

The background features festive holiday decorations. At the top right, there is a string of warm white lights and a round white gift box with a teal ribbon. In the bottom right corner, there is a string of warm white lights, a round white gift box with a yellow ribbon, and a sprig of green pine. A large, glowing teal and white ornament is positioned behind the '2021' text.

HOLIDAY 2021

Navigating Consumer Shopping Expectations This Season

A Video Advertising Guide for Retailers

EMEA Edition

vdx.tv



This holiday shopping season should be a merry one for retailers and brands. The key to getting more jingle in their cash registers will be meeting shoppers' expectations.

Retailers and brands rose to the challenge last year, accelerating their focus on customer experience (CX) and adopting new technologies. As a result, holiday sales surged 8% in 2020, more than double the 3.5% average gain over the previous five years. To replicate that success in 2021, they must be ready to accommodate shopping habits that have evolved considerably and continue to do so.

JIM JOHNSON

VP OF ACCOUNT PLANNING
VDX.TV





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The season is upon us – and so is a big opportunity for retailers to get ahead

The holiday season is one the most significant events of the year for retailers, with consumers around the world making it their mission to find the perfect gifts and capture the best deals. While this period provides huge opportunities for brands, it also brings stiff competition. For advertisers wanting to get ahead, the key to holiday success is in understanding how consumer expectations have changed, and how your advertising strategy can meet these demands.

How have consumer expectations changed?

Disruptions to the retail industry in 2020 caused a profound shift in the way consumers shop. A boom in digital media usage and customer desire for safe and virtual shopping options created a new hybrid reality for retail, defined in part by customers combining online and in-store shopping experiences. Despite pandemic-related setbacks in 2020, retail saw global digital sales grow by 50% to \$1.1 trillion, its biggest end-of-year holiday season ever.¹

The 2021 holiday season presents a similar opportunity for brands who can adapt to the new retail landscape and make meaningful connections with shoppers.



Consumer expectations this holiday season & how to meet them

In this guide we will examine some of the key trends driving purchase activity this holiday season and explore how brands can leverage omnichannel video advertising to meet consumer expectations.

Read on to learn more about:

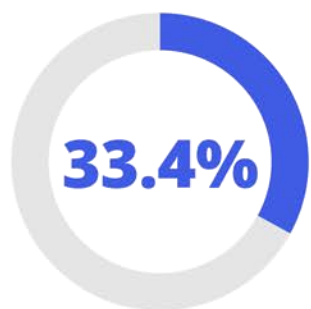
- **An earlier start to the holiday shopping season**
- **The role of ecommerce and mobile for holiday shopping purchases**
- **Creating seamless experiences between the online and in-store journey**



An earlier start to the holiday shopping season

What to know

Store closures, supply-chain uncertainties, product shortages and delivery delays for online purchases were some of the major challenges faced by both retailers and consumers in 2020. In response, retailers launched online deals and promotions as early as October. **This year, shoppers are prepared to start their holiday shopping research and purchasing earlier than in prior years.**



of consumers say it takes them several months to make a larger purchase²

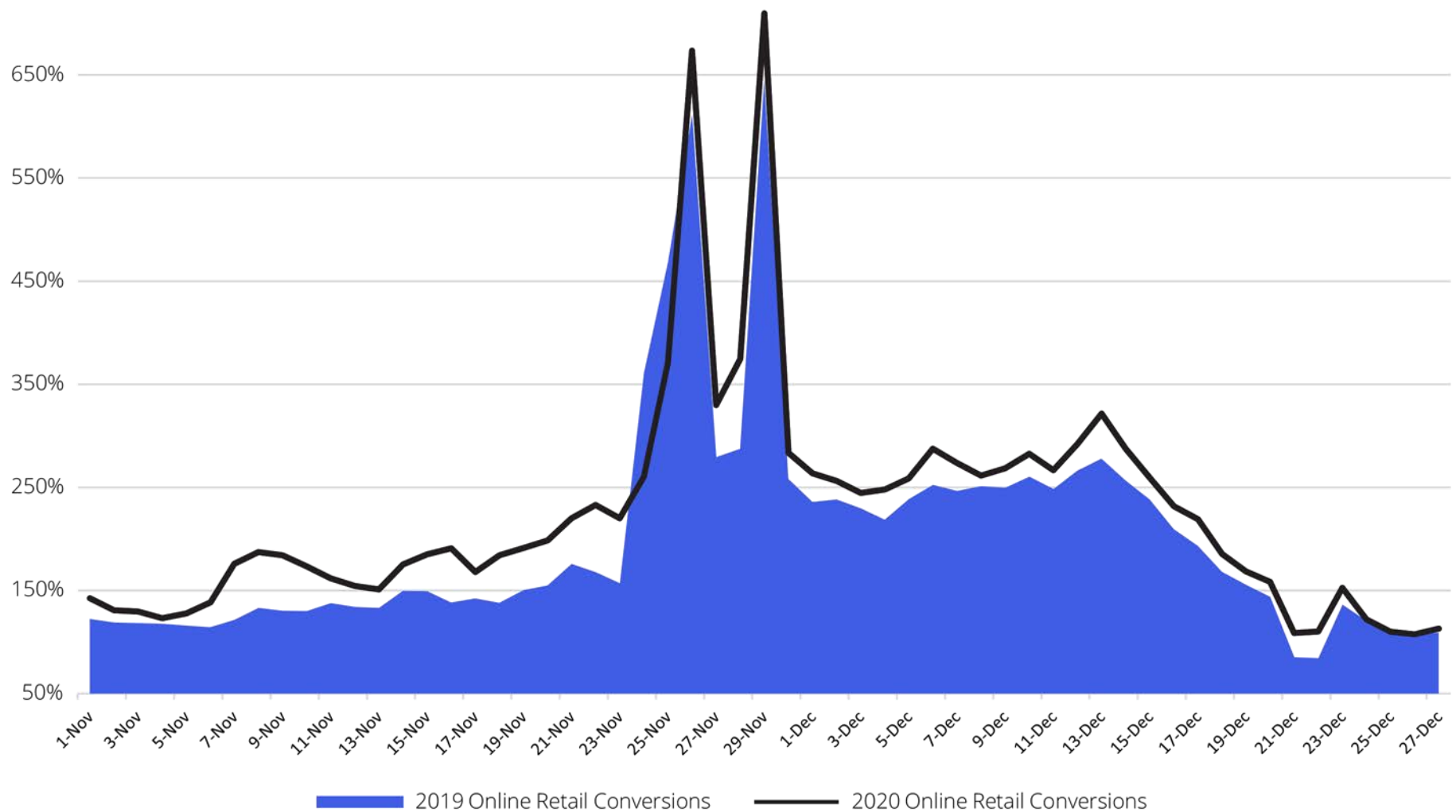
79 days

average time spent gathering information about a major purchase³



Key predictions for holiday retail 2021

VDX.tv's Demand Index, based on previous retail campaign data, shows online retail conversions in 2019 and 2020. For the the 2021 holiday season, we expect to see a similar pattern to the previous year, with spikes in online retail purchases occurring earlier on in the season.



How to reach early shoppers with your advertising

1. Start advertising campaigns earlier in the season

Consumers who are planning to purchase online are thinking ahead to account for shipping and delivery timeframes. Brands with a heavy ecommerce focus should start building awareness with customers as early as September or October, when online shoppers will start considering the details of their purchases.

2. Utilize video to make an emotional connection and inspire future action

The holidays are both an exciting and sentimental time, so it's no surprise that brands launch their most innovative and inspiring campaigns during this period. Take your seasonal messaging to the next level with the sight, sound and motion of video, which will not only keep your brand top-of-mind, but also create an emotional connection with shoppers. Video is also a great tool for consumers to learn from and inspire their next purchase.

3. Leverage household targeting

89% of key purchase decisions are decided on by the household⁴, so brands should employ a household targeting strategy early on to activate the power of influence. Leveraging CTV at the center of your household targeting strategy will ensure that your video ad creates maximum impact.



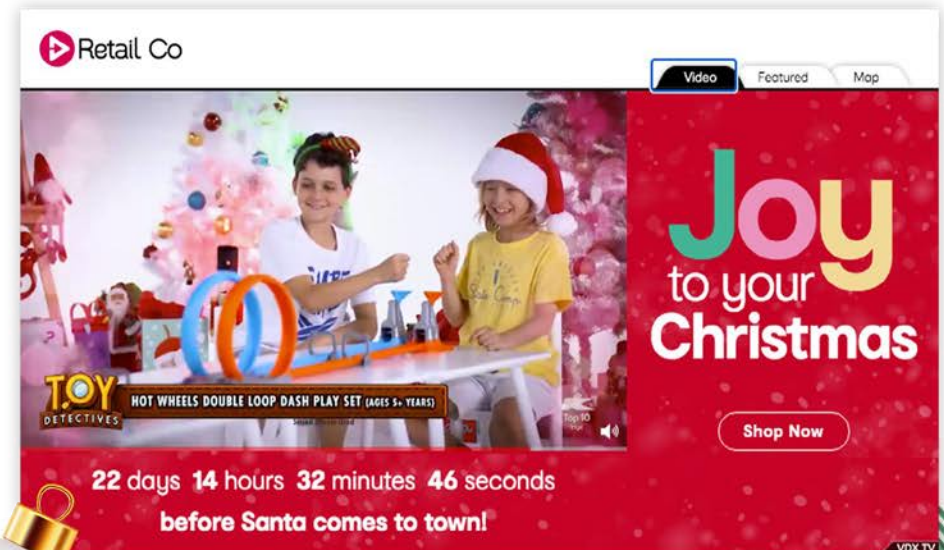
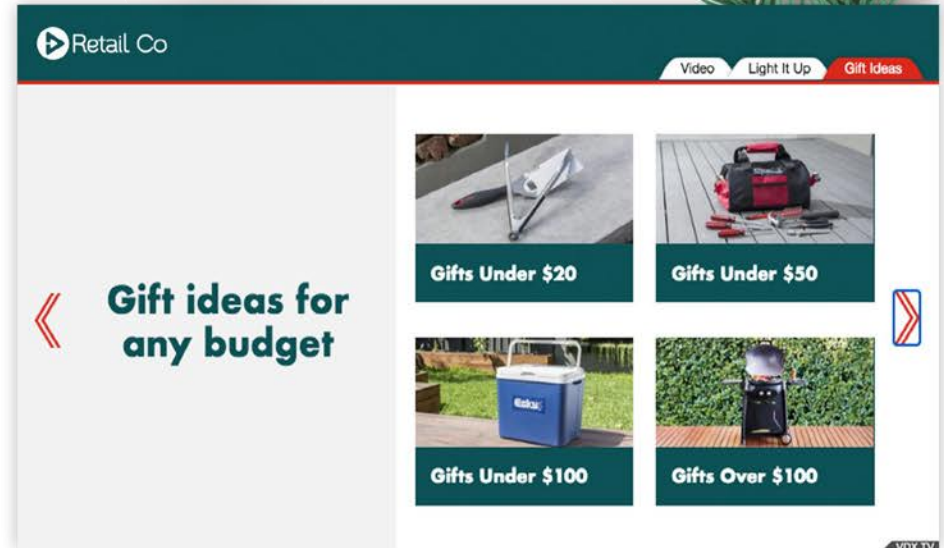
Video ad features to inspire early shoppers

Product Gallery

Include featured product galleries and gift guides within your video ad unit to provide early gifting inspiration.

Countdown Clock

Build excitement and anticipation with early shoppers by incorporating a countdown clock counting day the days until your special promotion launch or new product release.





The role of ecommerce and mobile for holiday shopping purchases

What to know

The COVID-19 pandemic and resulting digital acceleration from brands were significant factors that drove increased eCommerce activity in 2020. **We expect to see another shopping season powered by ecommerce in 2021**, with consumers turning to online purchasing for its convenience and the ease of researching and comparing products on the web.

Mobile will play a significant role in the continued growth of ecommerce this season, as more consumers now access their smartphones with the intent to shop. Christmas Day in 2020 saw 52% of revenue coming from smartphone purchases, and conversions on a smartphone (typically the device with lowest conversion) saw a 15% increase year over year.⁸ Additionally, the resurgence of QR codes has provided brands with a marketing tool to shorten the path to purchase for consumers, whether they are shopping online or in-store. Once thought of as a device in a linear journey, mobile phones now accompany consumers everywhere and are one of the best devices for facilitating the 1-1 connections consumers look for with brands.

25.8%

of shoppers stated that consumer reviews are most effective and influential when making a holiday purchase⁶

72.9%

of projected holiday ecommerce sales will be from mobile - more than ever before.⁸

18.9%

of total holiday season retail sales in 2021 are projected to come from ecommerce.⁵

25.3%

of shoppers stated that it's important to educate themselves first on product features and benefits before making a purchase⁷

How to enhance the ecommerce & mobile customer experience with video advertising

1. Let omnichannel video across mobile and digital channels guide customers through the purchase journey

Consumers today no longer look at shopping as a channel-agnostic activity; instead, they expect a seamless experience across screens throughout the duration of their purchase journey. Omnichannel video advertising, across digital and mobile channels will enable retailers to stay top of mind and connect with new and loyal customers now and when they are ready to purchase. Whether consumers are in the mindset to lean back and passively gather inspiration, or lean in for more information, omnichannel video enables a brand to stay top-of-mind and be in front of consumers whenever they are ready to engage.

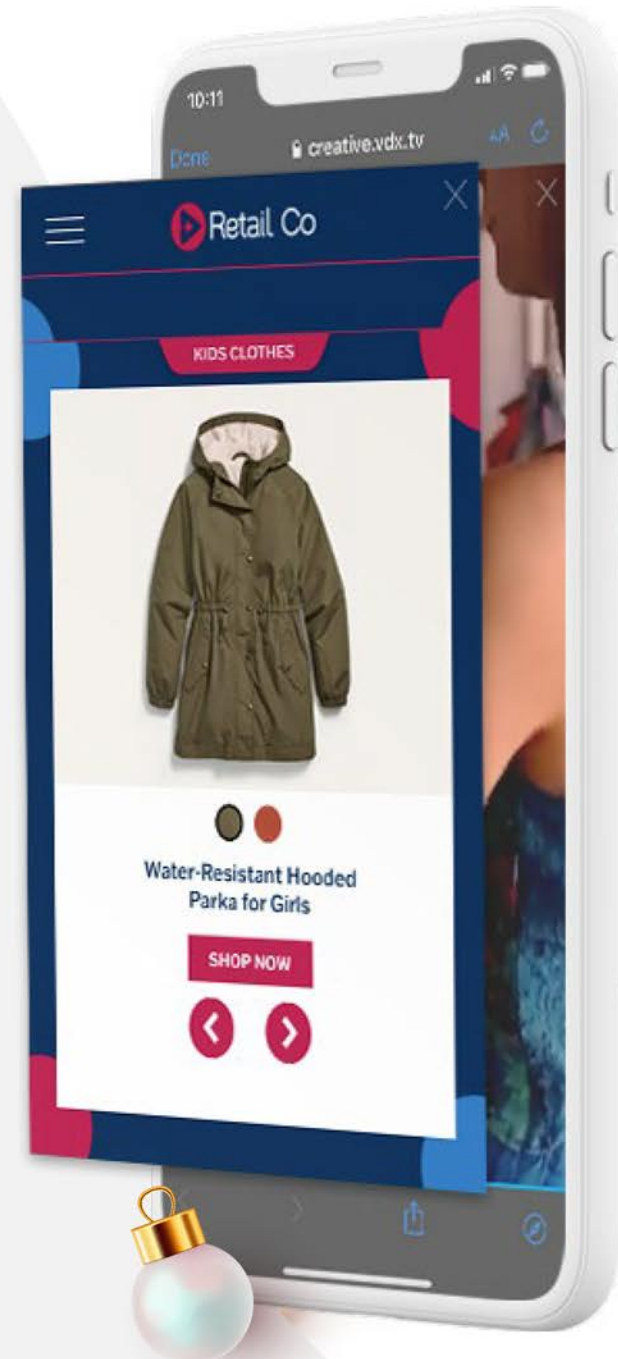
2. Bring the ecommerce experience to your video ad unit

A customized canvas on your video ad unit offers your customers a sense of consistency and continuity with your website brand experience. Interactive ad formats and features can transform your video ad into a digital shopfront with browsable product feeds or consumers reviews that encourage exploration and conversions.

3. Integrate QR codes

Activate customers on their mobile devices by including a QR code on your CTV ad that can be scanned to provide more product information.*

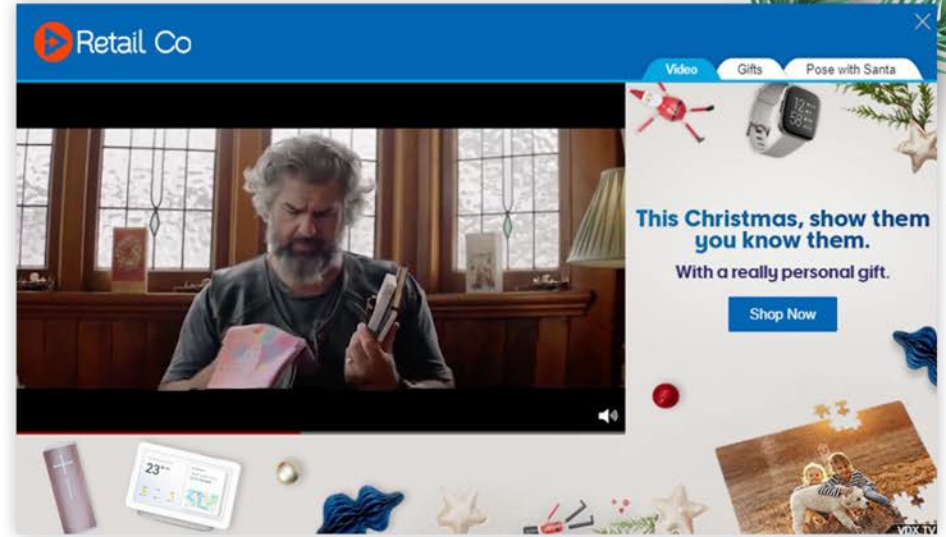
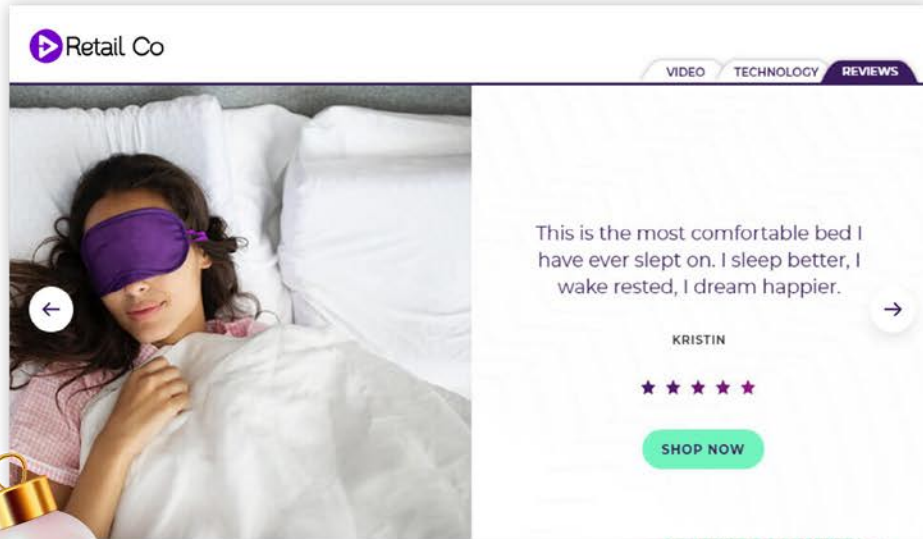
*Subject to region availability



Video ad features to bring the ecommerce experience to life

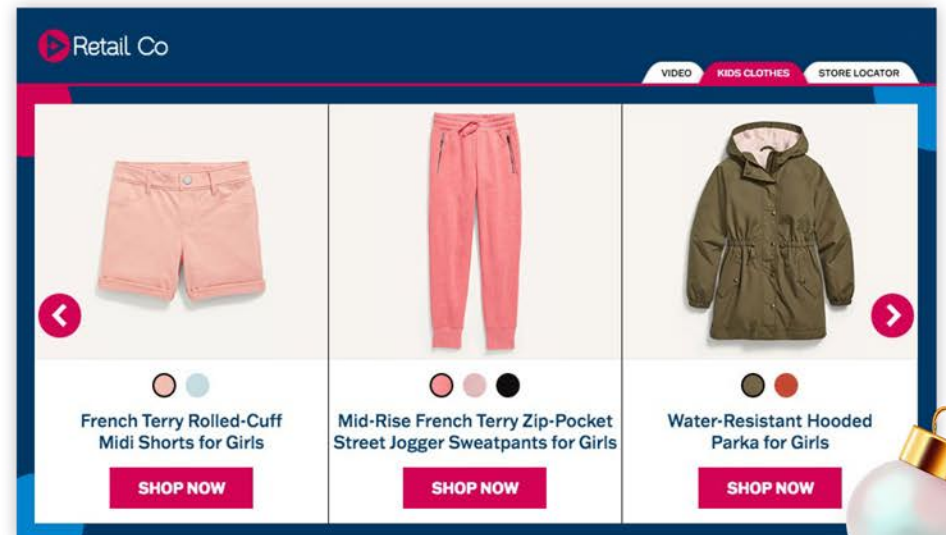
Customizable Canvas

A customizable canvas on your ad unit can help to create a cohesive brand experience with your online store. Place a QR code on your ad unit to give consumers the chance to scan on their mobile devices and learn more.



Testimonials & Reviews

Incorporating customer or product reviews directly on your video ad unit brings the eCommerce experience to your ad and increases purchase consideration.



Shoppable Gallery

Give consumers a direct link to purchase a product from your ad on your website by including a shoppable product gallery tab.



**Seamless experiences
between the online &
in-store journey**

What to know

Retailers and brands rose to the challenge last year, accelerating their focus on customer experience and adopting new technologies to make the shopping process safer and easier. As a result, consumers have become accustomed to having multiple options for product discovery and fulfillment, and they expect their buying journey to be as frictionless and convenient as possible, whether online, in-store, or a combination of both. In a hybrid retail landscape, brands should ensure that in-store and online experiences are seamless and easy to navigate.



25%
of orders during
the 2020 holiday
season were BOPIS
(buy online pick-
up in store)¹¹



10.44%
of consumers go online first
before going to the store⁹

80%
of shoppers use a mobile
phone inside a physical store
to view product reviews,
compare prices or find
alternate store locations.¹⁰

21.5%
of consumers stated it's important to know
where they can purchase products¹²

How your advertising can provide more seamless experiences between online & in-store shopping

1. Leverage localization to build stronger consumer connections to physical retail locations

Displaying localized information (closest retail location, map features) within your video ad unit helps link the online experience to in-store fulfillment options.

2. Dynamically update local product inventory within your ad

Let your customers know which products are in-stock in nearby physical locations.

3. Utilize real-time audience optimization and strategic targeting

Deliver your ads to shoppers who have already visited your website (and are most likely to convert), at the right moment in their shopping journey.

4. Use your video ad space to highlight convenient hybrid fulfillment options

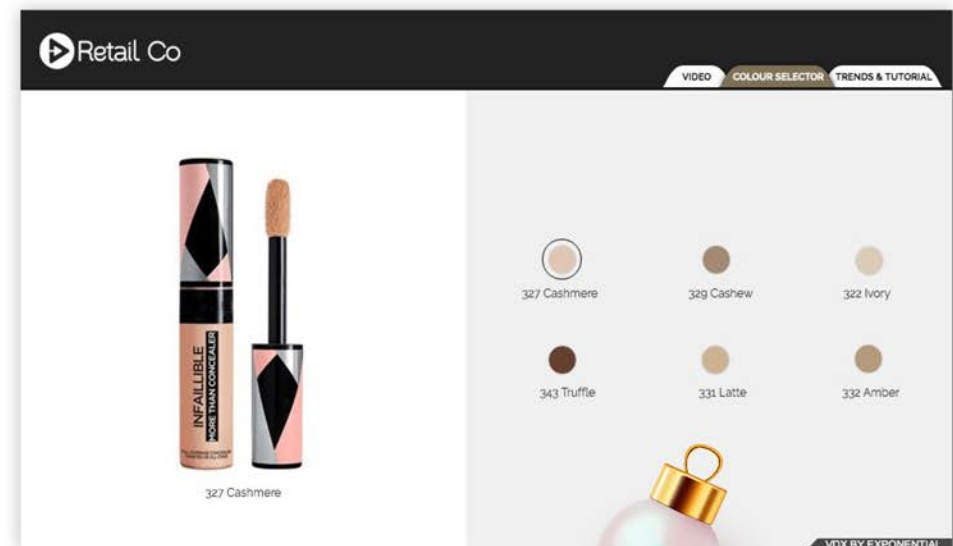
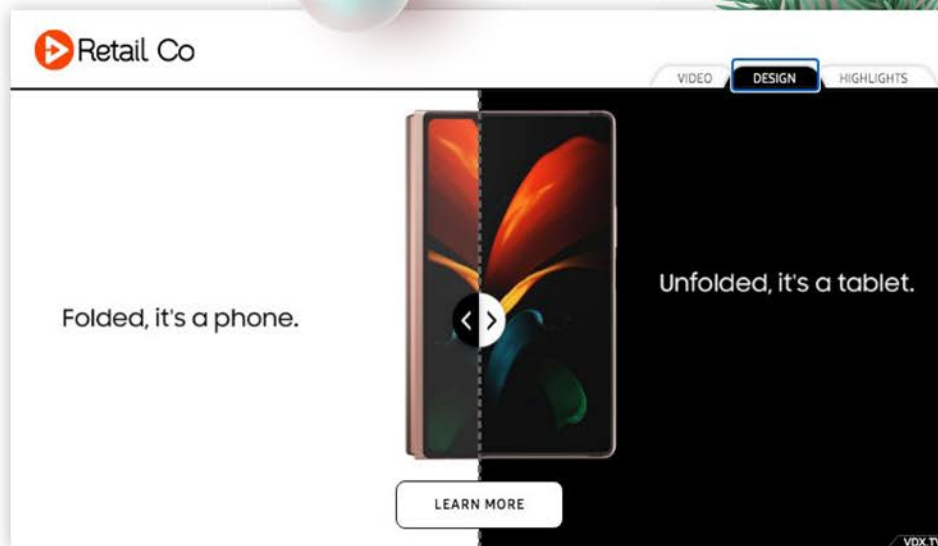
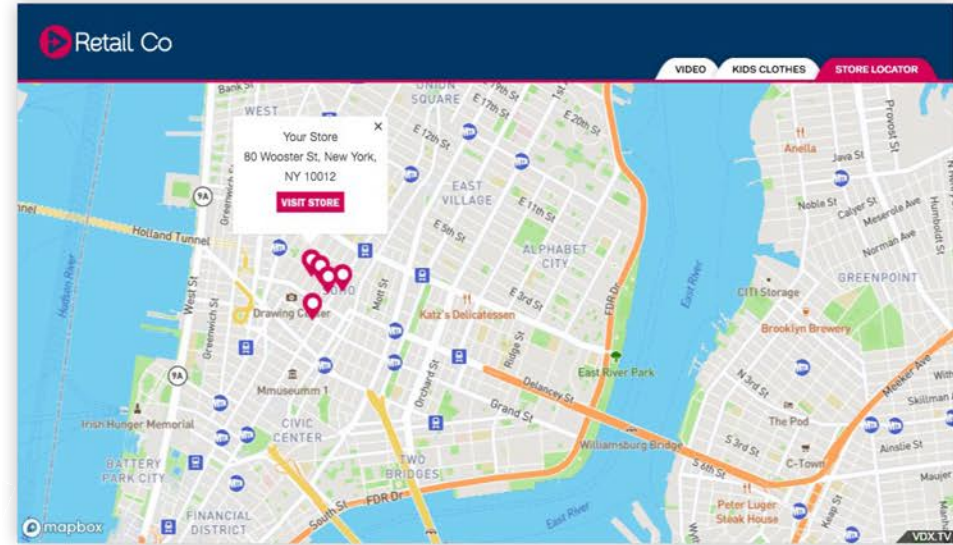
Underscore buy-online-pickup-instore (BOPIS), curbside pickup, and delivery options to empower customers to choose their own purchase journey.



Video ad features that bridge the online & in-store experience

Map Feature

Direct customers to the nearest physical store location with a map feature integrated within your video ad unit.



Product Comparison Slider, Color Selector

Bring the in-store experience to your digital ad by placing features like product comparison slider or color selector alongside your video ad. This enables shoppers to gather information prior to visiting your online shop or making a trip to a physical store location.

Conclusion

Your brand can meet and exceed consumer expectations this holiday season with video advertising that shines across devices and channels. The secret is in reaching consumers where they are in their journey (paying special attention to this year's early shoppers), designing advertising to complement both the ecommerce and mobile customer experience, and creating seamless purchase paths to accommodate today's hybrid shopping reality. An omnichannel approach is crucial, both for staying top-of-mind and for making those critical connections with customers when they are ready to take the next step in their holiday purchase journey.



Connect with shoppers this holiday season through VDX interactive ad formats

VDX interactive ad formats deliver a consistent, video-driven, omnichannel brand experience across desktop, mobile and CTV, with multiple touch points throughout the path to purchase. Retailers can count on VDX to effectively amplify promotions and offers in real-time, drive consumer in-store purchases, and generate quality site traffic and online purchases. With VDX ad formats, retailers can integrate the ecommerce experience into the ad experience, while leveraging the power of digital to elevate the customer journey.

Bright Starts Sesame Street Friendly Monsters Set

Hurry for deals. Get free two-day delivery.

or deals. Get free two-day delivery.

ay delivery. \$35 minimum. Restrictions apply.

Retail Co

For more information on how we can help you build meaningful connections with consumers this holiday season or during a future retail campaign, contact hello@vdx.tv

Proven success with retail partners



A direct-to-consumer retail campaign using VDX ad formats across a blend of mobile, desktop and CTV positively impacted both upper and lower funnel goals.¹³

+54.7%

Unaided Brand Awareness

+30.0%

Ad Awareness

+24.9%

Purchase Intent



An omnichannel VDX video campaign with multi-tab unit and custom audience targeting generated high ROAS for a big box retailer.

\$88

ROAS
(2x client goal)

\$44M

Total Revenue Driven

\$8.4M

Latent Revenue Driven



A geo-targeted campaign for an office supply retailer increased in-store foot traffic.¹⁴

12.0%

Lift in In-Store Foot Traffic

31.0%

of users visited store within
0-6 days of ad exposure

What our clients say

"Excellent, collaborative, and responsive client service; team members that care and want to do the best work for the client."

RETAIL CLIENT

"At Purple, we know our direct response spend creates a positive impact on our brand perception, and our branded spend is held to a high direct response performance expectation. VDX.tv supports this by using an integrated digital video strategy, inclusive of CTV, allowing us to connect with the right audiences and leave a lasting positive impression."

JOSHUA PARK

SENIOR MARKETING MANAGER,
PAID SEARCH AND DISPLAY
PURPLE

"The campaign results were satisfactory and exceeded all of our expectations. With video being a key focus for us, this ad tech allows to us capture and drive audience engagement within a single environment without distraction, which is refreshing and exciting."

ZAYD SAMPSON

HEAD OF MEDIA CPT
FLUME DIGITAL



About VDX.tv

VDX.tv is a global video advertising technology company that is transforming the way brands connect with relevant consumers on their digital devices. Our unique, video-driven ad formats help brands scale their messaging across screens by linking the connected TV experience with interactive ad experiences on desktop and mobile. Using a technology platform that leverages precise household targeting, personalization and interactivity, we help brands drive real business outcomes by magnifying their image in the minds of consumers that matter most.

For more information, please contact sales@vdx.tv or visit www.vdx.tv.

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- (8) <https://www.clutch.com/thought-leadership/4-holiday-shopping-predictions-for-2021-and-suggestions-for-your-brand/>
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