



The Criteo Holiday Report:

Moments, Trends, Research

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Holiday Preview 2018

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Executive Summary



- In 2017, Black Friday and Cyber Monday shattered sales records, making for one of the most profitable holiday seasons ever. But the biggest story of last year starred a retail industry permanently transformed by shoppers able to connect to great products whenever they want, wherever they are – in the speed of an instant.

This holiday, make more instants that matter.

With the rise of on-the-go lifestyles, every moment counts. Your shoppers aren't just going to your store or browsing on your site. They're using search engines, reading reviews, researching products while they're in another store. Omnishopping is the new normal. More than 3 out of 4 shoppers engage in online to offline or offline to online shopping around the world.¹ It's impossible to know where your shoppers are going to be next.

In 2017, companies optimized brick-and-mortar locations with magic mirrors and virtual-reality rollercoasters. They offered collectible, unique merchandise and thought about how to make their store displays more Instagrammable.

Add in knowledgeable salespeople, apps optimized for shopping, and faster delivery options, and it's clear that a reimagined retail experience is what's winning shoppers' hearts and minds.

In 2018, we expect to see more of the same. And with the help of this guide, you'll be ready for the biggest holiday season yet.

Criteo works with a growing network of over 18,000 brands and retailers across the globe and sees 1.4B shoppers each month and 650B in commerce sales each year. Supported by a massive amount of shopper data, our analysis reveals how people shopped in 2017, and what to look forward to in 2018.

¹ Criteo Shopper Story, US, UK, FR, DE, JP, BR 2017 | n= 9033

Based on what we saw in 2017, here's what we expect to see in 2018:

1. Holiday browsing and buying will start earlier than ever.
2. Mobile becomes the go-to purchase channel.
3. The top holiday gifts dominate – and it's not always the big players.
4. Black Friday will keep growing, and more shoppers will go online than ever.
5. Cyber Week II will be the best hidden opportunity.
6. Building more data will mean stronger customer relationships.
7. The best holiday marketing will be based on instants.



Attraction can happen in an instant.

Holiday browsing and buying will start earlier than ever.



With social media, pop culture, and the even the daily news making it easy to keep an eye on **gift trends** throughout the year, holiday shopping has expanded beyond traditional timeframes.

Last year, Walmart, Best Buy, and others started promoting deals in early November instead of waiting until the official Black Friday. That prompted a cascade effect that we're sure will continue in 2018. Shoppers will be looking for deals not just in November, but in October, too.

This is contributing to a bigger trend: a rolling month of deals, instead of a specific day. While we might think of Cyber Monday as the penultimate day for online shopping, a great deal will attract shoppers to your site earlier in the season.

[Continue to next page](#) >



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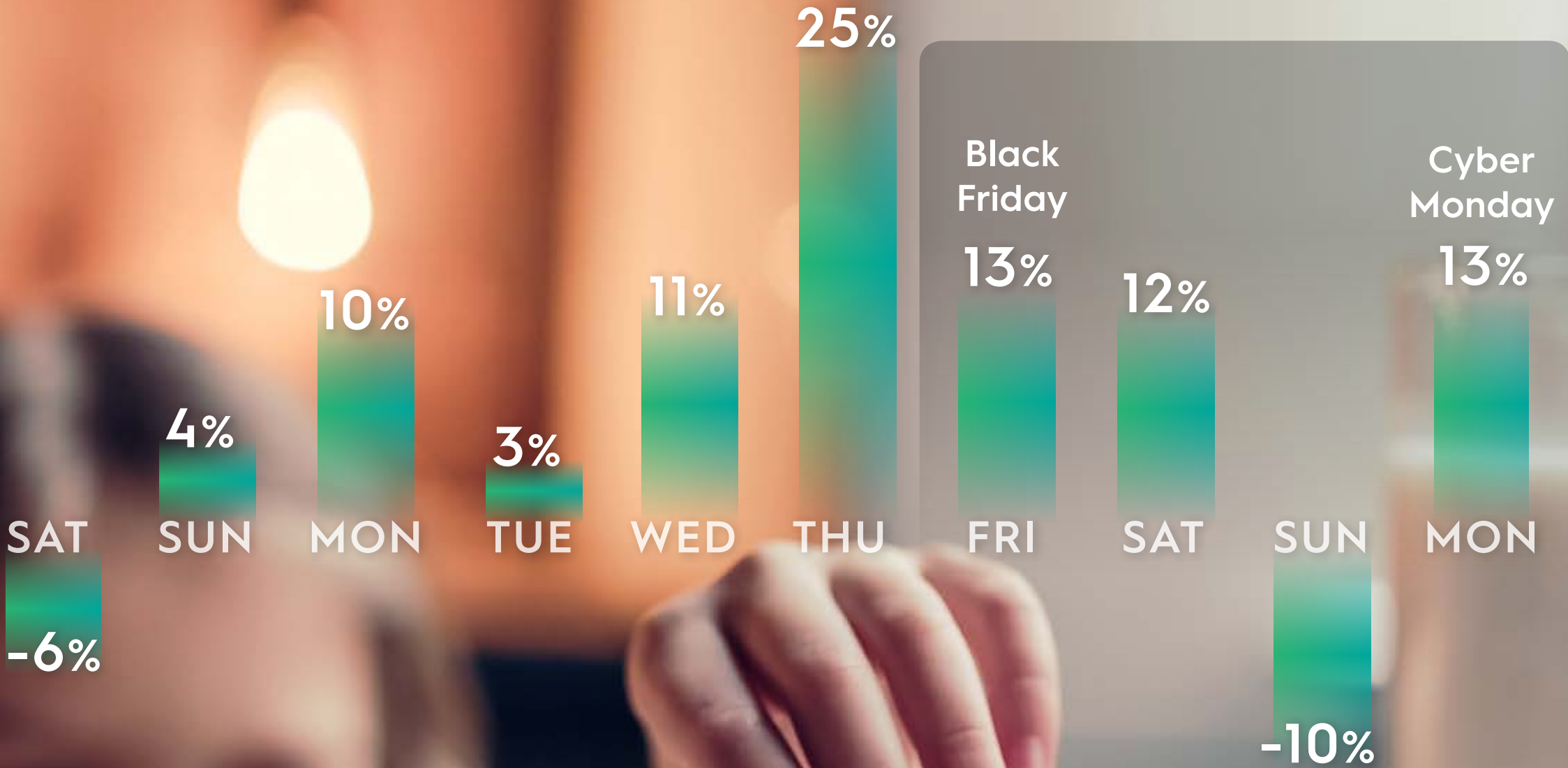
In 2018, we expect to see a Cyber Week effect across retail categories. That's because, in 2017, people converted as deals were triggered, led by days like Thanksgiving (+25% YoY), Black Friday (+13% YoY), Cyber Monday (+13% YoY), and what we'll call "Black Saturday" (+12% YoY).¹

Compared to the average in October, transactions increased by a whopping +227% on Black Friday in 2017. The uplift was only +189% in 2016, showing that the event is spreading fast, globally.²

So this year, don't expect your shoppers to restrict their shopping to the big days anymore. They'll be looking for deals all month long – and maybe earlier. Build the anticipation, and you'll attract shoppers who are ready to purchase as soon as the deal goes live.

² Criteo data, US, UK, France, Germany, Netherlands, Spain, Italy, Australia, Japan, Brazil, all retail categories combined, 2016 and 2017.

The Cyber Week Effect YoY Sales Change (Q4 2017 vs. Q4 2016)



¹ Criteo Brand Solutions data, US

Criteo Customer Acquisition

Attract shoppers to your products by showing them offers based on how they search, what they want, and when they want it. Use Criteo Customer Acquisition early in the holiday season and start reaching new customers just as they start to think about giving gifts to their friends and loved ones.





Adventure can happen in an instant.

Mobile becomes the go-to purchase channel.



In 2017, more than 40% of all online retail sales in November and December happened on mobile phones.

It's impossible to guess just how mobile this season will be, but get ready for more than half of all holiday purchases to occur on smartphones. Make sure your website and product pages are more responsive than ever. Test them for speed, user experience, and ease of checkout.

Our [Global Commerce Review, Q4 2017](#), unpacked comprehensive data that looked into the growth of mobile transactions.

In most world regions, for retailers with a shopping app, mobile now accounts for more than 50% of online transactions and in-app sales dominate.

[Continue to next page](#) >



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Adventure can happen in an instant.

Mobile becomes the go-to purchase channel.

Shopping apps also tend to generate higher conversion rates — in some countries 3 to 5 times higher than on mobile web. Globally, the share of in-app transactions grew from 31% in Q4 2016 to 46% in Q4 2017, indicating an overall uplift of 48% YoY.

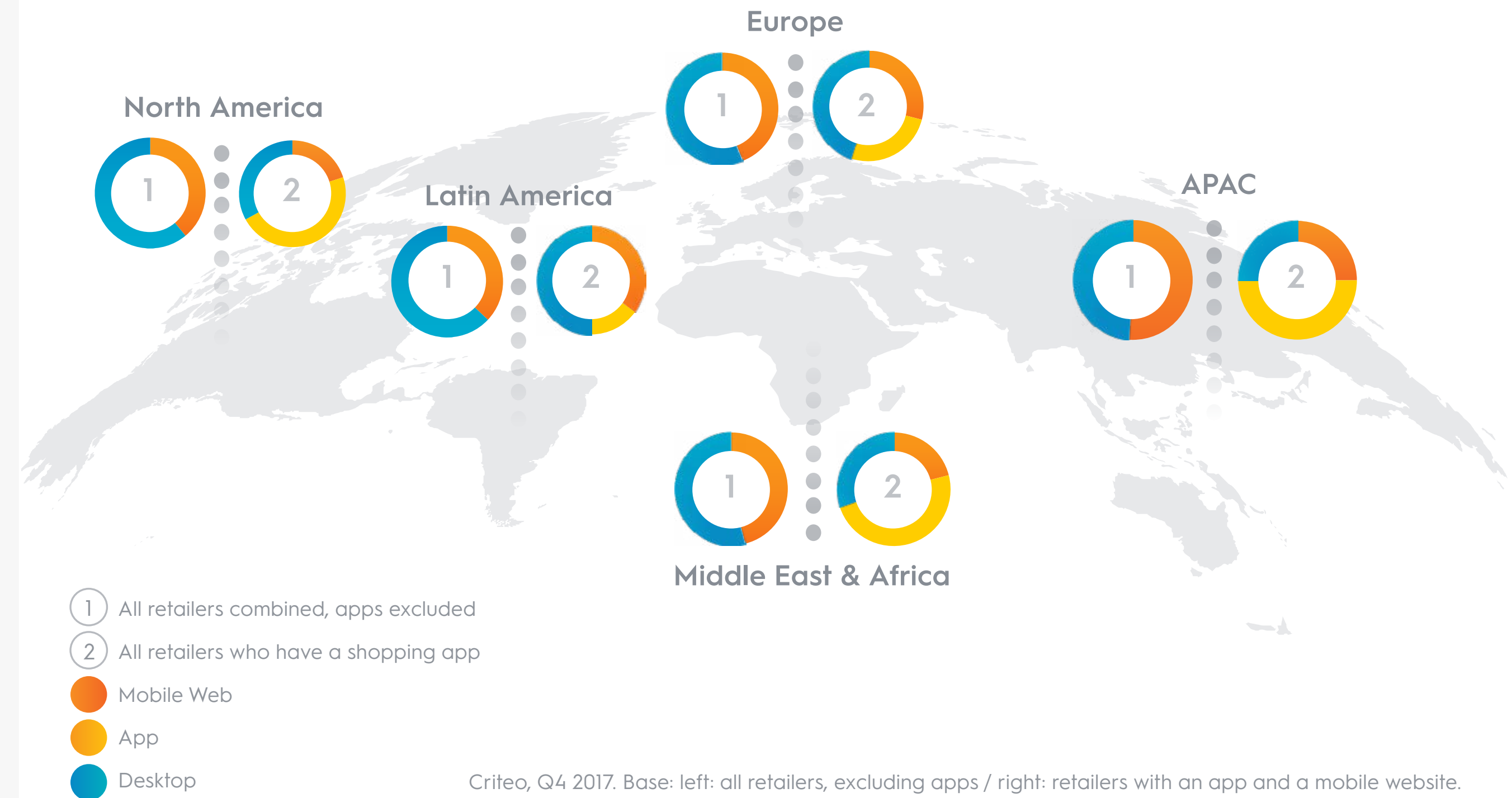
Based on current trends observed in 2018, we expect the share of mobile to keep increasing, especially the share of transactions from apps for retailers who have them.

So how does all this translate to holiday shopping behavior?

Well, it depends on the time of day.

Share of Transactions, App vs. Mobile Web vs. Desktop

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Worldwide

YoY Increase of the share of In-App Transactions, Global

Q4 2017

46%

Q4 2016

31%

48%
YoY Increase

Source: Criteo, Worldwide, Q4 2016 & Q4 2017. Considering only those retailers that have a shopping app

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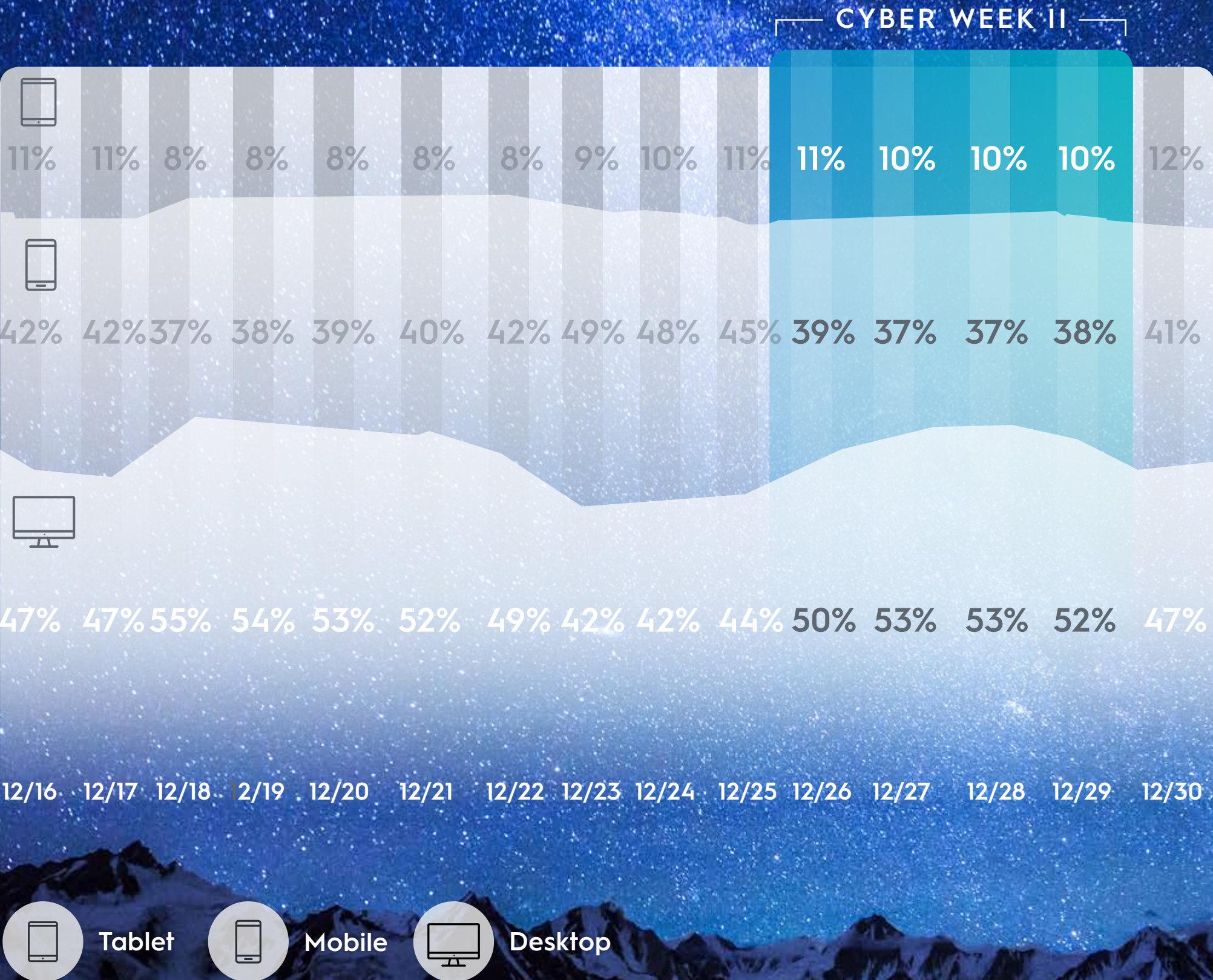
In 2017, mobile transactions were lowest (33%) on Cyber Monday (a work day), and desktop usage climbed. This probably represents the work crowd getting to the office and searching for online deals.

From Cyber Week to New Year’s, mobile commerce tends to peak in the pre- and after-work hours. Shoppers could be waking up and browsing or getting home and buying. During the work day, desktops reign supreme. Mobile shopping continues to dominate nights and weekends.

December 23, 2017 (closely followed by Christmas Eve and Christmas) was the biggest day ever in the history of mobile commerce in the US: 48% of all purchases were made on smartphones.

Source: Criteo Data, Online Retail Sales US, Q4 2017

Share of Transactions by Device, Dec 16–30, 2017



Criteo Dynamic Retargeting for Facebook and Instagram and App Advertising

Help your shoppers with their day-to-day adventures by creating a mobile experience that lets them buy without leaving their favorite apps. With Criteo Dynamic Retargeting for Facebook and Instagram and App Advertising, you’re able to deliver personalized ads to your audience across these social media apps, making it as easy as possible for them to complete their holiday purchases.





Joy can happen in an instant.

Top holiday gifts dominate—and it's not always the big players.



Last year, we noticed three interesting consumer categories surging during the holiday season: old school toys with new twists, the latest consumer electronics, and products that were made famous on YouTube.

Our insights below are informed by search volume across retailer websites, so we looked at what shoppers really wanted when they went to major sites and searched. Here's what we found:

- **Legos and Barbies** showed steady growth throughout the season due to tie-ins with Star Wars and Lego Ninjago.
- **Our Generation**, a more affordable character doll, also showed steady interest across the season.
- **UHD 4K TVs, Smart TVs, tv equipment, and voice speakers** dominated consumer electronics, with voice speakers reigning as the top electronic search term from Black Friday onwards.
- **Fingerlings & LOL Surprise toys** showed surprising growth in our top 1000 retail terms last year, too, which was a byproduct of virality and digital engagement rather than big marketing campaigns.

[Continue to next page](#) >



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Joy can happen in an instant.

Top holiday gifts dominate—and it's not always the big players.

We're going to expect more of the same in 2018. The biggest hits this season will probably follow similar formulas, inspiring more hearts on social media, shared laughs on streaming videos, and excitement on cross-over products:

Cross-Overs & Co-Marketing

You might not have movie tie-ins for your products, but co-marketing has helped brands reach new audiences and find new real estate in the increasingly crowded digital space.

The Next Best Electronic

Consumer electronics are always popular, especially the latest iterations, but it's interesting to see that there's a surge in complementary accessories and hardware, too. We'll be paying close attention to see if there's another product that catches fire this year, whether it's a VR headset or the latest in voice speakers.

YouTube & Influencer Marketing

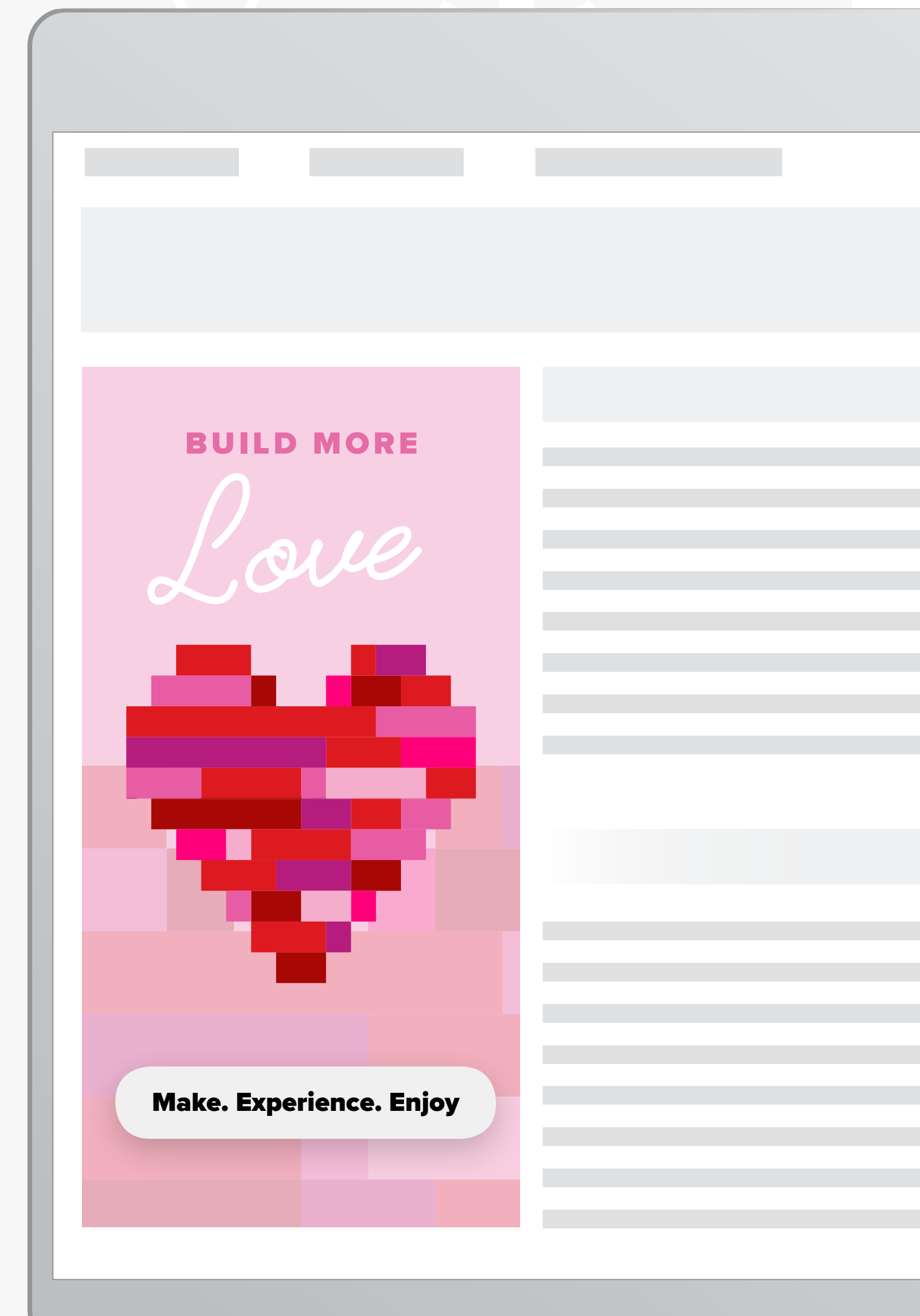
LOL Surprise was one of the first toy lines that made extensive use of YouTube marketing. Simply by showing videos of the toys being unwrapped, the brand got millions of views of the products. Video content on high-engagement channels, along with sophisticated influencer marketing campaigns, could help grow exposure for every brand trying to break out.

With shoppers finding products across so many different channels, there's no telling how they'll discover something or what might go viral – whether it's exciting miniatures or a monkey that holds onto your finger.

We'll be looking forward In 2018, to seeing not only which products top our retail data this year, but how they do it.

Criteo Dynamic Retargeting

Joy can happen as soon as a shopper sees something they know they like – and may have forgotten about. With Criteo Dynamic Retargeting, you can bring holiday shoppers back to your site to convert, wherever they're shopping online.





Triumph can happen in an instant.

Black Friday will keep growing, and more shoppers will go online than ever.



When we think of Black Friday, we think of shoppers running through aisles in search of the best deals before someone gets to them first.

But ecommerce and omnishopping have fundamentally changed the nature of retail and led to new patterns in retail seasonality.

Case in point: All across the globe, Black Friday — a traditionally American phenomenon — has become as big as Cyber Week II (the week between Christmas and New Year's), when shoppers are motivated by year-end deals and gift cards.

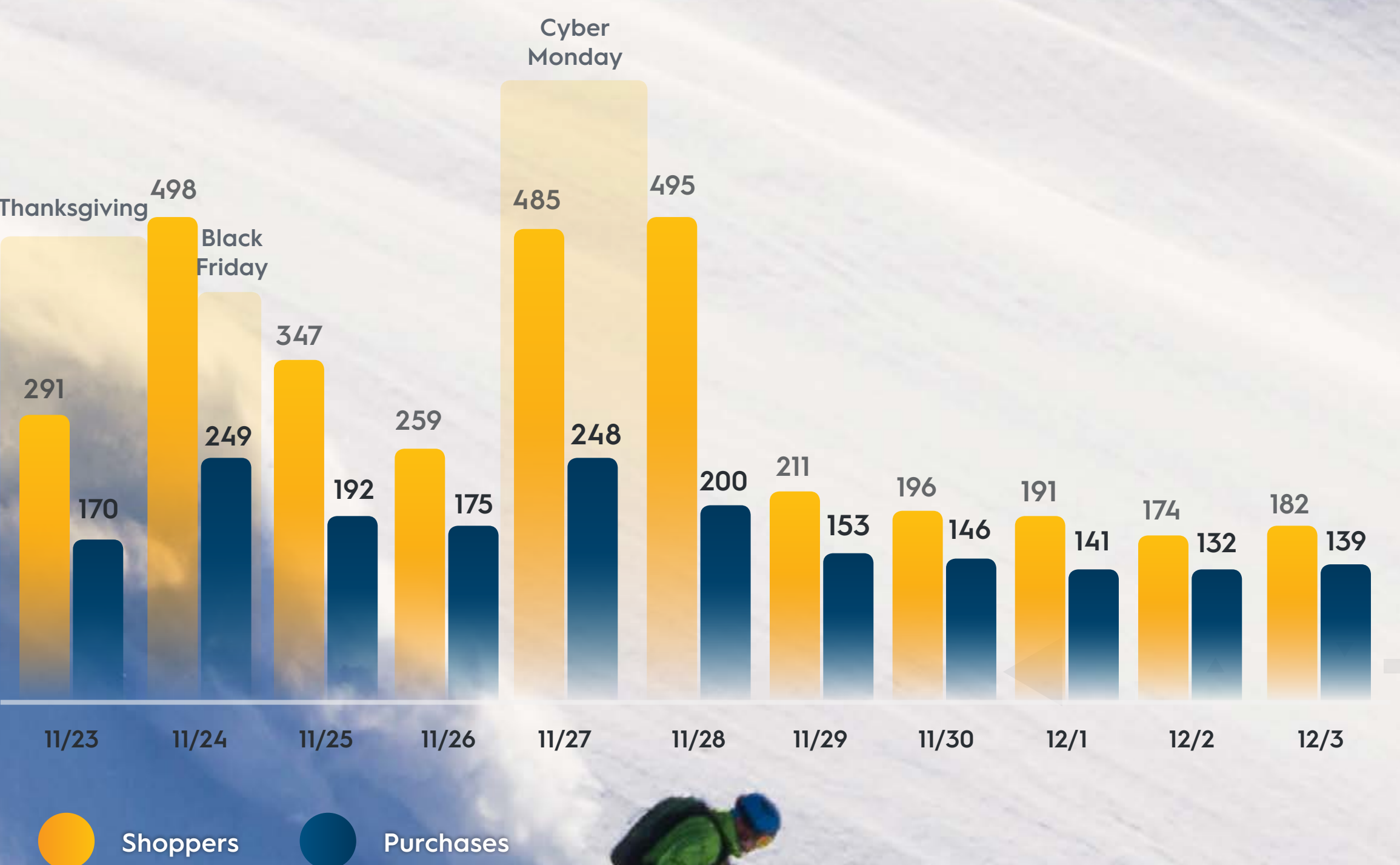
Our data from last year shows that the specific day isn't nearly as important as the deals you trigger.

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Retail Sales and Visitors Index, Q4 2017, US



Triumph can happen in an instant.
Black Friday will keep growing, and more shoppers will go online than ever.

In the US, last year’s Cyber Monday and even the Tuesday after proved to be as big an opportunity as Black Friday. Meanwhile, Black Friday has backed up into Thanksgiving itself.

So don’t just try to pour all your spend into Black Friday and Cyber Monday. Experiment with other days. Shoppers are ready and waiting.

Source: Criteo data, US, Q4 2017, all retail categories combined.

*Baseline equals average index of 100 during October 2017.



Criteo Audience Match

Whether your shoppers are rushing through a store to find the best deal on Black Friday or hunting around online, there’s nothing that quite beats the thrill of finding exactly what you want. With Criteo Audience Match, you can build unique shopping experiences, offers, messages, and promotions that resonate with shoppers and drive them back to your website.

Black Friday



Australia

Australia: Black Friday Competes with “Click Frenzy” for Shopper Attention*

Specific to Australia, Click Frenzy, a day initiated by retailers to jump start Christmas sales, continues to be more important than Black Friday:

- **Click Frenzy** (November 14) saw +139% in sales vs +99% for Black Friday compared to an average sales day in October 2017.
- **Black Friday** showed higher growth rates than Click Frenzy, though, and seems to be taking sales from Click Frenzy.
- **Mobile share:** 44% of online retail sales for Click Frenzy, and 42% for Black Friday.
- **Cyber Week II:** December 26 had a 27% rise in product detail page views and a 25% rise in shoppers.



Brazil

Brazil: Black Friday Shows Solid Gains*

With the Brazilian economy challenged, and consumer confidence rocked, Criteo saw that shoppers held back spend for the deals to come. Shoppers were so eager to upgrade their TV sets to smart TVs and 4K UHD that on Black Friday, malls were flooded. Criteo data shows that in Brazil:

- **Shoppers:** +327% over an average sales day in October.
- **Purchasers:** +882%.
- **Mobile share:** 28% of online retail sales on Friday, compared to 43% during the weekend.
- **Cyber Week II:** December 26 had a 27% rise in product detail page views and a 25% rise in shoppers.

Around the World.



France

France: It's not Vendredi Noir, it's Black Friday

The French government mandated that terms need to be translated into their language, but this year in France, retailers chose to use the American term for Black Friday sales. You can see this reflected in top retail search terms for the week of Black Friday: “Black Friday iPhone” and “Black Friday Informatique” were the top searched terms from leading consumer electronics sellers.

- **Shoppers:** +201% over the average day in October.
- **Purchasers:** +59%.
- **Mobile share:** 32% of online retail sales on Friday, 35% during the weekend.
- **Cart sizes** were an average of €177 and the average product sold cost €83
- **Cyber Week II:** France does not have this phenomenon, as shoppers hold out for Les Soldes D'Hiver, the traditional winter sales period during the first week in January.



Germany

Germany: Merry Christmas for ecommerce*

Germans have a tradition of the Christmas market: beautiful street markets that encourage browsing and add to the holiday mood. But online is showing strong growth, likely due to its convenience (open 24/7) and the great deals offered.

- **Shoppers:** +60% over the average day in October.
- **Purchasers:** +156%.
- **Mobile share:** 47% of online retail sales on Friday, 50% during the weekend.

Black Friday



United Kingdom

UK Amidst Brexit Worries, Black Friday Drives Retail Sales

The UK is dealing with the learnings from 2015, when Black Friday caught merchants by surprise and disappointed shoppers with inadequate inventory stocks. Retailers have figured out Black Friday, and Criteo saw dramatic sales spikes that day:

- **Shoppers:** +233% shoppers vs the average day in October.
- **Purchasers:** +271%
- **Average basket size:** £132, and the average item price was £67, the highest of the Festive Season thus far.
- **Mobile Share:** 56% of online retail sales on Black Friday versus 60% on the weekend.
- **Cyber Week II:** 50% increase in product detail page views for Boxing Day, the traditional start of winter discounting. 71% increase in the number of shoppers who added a product to a basket that day.



Russia

Russian Federation Shows Solid Gains

In a country that fits the western image of a snowy Christmas, ecommerce lets shoppers keep warm while gifting:

- **Shoppers:** +67% vs an average day in October.
- **Purchasers:** +164%
- **Mobile share:** 29% of online retail sales on Friday, 34% during the weekend.

Around the World.



Spain

Spain Warms Up to Black Friday*

Spaniards may have been taking to the streets over political issues, but they were also shopping online:

- **Shoppers:** +113% over an average day in October.
- **Purchasers:** +343%
- **Mobile share:** 40% of sales on Friday, 48% during the weekend.



Japan

Japanese Shoppers Know All About Black Friday

While Golden Week is still a much bigger annual event, Black Friday has been growing, despite the fact that there are no national holidays associated with it.

- **Black Friday:** 2.8X increase over the average day in October for people who “add to basket” the day before Black Friday but do not necessarily check out – they are waiting for the discounts.
- 91% increase in sales on Black Friday
- Sales showed double-digit increases over that entire weekend, and Cyber Monday had a 30% pop in sales over October.

Black Friday



Around the World.



Netherlands

Netherlands: Local Merchants Have an Edge Over Amazon

The Netherlands has a distinct ecommerce culture, with Bol.com (a Criteo partner in the Sponsored Products network which launched in 2000) the dominant ecommerce company (they sell a range of merchandise, including books). Amazon only launched there in 2014. Black Friday shows dramatic increases in shopping activity over October:

- 2.5X the numbers of shoppers online vs the average day in October.
- 3.4X the number of online retail sales.
- **Cyber Monday:** 69% increase in sales



Italy

Italy Celebrates with Online Gifting

Italy has less reliance on large-scale retailers and relatively lower levels of ecommerce growth than other countries in Europe, but Black Friday is definitely becoming a phenomenon:

- 48% increase in the number of shoppers over the average day in October.
- Sales increases of nearly 3X over the average day in October (2.7).





Determination can happen in an instant.

Cyber Week II will be the best hidden opportunity.



While no one could argue the impact of Black Friday, Cyber Monday, and Cyber Week, our data from Holiday 2017 revealed an unexpected opportunity in the US and UK – the week between Christmas and New Year's, aka "Cyber Week II". The UK for example saw a 28% increase in AOV (Average Order Value) between December 26th (Boxing Day) and December 30th.

December 25th marks the beginning of Cyber Week II, the period when shoppers flood back in market to take advantage of online deals. Gift cards in hand, they're ready to treat themselves in the run-up to New Year's Day.

Here's how the growth trend in the US looked for Cyber Week II:

Holiday 2017 revealed an unexpected opportunity

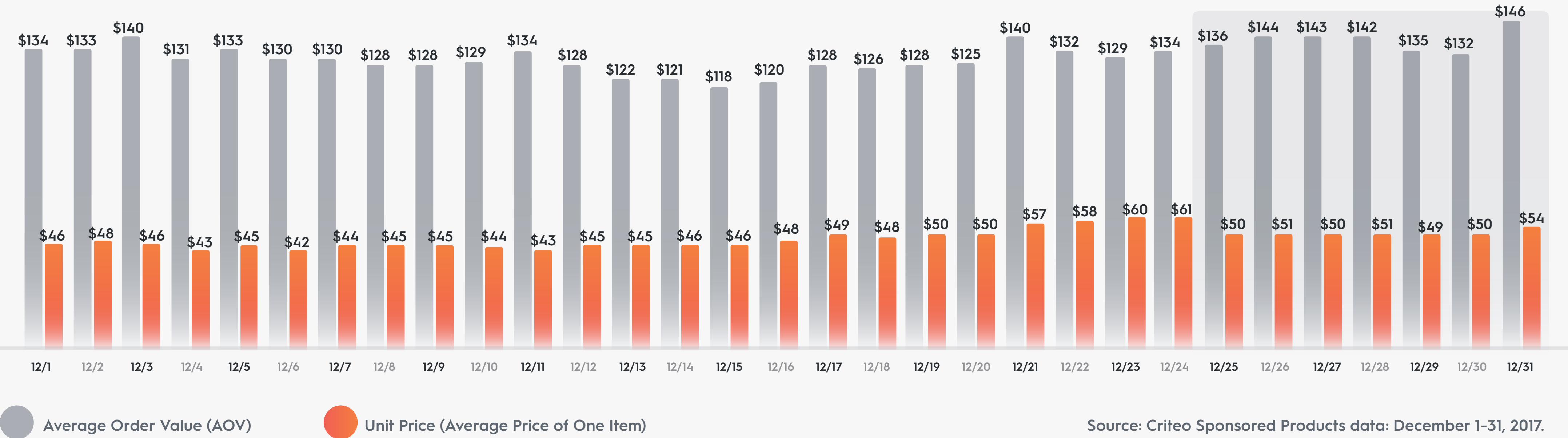
The US saw up to a 46% increase in online retail sales
between Dec 26th (Boxing Day) and Dec 31st.

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Determination can happen in an instant.
Cyber Week II will be the best hidden opportunity.

December 2017 Cart Values



Criteo Sponsored Products

It's not just the anticipation of the New Year after the holidays, but the calm after the storm. Shoppers relax and resolve to improve themselves. With Criteo Sponsored Products, you can help get them to their goals by showing the products they want the most – on whatever retail site they visit.





Courage can happen in an instant.

Building more data will mean stronger customer relationships.



If our research shows us anything, it's that you can never tell where shoppers are going to buy. Only your data can.

Last year, our **Shopper Story 2017** found that, in most countries, shoppers value both online and retail experiences. In fact, **62% of shoppers said** that they use their phones while they're in-store.

With mobile dominating the holiday season, it's imperative for marketers to think about how to better connect with shoppers as they move across devices and channels.

But most marketers aren't exactly confident that they have winning data strategies. Research from Winterberry Group found that only 1.3% of marketers are "extremely confident" in their data strategies, with data analytics being the most desired addition for most teams.

If you can't connect the dots for your shoppers, you can easily lose track of their journey.



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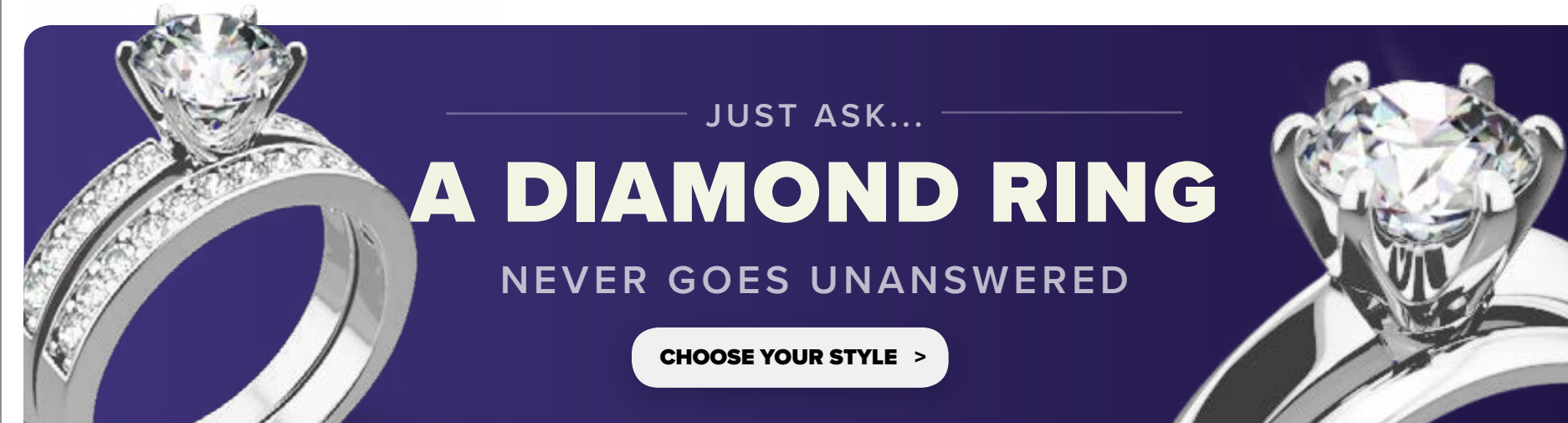
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Courage can happen in an instant.

Building more data will mean stronger customer relationships.

Our research with Forbes Insights in 2017 found that three-fifths of marketing executives are collaborating on shared data initiatives. This is a courageous new way to go around tech giants and maintain control of customer data while gaining more insights and driving more results.

This holiday season, think outside the box and use data to create the best possible customer experience. The more personalized, the better the relationship.



Criteo Shopper Graph

It takes courage for people to commit to getting ready for the big moments in their lives, whether they're planning a proposal, a vacation, or even just family dinner. With Criteo Shopper Graph, you're able to tap into three data collectives that allow you to reach shoppers as they're thinking through these moments — across the web, on every device and app — and help them take that next step.



Gratitude can happen in an instant.

The best holiday marketing will be based on instants.



Attraction. Adventure. Joy. Triumph. Determination. Courage.

The shopper journey happens instant by instant. During the holiday season, the spirit of giving helps us think about people other than ourselves. This special time may only come once a year, but it's built on some of the most memorable moments of a lifetime.

Because the real holiday season isn't about the things so much as the joy and memories that they bring to families and friends.

Criteo Solutions

Together with our brand, retail, and publisher partners, Criteo powers instant moments for thousands of shoppers every day, in thousands of places all over the world. This holiday season, deliver more moments that matter to every one of your shoppers, everywhere they go. Find out how by contacting your Criteo Account Strategist.





5 Ways to Create the Best Moments for Your Shoppers



1. Develop an always-on strategy for anytime commerce.

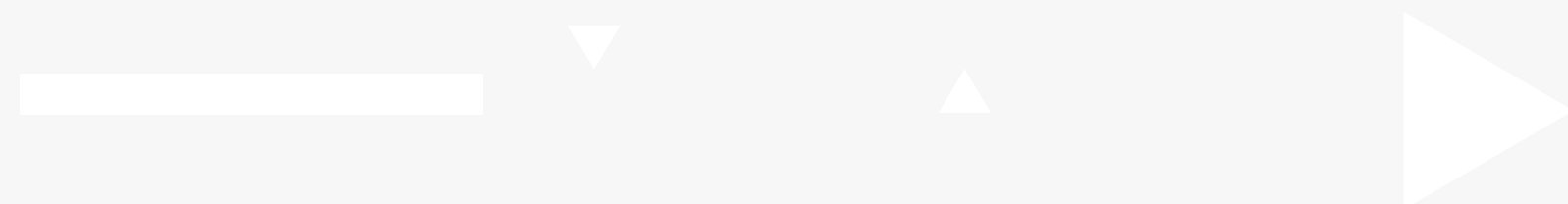
To connect with shoppers throughout the winding purchase journey, brands and retailers need to support their products at every touchpoint — from desktop to mobile web, in-store to in-app.

Criteo Dynamic Retargeting can not only recommend the best offer from your entire product catalog in real time, serving up personalized ads for maximum sales, it can drive shoppers back to your site. Since gifters start browsing early, be sure to raise your CPCs accordingly to remain competitive and build a larger cookie pool. That way, you can retarget shoppers during key holiday peaks and stay top-of-mind when they're ready to buy.

Keep Criteo Sponsored Products always-on to support holiday sales, from early in the season all the way through New Year's, when gift card redemption peaks. This ensures that shoppers will see personalized product recommendations on their favorite retail sites.

2. Optimize for mobile and in-app transactions.

Mobile commerce is here to stay, and it's only growing stronger. Responsive design, images that read on phone screens, carts that are persistent across devices, and the ability to call up online accounts at in-store registers are all becoming the norm. Be sure your mobile presence is ready to make the most of all the on-the-go opportunities.



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5 Ways to Create the Best Moments for Your Shoppers



3. Keep your marketing strategy strong through Cyber Week II.

To prepare for Cyber Week II, when shoppers begin cashing in their gift cards in droves, it's essential for brands and retailers to continue their advertising presence. Be sure to keep your multi-pronged marketing tactics going to take advantage of impulse purchasing. Shoppers tend to be even more motivated by year-end deals, and inspired to spend on themselves to wrap up the (often stressful) holiday season.

4. Get access to more data.

The smartest retailers and brands are building longtime customer loyalty by creating the best, most personalized customer experiences across channels and devices. But in order to achieve this, only a collaborative approach to marketing will do. Since a lack of data translates to an incomplete view of the shopper (and there's no way to meet the expectations of someone you hardly know), you need the largest possible data sets to connect online and offline behavior.

Criteo levels the playing field for everyone, opening new doors to generate sales through big data, massive scale, and unparalleled machine-learning technology.

5. Make more moments that matter.

Shoppers who experience the best of your brand at every touchpoint are able to find whatever they want, whenever they wish. Brands that can connect, no matter the time of day, day of the week, or season of the year stand to build a series of moments for their customers over time — ones filled with discovery, joy, hope, excitement, and even love. Holiday 2018 is just the beginning.



Key Dates – Holiday 2018

- **Thanksgiving:** A US holiday that falls on the 4th Thursday in November (Nov. 22).
- **Black Friday:** The Friday after Thanksgiving (Nov. 23).
- **Cyber Week:** The 7-day period beginning with Thanksgiving (Nov. 22 - 28).
- **Cyber Monday:** The Monday after Thanksgiving (Nov. 26).
- **Black Saturday:** The day after Black Friday (Nov. 24).
- **Super Saturday:** The Saturday before Christmas (Dec. 22).
- **Cyber Week II:** The week spanning Christmas to New Years (Dec. 25 - Jan. 1.).

Criteo Glossary

- **AOV:** Average order value of a completed transaction.
- **Conversion rates:** Buyers divided by Product Viewers.
- **Purchasers:** Unique users that complete a transaction on our network.
- **Shoppers:** Unique users seen on our network in a given time period.



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About the Data

- Data represents billions of product searches and millions of completed transactions on retail sites.
- US data is compiled from retailers in the Criteo Sponsored Products network.
- Criteo has access to shopper data so that a company can calculate which sales result from an ad impression. The data is non-personally identifiable and used in aggregate.
- Criteo's Global Commerce Review looked at individual browsing and purchasing data from over 5,000 retailers, in more than 80 countries, Q4 2017.
- Criteo's Shopper Story report analyzed data from a survey of 10,000 shoppers across the US, UK, France, Germany, France, Germany, Brazil, and Japan.
- *In these countries, the data represented is from the Criteo Dynamic Retargeting platform which has access to retail data in order to properly measure and attribute sales generated by ads. We are focusing on increases vs a baseline month of October of the same year so that we have the largest possible data set to report on and can show relative traffic patterns.

Contact

- For shopper insights throughout the year, go to criteo.com/insights.
- To learn more about how Criteo drives sales and profits for thousands of brands, retailers, and publishers worldwide, visit criteo.com