

2022 Holiday Trends Report: Programmatic Campaign Strategies for Q4

Introduction

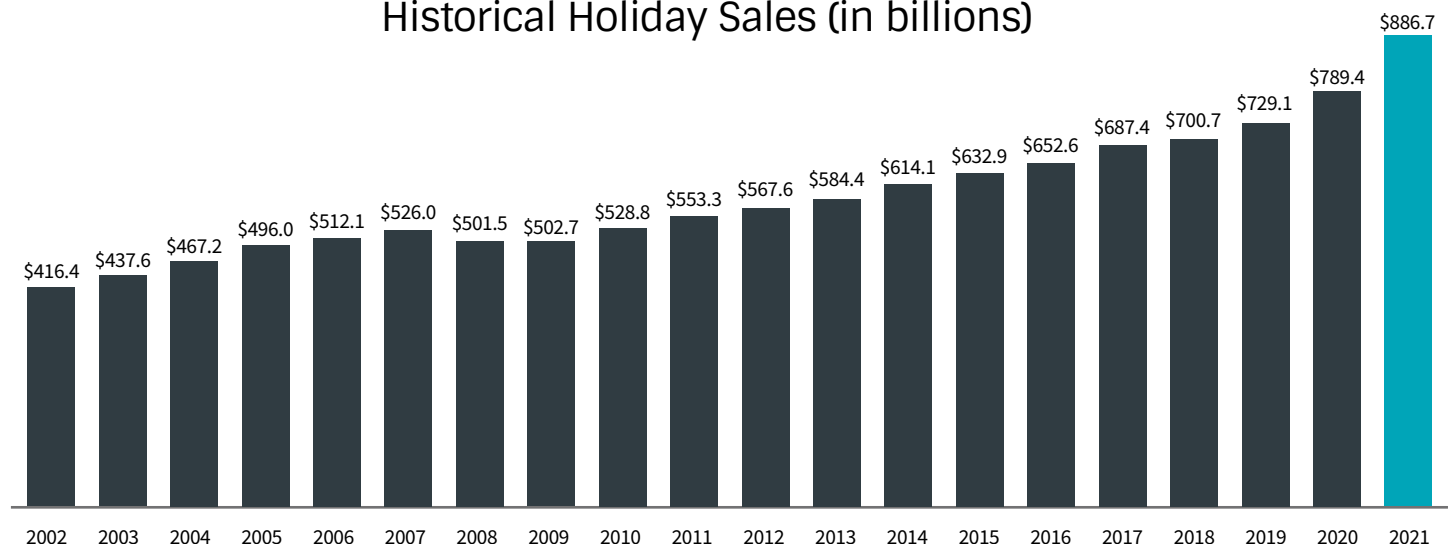
The 2021 holiday season saw retail sales increase by 14.1% year-over-year to \$886.7 billion (NRF). Advertising for holiday sales began earlier in the year as businesses prepared for supply chain shortages and shipping delays. 2022 will be no different. E-commerce retail sales are expected to reach \$235.86 billion this year (eMarketer). In addition, holiday sales are expected to occur earlier in the year again, with 37% of consumers planning to begin their shopping sooner than expected to take advantage of lower prices (Salesforce).

Between e-commerce and brick-and-mortar sales, advertisers have plenty of opportunities to generate revenue. As we head into the 2022 holiday season, Simplifi wants to answer the following questions:

- How can advertisers prepare for success using learnings from last year?
- What programmatic strategies can these advertisers implement to reach key consumers?

To help advertisers capitalize on the opportunity that lies ahead, we analyzed data from the fourth quarter of 2021 to identify trends and patterns to apply for this year's holiday campaigns. We also provided strategic recommendations to implement this holiday season based on our findings.

Historical Holiday Sales (in billions)



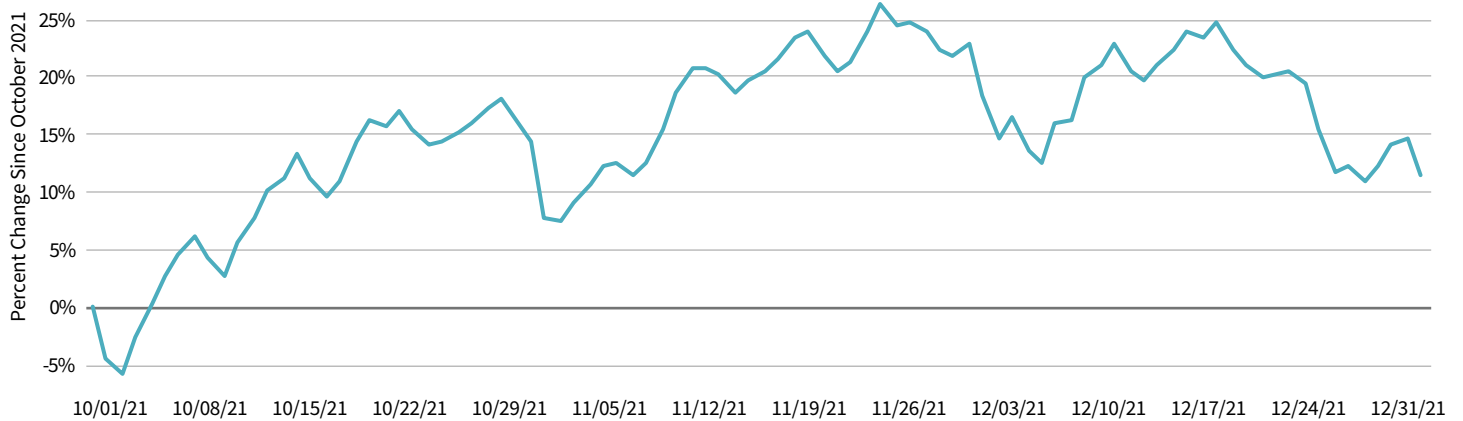
Source: NRF

Q4 2020 Platform-Level Trends Worth Noting for 2022

Advertisers Utilized Addressable Geo-Fencing For Household-Level Targeting Through Q4 2021

Advertisers turned to Addressable Geo-Fencing campaigns to maximize the return on their ad spend by reaching relevant consumers at the household-level. Addressable Geo-Fencing campaigns grew throughout Q4, increasing by 26% on November 24th compared to the beginning of October 2021. This is likely due to advertisers ramping up their campaign efforts to promote upcoming sales as the holidays grew near. Campaigns continued to grow in the first half of December as advertisers reached shoppers with last-minute deals up until a week before Christmas.

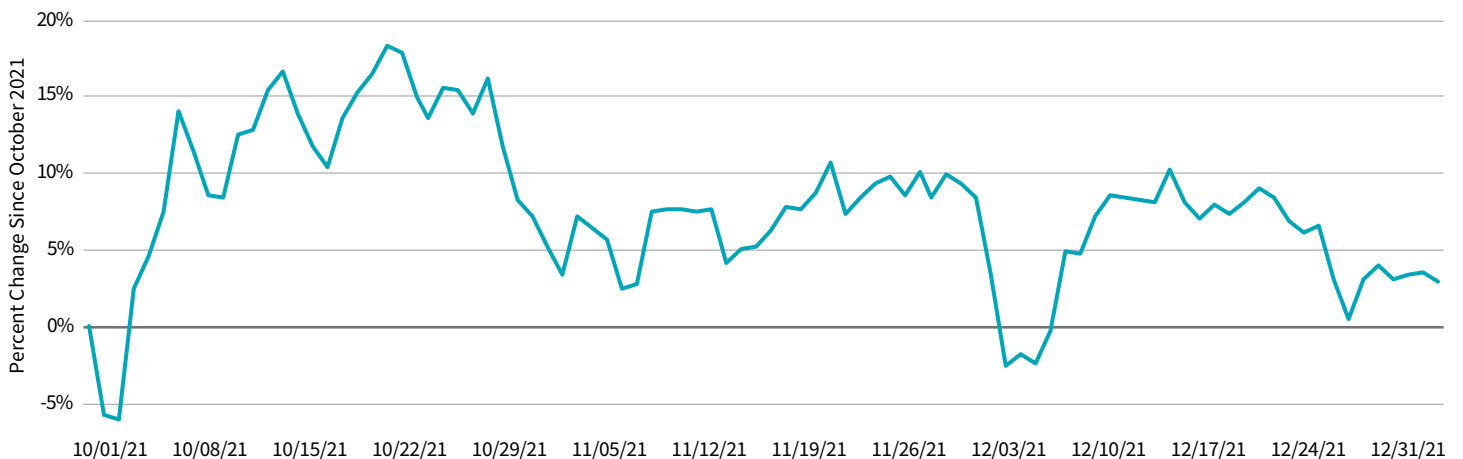
Addressable Geo-Fencing Campaign Count



CTV Campaigns Accelerated Throughout Q4 2021

Advertisers took to CTV advertising in Q4 2021 to reach consumers through their big screens at home. CTV campaigns increased throughout every month in Q4 as advertisers looked to fully utilize their budgets at the end of the month. However, CTV campaigns increased at the beginning of December due to advertisers ramping up campaigns to promote deals before the holidays.

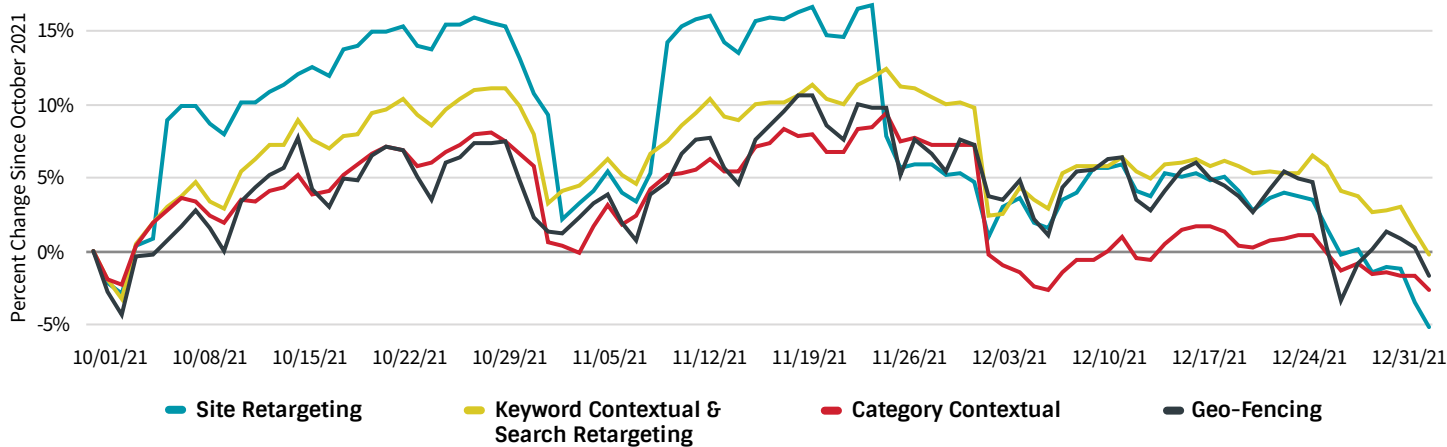
CTV Campaign Count



Advertisers Used Various Targeting Tactics To Reach Consumers In Q4 2021

Due to supply chain concerns last year, marketers began advertising earlier. The growth in campaigns using targeting tactics like Site Retargeting, Keyword Contextual & Search Retargeting, Geo-Fencing, and Category Contextual were all up throughout October and the beginning of November as advertisers encouraged consumers to purchase gifts earlier. The growth slowed after Thanksgiving likely due to consumers completing their purchases in the first half of the quarter.

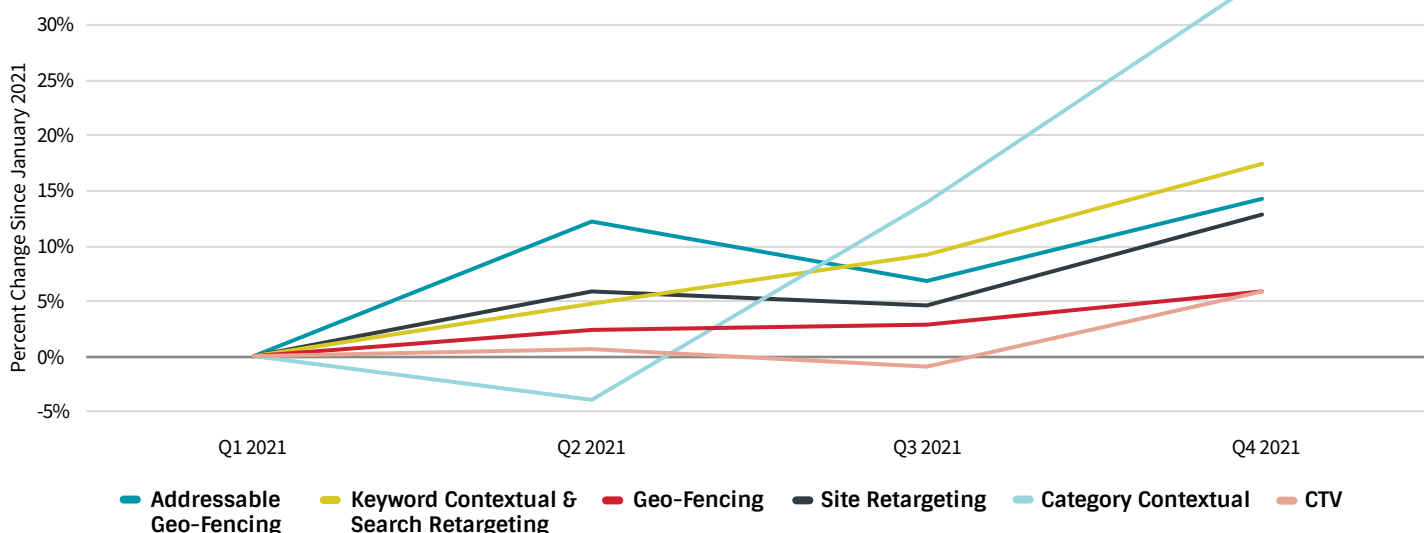
Campaign Count by Targeting Tactic



Increased Competition Led To Higher CPMs

The cost per mille (CPMs) tends to rise during Q4 as competition increases around the holidays. In Q4 2021, all of Simplifi's targeting tactics platform-wide experienced at least a 5% increase in CPM price compared to Q1. Despite the appearance of large CPM increases, all solutions—with the exception of CTV ads, which are inherently much pricier than display ads—saw CPMs rise by less than one dollar throughout the year.

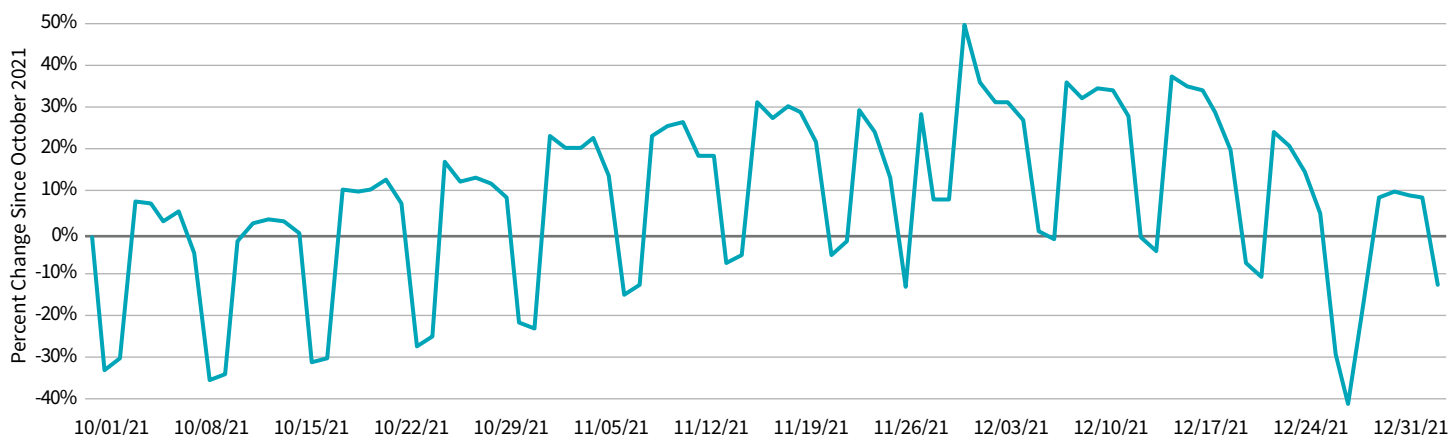
CPMs by Targeting Tactic



Online Conversions Increased Throughout Q4 2021

Adoption of e-commerce shopping gradually grew throughout Q4 as consumers took to online stores to complete their purchases. Online conversions peaked on November 29th, increasing by 50% compared to the number of conversions in October 2021. The date coincided with Cyber Monday, signifying consumers were most likely to take advantage of holiday deals from retailers. Online conversions continued to stay high until the days leading up to Christmas.

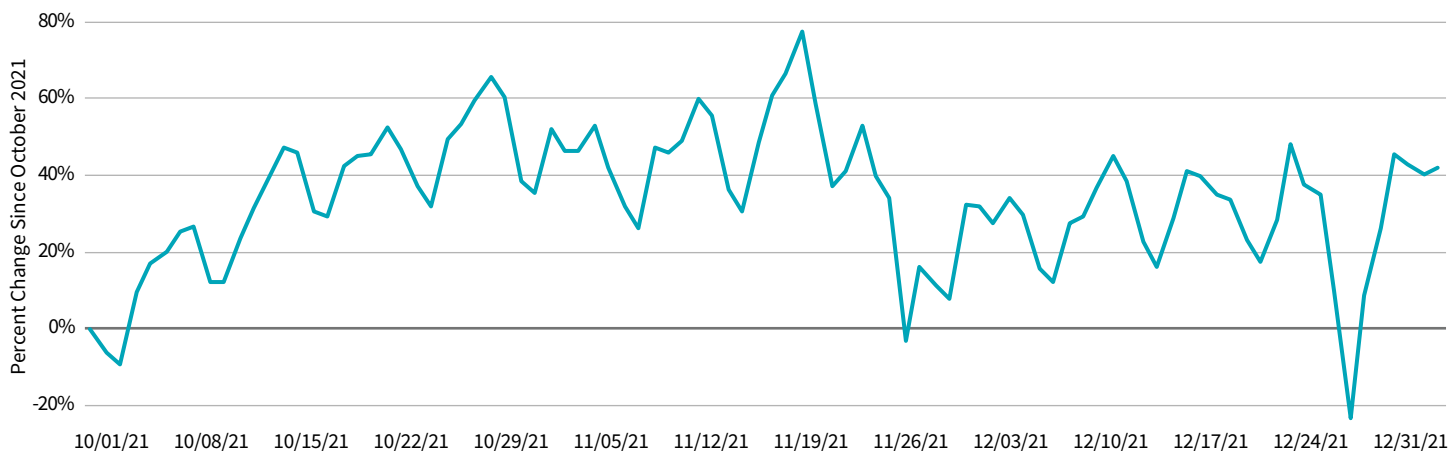
Overall Online Conversions



Offline Conversion Growth Was At Its Highest In Early Q4 2021

Consumers took to in-person shopping last year, with offline conversions growing throughout the first half of Q4. The increase coincided with advertisers ramping up advertising earlier in the year. Offline conversions peaked on November 18th, a week before Thanksgiving, as shoppers prepared for the upcoming holiday. The growth in offline conversions slowed throughout December before hitting a high on December 21st as consumers conducted last-minute shopping in stores.

Overall Offline Conversions

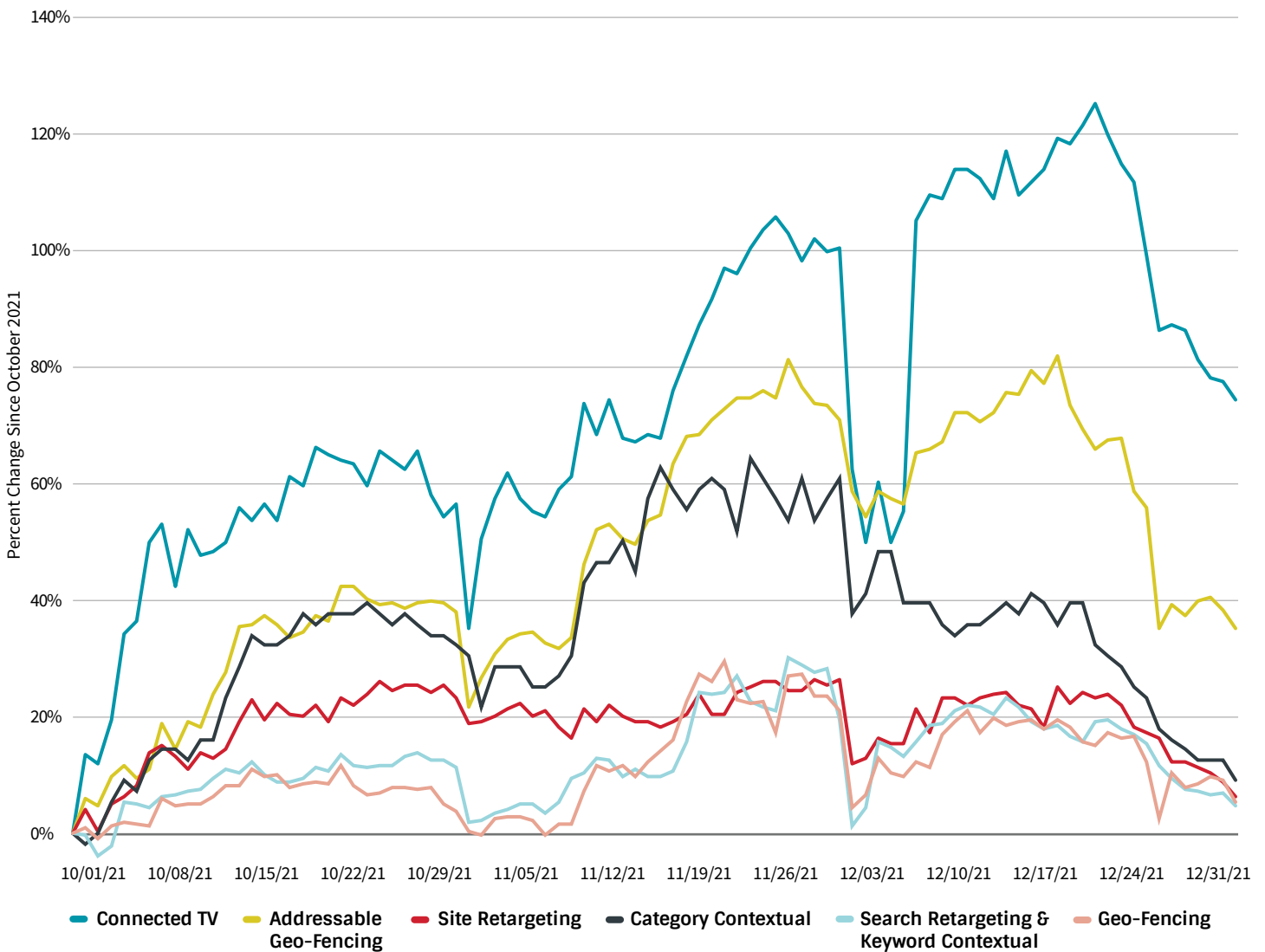


Q4 2021 Industry-Level Trends Worth Noting For 2022

In addition to the overall platform-level trends, we also looked at data for the top industries on the Simplifi.fi platform in Q4 2021: Retail, Home & Garden, and Arts & Entertainment.

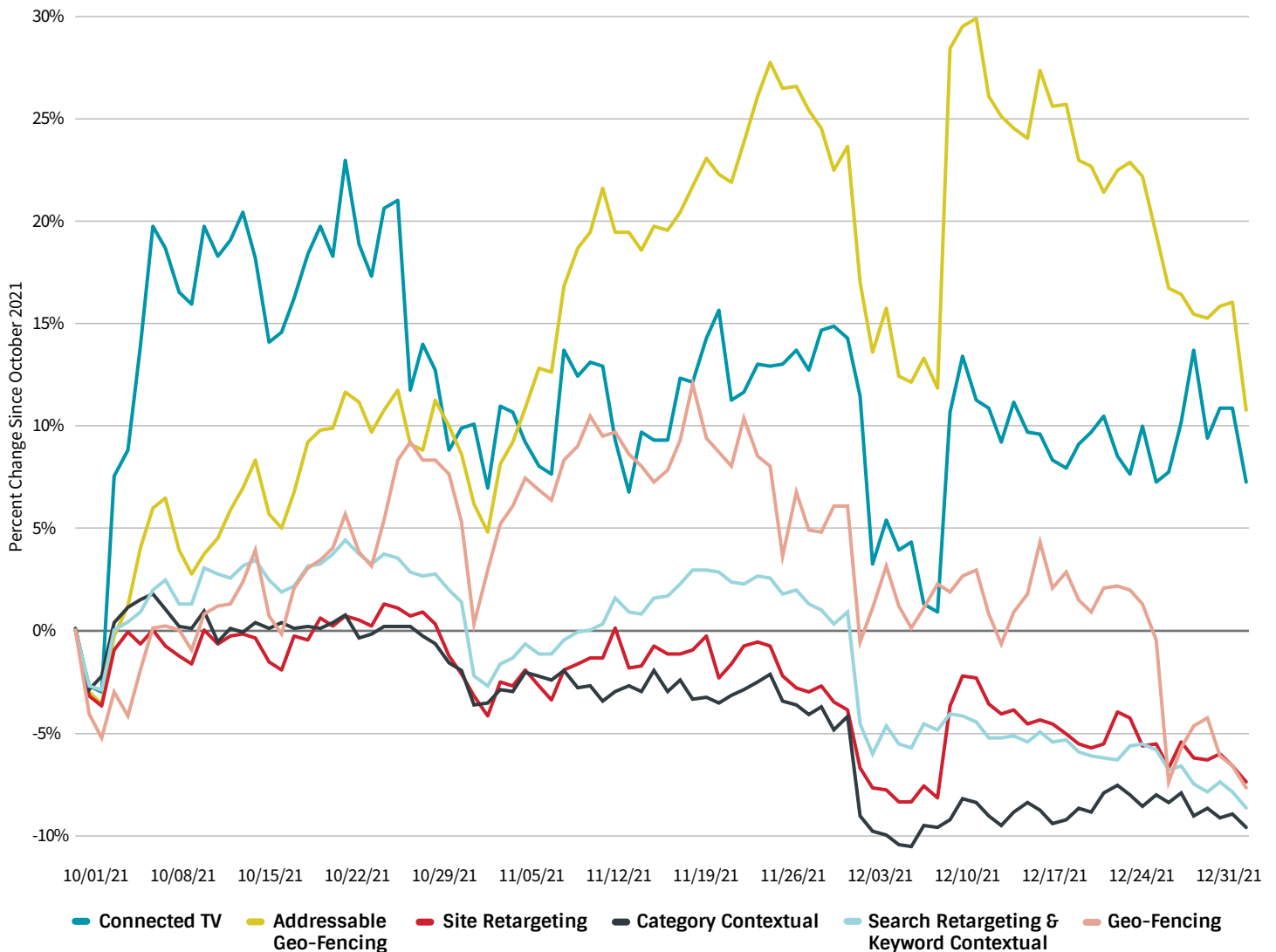
Retail: The retail industry saw a large increase in CTV advertising—often over 60%—to reach consumers via their large-screen devices. The number of CTV campaigns grew throughout the quarter, increasing significantly a week before Thanksgiving, to target consumers regarding holiday shopping deals. CTV campaigns continued to rise throughout December, reaching above a 120% increase in daily campaign growth by the 20th, as shoppers conducted last-minute shopping online and in stores.

Retail Campaign Count by Targeting Tactics in Q4 2021



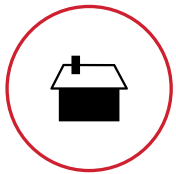
Home & Garden: Marketers in the home and garden industry took to CTV advertising to reach consumers about seasonal décor and winter weather preparation in October. However, beginning in November and December, advertisers increased their adoption of Addressable Geo-Fencing to reach their first-party address lists to remind consumers to schedule appointments for holiday light installations or to notify them of end-of-year sales.

Home & Garden Campaign Count by Targeting Tactics in Q4 2021



Recommendations

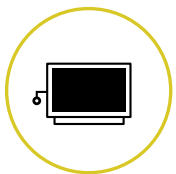
Last year, consumers took to both online and physical storefronts to complete their holiday shopping. We expect the upcoming holiday season to mirror last year's. Therefore, using data from Q4 2021, we compiled five key recommendations for advertisers to capitalize on this holiday season.



Reach Consumers At The Household-Level Throughout Q4

Addressable Geo-Fencing should be a key component of any retailer's holiday advertising mix. Reach consumers at the household-level by uploading your first-party data lists to the Simplifi platform to target known customers about upcoming sales.

If a CRM list is not available, custom curate an addressable audience in real-time using Simplifi's Addressable Audience Curation tool. Choose from over 3,000 demographic and property variables, and filter the audience based on location details such as DMAs, states, postal codes, and congressional districts.



Target Streamers with CTV Ads

With streaming time on the rise, take advantage of CTV advertising to reach consumers. Maximize campaign performance with little wasted impressions by pairing your CTV ads with Search Retargeting, Site Retargeting, or Addressable Geo-Fencing.

In addition, retarget consumers who were previously served a CTV ad by delivering additional messaging across different creative types using Simplifi's Campaign Audience Retargeting. Serve ads across all devices to reinforce messaging and encourage actions as you guide consumers through the sales funnel.



Reach Shoppers Using Intent Data

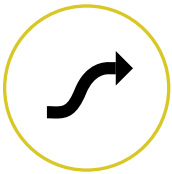
Capitalize on Site Retargeting, Search Retargeting, and Keyword Contextual targeting to reach users based on their online behaviors, such as the keywords they search, the content they read, and the websites they visit. This way you can minimize wasted impressions by only targeting consumers who have shown interest in your products and services.



Take Advantage Of Simpli.fi's Online And Offline Attribution Capabilities

Last year, consumers utilized both physical and online stores to make purchases. With the trend expected to continue this year, use Simpli.fi's advanced attribution capabilities to understand campaign performance.

Attribute ROI to your campaigns by tracking online and offline conversions, even for CTV ads. Measure online conversions like form-fills, purchases, and more with Simpli.fi's online attribution tools. Additionally, use Simpli.fi's Transaction Value Reporting to track purchase values and order IDs from online conversions to gauge Return on Ad Spend (ROAS). Then, set up Conversion Zones around physical stores to attribute offline conversions generated from campaigns.



Increase CPMs To Remain Competitive

CPMs typically are the highest during Thanksgiving and Christmas as businesses ramp up their online presence for the holiday rush. To stay competitive and prevent missing out on relevant impressions, it's important for advertisers to increase their CPMs during the holiday season.

Key Takeaways

The 2022 holiday season is expected to be a busy one. Stay top-of-mind by reaching consumers using Addressable Geo-Fencing and CTV advertising. Incorporate behavioral targeting to deliver ads to consumers based on their online behaviors further reducing wasted impressions. Then, use Simpli.fi's attribution capabilities to measure online and offline conversions and gauge the overall impact of your programmatic efforts. No matter the industry you're in, there are plenty of opportunities to drive revenue this holiday season with Simpli.fi.

Increase campaign performance this holiday season
with Simpli.fi's programmatic solutions.

To learn more, contact your Simpli.fi representative or reach out to us
at hi@simpli.fi.