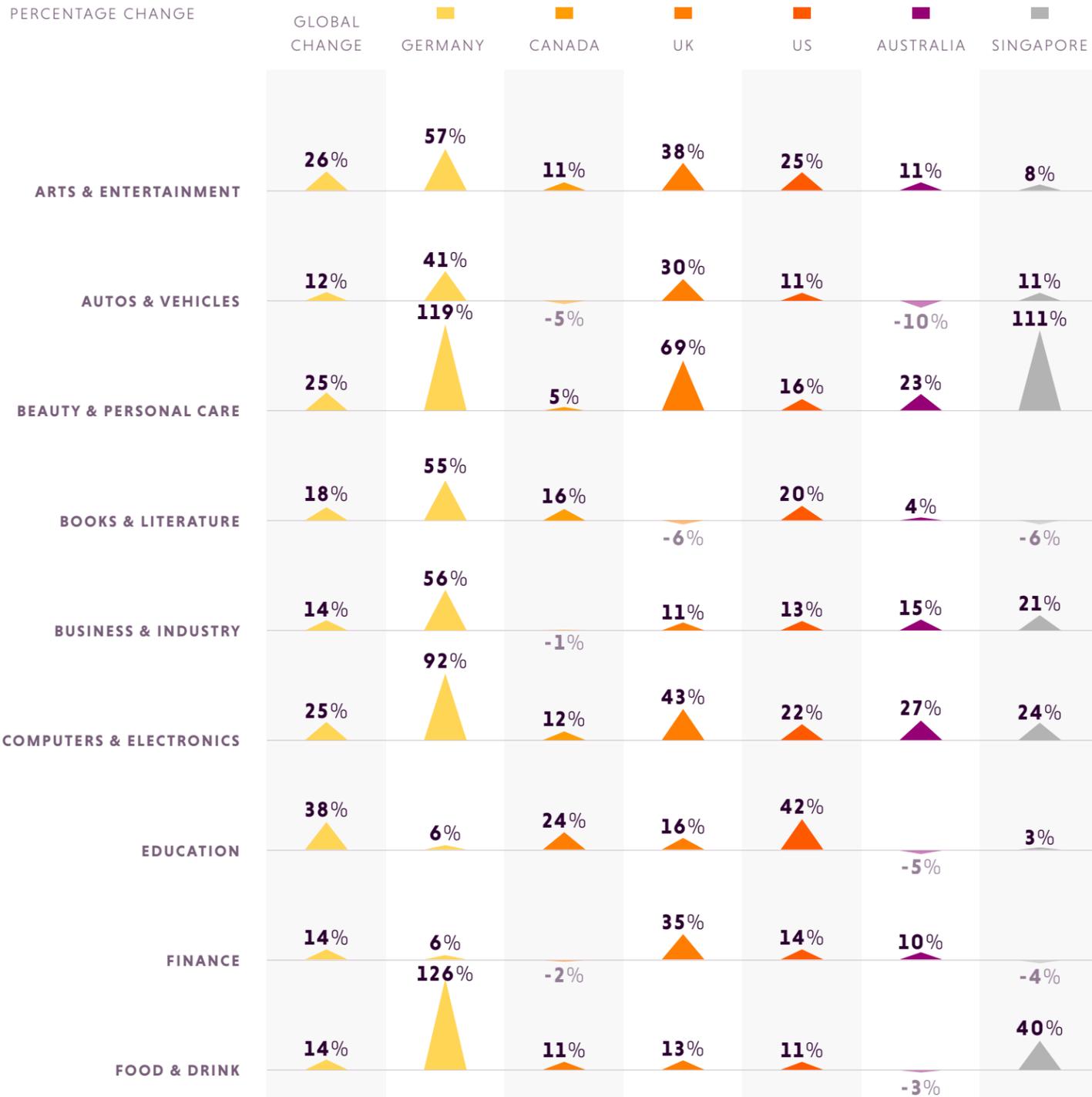
find their audiences without actually paying a premium. While sports and education-oriented domains offer an alternate option to build reach, beauty and lifestyle related content sees elevated interest among British audiences.



PERCENTAGE CHANGE IN INVENTORY BY SITE DOMAIN CATEGORY Q4, 2020 VERSUS 2020 AVERAGE

NORMALIZED WEEKLY CPM LEVELS

Source: APN Universal Content Category reports, 2020





## 5 tips for planning a successful holiday shopping campaign

5 tips for planning a successful holiday shopping campaign

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1

### KNOW YOUR NEW AUDIENCE

Toss out what you know about your regular shoppers and dive into understanding who your holiday shoppers will be. What are their shopping plans and budgets? How should you reach them? Work with a partner who can identify your audience and conduct research for a campaign to optimize your buy before it starts.

2

### CONNECT YOUR CROSS-MEDIA EFFORTS

There's no excuse for having siloed TV and digital campaigns. Using current technology, you can identify your TV ad viewers and retarget them online. A partner can help identify and activate omnichannel opportunities to deliver higher ROIs.

3

### ESTABLISH ROI AND MEASUREMENT STRATEGIES TO ALIGN TO BUSINESS GOALS

Brick-and-mortar retailers won't fully benefit from tracking online conversions. What they need is a campaign that can track store visits and customer proximity to stores to target the right audience. Working with a partner can measure incremental ROI to showcase the effectiveness of your campaigns.

4

### ADAPT OUTREACH PLANS TO MATCH HOLIDAY SHOPPING TIMELINES

Once you know who your target audience is, researching their behaviors is key. Start well before the holiday season to build a relationship with consumers through communication and personalized messaging across multiple platforms.

5

### USE PERSONALIZATION AND HIGH IMPACT CREATIVE FORMATS

Make your brand stand out. With so many choices, consumers are looking for a product that speaks directly to them. Creative personalization of your brand can drive deeper engagement. Dynamic creative optimization (DCO) and interactive shoppable creatives are other ways you can tailor creatives.

#### ABOUT MiQ

We're MiQ, a programmatic media partner for marketers and agencies. We connect data from multiple sources to do interesting, exciting, business-problem-solving things for our clients. We're experts in data science, analytics, and programmatic trading, and we're always ready to react and solve challenges quickly, to make sure you're always spending your media investments on the right things in the right places.

Please visit us [wearemiq.com](https://wearemiq.com)