

2019 HOLIDAY SHOPPING STUDY

INTRODUCTION

With 2019 rapidly passing by, the time has come again for people around the world to look ahead to the winter holidays, planning for the purchases they will make. For roughly one in five consumers, the holiday shopping process starts as early as September, and for the most, this will extend well into December as they buy gifts for friends and loved ones.

For marketers, it's an exciting time, when the influx of sales and shoppers can make or break a brand's year. The fervor around Thanksgiving, Black Friday, Cyber Monday, and Boxing Day adds up to a massive opportunity for engaging consumers and driving revenue.

From a data standpoint, holiday shopping creates an interesting conundrum. As people step out to shop for others, they'll buy things they may not normally purchase, signaling themselves as buyers for products they'll never show an interest in again. Or they may find a new retailer or brand they weren't familiar with, and become a lasting customer.

WHAT YOU'RE GOING TO LEARN:

- ✓ How holiday shopping will affect consumer spending in the US, UK, Canada, Australia, and Germany
- ✓ How people in each region will shop for gifts this holiday season, both for themselves and others
- ✓ How people in each region will conduct research before their holiday shopping to find the best deals and discounts
- ✓ How changes in consumer activity will affect the inventory available to advertisers, and the prices for that inventory
- ✓ Tips for running a successful campaign focused on driving sales during the holiday season

HOW DO I READ THIS WHITEPAPER?

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MAJOR EVENTS



UNSELECTED SECTION

GIFT BUYING IN 2019



UNSELECTED SECTION



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THE UNITED KINGDOM

INTRODUCTION

Black Friday and Cyber Monday continue to be important shopping events in the UK, leading to peaks in online traffic and interest in discounts and deals just as fervent as in the US. UK shopping sites saw a significant boost in traffic on Black Friday last year, with a smaller (but also significant) boost on Cyber Monday compared to prior weeks in November and October.

Heading into the 2019 Holiday shopping season, UK shoppers are poised to spend

more than last year. Only 10% of shoppers say they plan to spend less than a year ago and 29% suggest they'll spend more. As shoppers hit stores and go online, they'll primarily be shopping for a spouse or significant other (72%) or their own children (56%).

10%

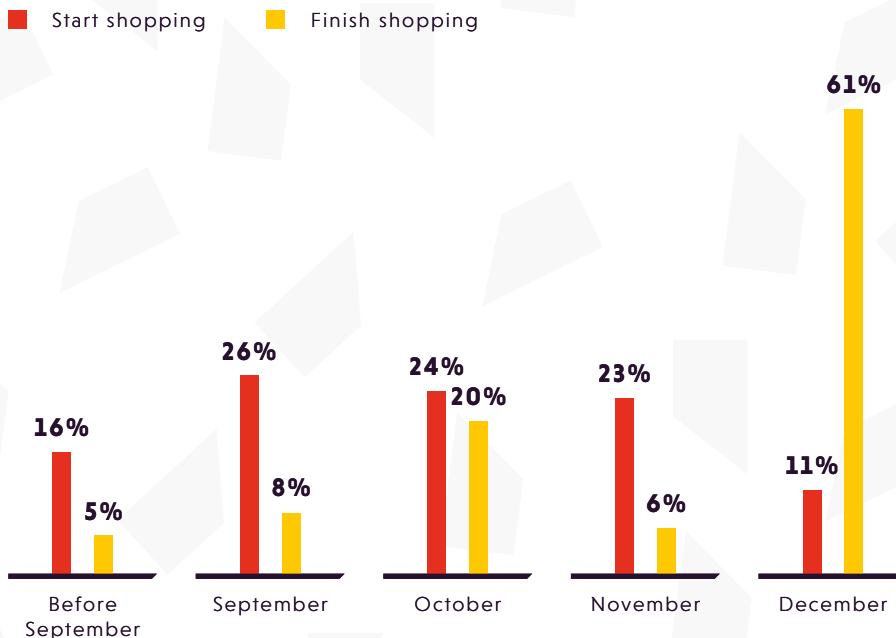
of shoppers say they plan to spend less than a year ago

HOLIDAY SHOPPING FOR 2019

For holiday shoppers in the UK, the season can start as early as September, though most will start their shopping after September. From there, most will extend their shopping into December, where 61% of UK shoppers still be picking up gifts at the last minute.

This year, Brits plan to spend an average of £1,049 on their holiday shopping, with those who begin their shopping early planning to spend the most on a per-person basis. Comparatively women plan to spend almost 50% more than men on their holiday shopping this year.

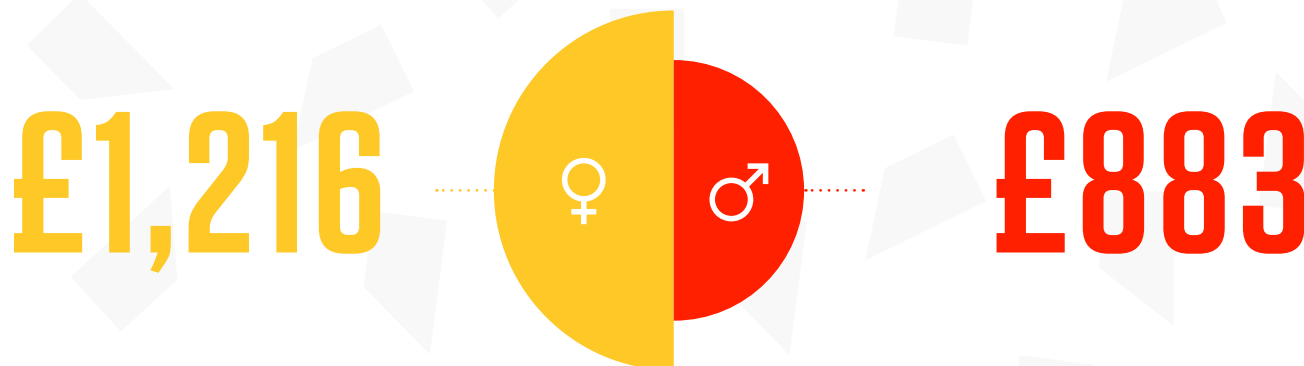
Holiday Shopping Plans, by Start and Finish



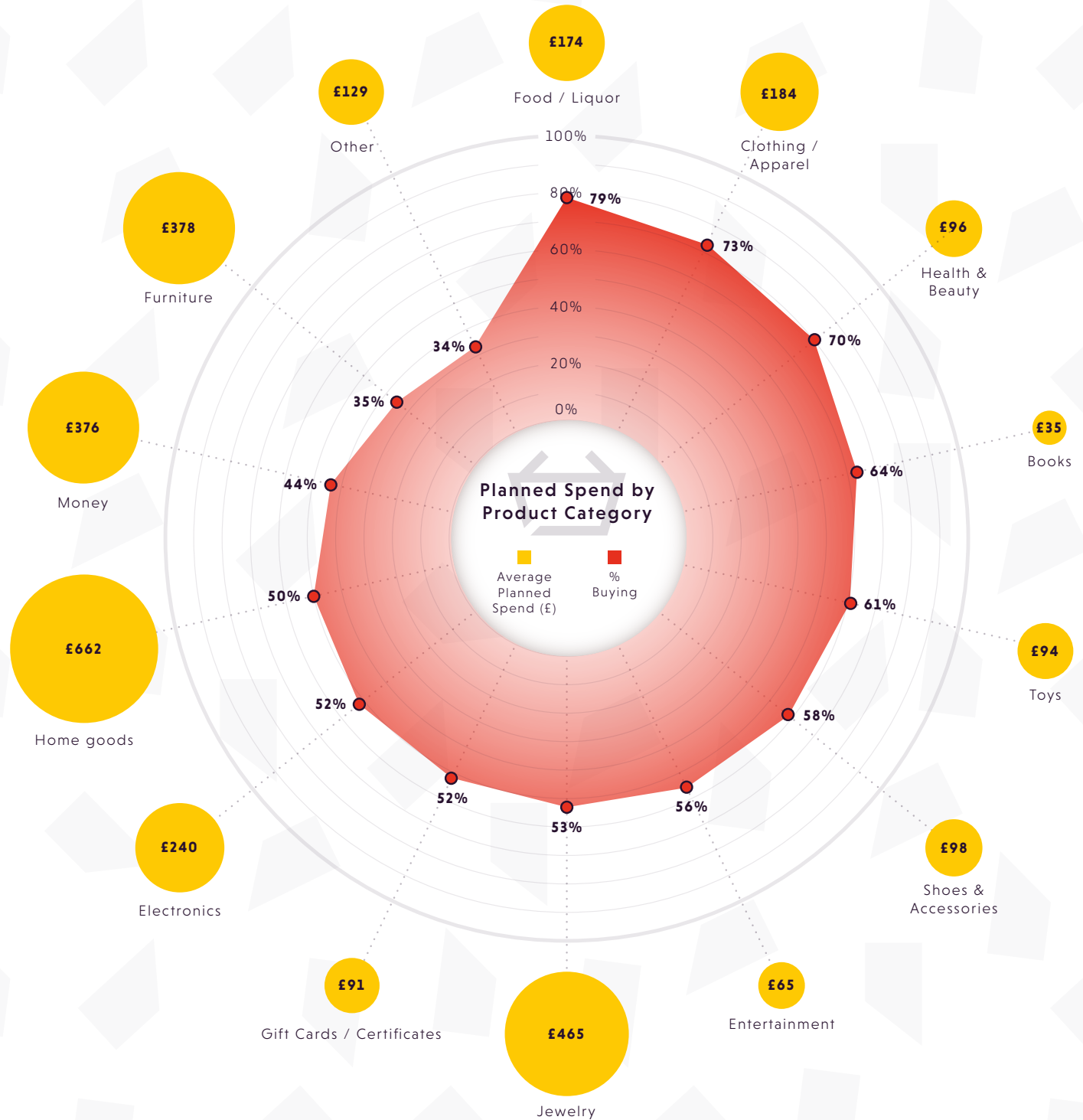
Planned 2019 Spend by Starting Month



Planned Spend by Gender



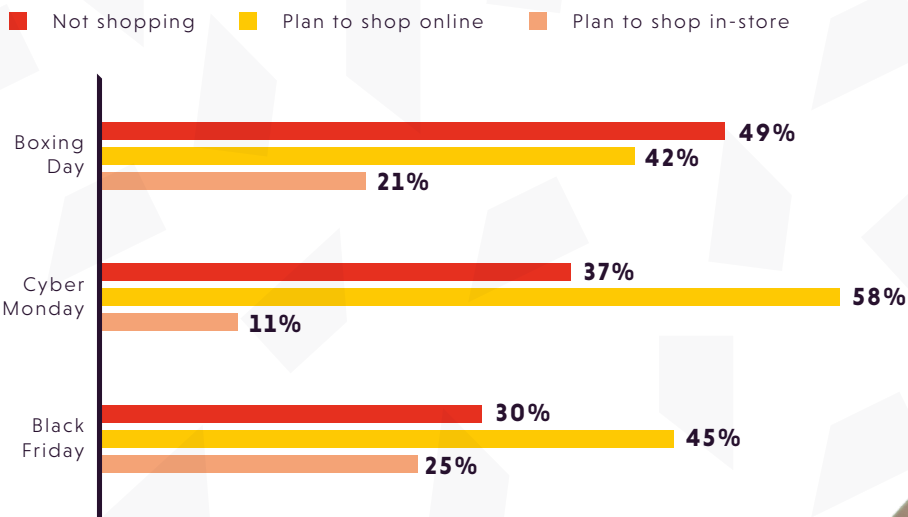
By category, UK holiday shoppers are most likely to spend their money on food or liquor products, where the average buyer will spend £174.46. Clothing was also a major factor, with nearly three-quarters (73%) planning to shop in that product category.



SHOPPING DURING MAJOR EVENTS

Most holiday shoppers (75%) plan to shop on at least one of the major holiday shopping events (Black Friday, Cyber Monday, or Boxing Day), with just under half (43%) planning to shop on all three days. Among event shoppers, online shopping is the preferred method, particularly on Cyber Monday, though in-store visits are most popular on Black Friday. Even among those planning to shop in-store, more than half (61%) plan to shop online as well, making digital strategies critical for marketers looking to capitalize on these events to drive sales.

Shopping Plans, by Event



Mobile and the Holiday Shopping Experience

For people in the UK, mobile plays an important role in the holiday shopping process. More than half of holiday shoppers will use a mobile device to shop this year, and more than half (57%) will make an online purchase with a mobile device, though compared to their US counterparts, UK shoppers are still more likely to make a purchase on a PC or laptop (60%). The most common mobile activity during the season will be tracking order

statuses, which 62% of shoppers will do on a mobile device, followed by looking up product information or specs (60%) and reading reviews (47%). Purchases are still most common on a desktop/laptop device, though online browsing is a close second.

57%

will make an online purchase with a mobile device

Shopping Activities, by Device



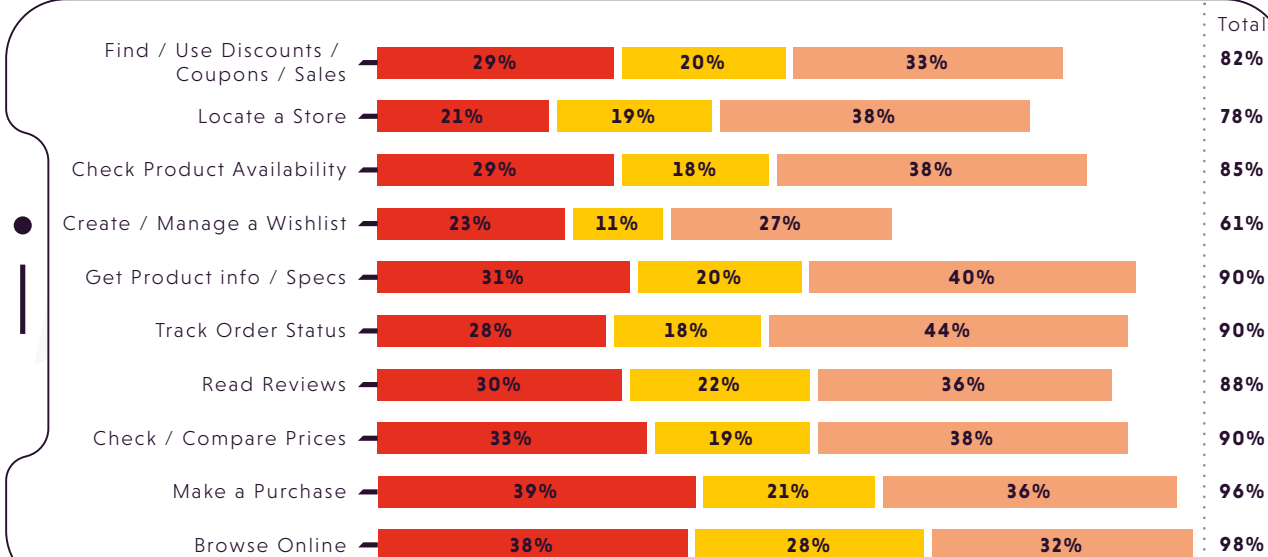
Desktop / Laptop



Both



Mobile / Tablet



Holiday Spending Potentially Flat Versus Last Year

When asked about their spending plans for this year, most shoppers say they plan to spend "about the same" as last year, with the largest exception being shoppers between the ages of 18 and 34, among whom nearly half (45%) plan to spend more.

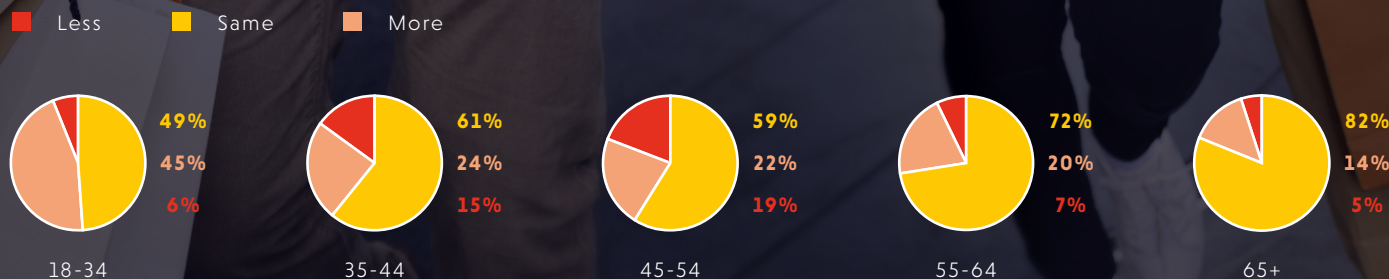
Compared to our study results last year, this is promising, with a larger percentage of UK shoppers planning to spend the same

or more than they planned to last year. The largest growth was among the 18 to 34 age group, among whom only 37% said they planned to spend more last year than in 2017. Comparatively, the 65+ age group were more likely to spend about the same as they did last year, 82% compared to 50% in our 2018 study.

Additional spending plans in the UK are strongly correlated with consumers'

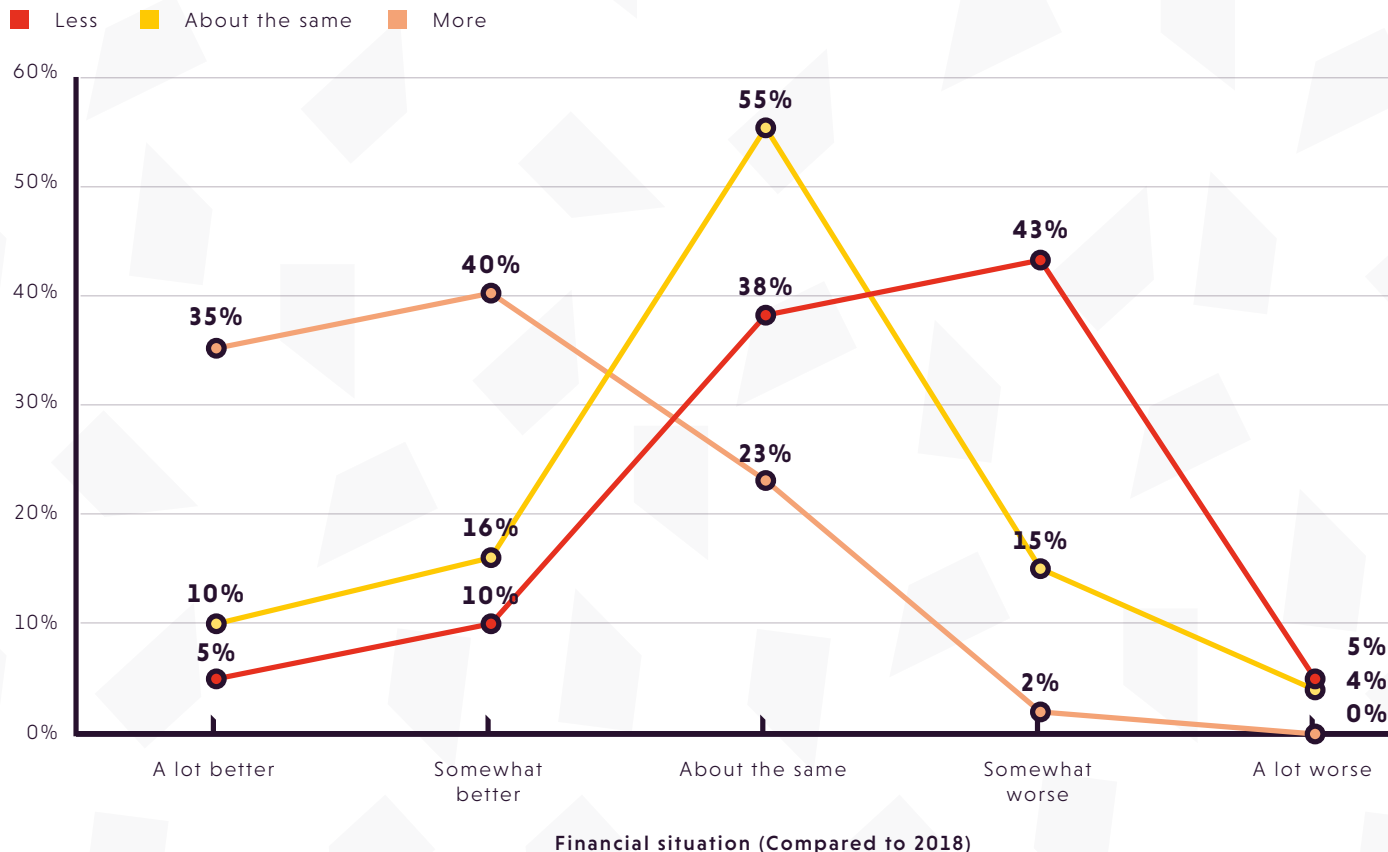
financial outlooks. 75% of those planning to spend more in 2019 said they were doing either "a lot better" or "somewhat better" financially than they were last year. Likewise, 86% of those planning to spend less felt their financial situations were either "about the same" or worse than they were one year ago.

Holiday Spending Plans vs. Last Year, by Age Group



How Shoppers Planned Spend is Affected by their Financial Situation

2019 Planned Spend compared to 2018 is:

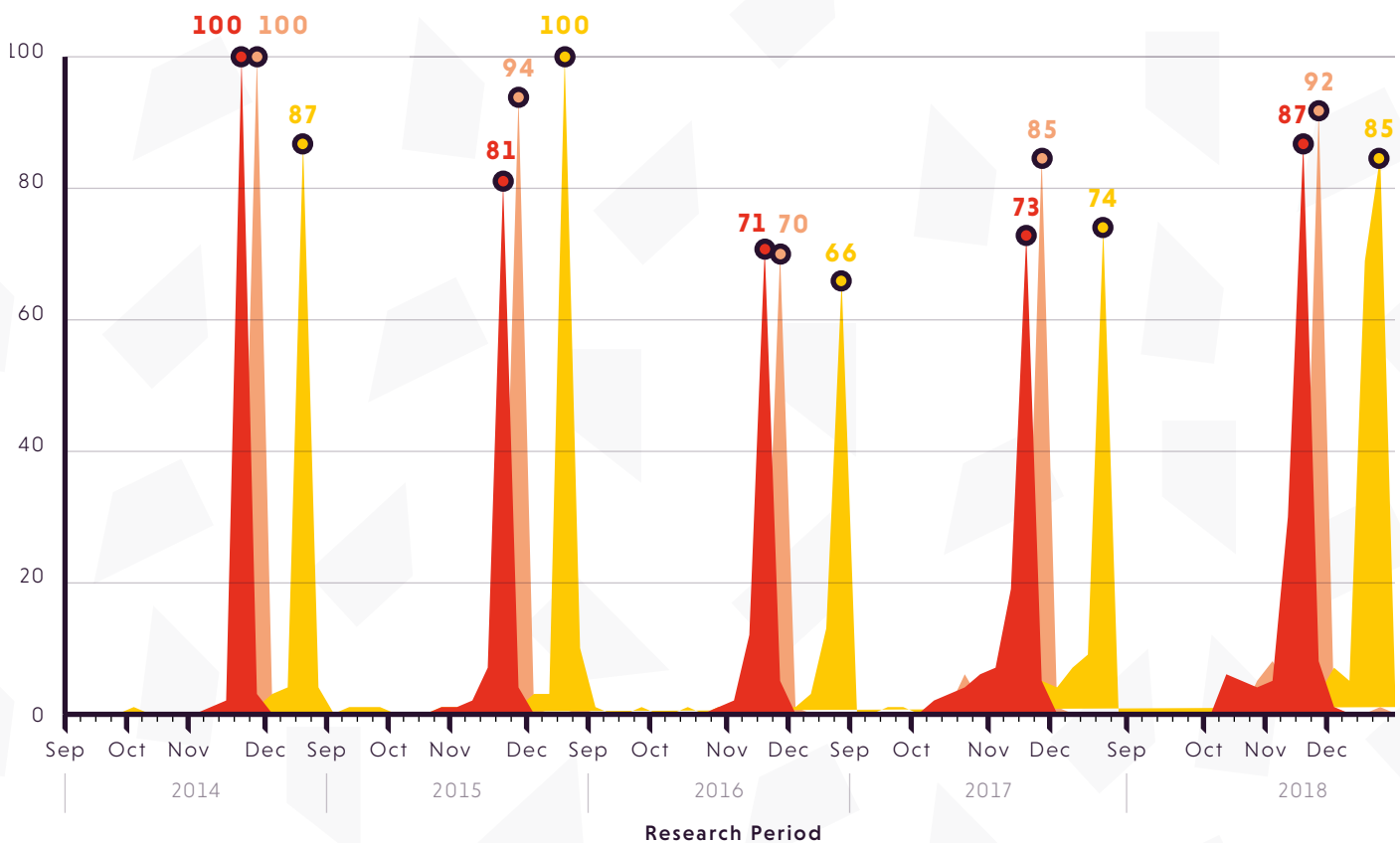


RESEARCHING FOR HOLIDAY SHOPPING

While the majority of people in the UK who shop for the holidays start after September, those who plan and research their future purchases start earlier. As early as September, shoppers will begin shortlisting four to five products and three to four sellers they'll plan to look at during major sales events such as Black Friday and Cyber Monday. They'll look at finding pre-sale offers and ways to avoid the rush of trying to buy something at the same time as everyone else.

Relative Search Interest for Holiday Shopping

■ Black Friday ■ Boxing Day ■ Cyber Monday



Though the research and shortlisting may begin as early as September, we start seeing actual intent to purchase in the latter half of October, though as we collect more data, it becomes easier to identify intent signals earlier. Advertisers can make an impact at this point, using messaging to influence shoppers' shortlist and embedding themselves as an option for consideration. It's worth noting that for many of these shoppers, research will

occur while they are at work: three out of 10 coupon and discount research queries conducted in the UK in 2018 occurred on weekdays during office hours, either between 11 AM and noon or between 4 and 6 PM.

Besides the burgeoning trends in m-commerce, the mobile platform has emerged as an important method for researching and comparing products. In

2018, almost four in 10 shopping-related searches in the UK took place on mobile devices. Smartphones are the preferred device for consumers to maintain wish lists and compare products. And those who do will spend more than three hours per week conducting pre-sale activity on a mobile device.

RUNNING HOLIDAY SHOPPING CAMPAIGNS IN THE UK

For advertisers aiming to run a successful holiday shopping campaign, it's important to understand how consumer behavior affects the opportunity to show ads to their target audience, and the cost of doing so.

Measuring the Impact of GDPR and vITP 2.0

2018 introduced a number of major changes to digital marketing in the UK with the adoption of GDPR in May and Apple's release of ITP v.2.0 in October. Heading into the start of GDPR, concerns over the availability of cookies and inventory led

advertisers to worry that we'd see a sharp increase in CPMs and, as a result, eCPAs for digital campaigns run in Europe.

In fact, the impact of GDPR on CPMs appears to be negligible. While European CPMs were, on average, higher in 2018 than outside Europe, they did not increase significantly immediately following the enactment of GDPR and followed seasonal trends throughout the year.

The largest impacts post-GDPR appear to have been on mobile inventory, where post-GDPR, CPMs in Europe have increased by 23% on average.

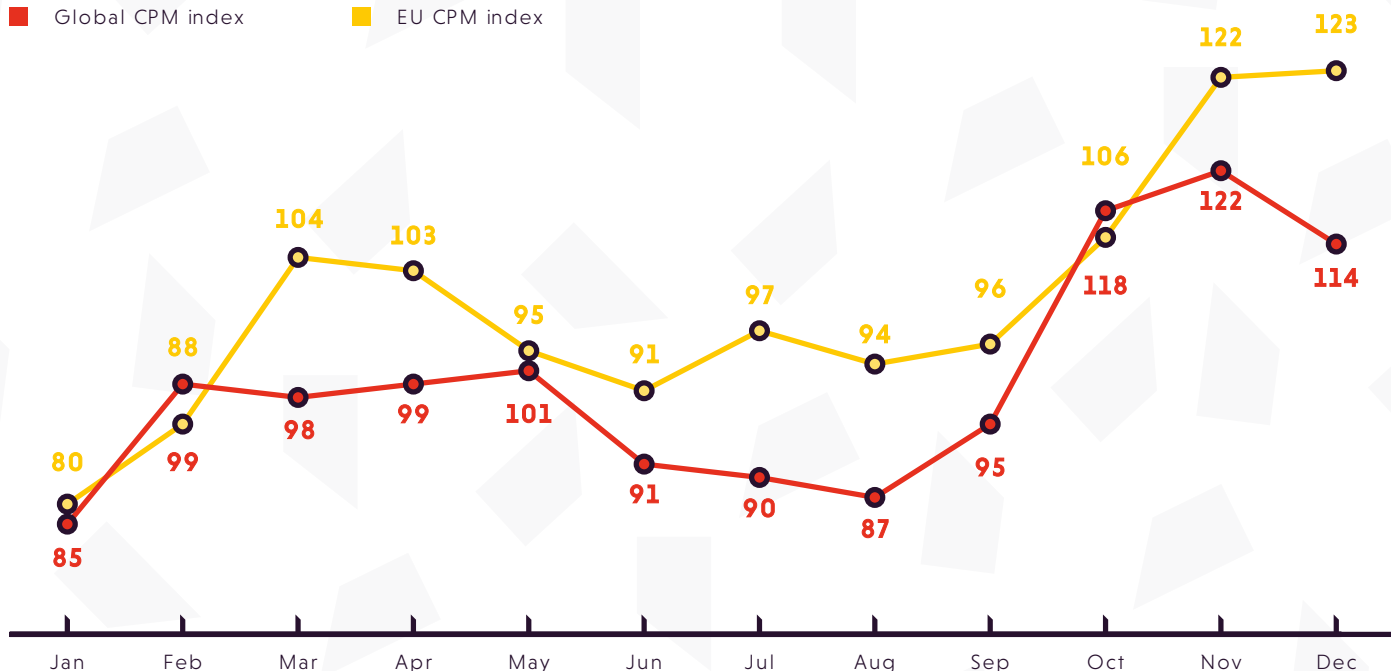
23%

CPM's in Europe have increased by 23% on average

CPM Variation by Month

■ Global CPM index

■ EU CPM index



Device Trends for Holiday Inventory

CPMs vary significantly by device, and not all are equally impacted by the holiday shopping season. Inventory prices in the UK fluctuate week-to-week in holiday season, with mobile in-app inventory seeing the most significant swings. Generally speaking, demand and, as a result, CPMs for desktop and mobile web increase by 4% during the holiday season, while CPMs for in-app inventory decrease until the season has ended.

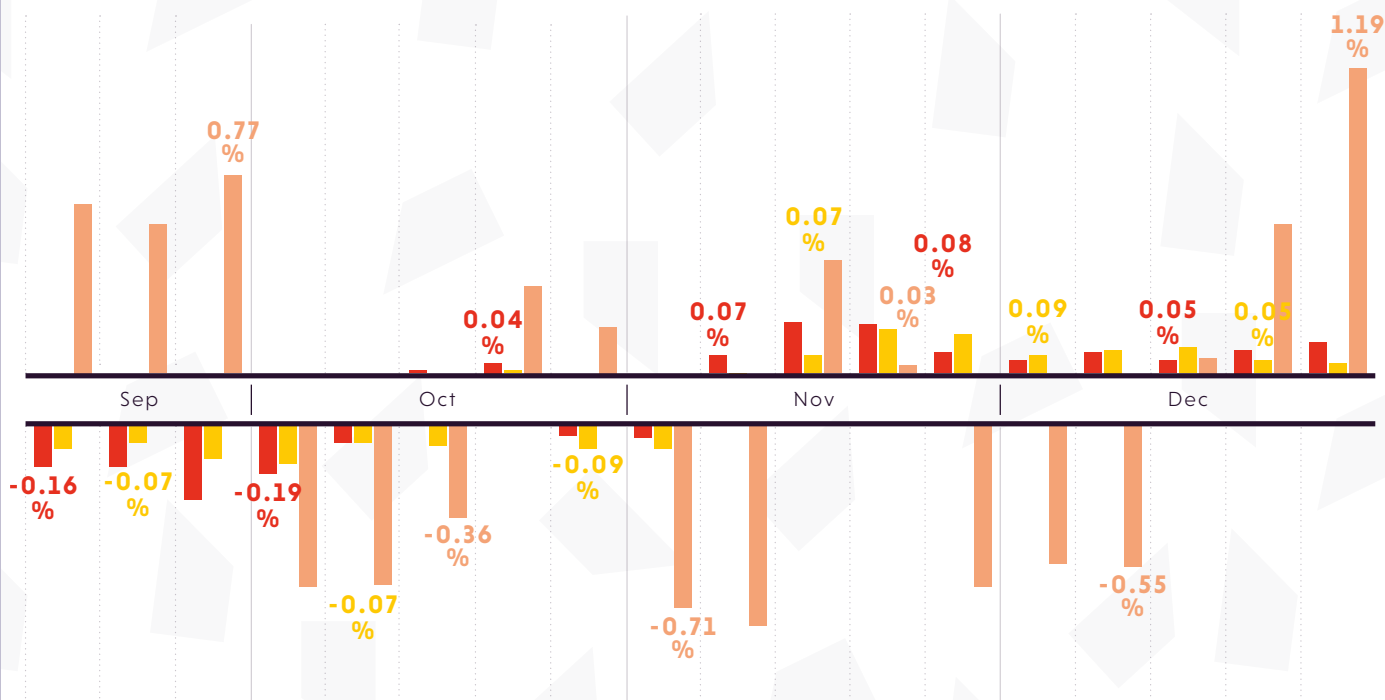
The effect is even more pronounced during shopping events in the UK. Inventory prices for PC and mobile web increased by 19% to 27% during the weeks of Black Friday and Cyber Monday, and by 17% on the day of the Boxing Day sales.

From a performance standpoint, mobile web delivers the most performance on a cost-per-click basis for advertisers, though mobile generally tends to be more cost-

efficient in that regard. It's worth noting that increases in in-app CPCs are directly tied to increases in inventory costs the last two weeks of the year, and that for much of November, in-app inventory may present a better opportunity for holiday advertisers.

CPM Variations Across Different Platforms

■ WEB CPM Lift ■ Mobile CPM Lift ■ In-app CPM Lift





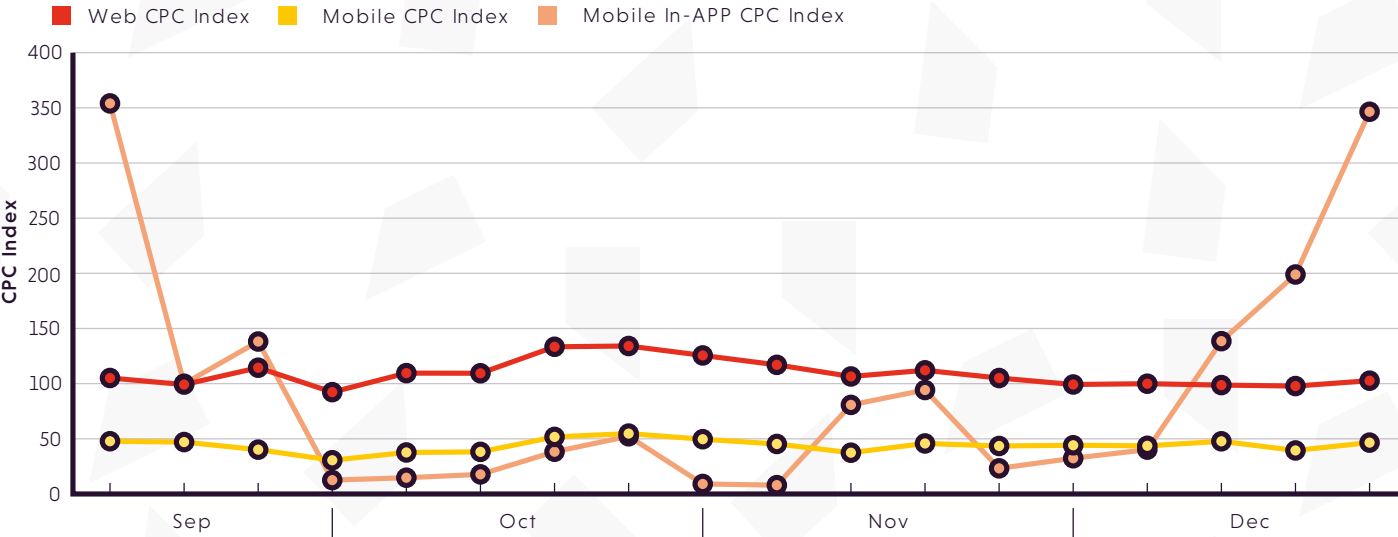
HOLIDAY SHOPPING
FOR 2019

SHOPPING DURING
MAJOR EVENTS

RESEARCHING FOR
HOLIDAY SHOPPING

RUNNING HOLIDAY
SHOPPING CAMPAIGNS

CPC Variations by platform





CANADA



INTRODUCTION

Although Thanksgiving in Canada occurs more than one month earlier than in the United States, the holiday shopping season for Canadians will line up largely with American dates such as Black Friday and Cyber Monday. As the season approaches, Canadians will go online to conduct research, compare prices, and plan purchases, identifying when and where they'll buy the perfect gifts. One in eight (13%) will spend more than \$1,000 CAD on holiday shopping, though many plan to spend more than that heading into the season.

As buyers more carefully research their purchases online, marketers will need to become more shrewd about targeting them in the times and places their decisions can be influenced. Consumer spending among Canadians typically peaks in November around Black Friday and Cyber Monday, creating a small window for marketers to act in the moment. The real groundwork needs to be laid in the preceding month.

13%

will spend more than \$1,000
CAD on holiday shopping



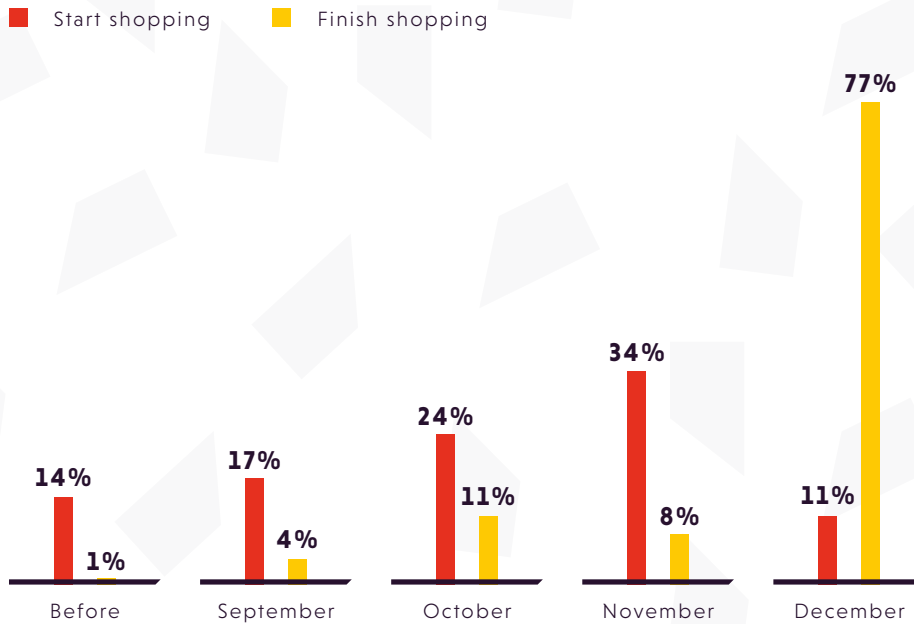
HOLIDAY SHOPPING FOR 2019

For Canadian holiday shoppers, the season is most likely to start in November and continue into December, when more than three-quarters (77%) of Canadians will still be shopping for gifts.

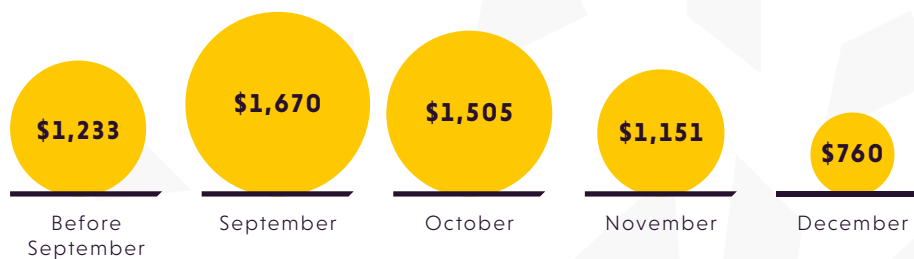
Early shoppers in Canada, or those who begin their holiday shopping in September and October, will on average plan to spend more in 2019 than those who wait until November/December. This is likely due to a desire to stretch their budgets and activity over a longer time period, and knowing that not everything they want will be on sale.

While a small portion (8%) of Canadian holiday shoppers will conduct all of their shopping in November, for the early shoppers, almost none will stop shopping in November. Those who do stop will have completed their shopping before Black Friday rolls around, and those who don't will be going well into December.

Holiday Shopping Plans, by Start and Finish



Average Planned Spend of Shoppers (CAD)



HOLIDAY SHOPPING FOR 2019

SHOPPING DURING MAJOR EVENTS

RESEARCHING FOR HOLIDAY SHOPPING

RUNNING HOLIDAY SHOPPING CAMPAIGNS





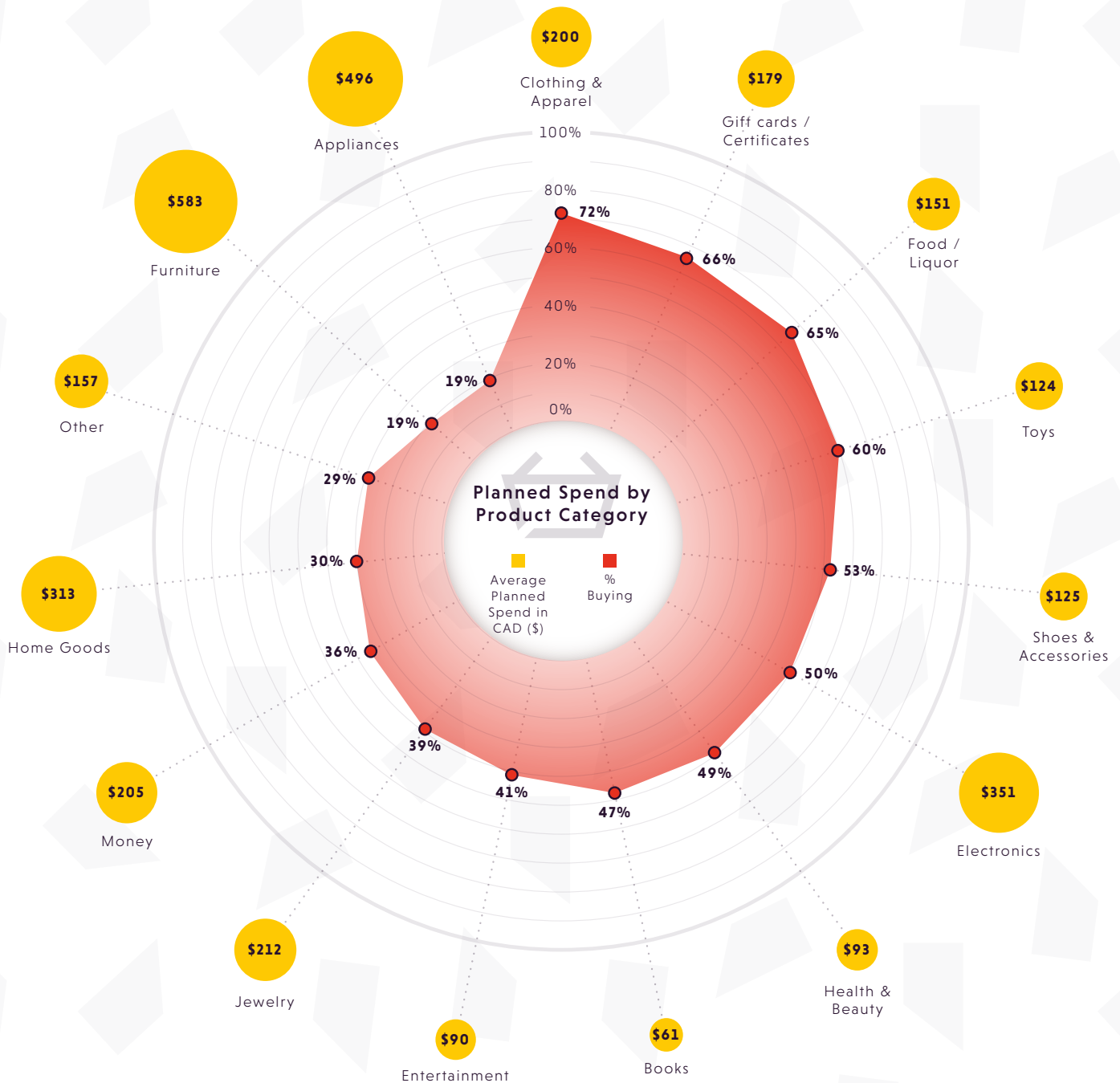
HOLIDAY SHOPPING
FOR 2019

Among Canadian holiday shoppers, the most common category for holiday gift buying is clothing and apparel, where shoppers plan to spend an average of about \$200 this year. Only one in five Canadians is planning to shop for furniture or appliances this year, though those who are plan to spend \$500 or more on their purchases there.

SHOPPING DURING
MAJOR EVENTS

RESEARCHING FOR
HOLIDAY SHOPPING

RUNNING HOLIDAY
SHOPPING CAMPAIGNS





SHOPPING DURING MAJOR EVENTS

Four out of five (82%) Canadians plan to shop on at least one of Black Friday, Cyber Monday, or Boxing Day this year, and more than half (51%) plan to shop on all three. Although these days may be primarily about deals and sales for retailers, they attract more than just the stingiest shoppers. On average, Canadians planning to shop on at least one of the three event days planned to spend 17% more than the average, or \$1,502 CAD.

When it comes to how they plan to conduct their shopping, the majority of Canadians plan to do their Black Friday and Cyber Monday shopping online, with Boxing Day being more about going to a store. Despite this digital focus, one-third of Canadians plan to do some of their holiday shopping in a physical store on each of the events.

Shopping Plans, by Event



HOLIDAY SHOPPING FOR 2019

SHOPPING DURING MAJOR EVENTS

RESEARCHING FOR HOLIDAY SHOPPING

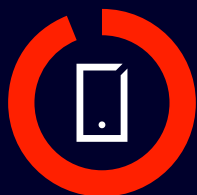
RUNNING HOLIDAY SHOPPING CAMPAIGNS





Mobile and the Holiday Shopping Experience

94% of Canadian shoppers will use a smartphone or tablet as part of their shopping process, particularly when it comes to researching products. Two in five (41%) plan to use a mobile device to make a purchase.



94%

of shoppers will use a smartphone or tablet as part of their shopping process



2/5

plan to use a mobile to make a purchase

Shopping Activities, by Device



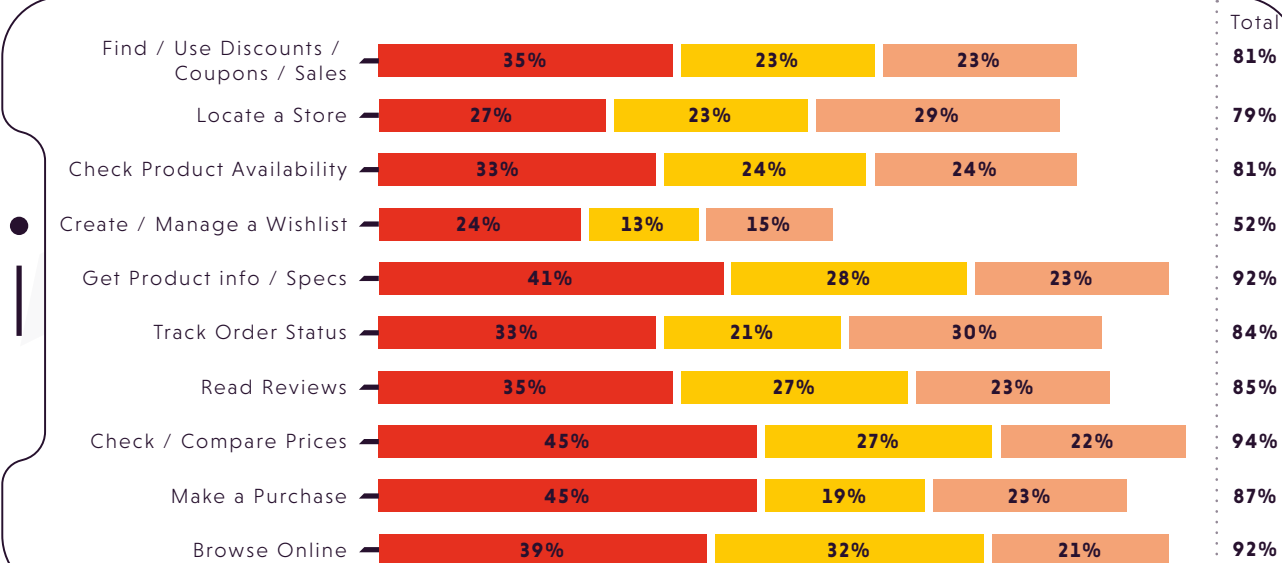
Desktop / Laptop



Both



Mobile / Tablet





Holiday Spending Likely To Be Flat in 2019

Compared to last year, two out of three Canadians (66%) plan to spend about the same on holiday shopping in 2019, and roughly as many plan to spend more (19%) or less (15%) this season.

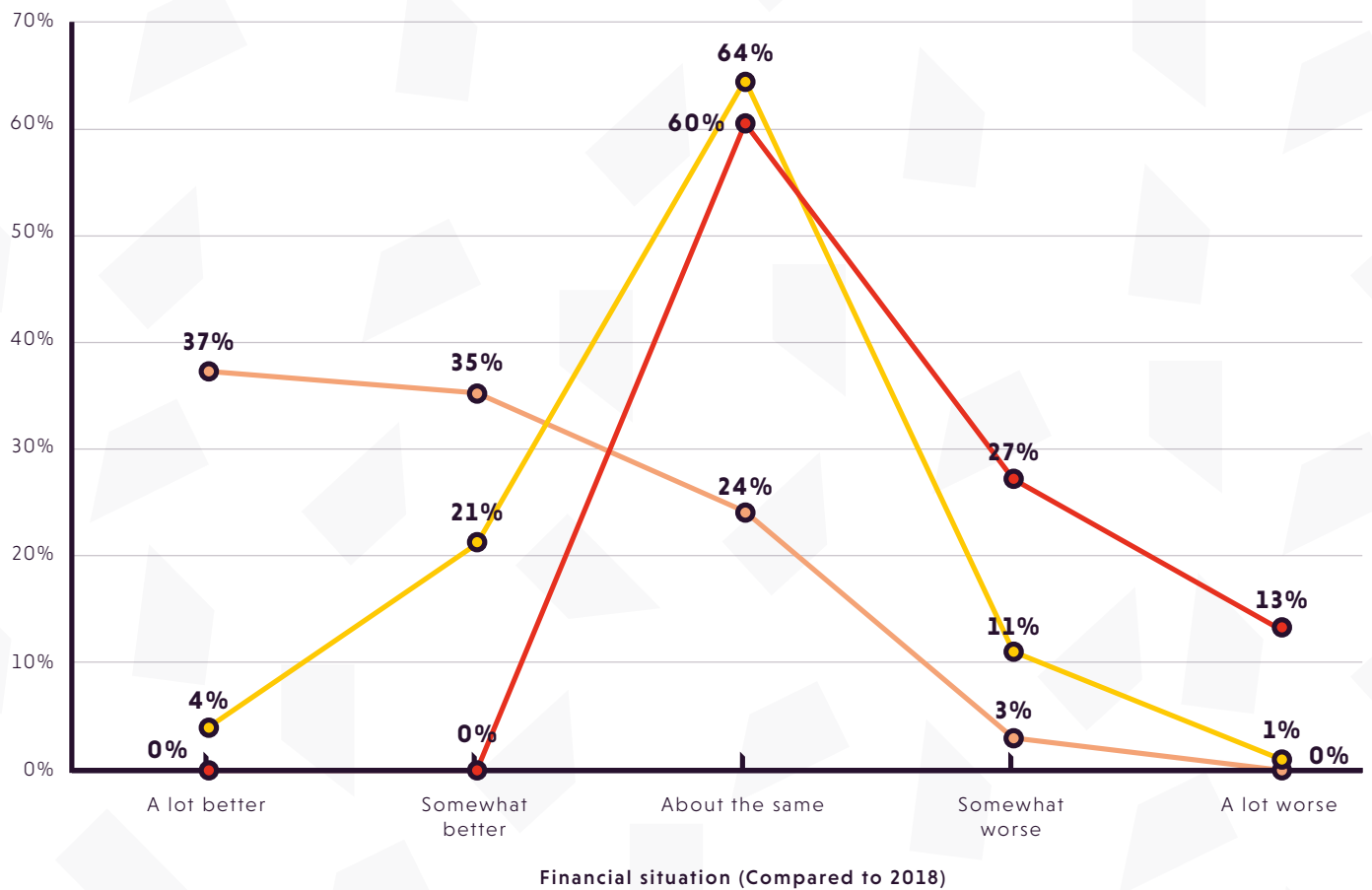
Much of this is driven by Canadians' perceptions of their current financial

situation. More than half of Canadians (56%) say that their current financial situation is "about the same as last year". Among these, 64% say they plan to spend about the same as last year. Likewise, the majority of Canadians planning to spend less in 2019 are those whose financial situation is worse than last year.

How Shoppers Planned Spend is Affected by their Financial Situation

2019 Planned Spend compared to 2018 is:

Less About the same More





RESEARCHING FOR HOLIDAY SHOPPING

Canadian shoppers tend to start researching purchases for the holiday season in October, later than their US and UK counterparts. Comparatively, Canadian shoppers are also more likely to hold more of their shopping for later in the season. However, that interest may be shifting to earlier in the season. As popularity for Black Friday in Canada has increased over the past five years (quadrupling during that time period), search interest for Christmas sales has decreased 23%. This suggests opportunities for advertisers to start reaching Canadians earlier in the season, when they are beginning their research.



Consistent with our research last year, the majority of Canadian holiday shopping research (68%) is conducted through mobile devices. Roughly half of Canadians (51%) will look up product info or specs on a mobile device, read product reviews, or check and compare prices on a mobile device this holiday season. As sales events

near, research activity will spike among Canadian consumers, where an average shopper doing online research may conduct more than 27 searches around Black Friday deals in the week leading up to the holiday.

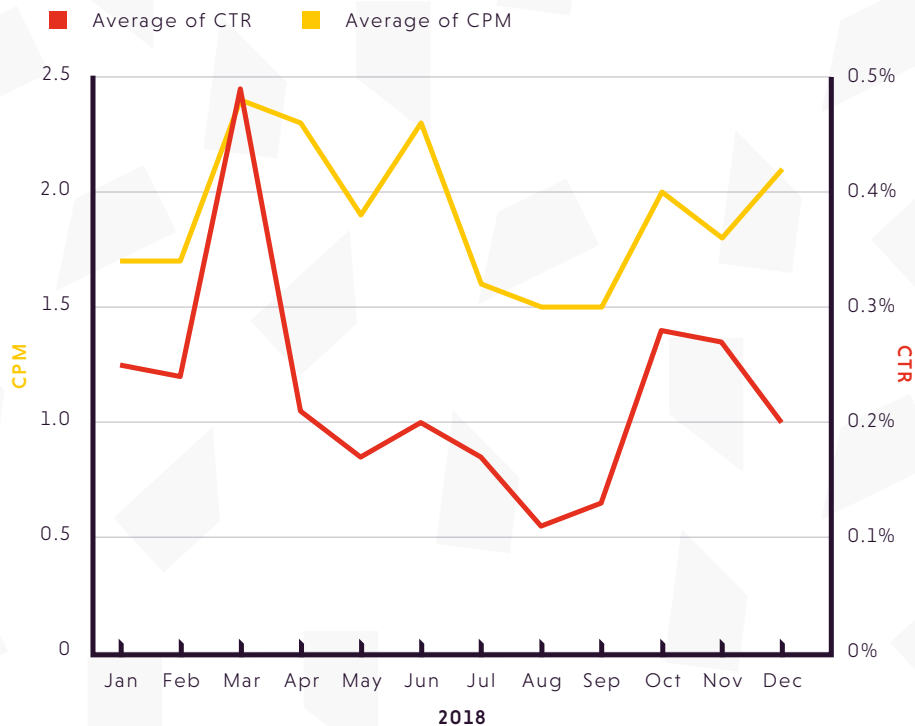


RUNNING HOLIDAY SHOPPING CAMPAIGNS

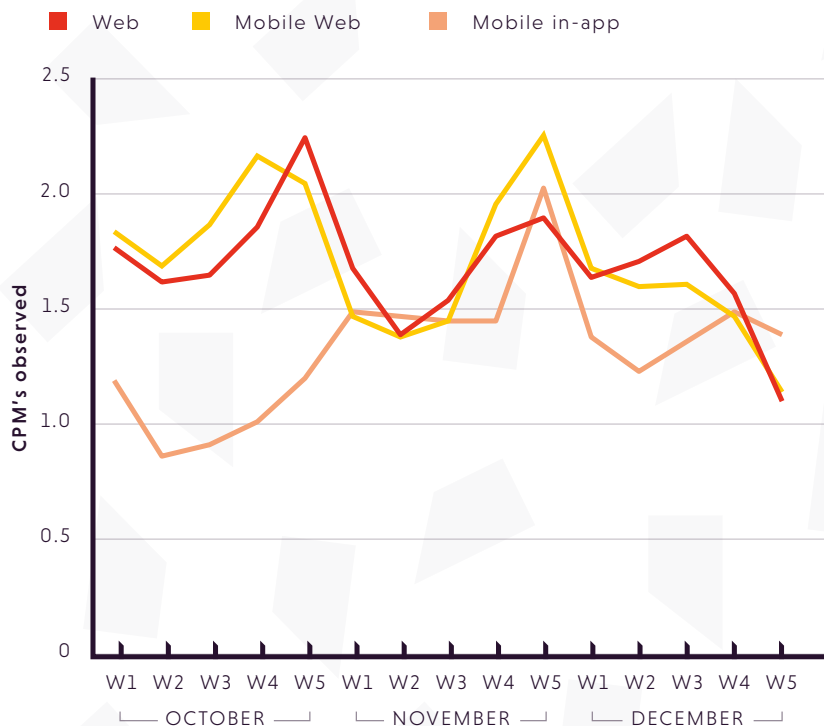
Compared to the US and UK, seasonal impacts on inventory and CPMs are lower in Canada. Although CPMs do increase slightly in Q4, click-through rates and CPAs stay relatively level throughout the year.

But despite seeing only a minor change for the season, major retail holidays like Black Friday, Cyber Monday, Halloween, and Christmas in Canada are marked by some significant increases in inventory costs that advertisers must account for when planning their holiday shopping campaigns. On average, CPMs increase by 17% to 23% on holidays and events in Q4, and this increased level of demand and activity will usually last until the last two weeks of December. The highest average CPMs will occur in the last two weeks of November, leading into and including Black Friday and Cyber Monday. During this time, costs tend to be highest for retail and QSR advertisers.

Average CTR and CPM, by Month



Q4 CPMs by Platform





THE UNITED STATES

HOLIDAY SHOPPING
FOR 2019

SHOPPING DURING
MAJOR EVENTS

GIFT BUYING IN 2019

RUNNING HOLIDAY
SHOPPING CAMPAIGNS

INTRODUCTION

After projecting increased year-over-year growth in 2018, the National Retail Federation was surprised when the final numbers showed that US holiday spending grew only 2.9% last year (to \$707.5 Bn), potentially a result of turmoil over trade policy and the then-recent government shutdown. The end result was a consumer population that looked confident heading into the holiday season but were ultimately less sure when it came to spending.

As Americans head into the 2019 holiday shopping season there's a hope that shoppers will rebound, finding reasons to

spend more on gifts this year. However, increased consumer spending doesn't necessarily raise revenues evenly: As shoppers become more concerned with researching their purchases and finding the best deals and sales for their holiday shopping, brands who are best able to capture their attention at the right moments stand to see the biggest gains. Understanding when and how Americans shop and prepare for purchases is key to running a successful holiday campaign.

2.9%+

US holiday spending only grew
by 2.9% last year

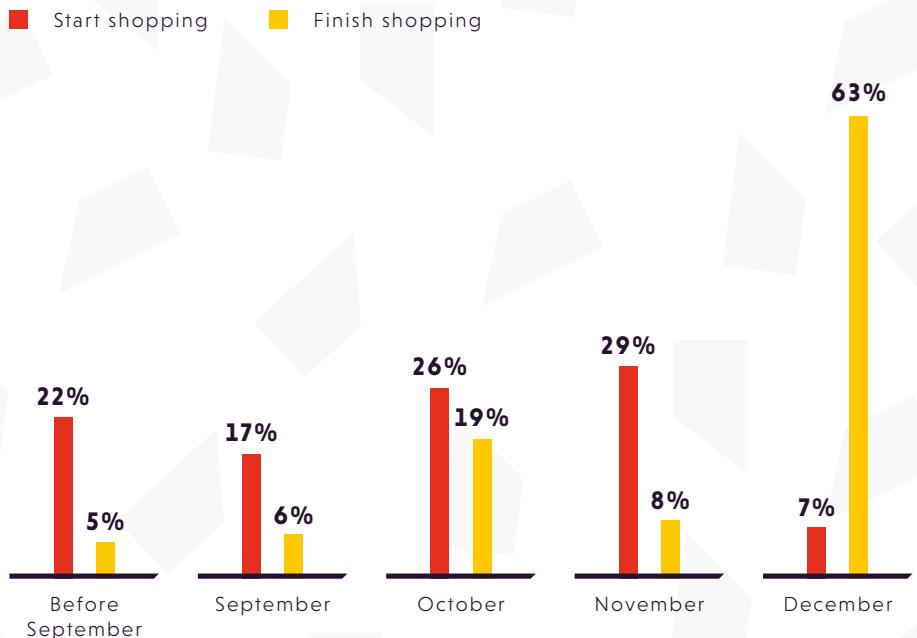
HOLIDAY SHOPPING FOR 2019

For the majority of Americans, holiday shopping starts in late October and November, though one-third of holiday shoppers will start before that. Regardless of when they start shopping, nearly 70% of Americans won't finish their holiday shopping until December. Very few finish their holiday shopping in November, and the ones that do usually also start in November.

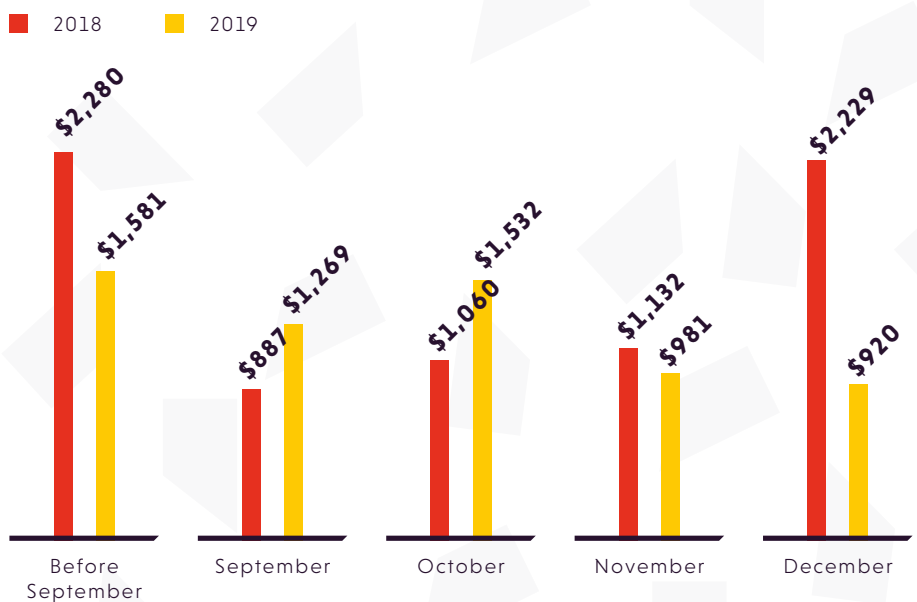
The upside to this early approach is that consumers who begin their shopping before November, especially those who start before September, tend to spend more than shoppers.

Compared to 2019, early shopping seems to be a larger focus this year, with comparatively decreased spends in December. People who plan to start their shopping in December this year plan to spend half of what late shoppers spent last year on their holiday shopping. Overall, planned spend among holiday shoppers is in-line with last year: \$1,293 on average, compared to \$1,278 last year.

Holiday Shopping Plans, by Start and Finish



Average Expected Spend, by Starting Month

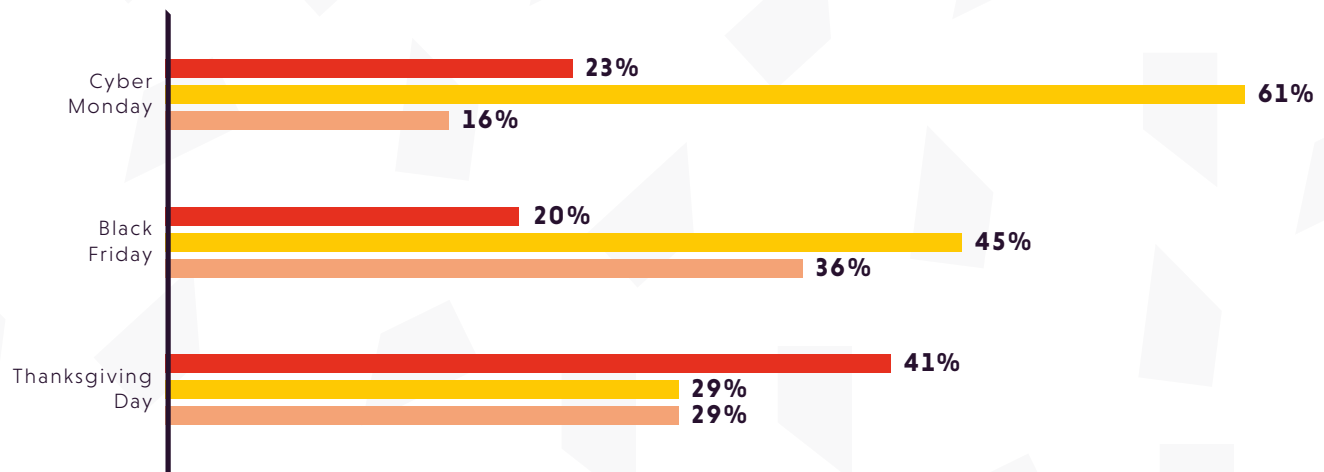


SHOPPING DURING MAJOR EVENTS

Most holiday shoppers (88%) plan to shop, either online or offline, on one of Thanksgiving Day, Black Friday, or Cyber Monday and nearly half (47%) plan to shop on all three days. Compared to last year, interest in shopping on Thanksgiving Day has increased. 58% of shoppers plan to shop on the so-called 'Gray Thursday', compared to only 45% in our study last year.

Plans to Shop, by Sales Event/Day

■ Not shopping ■ Plan to shop online ■ Plan to shop in-store



Cyber Monday remains primarily an online-shopping event for consumers, with 80% of Cyber Monday shoppers planning to make some or all of their purchases online. Comparatively, Black Friday has shifted over recent years to being a bigger day for online sales than store visits. The largest change this year was for Thanksgiving Day, however: Last year, Gray Thursday shoppers strongly preferred in-store shopping to online while this year that preference is evenly balanced (with the likelihood of shopping on Thanksgiving Day down overall).



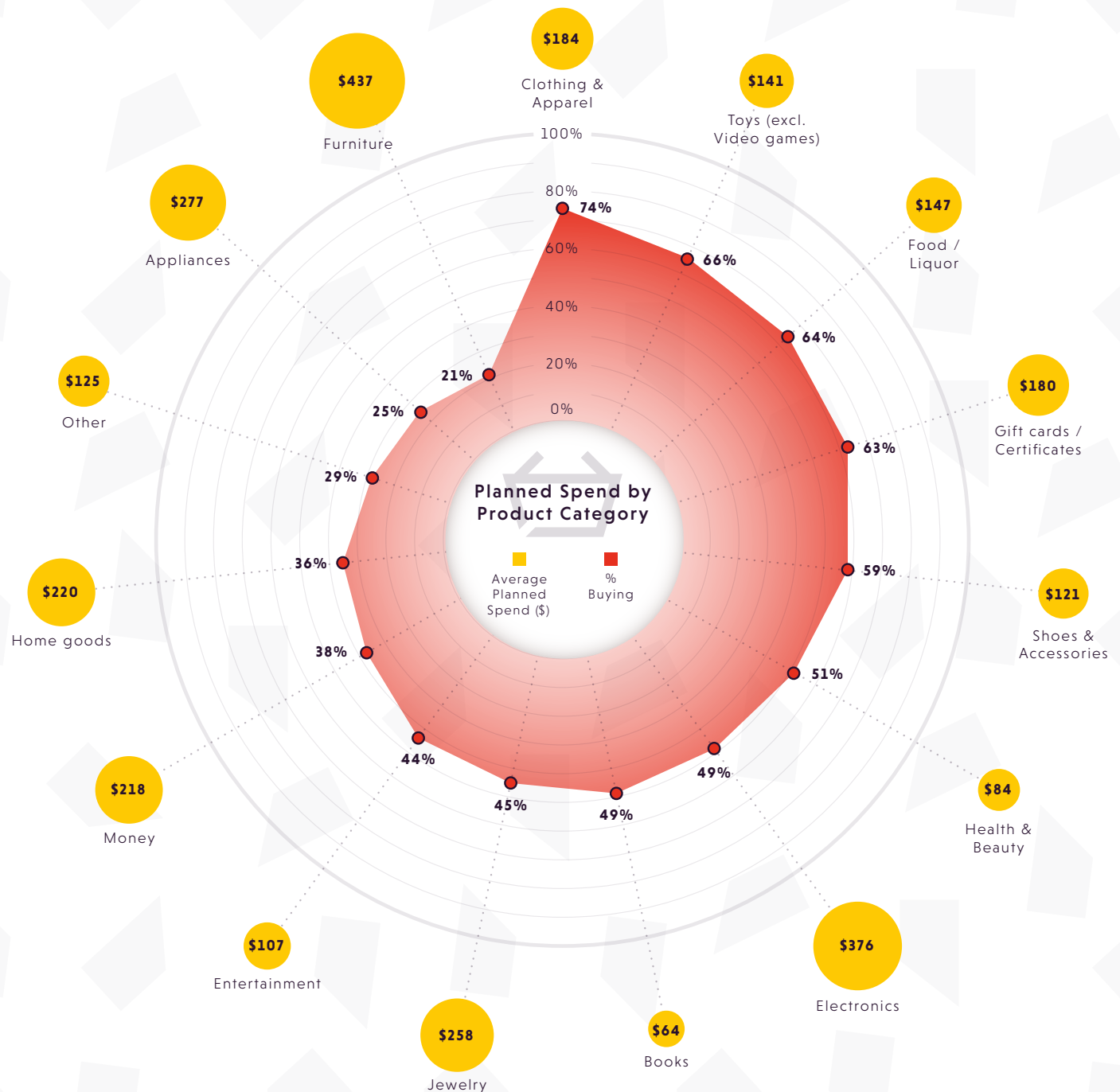
GIFT BUYING IN 2019

When it comes to buying gifts, the majority of Americans are shopping for either a significant other (65%) or their children (56%), though a significant percentage of Americans also buy gifts for their co-workers (13%). These co-worker gift shoppers are among the most likely

to begin their holiday shopping before September in a given year, and the most likely to finish before December.

With shoppers planning to spend just under \$1,300 per person on average during their holiday shopping, the

electronics and furniture categories will capture the largest average buyer spends per category, although more shoppers plan to buy clothing and apparel overall.



Mobile and the Holiday Shopping Experience

There's good evidence to suggest that the desktop era is in decline for holiday shoppers. More than half of holiday shoppers will use a mobile device to shop this year, and two-thirds (65%) will make an online purchase with a mobile

device (compared to only 49% who will do so on a PC/laptop). The most common mobile activity during the season will be tracking order statuses, which more than half of shoppers will do exclusively on a mobile device (54%), followed by locating

a physical store (49%), reading reviews (47%), and getting product info and specs (47%). Purchases are still the most common activity on a desktop/laptop device.

Planned Holiday Shopping Activity, by Device



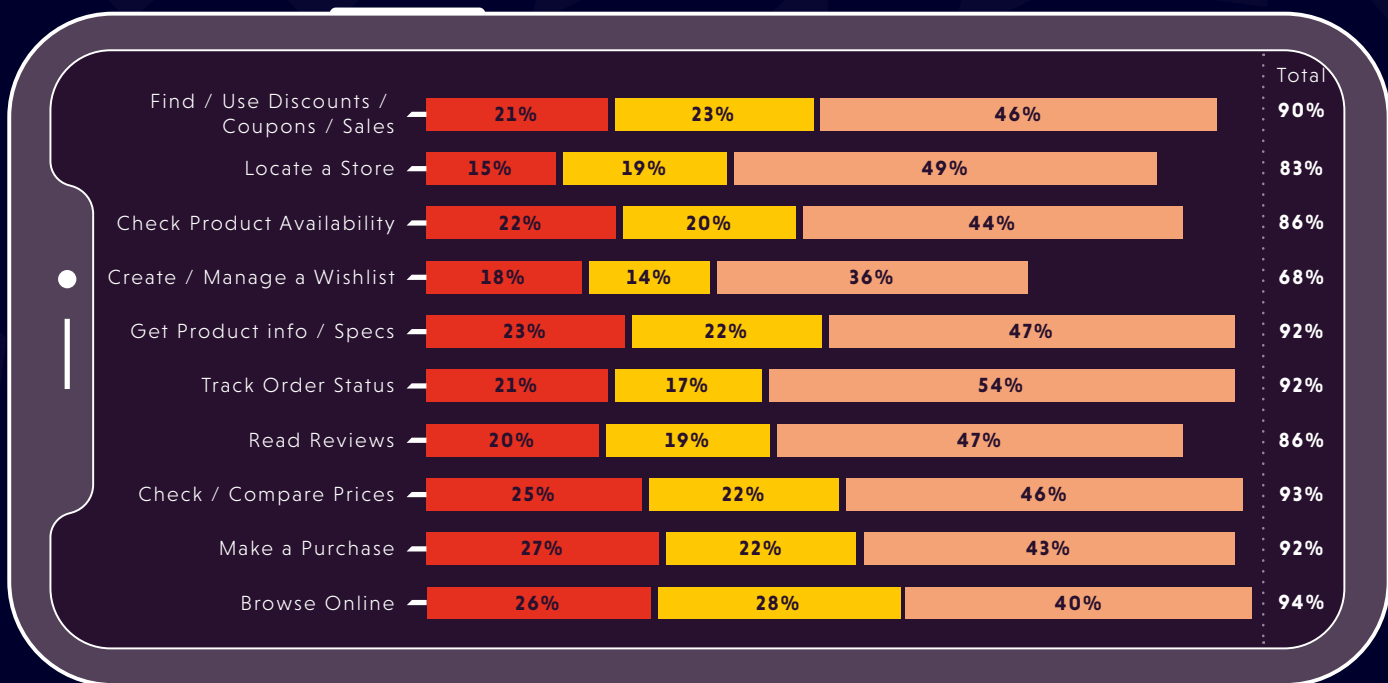
Desktop / Laptop



Both



Mobile / Tablet

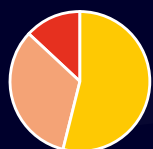


Holiday Spending Plans vs. Last Year, by Age Group

Less

Same

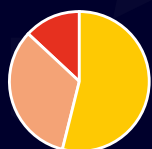
More



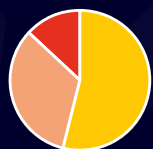
18-24



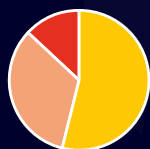
25-34



35-44



45-54



55-64



65+

Holiday Spending Potentially Flat Versus Last Year

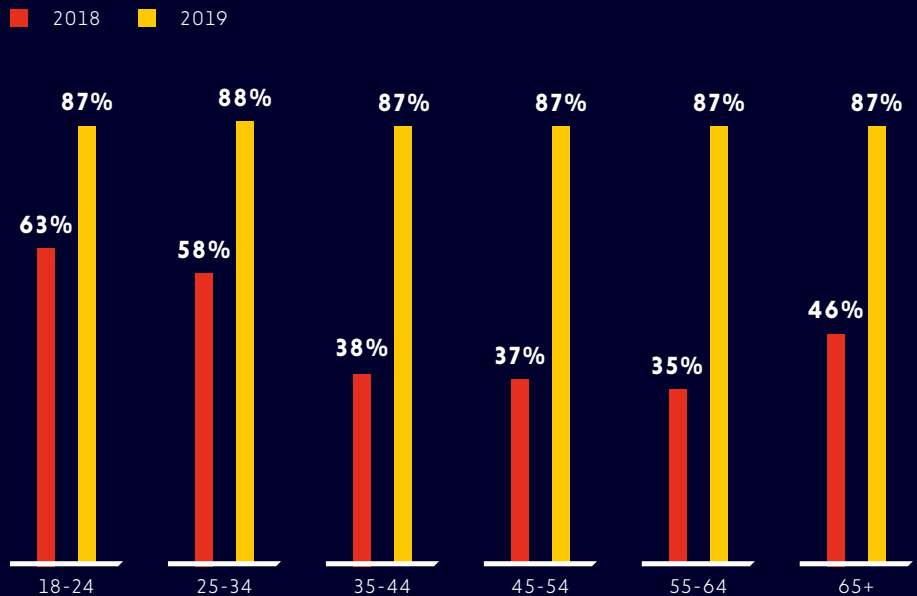
When asked about their spending plans for this year, most shoppers say they plan to spend "about the same" as last year, with the largest exception being shoppers between the ages of 25 and 34, half of whom plan to spend more.



Compared to our study results last year this is promising, with a significantly larger percentage of Americans planning to spend more across every age group. Given that last year's holiday shopping totals fell short of NRF expectations, this potentially bodes well for retailers heading into 2019.

Some of this additional spending is likely to be a result of improving financial situations. Nearly half of Americans in our survey (49%) believe that their financial situation this year has improved over last year, and another 38% say theirs is about the same. While you might expect planned spend and financial outlook to be strongly correlated, only 4% of consumers who say their situation is "a lot worse" than last year plan to spend less this year.

Shoppers Planning to Spend Same or More, 2019 vs. 2018



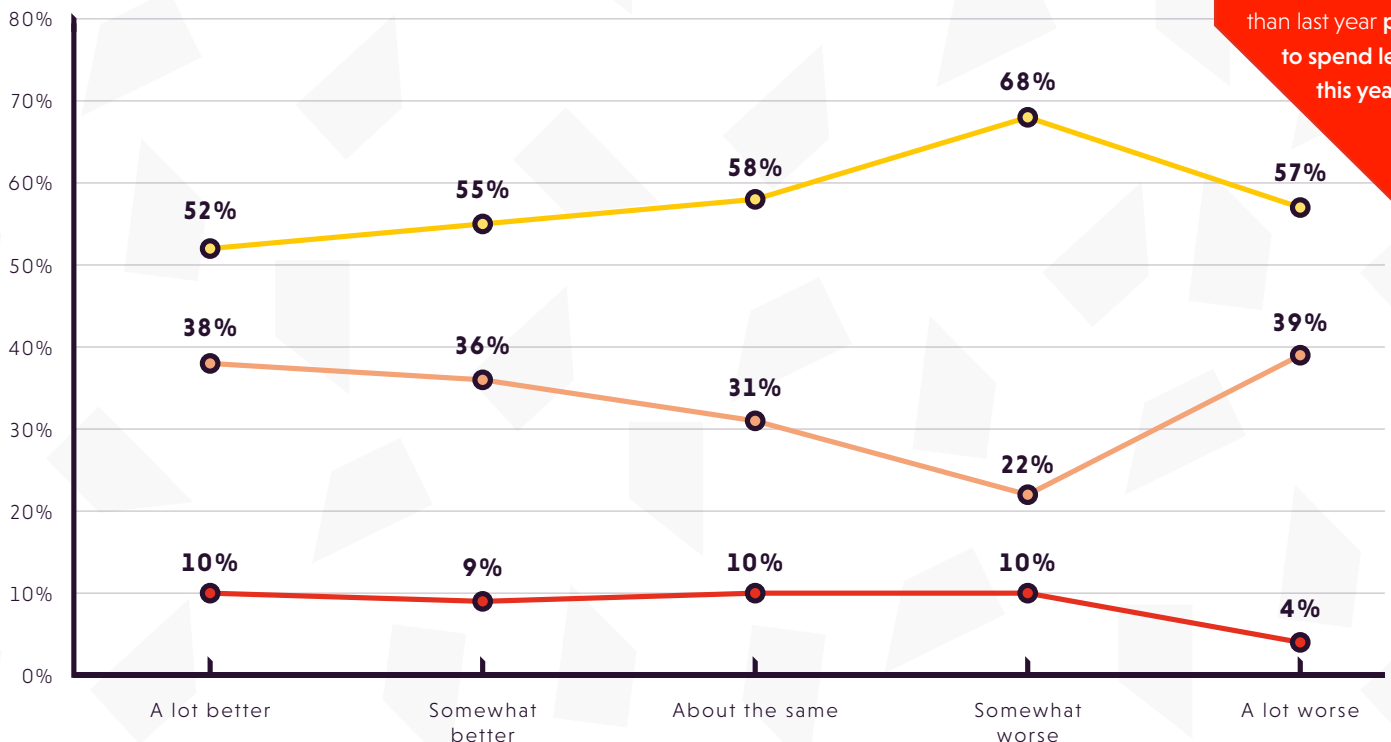
4%

only 4% of consumers who say their situation is "a lot worse" than last year plan to spend less this year

How Shoppers Planned Spend is Affected by Their Financial Situation

2019 Planned Spend compared to 2018 is:

Less About the same More



Financial situation (Compared to 2018)

Researching for Holiday Shopping

Although the Black Friday and Cyber Monday offers don't go live until the fourth Friday and subsequent Monday of November, the research around the upcoming sales begins much earlier, comparing product features, and drilling down on exactly what they would like to buy when the frenzy actually begins.

Even if they haven't started shopping yet, four in 10 Americans will start making plans for their holiday shopping before

November. This research phase for the consumers may begin as early as September, and the majority of this activity happens online.

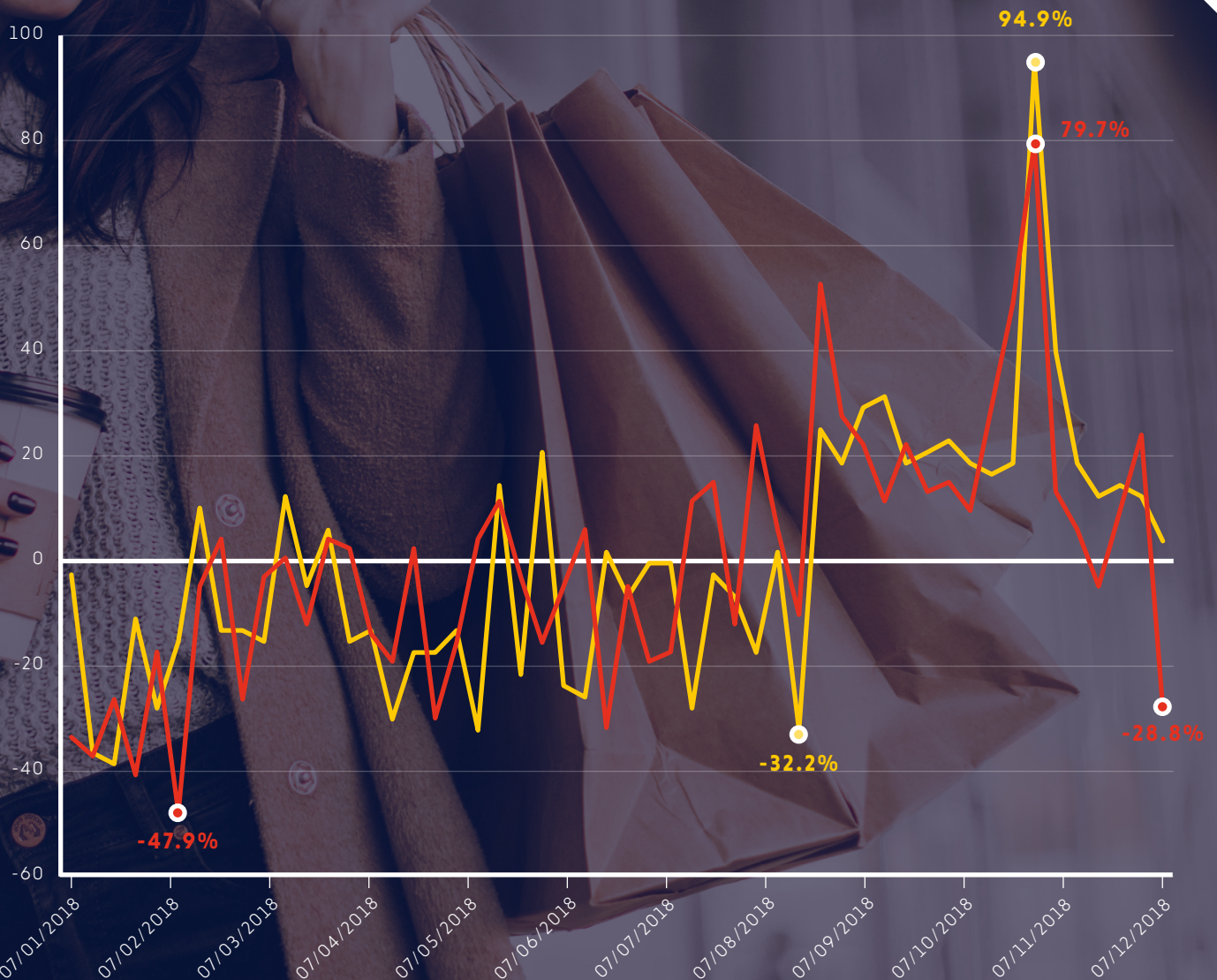
Looking at data from last year's holiday shopping research shows that clothing and new tech devices, in particular the then-recently launched iPhone 8 Plus and iPhone X, dominated research activity. During this period, general retailers like Walmart, Wayfair and Target dominated

search interest. As the research process begins, marketers can start tracking a buyer's propensity for purchase, scoring them according to the actions they take and the inclination they show toward a particular brand.

Augmenting interest for electronic products before the sale

■ GSM Arena Search Uplift

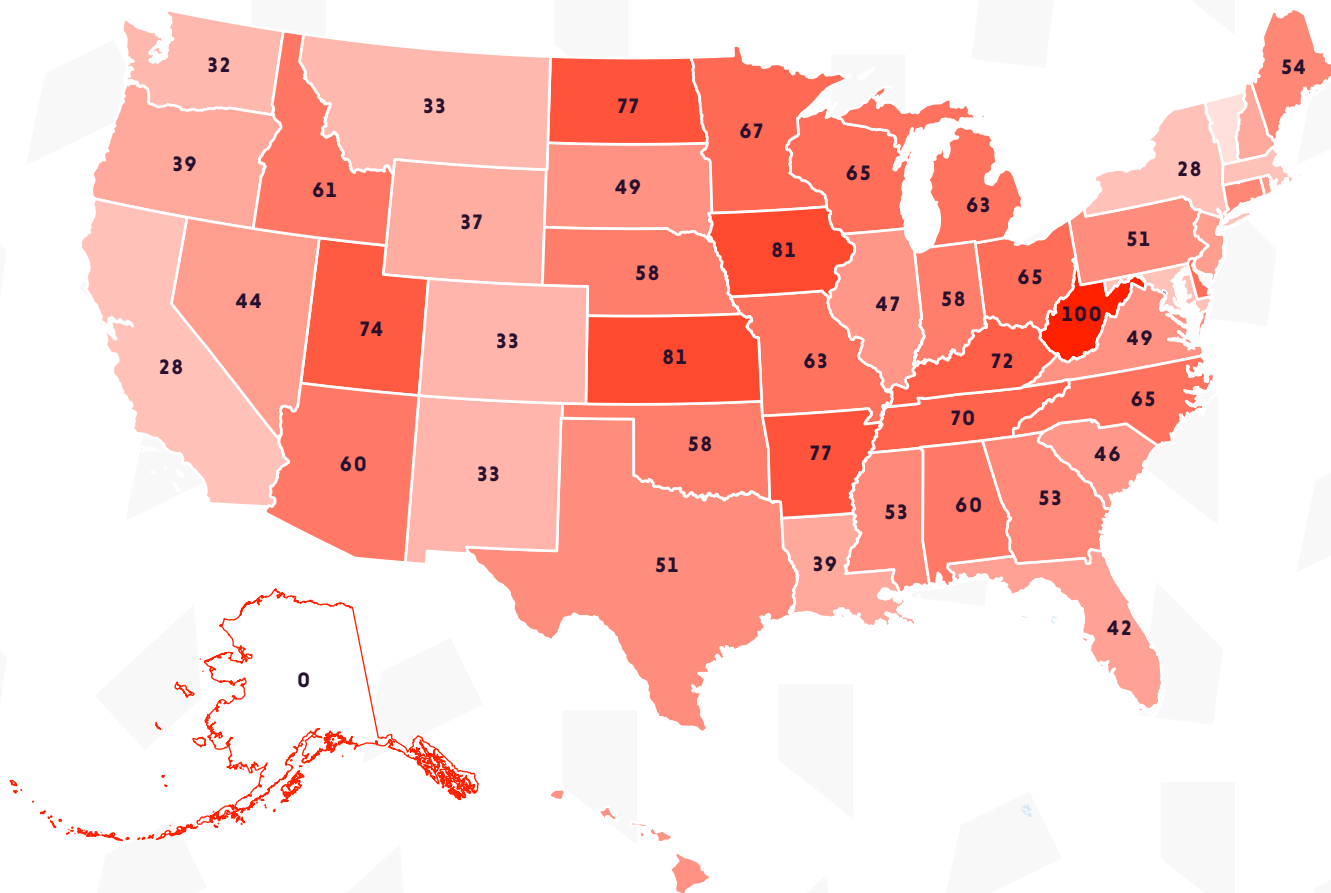
■ Techradar Search Uplift





Pre-season Research for Discounts and Offers Around Holiday Shopping Events

■ Search index



In addition to research and shortlisting products, holiday shoppers also start shortlisting sellers where they might get the best deals, making plans to hit up specific websites or stores on key days. As sales and offers become more competitive, shoppers are more likely to do research and price comparisons at the point of purchase to make sure they are getting the best deal. It's at this point that savvy brands can capitalize with conquest messaging.



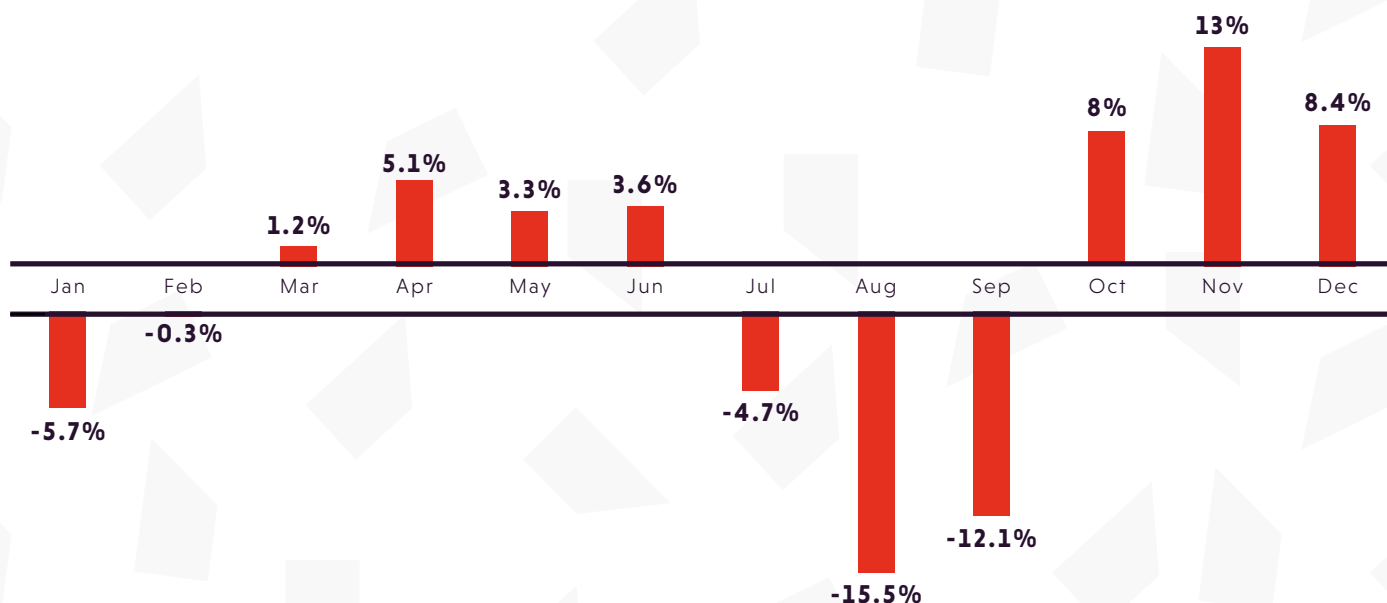
RUNNING HOLIDAY SHOPPING CAMPAIGNS

As the holiday season approaches and consumers prepare to buy gifts for their friends and family, advertisers will be doing their own preparation, planning the campaigns that will reach them. Competition for high-value consumers and placements in real-time bidding environments will heat up, and CPMs and CPAs will be affected.

On average, advertiser spending leading into the holiday season can increase by 25 to 50%, depending on the vertical, as brands ramp up their efforts to reach a broader audience on high-performing domains. But while consumers are online shopping for gifts, the supply of available inventory does not increase at a commensurate rate, leading to increased demand over supply.

As a result, average CPMs in the United States on biddable inventory sources have traditionally increased by about 10% during the holiday season, compared to prior years. That may be further affected this year by Google finally switching to a first-price auction, though recent shifts among exchanges haven't led to an increase in CPMs that we've measured.

Average CPMs by month, US Inventory



Planning for Mobile

With two-thirds of holiday shoppers planning to engage with sales, do research, and make purchases online, advertisers have to build their digital strategies around mobile activation, with a plan to both reach those devices and also connect ad exposure across them.

In a survey MiQ conducted last year, we found that shoppers primarily turned to mobile devices when conducting research.

More than two-thirds of respondents used phone or tablets to make a purchase (69%), compare prices or read reviews (68%), or get product information (71%).

For brands, this means adopting a strategy that has a considerable in-app focus and looks at ways to put high-impact placements in front of consumers in order to maximize viewability and effectiveness. As shoppers create their wishlists and

research products and sales, they'll often make multiple visits to tech and lifestyle content sites on a mobile device prior to making a purchase. Two-thirds will do so two to three weeks before a sale and 48% will revisit those sites on a mobile device in the same month, creating opportunities for advertisers to reach them while engaging with that content.



AUSTRALIA



INTRODUCTION

Holiday shopping continues to grow in Australia. Last year, shoppers came out in record numbers causing revenue for Cyber Week to grow faster than Boxing Day. Discounts and sales during holiday shopping

continued to increase, with nearly one third of Cyber Week orders having some kind of discount.

56%

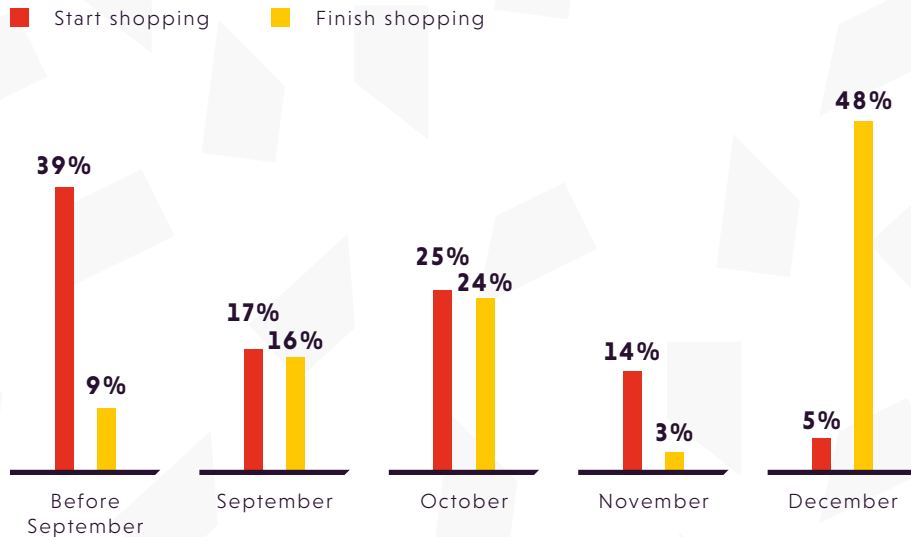
of Australians begin their holiday shopping in September or earlier



HOLIDAY SHOPPING FOR 2019

For a most Australians (56%), holiday shopping will begin in September or earlier: Nearly two out of four holiday shoppers (39%) will start their shopping before September. As a result, they'll likely finish their holiday shopping earlier, though nearly half (48%) will still be shopping for gifts in December, and most will participate in holiday sales events. Generally, those shopping earliest will be looking for gifts for a significant other or their children. In contrast, nearly three-quarters of shopping for coworkers and two-thirds of shopping for extended family will occur in December.

Holiday Shopping Plans, by Start and Finish





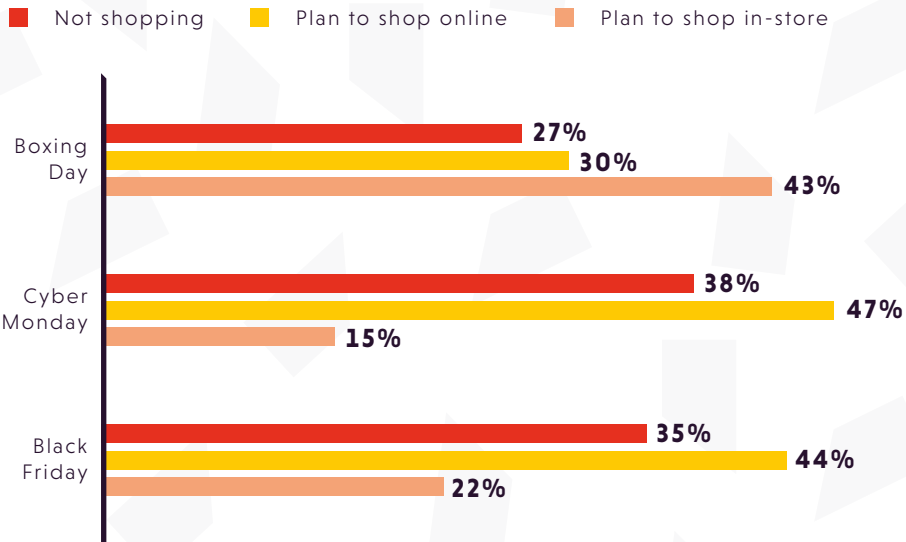
SHOPPING DURING MAJOR EVENTS

Most Australians plan to shop during at least one of Black Friday, Cyber Monday, or Boxing Day, and more than half will shop on all three days. Online shopping among Australians is most likely on Cyber Monday, while Boxing Day shopping is most likely to occur in a physical store.

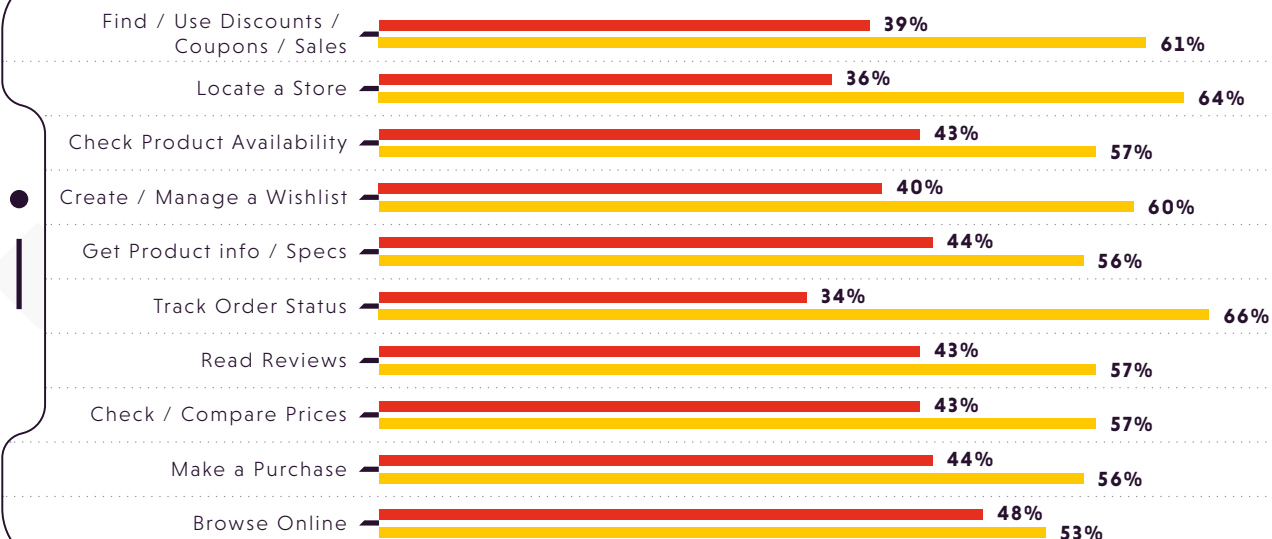
Mobile and the Holiday Shopping Experience

Mobile devices play a critical role in the holiday shopping process for Australians. Compared to shoppers in the US, Canada, and the UK, Australians are more likely to use mobile devices for every holiday shopping-related task, including browsing online, reading product reviews, and making purchases.

Shopping Plans, by Event



Shopping Activities, by Device



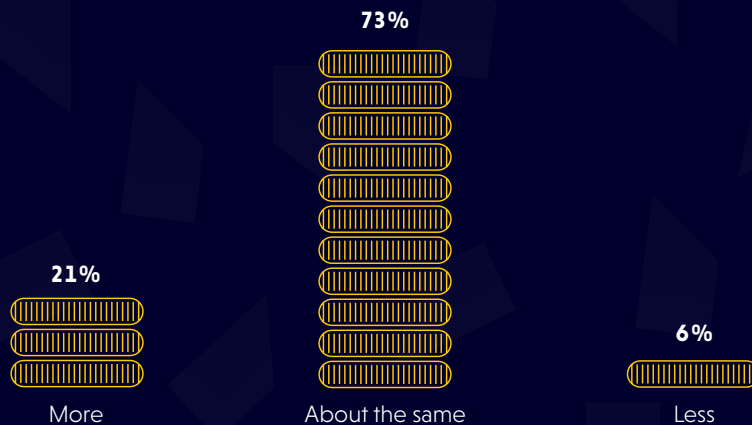


Holiday Spending

Compared to last year, most Australians plan to spend about the same on their holiday shopping, though one in five (20%) plans to spend more.

This is largely influenced by shoppers' financial situations. There's a strong correlation between anticipated spend and how shoppers feel their financial situation has changed compared to one year ago. The majority of those planning to spend more in 2019 say their situation is either "a lot better" or "somewhat better" than last year, with a similar impact observed for those planning to spend less.

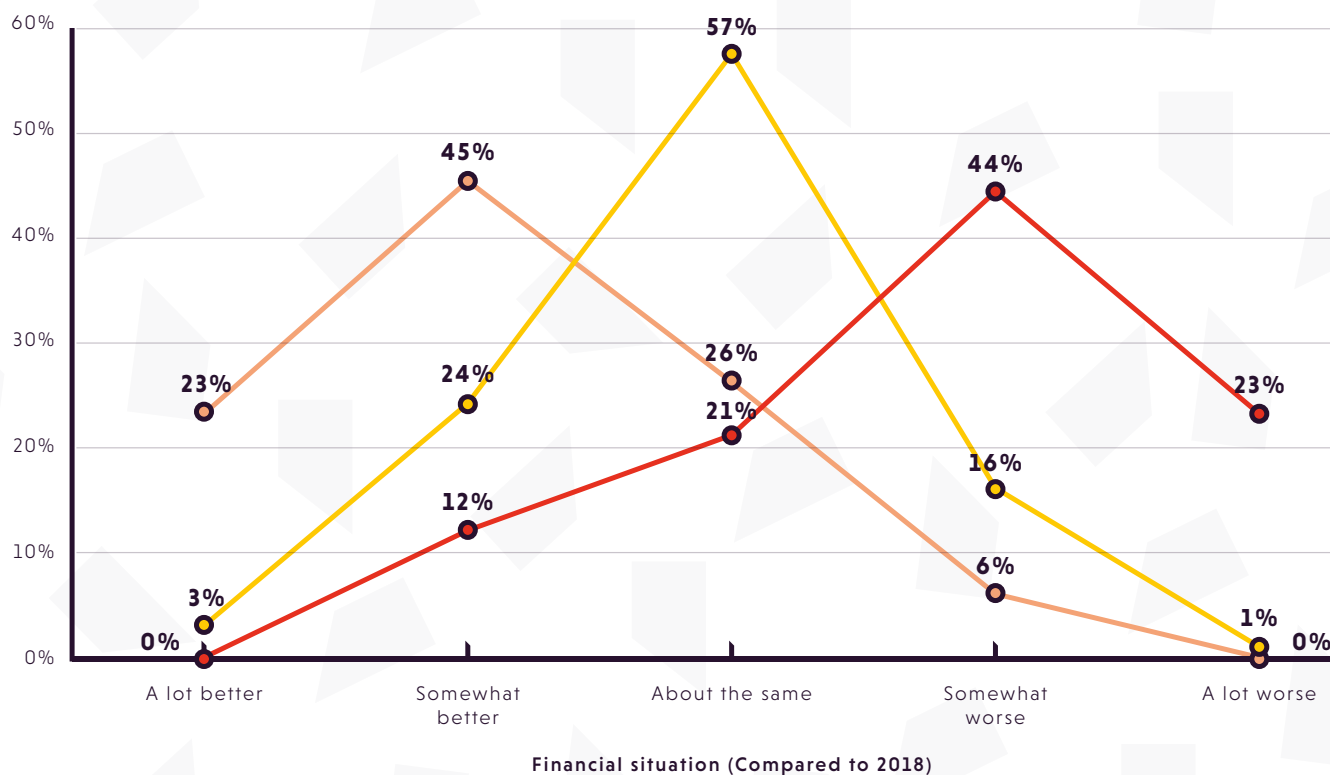
How much do Australians plan to spend on holiday shopping compared to last year



How Shoppers Planned Spend is Affected by their Financial Situation

2019 Planned Spend compared to 2018 is:

Less About the same More



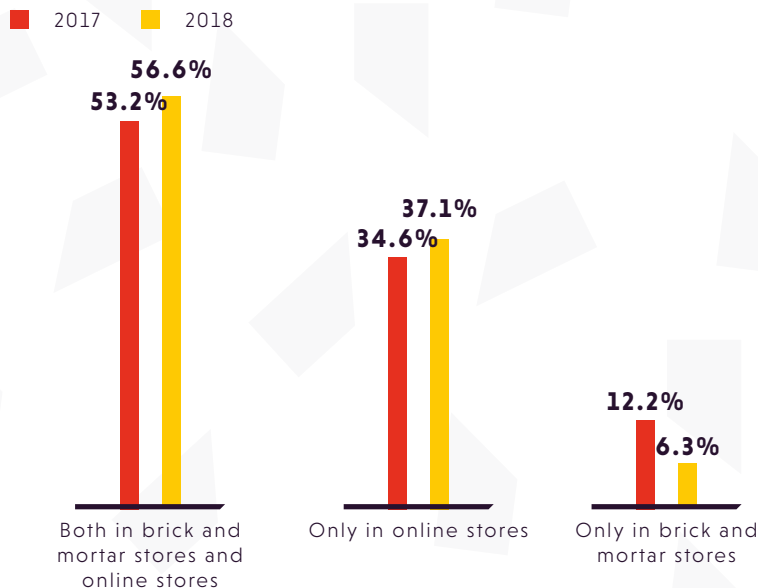


RESEARCHING FOR HOLIDAY SHOPPING CAMPAIGNS

More Australians are going online to do their holiday shopping every year, and as online sales increase, so will shoppers' research. The number of Australians doing research before shopping has increased significantly in recent years and now only 6% of shoppers will do holiday shopping without conducting prior research of some kind.

A majority of Australians' research happens online and on mobile devices (six in 10 research touch points occur on a mobile device). Australian shoppers doing their research are likely to spend up to three hours weekly comparing discounts, sales, and offers online and creating wishlists for upcoming purchases.

Shopping Plans, 2018 vs. 2017?





RUNNING HOLIDAY SHOPPING CAMPAIGNS

Running a successful holiday campaign in the ANZ region requires understanding the seasonal changes in inventory that will affect campaign pricing and delivery. In Q4 last year, inventory prices in the ANZ region increased by almost 30%, with the largest increases in November and December, as demand for inventory

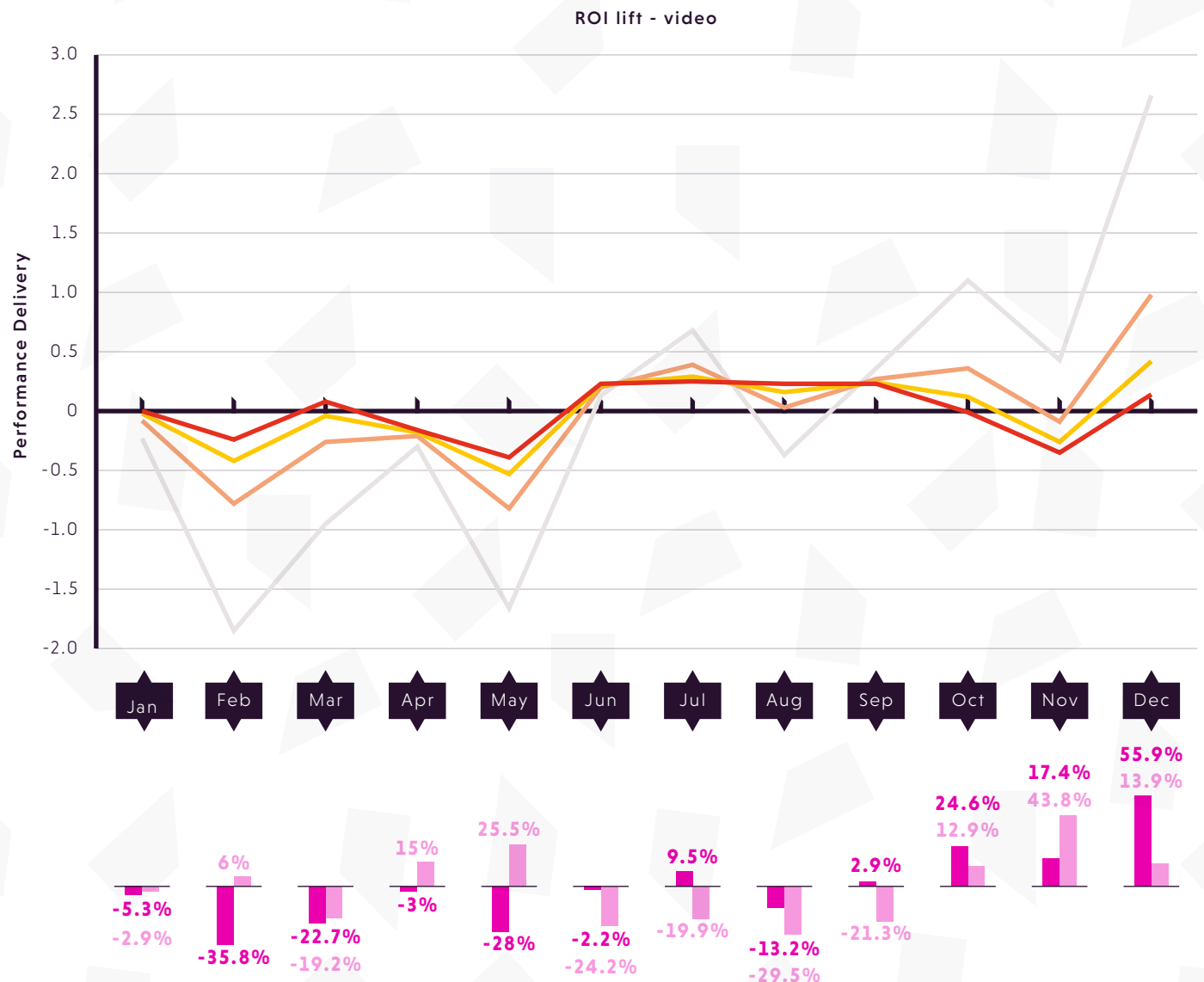
increased and supply remained steady. These cost increases were highest for display inventory, while video was less likely to be affected.

Because of this, video ads during the holiday season may have become a more efficient way to reach holiday shoppers.

Comparing ROI lift between display and video in 2018 shows that even with the higher average costs for inventory, video ads perform about 2.8 times better during the holiday shopping season than they do during other parts of the year, and may outperform display ads during this period on a CPA basis.

Comparing ROI lift between display and video in 2018

— Performance = 0.5 * delivery
— Performance = delivery
— Performance = 2 * delivery
— Performance = 5 * delivery
■ CTR Lift ■ CPM Lift



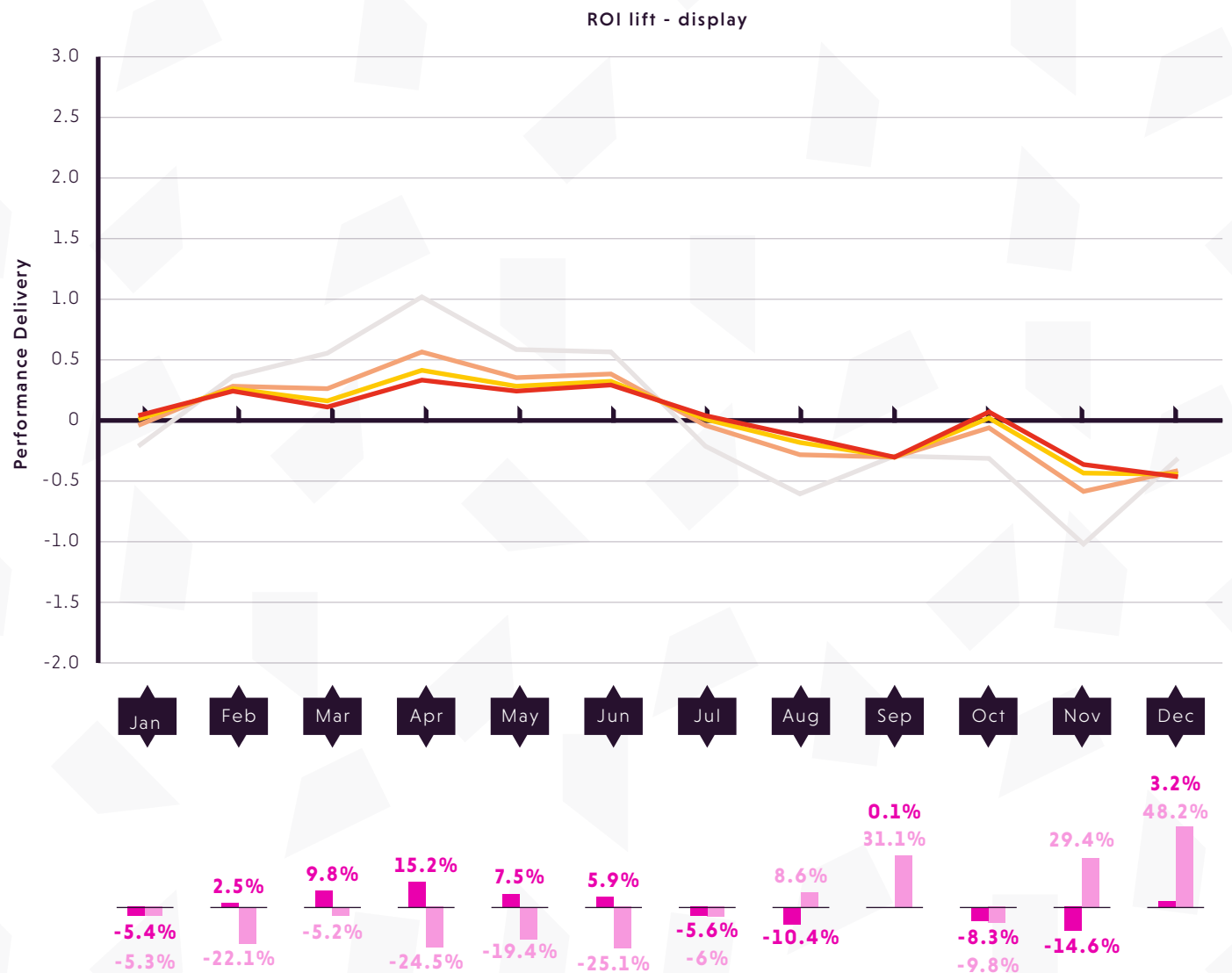


Mobile campaigns also see their greatest traction among holiday shoppers in October, suggesting that retailers looking to drive holiday sales should start early and supplement their display and video campaigns with in-app and mobile web assets when shoppers are still researching purchases.

Comparing ROI lift between display and video in 2018

■ Performance = 0.5 * delivery
 ■ Performance = delivery
 ■ Performance = 2 * delivery
 ■ Performance = 5 * delivery

■ CTR Lift
 ■ CPM Lift



HOLIDAY SHOPPING FOR 2019
 SHOPPING DURING MAJOR EVENTS
 RESEARCHING FOR HOLIDAY SHOPPING
 RUNNING HOLIDAY SHOPPING CAMPAIGNS

GERMANY

INTRODUCTION

Black Friday and Cyber Monday have a relatively short history in Germany, having risen to prominence as a major shopping event in the past few years. Interest has steadily increased and searches for Black Friday and Cyber Monday deals have led

retailers to try to capitalize on the excitement. Last year German shoppers spent a record \$2.28bn on Cyber Monday, and that amount is expected to rise this year.

\$2.28bn

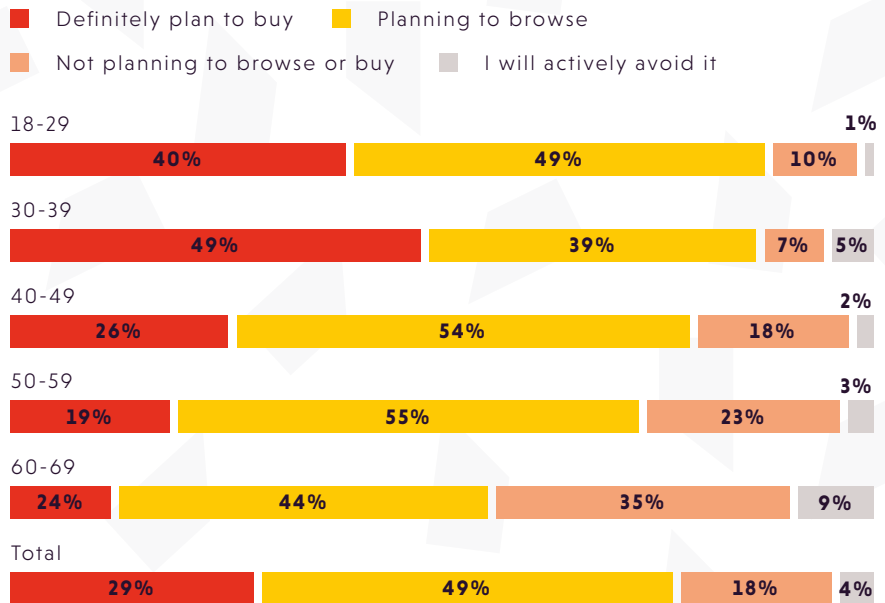
Last year German shoppers spent a record \$2.28bn on Cyber Monday

HOLIDAY SHOPPING FOR 2019

The allure of Black Friday is most powerful for Germans between the ages of 18 and 39, particularly those between 30 and 39, among whom 49% planned to shop on Black Friday last year.

By device, desktop and laptop computers play a larger role in the Black Friday and Cyber Monday shopping experience for Germans than for other countries, with more than two-thirds of shoppers planning to shop on a computer on Black Friday. Younger consumers - those under the age of 40 - are the most likely to use a mobile device to make a purchase. Overall, Germans are still just as likely to make a purchase in-store as they are on a mobile device.

Do Internet Users in Germany Plan to Buy on Black Friday 2018

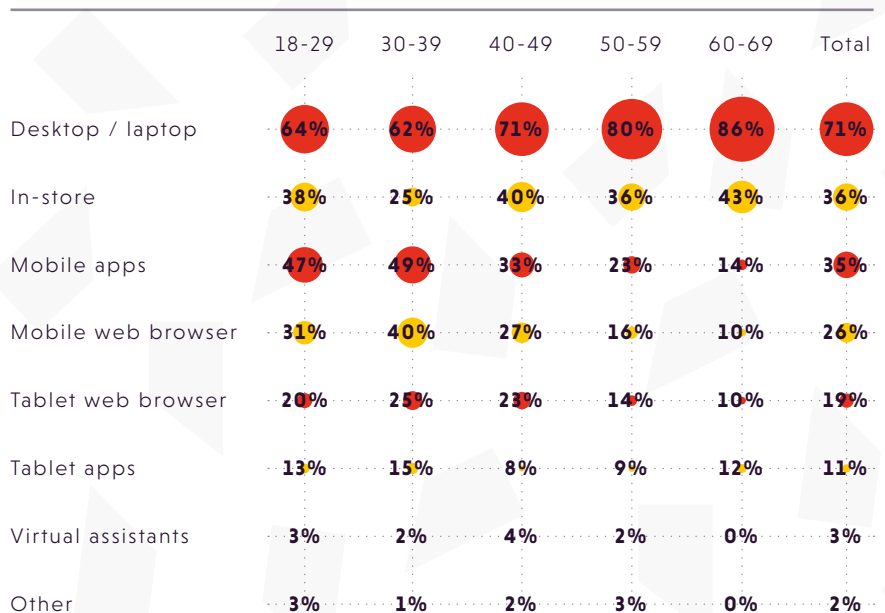


Note: n+505, *Nov 23

Source: Periscope by McKinsey, "Black Friday 2018 shopping report: consumers are eager, more digital and willing to spend," Oct 10, 2018

How are internet users in Germany planning to shop on Black Friday 2018

Percentage of respondents, by age



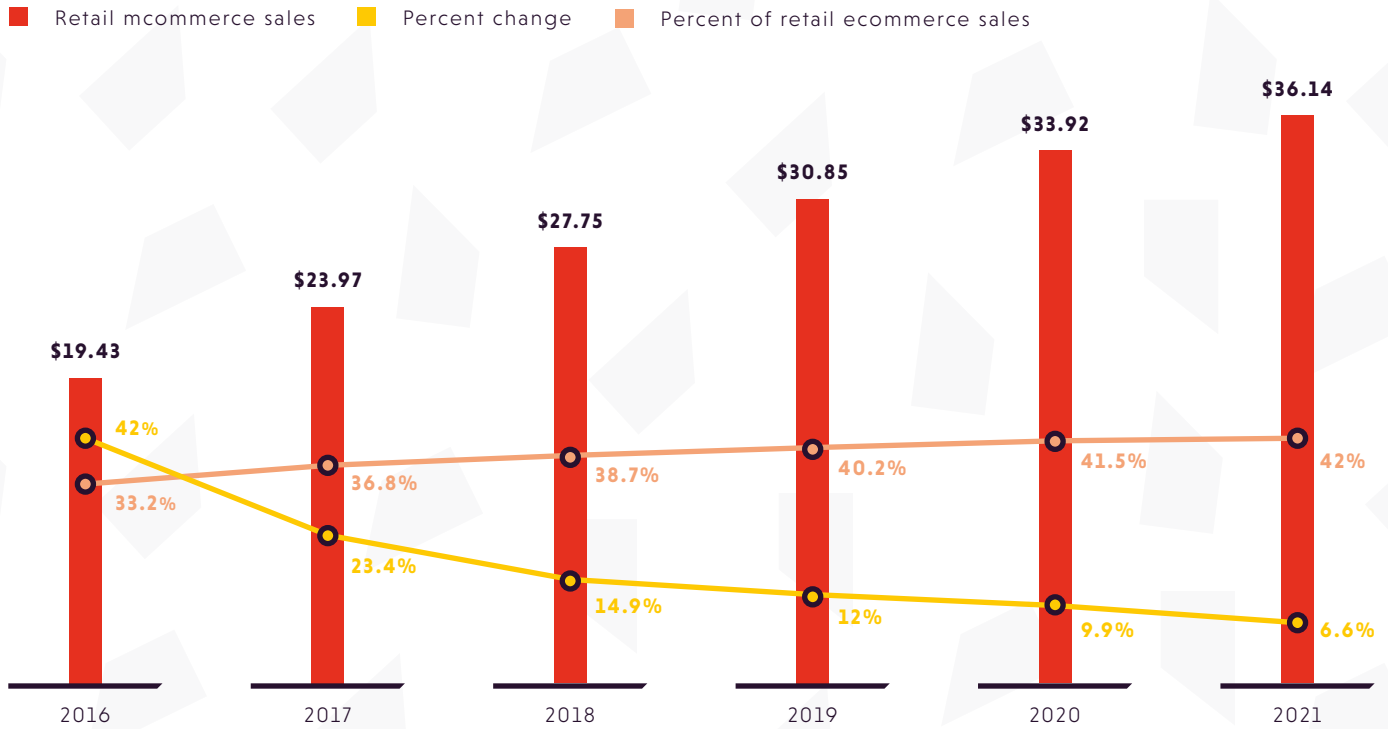
Note: n=393; respondents chose the top three ways they plan to shop on Black Friday 2018; *Nov 23

Source: Periscope by McKinsey, "Black Friday 2018 Shopping report: consumers are eager, more digital and willing to spend," Oct 10, 2018

Mobile is a particularly important channel for German marketers to master. Germany ranks fourth in the world in smartphone penetration, with four out of five Germans possessing a smartphone which they actively use. Not only is the penetration of smartphones high in Germany, Germans also spend more time on their phones. The burgeoning m-commerce market in Germany, which amounts to almost \$28bn and 41% retail ecommerce share, will play a major role in 2019 German holiday shopping trends.

Retail M-commerce Sales in Germany, 2016-2021

Billions, percent change and percent of retail ecommerce sales



Note: includes products or services ordered using the internet via mobile devices, regardless of the method of payment of fulfillment; includes sales on tablets; excludes travel and event tickets

Source: eMarketer, Jan 2018

RESEARCHING FOR HOLIDAY SHOPPING

The increased popularity of major holiday shopping events like Black Friday and Cyber Monday in Germany have led to a significant increase in pre-event hype and activity on digital platforms, even as interest in Christmas and Boxing Day sales has declined. Compared to other countries in our sample, German shoppers tend to spread their shopping across longer pans of time, starting earlier in the season (even before September) and extending through December, with more steady search interest. This is a double-edged

sword for marketers. While it gives them more time to reach German shoppers to drive purchases, it also means that shoppers will do more research, and there are more opportunities to lure them away.

Style and fashion sites see a major increase in traffic from German consumers (more than 26%) as the research phase of the holiday shopping period heats up. The majority of this increase is from mobile devices, which last year accounted for two-thirds (67%) of site traffic during

this period. This increase in browsing interest and research leads to the creation of many intent signals and lots of missed opportunity, particularly on desktop devices. Last year, we observed abandoned cart rates 2.3 times higher on desktops than mobile devices for some retailers.

RUNNING HOLIDAY SHOPPING CAMPAIGNS

Inventory availability and pricing in Germany varies during the holiday season in a similar fashion to the US, UK, and Canada. Inventory prices across platforms tend to increase by anywhere from 30% to 50% depending on the time, source, and audience during the holiday season due to the increased competition. Mobile in-app inventory for both video and display sees the largest increases during this time, and should be taken into account by advertisers planning their holiday campaigns.

ABOUT MiQ

MiQ is an independent marketing intelligence company with the people and technology that help businesses win. It is our vision to reimagine the value of marketing by connecting data and discovering insight to drive business outcomes.

Founded by Lee Puri and Gurman Hundal in 2010, MiQ currently employs over 550 people across 15 offices located in North America, Europe and APAC. The world's leading brands and media agencies such as American Express, Avis, Lenovo, Unilever, Microsoft, GroupM, Publicis and IPG work with MiQ. In the last year, MiQ has won various awards including Fastest Growing Tech Company of the Year at the Stevie Awards, Most Effective Use of Data at The Drum's Digital Trading Awards USA, and The Sunday Times International Track 200.

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