REVEAL MOBILE

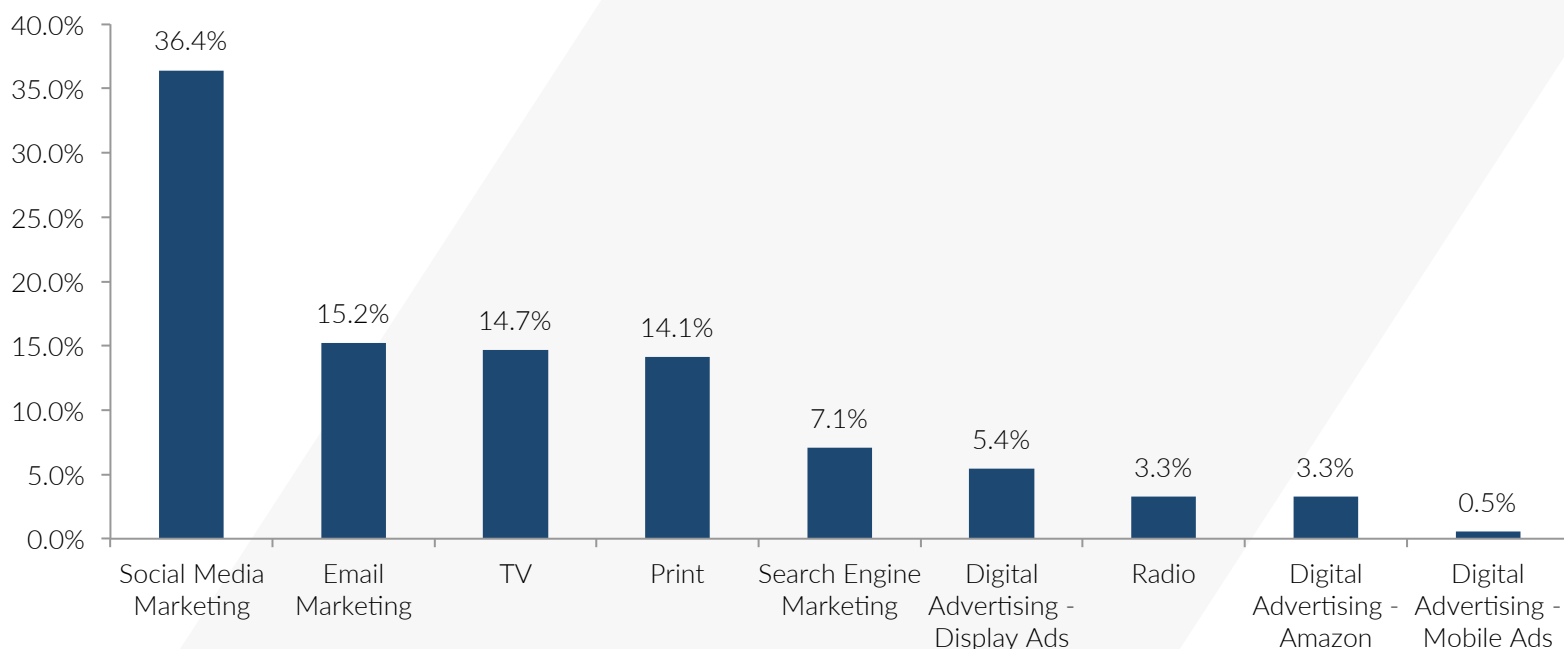# HOLIDAY ADVERTISING FORECAST

An August 2018 Survey

Reveal Mobile surveyed over 260 owners and managers of small-to-medium businesses to understand how they're approach holiday advertising.

THE BACKGROUND

This holiday season, retail spending, both online and in-store, could reach new heights. The latest Consumer Confidence Index numbers, which measure consumer sentiment towards buying intentions, haven't been this high since October 2000, eighteen years ago.

To understand how and when retailers plan to reach holiday shoppers, we surveyed over 260 owners and managers of small-to-medium businesses in the United States. Their responses are on the following pages.

REVEAL MOBILE

The majority of my holiday advertising budget is allocated to:

- Social Media Marketing: 36.4%
- Email Marketing: 15.2%
- TV: 14.7%
- Print: 14.1%
- Search Engine Marketing: 7.1%
- Digital Advertising - Display Ads: 5.4%
- Radio: 3.3%
- Digital Advertising - Amazon: 3.3%
- Digital Advertising - Mobile Ads: 0.5%

The biggest takeaway is that social media is the clear winner in terms of capturing the bulk of holiday ad spend. 36.4% of respondents stated that the majority of their holiday budget would go towards social media marketing, eclipsing email marketing (15.2%) and TV (14.7%). Given how simple building campaigns and reaching an audience on Facebook and Instagram has become, it shouldn't be surprising how much emphasis retailers put on the social channels.

One statistic that did surprise us is how little emphasis mobile advertising received in the survey, although there is nuance to understand here. Much of the time that people spend on social media or hunting for search results is on a mobile device, which therefore results in mobile ads being delivered.

DIGITAL VS TRADITIONAL AD SPEND

32.1%
67.9%

- Traditional
- Digital
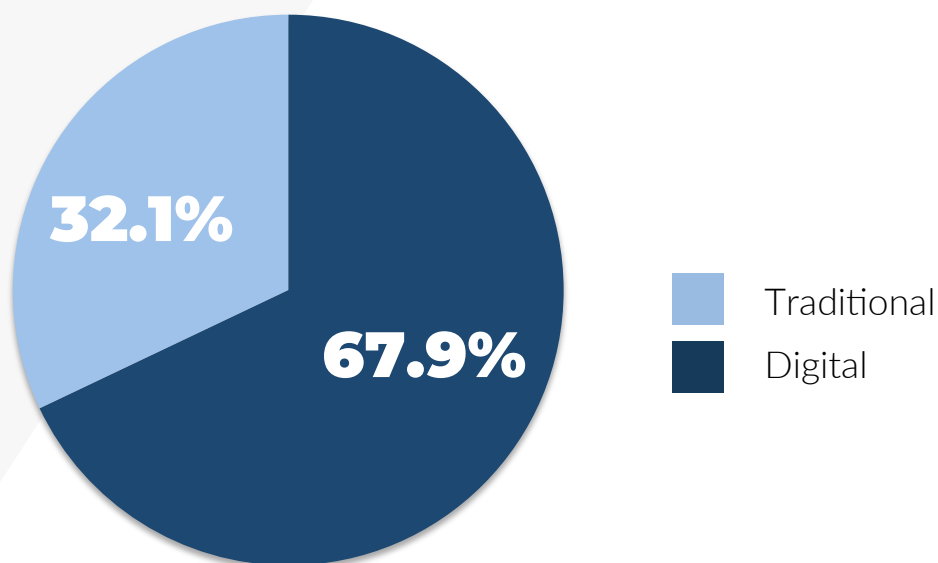
Combining all digital ad spend compared to more traditional approaches of TV, print, and radio, digital will take roughly 68% of holiday ad spend, versus 32% going to traditional.

Previous research that we've conducted shows that SMBs are comfortable using more sophisticated targeting tools such as geotargeting, and these new results confirm this again. 84% of advertisers view location-based marketing with some degree of importance, with 28% saying they use it on every campaign.

## How important is geotargeting to your campaigns this season?
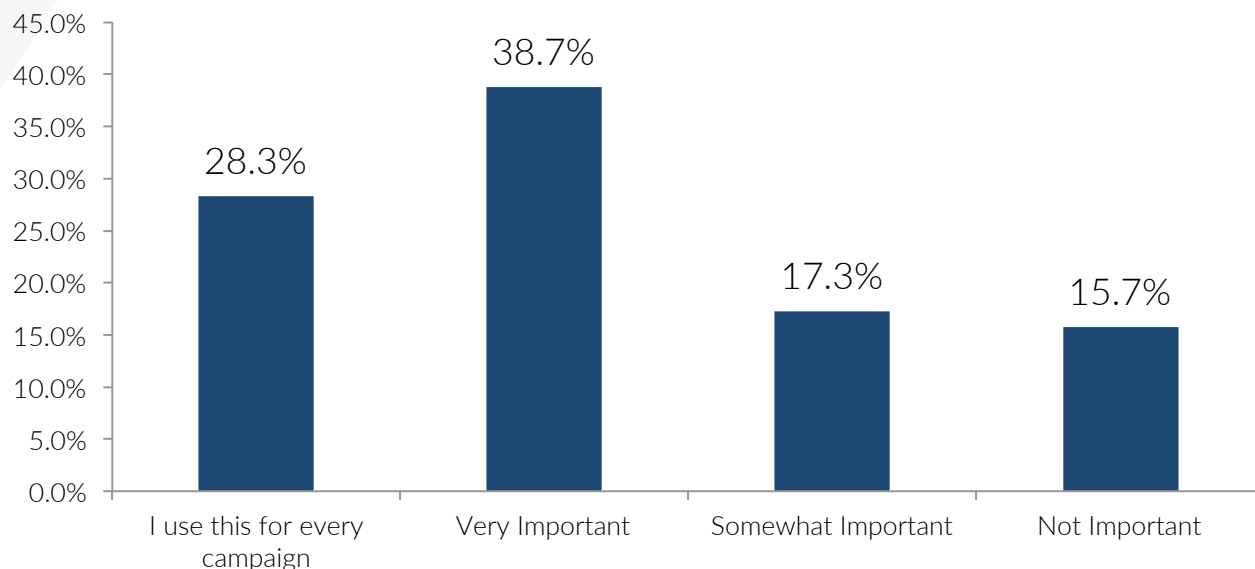
The companies focused primarily on digital advertising state that Facebook remains their most popular choice for reaching their market (41.8%), followed by Google (28.2%), Instagram (17.6%), and Amazon (12.4%). *Given that Facebook owns Instagram, their combined take will earn them 59.4% of holiday digital ad spend from SMBs.* We're also interested to learn how Amazon ad spend grows over time, as Amazon expects their ad business to become a major component of their company's revenue.

## I will primarily spend my digital advertising budget this season on:
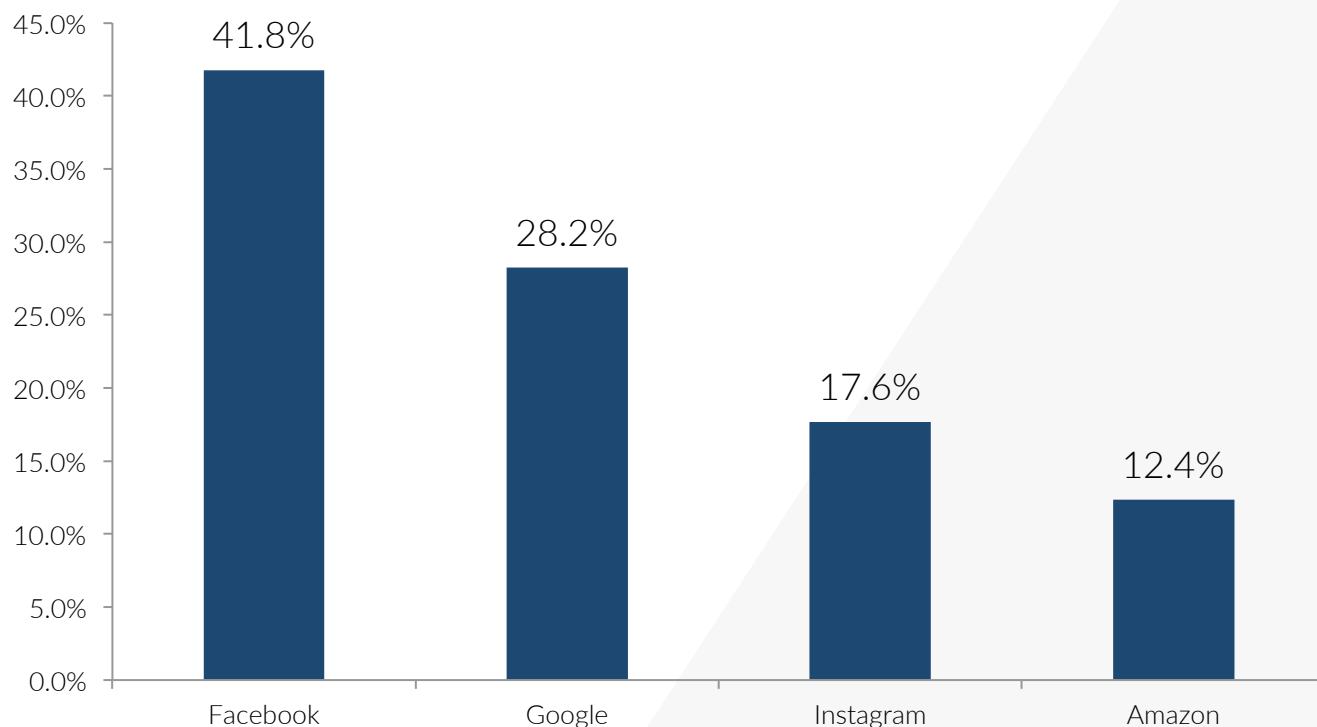
With the competition to earn traffic at a premium, we also wanted to understand what percentage of the market invests more in advertising, pulls back, holds steady, or doesn't spend at all. 37% of advertisers boost their spending during the holidays, with 7.5% decreasing their budget, and 30% remaining constant. 25% of survey respondents stated that they don't currently spend on advertising.

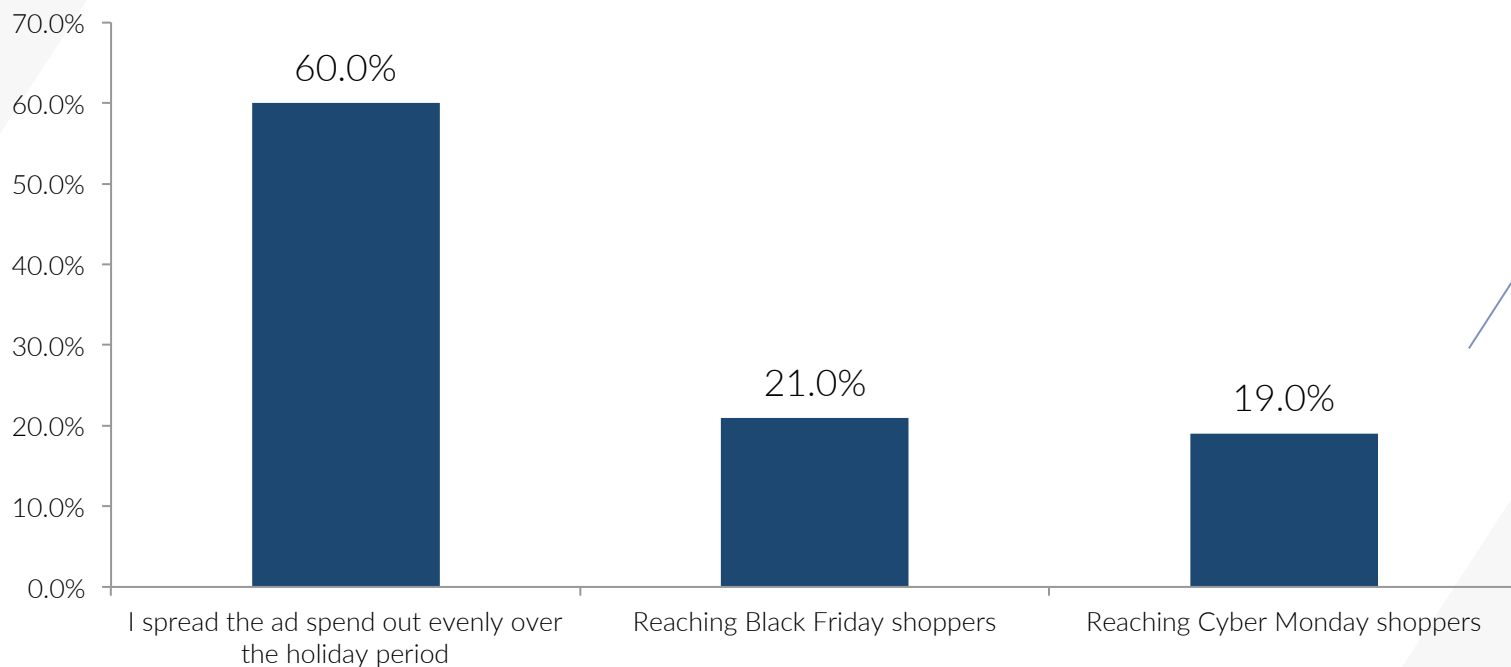## During the holidays, my advertising budget:
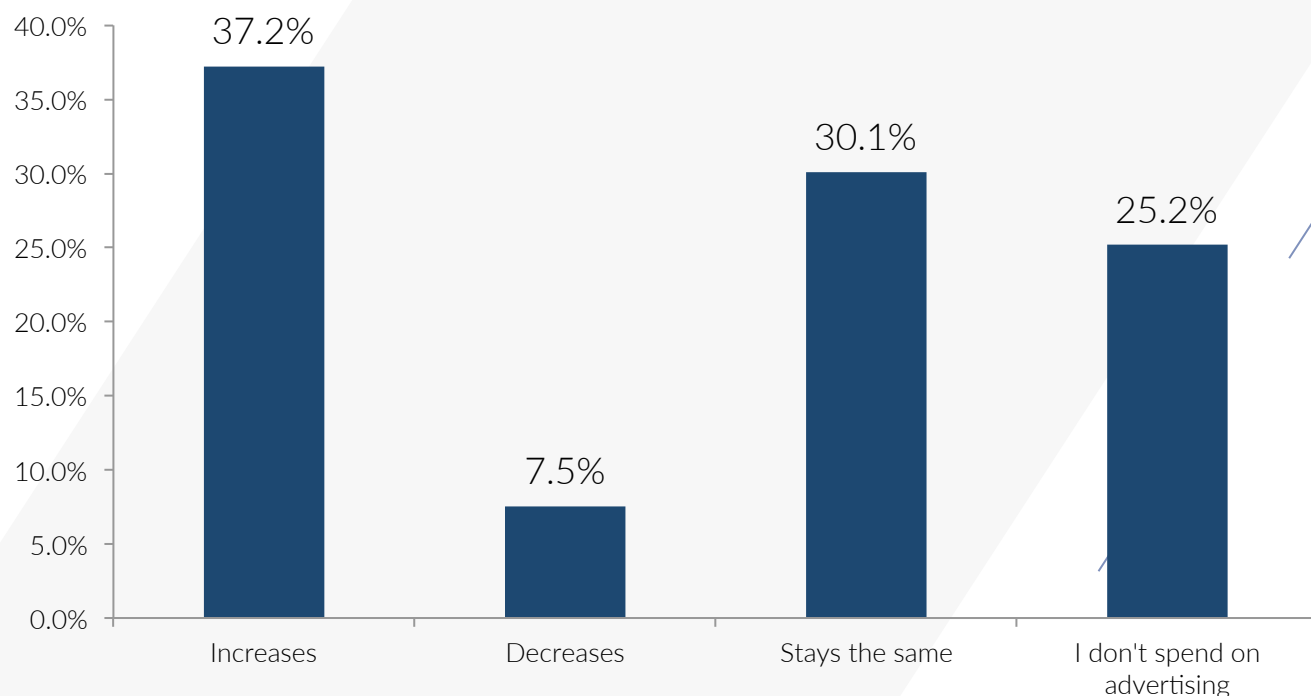
We also found that the majority change their marketing message during October (27.8%), but with a large chunk not changing their messaging at all (17.8%). This last group represents an opportunity for digital sales teams and agencies to understand why they don't change their strategies, and to add value to the relationship.

When do you change your advertising messaging for the holidays?
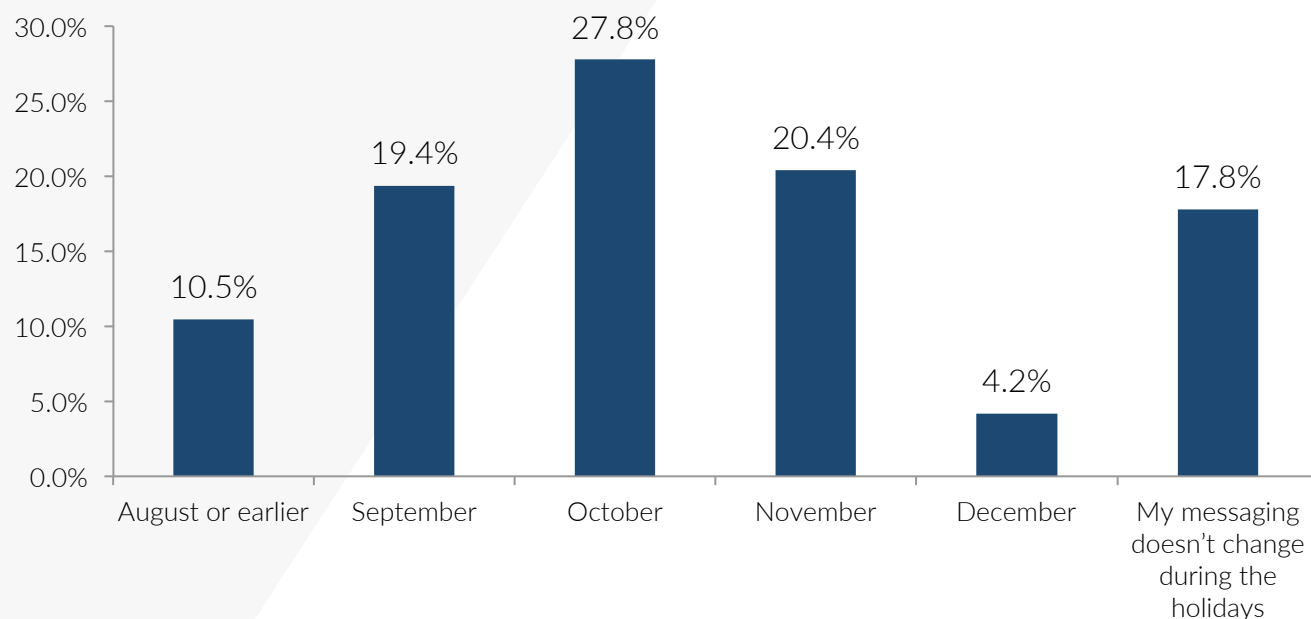
The fact that the majority of SMBs spread their ad spend out evenly over the holidays (60%) makes sense, versus trying to reach Black Friday (21%) or Cyber Monday shoppers (19%). SMBs typically don't offer 6am door busting deals, choosing to win customers over the entire season instead of one-off promotions.

Where do you allocate your holiday ad spend during the holidays?

Bar chart. X-axis categories: "I spread the ad spend out evenly over the holiday period" = 60.0%; "Reaching Black Friday shoppers" = 21.0%; "Reaching Cyber Monday shoppers" = 19.0%. Y-axis from 0.0% to 70.0%.

KEY TAKEAWAYS

This holiday season has the potential to set new records for both in-store and online purchases. As SMBs plan to spend more on digital, and to concentrate that ad spend within social media, we should expect to also strong quarterly performance from Facebook and Google. We should also expect consumers to see promotions that are increasingly relevant to them, as the use of audience targeting and location-based marketing continues to rise.

The teams running the campaigns, whether they're the brand themselves or their agency partners, will generally be looking to maximize their campaign performance throughout October and December, instead of heavily weighting them at the start of the shopping season.

They'll use geotargeting to help find their target audience, and will allocate the majority of their spend towards the social media channels. Understanding these market dynamics will help companies maximize their performance this holiday season.

The digital advertising ecosystem today is dominated by Facebook and Google. With the growing reliance on a limited set of platforms, prices, in theory, will rise. This will force many advertisers to look to other channels such as local media and programmatic advertising, frequently powered by geotargeting, in order to maintain their ROI with ad spend. The wild card here is Amazon, and how quickly advertisers move ad spend here, and how successful these campaigns will be.

METHODOLOGY

Reveal Mobile conducted this survey of 266 owners and managers of small-to-medium businesses based in the United States through Survey Monkey's Audience panel during August, 2018.

ABOUT REVEAL MOBILE

Reveal Mobile helps advertising agencies, brands, media companies and mobile app publishers leverage location-based marketing to improve their advertising campaigns and inform their product decisions across their own mobile apps as well as social media platforms. Their privacy compliant approach has earned the company membership in the Network Advertising Initiative as well as certification from the EU-US Privacy Shield. Reveal Mobile is based in Raleigh, NC.

FOR MORE INFORMATION

Visit us at https://revealmobile.com or email info@revealmobile.com to learn more about our suite of location-based marketing and analytics products.

THANK YOU