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HOLIDAY SHOPPING 2018 ROUNDUP

This holiday season, eMarketer is expecting ecommerce sales to grow at a strong 16.6% and reach yet another record high — taking up 12.3% of holiday total retail sales. As we get nearer to this popular shopping season, eMarketer has curated this special seasonal Roundup of articles, insights and interviews.

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SPONSOR MESSAGE

Today's consumers are driving a new shopping paradigm that's mobile-first, always-on, and hyper-personalized. On-the-go lifestyles and the global spread of smartphones mean shoppers are able to find great products whenever they want, wherever they are—in the speed of an instant. To help you prepare for Holiday 2018, Criteo is highlighting the power that apps can have in driving the most sales throughout the year's biggest gifting season. We hope our exclusive data and insights empower you to connect with more customers from now until New Year's and beyond.



OVERVIEW

Robust consumer spending throughout the year to date suggests that the 2018 holiday season is poised for strong retail sales growth across channels. US retail sales are expected to climb 5.8%, while US retail ecommerce spending will rise 16.6%, marking some of the best growth rates in recent years.

What economic trends are boosting the holiday sales outlook?

Positive macroeconomic conditions will fuel holiday season spending. With the US stock market, labor market and consumer confidence numbers at or near multiyear highs, consumers will continue to spend more liberally through the remainder of the year. 2018 US holiday ecommerce sales are expected to grow 16.6% to \$123.73 billion.

How much of holiday ecommerce spending will be mcommerce?

Ecommerce will be increasingly driven by mobile commerce, which is expected to jump 32.6% and will account for 44% of holiday ecommerce spending.

How many days are there between Thanksgiving and Christmas in 2018?

The 2018 holiday season features the longest-possible calendar with a maximum 32 days between Thanksgiving and Christmas. This will give shoppers ample opportunity to complete more of their holiday shopping online, with time to receive their orders before Christmas.

What are the heaviest shopping days between Thanksgiving and Christmas?

Key promotional days will be as important as ever in shaping the holiday season. Cyber Monday will once again be the heaviest online shopping day of the year, while Thanksgiving and Black Friday will continue to grow in importance as leading online shopping days.

This special seasonal Roundup will explore these various trends and more in the following research-focused articles and exclusive interviews with eMarketer.

US Holiday Ecommerce Sales, 2014-2018
billions, % change and % of holiday retail sales



Note: includes products or services ordered using the internet, regardless of the method of payment or fulfillment; excludes travel and event tickets, payments such as bill pay, taxes or money transfers, food services and drinking place sales, gambling and other vice good sales; sales are for Nov and Dec of each year

Source: eMarketer, Oct 2018

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HOME DEPOT: GIVE HOLIDAY SHOPPERS 'MAXIMUM FLEXIBILITY'



DAWN ERKSA

Senior Director of Marketing
Home Depot

Between Thanksgiving and Christmas this year, holiday shoppers have 32 days to complete their gift-giving checklists. This is the most time retailers will ever have, and it only happens every seven years. Dawn Erksa, senior director of marketing for Home Depot spoke with eMarketer's Danielle Drolet about the home improvement giant's upcoming seasonal plans.

eMarketer: What is Home Depot's outlook this holiday shopping season?

Dawn Erksa: Holiday shopping is going to be more interconnected than ever this year. Consumers tend to expect a seamless shopping experience—between the physical and virtual world—and we're putting in a concerted effort toward that. We're always looking for ways to make it as easy as possible for customers to shop for, buy and receive the products or gifts that they need.

In addition to letting shoppers check store product availability via our site or mobile app, we're also incorporating voice and visual search into our efforts.

eMarketer: As a retailer that has been especially successful in delivering an omnichannel experience, what, if anything, changes or gets magnified during the holiday season?

Erksa: The holidays are a very busy time of year, so we want to reduce friction. We want to reduce stress by making the shopping experience as easy as we can for customers. To do that, we try to ensure that our store website and mobile experiences are synergistic to deliver that true interconnected shopping experience.

It's not just about click-and-collect anymore. Customers are expecting more today. We want to give customers maximum flexibility. If a customer wants to buy in-store or online and have it delivered next-day or same-day—well, we can do that for them. If they want to buy online and they want to pick up in-store, we should be able to do that for them too. We need to allow the customer to lead us.

eMarketer: Let's talk mobile. We released our first holiday mcommerce sales forecast this year, and are predicting strong growth of 32.6%, taking a 43.9% share of holiday ecommerce sales. What are your expectations for mobile this holiday season?

Erksa: Mobile is very important for us during the holidays. There's no question that shoppers love their mobile devices, and are increasingly more comfortable shopping and buying on them. Mobile equals convenience for our customers.

It's interesting because we're seeing that people are using their mobile and in-app functionality even when they're within our stores. So, even if they're in our physical environment, they're still using our mobile app. This demonstrates the multichannel shopping experience that we're living in today.



eMarketer: Is there greater use of your mobile app during the holiday rush? Are there any specific features within the app that resonate well with consumers?

Erksa: Consumers are using their apps in more ways than before. They're using it to be inspired. They're using their mobile phone to comparison shop. They're also leveraging both their mobile devices, as well as our app for how-to content, to check inventory and to decide how they want those products delivered to them. From a feature standpoint, voice and visual search are generating the greatest adoption right now.

And specifically for holiday, during the holiday rush, there's so many people who want to avoid the crowded stores, so people are using their phones to check prices and inventory. They're also trying to save themselves a trip to that physical store. They want to be able to shop and buy with ease, and then have it delivered to them by whatever means they choose.

When we get close to that Black Friday time period, we see that mobile app traffic can exceed some of the desktop traffic.

eMarketer: In addition to Black Friday, this year we have an extended holiday shopping season (32 days between Thanksgiving and Christmas!). What is The Home Depot's mind-set on the longer time frame?

Erksa: Obviously, it's great for customers to have more time to shop and for us to have more time to provide them with the products that they need. But there's a fundamental thing to remember here: People are always looking for value. They're starting to shop earlier, looking for gift ideas and comparing prices.

At Home Depot, we're what we call an "EDLP," an every-day-low-price provider for our customers. And when it comes to Black Friday and Cyber Monday, these are times where we feel we can delight customers, even more. Customers are still really attracted to the Black Friday time period. It's a day that creates a sense of excitement, immediacy and urgency for customers. Now, think purely as a consumer. I'm not even speaking as a marketer or retailer. How many people do you know actually still get up and want to get out at 5am because it's tradition?

We're also seeing people are shopping for the holidays even earlier than you'd expect. Even before Halloween. Could you believe it? I think some people absolutely love the holiday time period, and they want to get ahead of it. We see all of this as an opportunity.

And don't forget after Christmas. There's definitely a continuation. People are still looking for great savings and to use their gifts cards.



MOBILE COMMERCE IS TRENDING, BUT HOLIDAY SHOPPERS STILL LIKE TRADITION

Online retail lacks holiday ambiance and Christmas cheer

As we coast into October, the holiday season is just on the horizon. What changes in shopping behavior can retailers expect this year?

We know that Thanksgiving week has become integral to holiday sales. A new Salesforce study estimates that 40% of holiday digital revenue will occur during “Cyber Week,” the period spanning the Tuesday before Thanksgiving through Cyber Monday.

According to a July 2018 survey by Bazaarvoice, a majority of US internet users typically buy gifts on Black Friday (53%) and 40% said they purchase most of their gifts on holiday sales days like Cyber Monday.

Concerning digital behavior, 89% shop online for the holidays with 56% buying more than half of gifts digitally. Most (57%) foresee similar levels of online holiday shopping in 2018 as 2017, but 30% plan on buying more online this year. Avoiding crowds (65%) and saving time (62%) vied for the leading reasons to shop online vs. in-store.

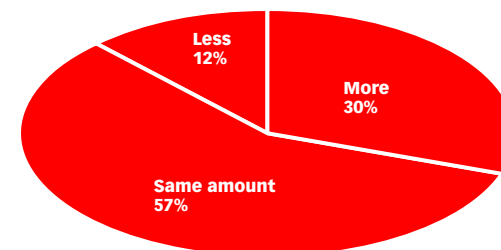
Bazaarvoice didn’t break out online into desktop vs. mobile but based on last year’s holiday sales trends, mobile will likely be an ecommerce driver. Salesforce estimates that this year, mobile phones will be responsible for more online orders than desktop (46% vs. 44%). Additionally, mobile will be a conduit for 68% of all ecommerce traffic this holiday season, up 19% from 2017.

Despite ecommerce’s annual gains, more US consumers still shop in-store, which holds true during the holiday season. According to Gartner L2, close to 85% of holiday sales last year occurred in physical stores.

More internet users in the Bazaarvoice study said they were going to conduct at least half of their holiday shopping in-store than online (65%). Logically, the top reason for shopping in-store during the holidays was to see products in person (75%). But brick-and-mortar also provides emotional benefits that are hard to reproduce online; 42% said they shop in-store for the holiday ambiance and 27% to spend time with family.

Even so, a family trip to pick out a Christmas tree could be a thing of the past if Amazon has anything to do with it. The online retailer, trying to digitize every aspect of traditional retail, announced last week it would sell and ship live Christmas trees as tall as 7 feet this year.

Do US Holiday Gift Buyers Plan to Do More or Less Holiday Shopping Digitally This Year? 2018
% of respondents



Note: ages 18+; vs. 2017; numbers may not add up to 100% due to rounding
Source: Bazaarvoice, "Unwrap Consumer Insights for Your Best Holiday Season" conducted by Wakefield Research, Sep 17, 2018
241460 www.eMarketer.com



HOLIDAY PREDICTIONS FROM CRITEO'S JAYSEN GILLESPIE



JAYSEN GILLESPIE

Vice President and Head of
Analytics and Data Science

Criteo

Consumers are getting a head start on their holiday shopping this year, and retailers are taking note. Jaysen Gillespie, vice president and head of analytics and data science for Criteo, explains what's driving this shopping behavior and why retargeting matters.

eMarketer: We expect 2018 holiday ecommerce sales to grow at a strong 16.6%, representing 12.3% of total retail sales this season. We also estimate steady growth (4.4%) from brick-and-mortar stores. Are our predictions in line with what you're seeing?

Jaysen Gillespie: For the most part—based on what we're hearing both internally at Criteo and from our clients—yes. However, a 2.6% growth for brick-and-mortar might be generous. Many brick-and-mortar retailers are trying to hold on to what they have, despite the fact that ecommerce is growing. But yes, mid-double digits on holiday ecommerce is likely in line with what we would expect.

eMarketer: What else are you expecting?

Gillespie: More consumers are getting an earlier start on their holiday spending, compared to the past few years. Some of that is because Thanksgiving is falling earlier on the calendar—we have it on November 22 this year, which is the absolute earliest it can ever be. That's great news for retailers because it essentially adds shopping days, especially for those that loosely define the season as Thanksgiving through Christmas.

eMarketer: But why are they shopping earlier than anticipated?

Gillespie: Right, they could've done this 20 years ago if they wanted to. It's because of ecommerce. It's ecommerce, it's mobile, it's the fact that I don't need to go to a store to get the best deal. Retailers have figured that out, they're starting their holiday promotions earlier.

eMarketer: And for some, retargeting is an important part of these holiday promotions.

Gillespie: Yes, the holiday season is all about timing. Can your ad hit the user at the right moment? With the right product? Two big behind-the-scenes keys to making the incremental sale are access to premium inventory or header bidding, and the ability to drive product discovery by including products in the banners—even if the shopper had not looked at those specific products. In a season of “buying for others” the discovery element of an ad banner is unusually helpful.

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COULD TARIFFS HURT HOLIDAY SALES THIS YEAR?

Retailers rely heavily on the shopping season that is just a few months away

The proposed new tariffs on Chinese imports haven't been enacted yet, though Friday President Donald Trump threatened such a tax at "short notice." Extra fees would have implications for prices on many consumer goods, but would tariffs impact holiday sales this year?

Larger retailers might not feel the effects immediately since many manufacturers have likely stocked up in anticipation, but smaller retailers unable to warehouse extra inventory could feel the squeeze sooner.

Retailers also aren't likely to pass along price increases to the consumer during the holiday season, one of the most important annual shopping periods. We expect 2018 holiday ecommerce sales to grow 16.6% and take 23.5% share of the full year's retail ecommerce sales.

Heading into 2019 will be a different story, though, as tariffs on products and raw materials for the top selling US ecommerce categories will take effect.

Consumer Electronics

Computer and consumer electronics is the leading US retail ecommerce category with 2018 sales of \$115.08 billion. The repercussions of tariffs for Apple are lower than some consumer electronics manufacturers, but for anyone who sells TVs, in particular, there could be trouble on the horizon.

Televisions, video projectors, clocks and watches are among the products subject to tariffs while raw materials such as computer chips that power PCs and smartphones, parts of printers and copy machines and TV parts were also included in the proposal. Brands like TCL, LG and Vizio would be most affected, which would ripple outward to retailers, especially Best Buy, one of the last remaining big box consumer electronics specialists.

A May 2018 joint study by the National Retail Federation (NRF) and the Consumer Technology Association (CTA) came to the conclusion that TVs imported from China could see price increases of 23% and all other imported TVs' prices would increase by 4% if proposed tariffs were enacted.

Furniture and Home Furnishings

This ecommerce category—worth \$50.08 billion in sales this year—could be the one of the first affected since it bears the brunt of a wide range of products that would be subject to tariffs: upholstery, porcelain, mirrors, air conditioners, refrigerators, vacuum cleaners, furniture, bedding, lamps and cutlery.

Pureplay online retailers like Wayfair and Overstock, which rely greatly on furniture sales and source many products from China, won't escape unscathed. It's estimated that 30% to 70% of US home furnishings retailers source their materials from China.

Furniture and home furnishings likely the first to be affected by tariffs.



Apparel and Accessories

Apparel, the second-largest category in ecommerce sales, will see tariffs on products from rain jackets to fur clothing to wool hats. But tariffs on leather handbags and leather trunks and suitcases would be most detrimental.

Price increases would affect brands like Samsonite International, the world's biggest luggage seller. Despite being based in the US, two-thirds of its products are made in China, which the company already pays a 25%+ tariff on. The company has been beefing up its ecommerce efforts with the purchase of eBags last year.

Ultimately, the approaching holiday season isn't likely to experience blunted sales due to tariffs, but longer-term they could have large financial impact. In August 2018, NRF published an analysis of how tariffs would affect furniture and travel goods by looking at the estimated change in cost of Chinese production and a consequent increase in US production. Using a hypothetical 25% tariff, furniture would cost an extra \$2.1 billion for consumers at a net loss of \$1 billion to the US economy. For travel goods, prices would increase 9.9% and pass along an additional \$1.2 billion to consumers.

Retail Ecommerce Sales, by Product Category US, 2018, billions



Source: eMarketer, June 2018

www.eMarketer.com

Tariffs on leather handbags and leather trunks and suitcases would be most detrimental.



FOR MARKETERS, APPS ARE THE GIFTS THAT KEEP ON GIVING

This post was contributed and sponsored by [Criteo](#).

For brands, there's a huge opportunity to capture more mobile shoppers and sales this holiday season. And it's right in the palm of shoppers' hands.

According to [Statista](#), in 2016 nearly two-thirds of the population (62.9%) already owned a mobile phone. By 2019 the number of mobile phone users is projected to surpass 5 billion, and the number of smartphone users is expected to reach 2.7 billion.

That's a lot of shoppers using a ton of smartphones, at all hours of the day and night. Here are three reasons why mobile apps will be the gifts that keep on giving this holiday, and what you can do to capture maximum revenue.

1. Mobile app purchases are growing. In 2017, more than 40% of all sales in November and December were made on mobile phones. This year, get ready for more than half of all holiday purchases to occur on mobile. Criteo's [Global Commerce Review](#) from Q4 2017 unpacked comprehensive data that looked into the growth of mobile transactions. In most regions, for retailers with a shopping app, mobile now accounts for more than 50% of online transactions and in-app sales dominate.

Based on current trends observed in 2018, expect the share of mobile to keep increasing—especially the share of apps for retailers who have one. Be prepared by making sure your website, app and product pages are super responsive. Test them for speed, user experience and ease of checkout. [Click to see chart.](#)

2. Retail apps are delivering awesome experiences. Cool app features (and the many ways users can engage with them) continue to push the boundaries of the experiences that apps can deliver, right in the palm of your hand. People aren't just using apps to browse and buy, they're virtually trying on makeup, putting couches in their living rooms, and sharing different looks on their social networks.

Beauty apps are a great example. The Sephora app lets users shop products, try on false eyelashes and book reservations for in-store appointments. Exclusive offers, previews and promotions are also available, including deals you can't find on their website.

Apps that give an experience—and educate shoppers—will be a big theme this holiday season.

3. Social media apps have super-duper impact. [Facebook](#) and [Instagram](#) are key players are key players in [retail marketing](#). Shoppers aren't just searching online, they're paying close attention to what their friends are doing (and products they're using), looking at influencer and brand feeds, and posting their own content at all hours of the day and night.

With about 1 billion monthly active users (Instagram) and 2.23 billion monthly active users (Facebook) both platforms are extremely valuable for marketing campaigns. Reengaging shoppers that are most likely to buy with highly personalized ads through [app retargeting](#) is one way to drive more sales uplift.

How to prep for on-the-go holiday shopping

As Criteo's recently released [Holiday Report](#) shows, resonating with today's on-the-go consumers at different moments throughout their purchase journey, from attraction to joy and determination, is critical.

To get ready for the most profitable, on-the-move holiday season ever, [check it out here](#).





1 billion sales transactions.
1 dashboard.
Infinite possibilities.



Did you know that Black Friday isn't just a US holiday? Or that Sporting Goods goes up by 700% on Cyber Monday? The Criteo Seasonal Sales Dashboard is a free, interactive tool powered by 1 billion transactions, allowing you to analyze trends and visualize marketing opportunities for your holiday campaigns like never before.

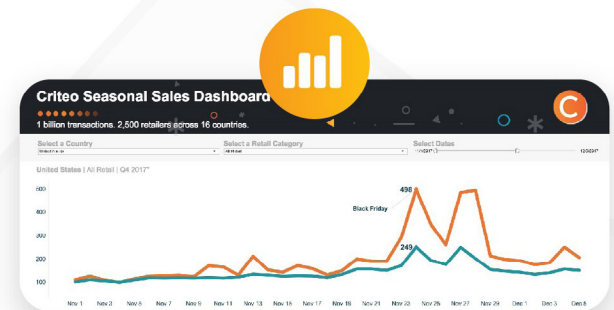


Download the top 6 trends for maximum revenue this holiday season:

Download our Holiday Report



16 countries,
5 retail categories,
1 festive holiday season.



Strategize with exclusive data for holiday marketing campaigns that drive results:

Explore our Seasonal Dashboard



HOW HICKORY FARMS IS PREPPING FOR THE HOLIDAY SEASON

JUDY RANSFORD

CMO

Hickory Farms

Despite the push to drive holiday shoppers to ecommerce, Hickory Farms still sees a big part of their seasonal sales through brick and mortar. Judy Ransford, CMO of the Chicago-based specialty food company spoke with eMarketer's Andrew Lipsman about their holiday outlook for both online and offline.

eMarketer: We expect 2018 holiday ecommerce sales to grow at a strong 16.6%, representing 12.3% of total retail sales this season. We also estimate steady growth (4.4%) from brick-and-mortar stores. What's your outlook for the 2018 holiday season?

Judy Ransford: We're looking for growth this holiday season. Right now, we're in the midst of implementing a growth strategy—we're introducing many more new products this holiday season than we have in the past, and increasing marketing investment. We also expect a continued shift to ecommerce and mobile, we're leaning into that and we've increased investment to drive growth.

eMarketer: You see a high percentage of your brand's sales during the holiday season. How does that break down between online and offline?

Ransford: We operate brick and mortar retail outlets and malls during the holiday season—that's a big part of our business. But we're still seeing more customers engaging with us both online and brick and mortar.

During the holiday season, our brick and mortar does about 2x the sales volume compared to our ecommerce business. By and large, brick and mortar has been growing across the last several seasons, but a much more modest low single-digit growth. In contrast, the ecommerce business is growing at a much higher growth rate.

eMarketer: One of the interesting dynamics for the 2018 holiday season is the maximum numbers of days—32—between Thanksgiving and Christmas. Does this extended calendar have any impact on the shape of the holiday season spending for Hickory Farms?

Ransford: The most relevant time on the calendar for Hickory Farms is the number of shipping days in December. Because we're a food gifting brand, our season comes later, and every year it seems it's coming later and later. Thanksgiving starting earlier this year is not nearly as significant as the last couple of weeks before Christmas for our business.

eMarketer: Have you found that consumers are getting more confident with delivery—in time for Christmas—later into the season?

Ransford: Absolutely. It moves later and later. The impact of what Amazon has done with their distribution network is setting the standard for consumers. They're comfortable that their order is going to get there in one or two days, which really creates a big challenge, because obviously all the distribution networks whether it's UPS or third-party shippers are just super burdened at that time. There's a major scramble for that scarce shipping capacity. Consumers' expectations aren't necessarily aligned with what's available in terms of total shipping capacity in those last few days before Christmas.



eMarketer: How do you think about cross-channel promotional activities? Do you look to create synergies between them or do you treat them as independent marketing channels?

Ransford: One of our core focuses is moving people's shopping forward on the calendar. We've been doing a lot with that in terms of really treating the Thanksgiving season almost as an independent season from the Christmas season to get people to start thinking of the brand earlier.

This year, we're running a big new product campaign in October. We're going to have over 100 new products in the line for Q4. We'll also do a lot of promotion for our buy now, ship later feature in ecommerce. A customer can place their order in October and can select a delivery date for Thanksgiving or for Christmas. These things help to move that calendar forward.

In terms of integration across channels, we created an integrated marketing team with one marketing director that manages all our direct mail and all our digital marketing last year. And that really is geared toward coordinating across all those touchpoints.

Catalog is still a really important channel for our marketing mix, but we're doing a lot more in terms of making sure that when we've got a list of consumers that are going to see a catalog in a particular week, that we're also trying to touch them with similar imagery and messaging across social advertising and email—to create that full stereo surround sound presence for them across all of our channels, whether it's direct response, catalogs or digital.

"We've been ... treating the Thanksgiving season almost as an independent season from the Christmas season to get people to start thinking of the brand earlier."

eMarketer: Which digital marketing tactics would you single out as being the most critical or having the highest ROI?

Ransford: I don't think we're terribly different from most businesses in our highest converting vehicles. At the end of the day, it's email and it's retargeting. And retargeting, specifically on social platforms, delivers high conversions for us.

Those tactics are set up by how we leverage the time in October and November when people might not be quite ready to make their purchase yet. We use that time to focus on growing our email list, knowing that that's our highest converting touchpoint. We also do higher-level advertising so that we can do retargeting on digital later in the season. There's a limited scale with retargeting because you're going after people who have already reached a certain point in the customer journey. The focus for us is more about how do you grow the population of people who qualify for that retargeting ad.



'TIS THE SEASON FOR QUALITY GROCERIES

Shoppers are willing to pay a premium for foods for the holidays

More than half of respondents (54%) plan to shop for premium groceries this holiday season, according to a recent survey from Accenture.

Of the 1,500 US internet users polled, more than eight in 10 respondents said that for this upcoming holiday season, food quality is important to them.

Younger consumers may have more reason to spend on quality groceries, with many planning to host their own gatherings. From Friendsgiving dinners to Ugly Sweater parties, some 45% of younger millennials and 48% of older millennials said they plan to host more holiday gatherings this year than in 2017.

The study found that this group—not surprisingly—is more likely than their older cohorts to host such parties. For example, roughly six in 10 young millennials said they plan on hosting a Thanksgiving meal. In contrast, roughly four in 10 baby boomers said the same.

By and large, there are many reasons—beyond the holidays—why shoppers would be willing to pay a premium for groceries. A separate study from market researcher IRI, conducted in March 2018, found that a quarter of US internet users said they plan to buy from more premium brands in the next six months.

When asked what they would pay more for, more than a third of respondents said they want options that offer benefits beyond basic nutrition and nearly three in 10 said they want natural or organic products.

Some 45% of younger millennials and 48% of older millennials said they plan to host more holiday gatherings this year.

Smartphone User Penetration in Western Europe, by Country, 2016-2021

% of mobile phone users

	2016	2017	2018	2019	2020	2021
Denmark	85.8%	90.9%	93.7%	95.4%	95.9%	96.3%
Sweden	84.8%	89.8%	93.5%	95.4%	95.9%	96.3%
Norway	83.3%	87.9%	89.8%	91.3%	92.0%	92.6%
Switzerland	79.5%	86.1%	90.0%	92.5%	93.9%	95.0%
Netherlands	79.8%	84.4%	88.9%	90.5%	91.7%	92.8%
Ireland	80.8%	84.3%	86.2%	87.4%	88.3%	88.8%
Spain	74.5%	79.9%	83.8%	86.4%	87.3%	87.8%
UK*	76.3%	79.3%	80.7%	81.6%	82.1%	82.6%
Finland	70.4%	76.0%	81.0%	83.9%	85.9%	87.6%
France	70.0%	75.6%	79.1%	81.8%	83.6%	85.2%
Germany	70.5%	75.4%	79.1%	80.5%	81.2%	81.6%
Italy	63.8%	66.9%	69.0%	70.2%	71.4%	72.3%
Other	67.9%	72.5%	75.5%	77.7%	78.7%	79.5%

Western Europe 72.0% 76.4% 79.5% 81.2% 82.3% 83.1%

*Note: individuals of any age who own at least one smartphone and use the smartphone(s) at least once per month; *forecast from July 2017*
Source: eMarketer, Nov 2017

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WHY DATA MATTERS THIS HOLIDAY SEASON



GEORGE GALLATE

Principal
MKTG2.U

Board Director
Elite SEM

Focus on the holiday season is apparent, but incorporating the data you've collected year-round will likely make it more actionable. George Gallate, principal at MKTG2.U, board director of Elite SEM and former global chairman of Havas Worldwide Digital spoke with eMarketer's Danielle Drolet about how retailers can leverage the data they've collected throughout the year for an effective holiday customer experience.

eMarketer: We're predicting strong ecommerce sales this holiday shopping season (16.6% gains). What's driving growth?

George Gallate: There's a slightly longer holiday period, but there are a few more drivers.

One is the substantial adoption of mobile commerce among consumers. In addition, the advancing and improved understanding of the use of data and technology by retailers—it's the combination of both. And the third, is the meteoric rise of Amazon.

eMarketer: How can retailers keep up with Amazon?

Gallate: Regardless of whether you're a big-box retailer or a small business—or avoiding Amazon all together—you need an Amazon strategy.

For any company, whether that be a reseller or the brand itself, it's critical to be proactive, and adopt and implement an Amazon strategy. They should use an omnichannel approach to ensure that the customer experience is best when dealing directly with the brand. To do that, they need to have an understanding and extensive use of data and technology to ensure that the customer experience is delivered in every touch point as opposed to only in brick-and-mortar.

Data is the competitive differentiator. If you know your customer or client better than your competitors, and you're able to react in real time or close to it, make an offer based on their past behavior and activate at the appropriate time.

"Data is the competitive differentiator."

eMarketer: Retailers should be looking at their data beyond the holiday season, then.



Gallate: That's an interesting point. I advise my retail clients that it's not just about a cycle of planning for the holidays. To be effective, it's a 365-days-a-year, seven-days-a-week, 24-hours-a-day exercise. It's not a 60- or a 90-day checklist. It's about what you've been doing within your overall marketing and retail strategy for the whole year—and all that data you've collected. Then, you can activate higher level brand-based advertising to attract clicks of interest and retarget. For instance, build your customer or prospect database for your email. Email is still critical for the holidays.

"[Delivery] is going to be a bigger issue than it has been in previous seasons simply because customers are used to guaranteed two-day delivery."

eMarketer: What should retailers zero in on this season?

Gallate: Mobile is the physical connection to the digital world. It's with you all the time. The ability for brands or retailers to have a compelling and integrated mobile strategy is going to be critical this holiday.

The second thing will be delivery. It's going to be a bigger issue than it has been in previous seasons simply because customers are used to guaranteed two-day delivery. As we get closer to Christmas, that will be more difficult to get right. And the ones that don't get it right have done long-term brand damage. It's important to have the systems in place to get as close as possible to a flawless execution of delivery.



ABOUT THIS ROUNDUP

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[Holiday Shopping 2018: A Strong Economy Sets the Stage for a Spending Surge](#)

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Contributors and Production

Daniel Caridi Director, Media Solutions & Strategy

Danielle Drolet Editor, Sponsored Content

Dana Hill Director of Production

Stephanie Meyer Senior Production Artist

Adrienne Skinner Senior Director, Media Solutions & Strategy



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