


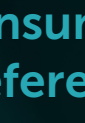
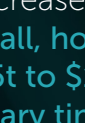


Trends & Insights

Planning for a Different Type of Holiday Season

Consumer Spending Driven by Early Deals

Key Takeaways

-  The holiday season will continue to grow, with consumers beginning to shop earlier
-  Loyalty programs & inflation will contribute to timing and holiday spending amounts
-  Saving money will be a key motivator for consumers due to economic uncertainty
-  eCommerce continues to dominate, with brick-and-mortar sales close behind
-  Advertising will continue to serve as inspiration for gift ideas

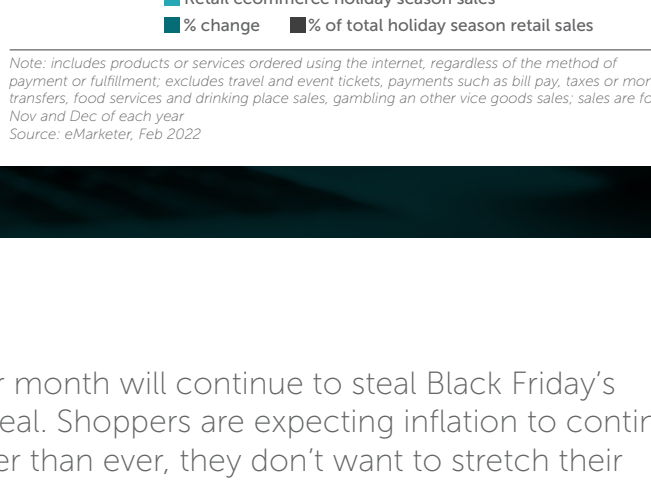
Consumer Buying Habits & Preferences

Annual holiday retail sales are forecasted to increase between 4% and 6% in 2022.¹ Overall, holiday sales are projected to total \$1.45t to \$1.47t during the November to January timeframe. The holiday shopping season has already begun, and with an uncertain economy, consumers are looking to capitalize on early deals.

Unfortunately, many retailers are still dealing with inventory imbalances. The need for inventory reflecting current consumer demand is lacking. To correct this imbalance, more retailers will offer discounts.

U.S. Retail Ecommerce Holiday Season Sales, 2017-2022

billions, % change, and % of total holiday season 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 or other vice goods sales; sales are for Nov and Dec of each year. Source: eMarketer, Feb 2022

Show Me The Savings

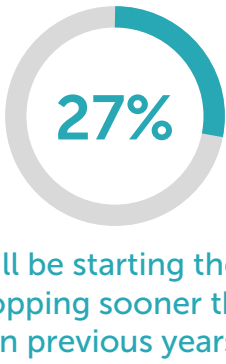
Savings will be a key driver among consumers. Cyber month will continue to steal Black Friday's thunder, with consumers in search for the ultimate deal. Shoppers are expecting inflation to continue through the season, on top of looking to spend earlier than ever, they don't want to stretch their budgets all the way through the traditional holiday selling season. With increased negativity about the economy and their own personal finances, 29% of U.S. consumers are spending less this holiday season.² From soaring inflation to recessionary fears, inventory struggles, consumers are grappling with a plethora of economic and supply chain challenges.

Consumers will want to take advantage of deals early on and avoid any last-minute expenses or shipping costs. Retailers who roll out their stronger promotions earlier, rather than waiting until December, will have the best chance of appealing to consumers' demand for early, cheap shopping.¹

Here's a look at holiday shopping patterns and how holiday shoppers are reacting to what's happening in the economy.³



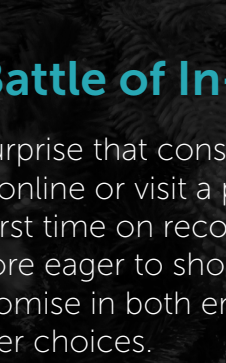
will be buying fewer items



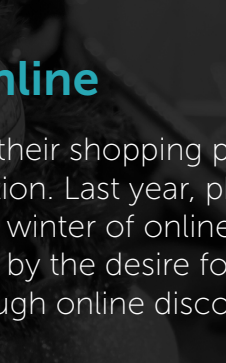
will be purchasing gifts from cheaper brands



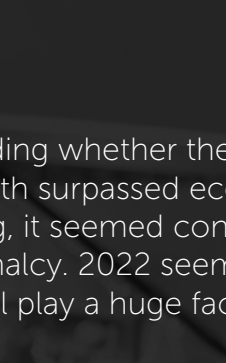
will be making more DIY gifts



will be seeking out coupons, sales, and other discounts



will be starting their shopping sooner than in previous years



will be using credit card rewards to help offset costs

The Battle of In-Store vs. Online

It's no surprise that consumers are shifting their shopping preferences, including whether they choose to shop online or visit a physical store location. Last year, physical retail growth surpassed ecommerce for the first time on record.⁴ After the 2020 winter of online holiday shopping, it seemed consumers were more eager to shop in-person, driven by the desire for a return to normalcy. 2022 seems to show promise in both environments, although online discounts and sales will play a huge factor in consumer choices.

For the first time, Amazon hosted its second Prime Day shopping event in a year in an effort to boost ecommerce sales. Running for 48 hours and taking place in 15 countries, the event gave Amazon sellers and vendors the opportunity to boost Q4 earnings. It came three months after the year's first Prime Day, an annual discount event launched in 2015. Ecommerce will lead the way consumers are choosing to shop this year, capitalizing on cyber deals.

However, brick and mortar stores are still predicted to account for a large portion of sales. Experts say that while the role that brick-and-mortar stores play for consumers and retailers is changing, this holiday shopping season is highlighting the fact that they are not obsolete.⁵ In 2022, with supply chain issues and shipping delays at an all-time high, consumers feel like they need to go pick it up and have it in hand. Most consumers are worried gifts won't arrive in time.

Holiday Advertising: The Gift That Keeps on Giving

When consumers begin their holiday shopping, the first places that they look are typically influenced by advertisements. An overwhelming majority of consumers agree that digital ads are helpful and important during their holiday shopping process. In fact, **90% of consumers consider online advertising helpful in finding products and promotions online while 29% of consumers look to online advertisements for gift ideas.**⁶

87%

of consumers find online advertising important in discovering new products and promotions

Highly variable shopping journeys will require agile marketing. Last holiday season, some consumers moved from discovery to purchase in less than an hour, while others took almost two months. **Last fall, for the one quarter of U.S. consumers who had the shortest time to purchase, the average time between a first page view and a purchase was 48 days.**⁷ This reinforces what we already know—consumer journeys are all unique. With the right data and reporting, advertisers can know when and how to reach each shopper based on where they are and how fast they are moving in their journey.

'Tis The Season for Fraud

As advertisers increase their ad spending during the holiday season, fraudsters are, unfortunately, not too far behind, always looking to capitalize. Video violation rates increased 46% in the U.S. during Q4 of last year compared with the average violation rate from the previous three quarters of that year.⁸ DoubleVerify (DV) also found that the most significant increases in violation rates correlated with the major holidays in Q4 at critical times advertisers were most trying to reach their consumers.

The holidays typically drive a spike in spend and engagement. DV has also seen a significant rise in fraudulent traffic on online video and CTV since mid-October. In a sampling of unprotected programmatic inventory, DV determined that as much as 6.6% of "video" ads and 18% of "CTV" ads were actually fraud or SIVT.⁹ DV has identified two streaming fraud schemes that have been attempting to spoof billions of ad impressions since 2020. Fraud can dramatically change a campaign's performance, with a misrepresentation of impressions as well as advertisers holiday investments. **Working with a knowledgeable media partner that has fraud identification and mitigation technology in place, is crucial for advertisers in the fight against fraud.**

PROTECTED MEDIA

Digital Remedy has teamed up with MRC accredited, best-in-class partner, Protected Media to offer seamlessly integrated verification & authentication technology to power our innovative OTT/CTV solution, Flip. [Learn more.](#)

The Evolving Role of TV

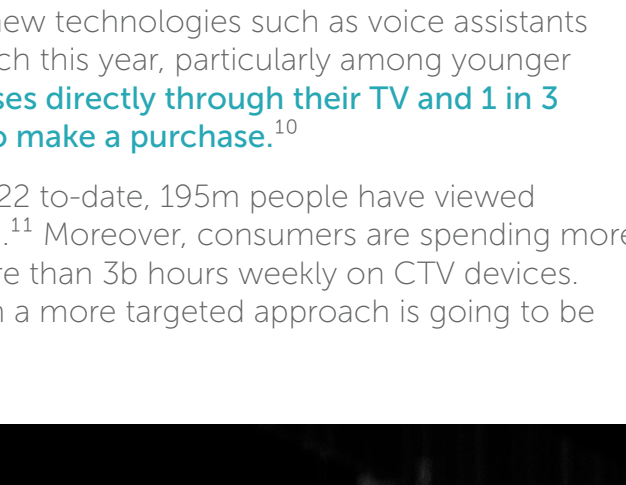
In the age of smartphones, the ability to multitask with multiple devices has only continued to increase throughout the years. **83% of consumers multitask while watching TV, oftentimes checking social media, email, or shopping online.** The omniscient consumer is creating multiple opportunities to connect TV campaigns with deeper online engagements across every screen in the consumer journey, in fact, **1 in 3 consumers shop online while watching television.**

Less than half of U.S. adults have a traditional linear TV subscription (48%).⁴ With more than half of all consumers now totally unreachable by traditional TV campaigns, advertisers will need to lean into new methods to reach most holiday shoppers this year. The lack of traditional TV viewers means that advertisers are going to need to invest in streaming to attract the majority of consumers.

The shift to streaming has become nearly universal with new technologies such as voice assistants and direct from TV purchasing emerging as trends to watch this year, particularly among younger generations. **21% of millennials reported making purchases directly through their TV and 1 in 3 (34%) have scanned a QR code from a TV commercial to make a purchase.**¹⁰

More than 80% of 25–54-year-olds are CTV users.¹¹ In 2022 to-date, 195m people have viewed content through a connected TV at least once per month.¹¹ Moreover, consumers are spending more time on CTV devices. Most people collectively spend more than 35 hours weekly on CTV devices. The ability to connect with consumers of all ages through a more targeted approach is going to be pivotal in driving success throughout this holiday season.

Which Device Will You Use Most When Shopping Online This Holiday Season?



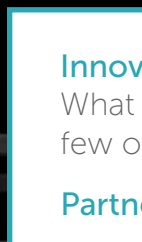
How Digital Remedy Can Help

As both demand and ad-supported inventory increase, ad dollars have become more accountable to outcomes for holiday campaigns. With our full suite of ad solutions, Digital Remedy provides comprehensive campaign performance reporting and data-driven capabilities to help advertisers and agencies connect with target audiences at the best times.



Lean into OTT/CTV

OTT/CTV provides an engaging ad environment and is more effective in reaching targeted audiences (rather than broad-based targeting on linear) to maximize holiday ad spend. Our award-winning performance CTV platform, [Flip](#), allows advertisers to optimize campaigns in real time—pinpointing exactly where conversions and revenue are coming from—to effectively maximize ROI and drive future marketing decisions.



Deploy an Omnichannel Strategy

Utilizing a strong omnichannel strategy ensures you reach customers where they are with a relevant and on-brand offer across devices where they are engaging. Backed by our strategic partnerships with leading data vendors, Digital Remedy can target holiday shoppers across various channels, including display, video, digital, and OTT/CTV.



Flexible, Customizable Attribution

Every consumer journey is unique. With continued shifts in shopping habits, brands should leverage a flexible lookback window that accurately reflects how consumers are purchasing this holiday season. Powered by innovative technology, the Flip platform allows users to toggle freely between four different attribution methodologies in real time to see exactly which touchpoints are driving the most leads, sales, installs, or visits among consumers—measuring every single touchpoint prior to a conversion. With Flip, advertisers have the ability to shuffle the distribution of credit according to each attribution methodologies for the most effective campaign reporting.



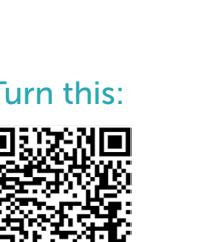
Fraud Mitigation Technology

Ensuring ad budgets aren't being eroded by fraudulent spending is a priority. Digital Remedy has vetted each of our streaming partners extensively for scale, performance, and high-quality, fraud-free traffic—providing our clients with the best that the OTT/CTV space has to offer. Leveraging partnerships with MRC-accredited verification partners, Flip offers a layer of protection to campaigns—ensuring clients are only paying for real, genuine audiences and conversions.

Innovative Ad Formats

What better way to grab a viewer's attention than with a unique ad format. Here's a look at a few of our partners who deliver seamless, engaging ad experiences:

Partner Snapshot



By partnering with KERV, we're able to leverage interactive video ad formats designed to maximize campaign performance and enhance the user experience. Powered by patented technology, KERV provides shoppable video units across the web, mobile, social and CTV—delivering a unique shopping experience for consumers. KERV utilizes machine learning, artificial intelligence, and image recognition to add unmatched processing speed and object-level precision.



Features

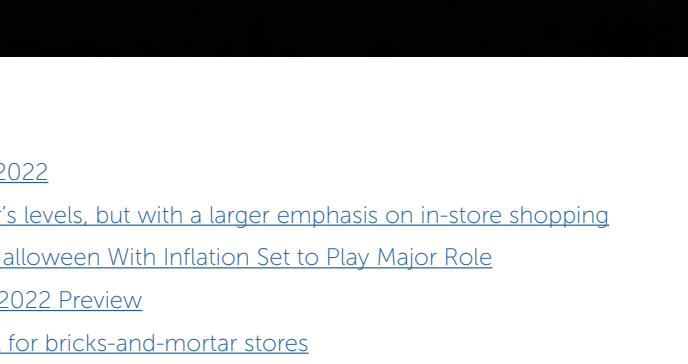
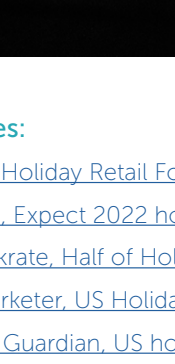
- CTA Button** - Contains customizable CTA text & unique link out URL
- Product Details & Unique CTA** - Contains image, details, CTA, & unique link out URL
- Product Carousel** - Products shown within each frame appear during video play
- Product Scroll** - Optional feature allowing users to scroll through all products

Allow users to scroll through all products/tiles vs. only products/tiles within a specific scene (works best with multi-product creatives)

FLOWCODE

Through our strategic partnership with Flowcode, we're able to deliver an immersive, intent-driven consumer ad experience using QR code technology for CTV campaigns. Leveraging in-depth data and custom graphics and animations, brands can serve responsive and measurable TV ads.

- Controlled Border Size**
The code design features controlled border so that the inner data pattern is as large as possible within the code.
- Tested From Varying Distance**
We have a rigorous QA process knowing that the average TV size is 42", and the average distance from TV is 6-8 feet.
- Data Pattern Specifications**
We limit the data patterns to only dense icons so that they can be recognizable on many different TV screen sizes and resolutions.
- Consistency Across Codes**
The code design creates a template where the gap width and code size are consistent across all FlowcodeTV codes.



With Digital Remedy, advertisers and agencies can navigate these shifting trends to successfully acquire new customers and retain current ones this holiday season. Interested in learning more about our capabilities? [Speak to a member of our team](#) today.

Sources:

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- [DoubleVerify, 'Tis the Season...for Quality Violations on Video and CTV Campaigns](#)
- [Business Wire, Holiday Ad Fraud on the Rise: CTV Advertising Threatened as Fraud on Unprotected Programmatic CTV Inventory Reaches Almost 20%](#)
- [Globe Newswire, Samba TV and HarrisX Release First Consumer Survey of the Holiday Shopping Season Showing Consumers are Concerned About Turbulent Economic Outlook But Not Planning To Reduce Spending](#)
- [eMarketer, Connected TV usage expands across all generations](#)