2018 Consumer Holiday Shopping Report

With surging confidence in their own economic outlook, consumers plan a strong showing this holiday season fueled by significant shifts in how, when and where they shop.
This year, the consumer holiday shopping landscape will continue to experience significant change as media consumption habits and shopping preferences shift away from historical norms and toward a new paradigm where the consumer takes complete control over how, when and where they plan to make more than $1 trillion in holiday purchases.

Against this backdrop of change, consumers are signaling strong confidence in the economy, with a large majority of shoppers believing their economic conditions will improve in the year ahead. This consumer optimism is expected to fuel significant spending with nearly eight out of 10 shoppers planning to spend the same or more than last year on holiday purchases.

However, the way in which shoppers consume content, research products and ultimately make purchases will undergo important changes this year, and several key trends in media consumption habits highlight the challenge of reaching and engaging consumers in today’s highly fragmented media environment.

Linear TV continues to wane in its significance with one out of four consumers reporting they no longer watch any commercial television programming. As they migrate away from television, consumers are accelerating their use of mobile with 60% spending at least three hours per day engaged with their mobile devices. More than a third of millennials and one out of four parents are now spending more than six hours daily on their mobile devices, which is 500% more time than they spend watching television.

As content consumption habits shift further online and into mobile, so too are shopping habits, and it is more important than ever to build omnichannel engagement programs that meet consumers where they are watching content, and where they are choosing to make their holiday purchases. Half of all consumers plan to spend a majority of their holiday budgets online and via mobile devices this year.

The holiday shopping season is upon us, and with consumer confidence in the economy soaring, brand marketers have a unique opportunity to capitalize on a growing digital audience.

**Holiday shopping 2018**
75% are confident the economy will improve in the next year.

Most consumers feel the economy is doing better today than it was a year ago, and 75% feel it will get even better next year. This is good news for marketers as this strong sentiment is fueling a surging shopping intent with more than eight out of 10 consumers planning to spend the same or more on gifts this year than they did last year.

**Expected spending compared to last holiday season**

<table>
<thead>
<tr>
<th></th>
<th>More Spending</th>
<th>Same Spending</th>
<th>Less Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>US Total</strong></td>
<td>26%</td>
<td>56%</td>
<td>18%</td>
</tr>
<tr>
<td><strong>Millennials</strong></td>
<td>41%</td>
<td>46%</td>
<td>13%</td>
</tr>
<tr>
<td><strong>Parents</strong></td>
<td>39%</td>
<td>45%</td>
<td>16%</td>
</tr>
<tr>
<td><strong>$100K+ Income</strong></td>
<td>28%</td>
<td>57%</td>
<td>15%</td>
</tr>
</tbody>
</table>

41% of millennials, more than any other group, plan to spend more this year.
Spending snapshot

Consumer confidence will drive robust spending this year with shoppers expecting to spend more than $800 on gifts. Moms and dads will spend more than twice as much on children as anyone else. Millennials plan to spend more on pets (over $90!) than any other group. Nearly one out of five shoppers plan to make a big ticket purchase of $500 or more with technology items being the big winner this year.

Who consumers spend on

<table>
<thead>
<tr>
<th></th>
<th>US TOTAL</th>
<th>MILLENNIALS</th>
<th>PARENTS</th>
<th>100K+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self</td>
<td>$70</td>
<td>$98</td>
<td>$78</td>
<td>$104</td>
</tr>
<tr>
<td>Partner</td>
<td>$135</td>
<td>$145</td>
<td>$190</td>
<td>$231</td>
</tr>
<tr>
<td>Children</td>
<td>$307</td>
<td>$262</td>
<td>$486</td>
<td>$449</td>
</tr>
<tr>
<td>Parents</td>
<td>$76</td>
<td>$112</td>
<td>$99</td>
<td>$107</td>
</tr>
<tr>
<td>Relatives</td>
<td>$113</td>
<td>$79</td>
<td>$99</td>
<td>$107</td>
</tr>
<tr>
<td>Friends</td>
<td>$49</td>
<td>$47</td>
<td>$40</td>
<td>$68</td>
</tr>
<tr>
<td>Co-Workers</td>
<td>$16</td>
<td>$15</td>
<td>$21</td>
<td>$32</td>
</tr>
<tr>
<td>Pets</td>
<td>$36</td>
<td>$92</td>
<td>$42</td>
<td>$85</td>
</tr>
<tr>
<td>Other</td>
<td>$18</td>
<td>$11</td>
<td>$11</td>
<td>$25</td>
</tr>
<tr>
<td>Total</td>
<td>$819</td>
<td>$861</td>
<td>$1063</td>
<td>$1257</td>
</tr>
</tbody>
</table>

People love their pets and many shoppers plan to spend more on fido this year than on their friends or family members.

Millennials feel they have been very good this year and plan to spend nearly $100 on themselves.

Dads plan to spend more on themselves this year than they plan to spend on their spouse/partner.
When does holiday shopping really start?

MORE THAN 30% of consumers have already begun planning their holiday shopping, and nearly half will have completed the majority of their shopping before Thanksgiving and the traditional heavy shopping days of Black Friday and Cyber Monday.

When consumers start planning their holiday shopping:

- 31% September or earlier
- 38% October through Thanksgiving
- 16% Thanksgiving Weekend
- 12% After Cyber Monday until the week before Christmas
- 4% The week before Christmas

6% of consumers don’t start their holiday shopping until the week before Christmas.
Do Black Friday and Cyber Monday still matter?

Consumer sentiment on Black Friday and Cyber Monday has diverged significantly in recent years.

For Black Friday, most consumers have negative feelings about what was historically the largest shopping day of the season. Six out of 10 shoppers feel overwhelmed by Black Friday and plan to skip shopping on this day altogether. Additionally, half of all shoppers believe there are better deals to be found on other days of the year.

Consumers have significantly less negative feelings about Cyber Monday, and as spending shifts more toward digital in general, more people plan to shop on Cyber Monday than on Black Friday this year.

- **60%** Think Black Friday is overwhelming
- **73%** Think Cyber Monday is NOT overwhelming
- **59%** Plan to skip shopping Black Friday
- **Millennials are 30% more likely to shop on Cyber Monday than any other age group.**
How much of holiday shopping takes place online vs. in store?

This year consumers are planning to split their holiday dollars evenly amongst in-store and online purchases.

When researching potential gifts - the majority of shoppers will go online to get more info (more than twice as many will go into a store) with millennials being the most likely group to turn to online.

The ways consumers plan to do their holiday shopping:

- Online: 49%
- In-Store: 51%

Dad is a late night mobile shopper with 50% of dads making mobile purchases weekly from bed.

65% of consumers & 85% of millennials will use their mobile devices to research holiday shopping.
Traditional TV is rapidly declining

When promoting holiday sales or products, it’s more important than ever to have an omnichannel strategy that does not rely too heavily on traditional linear television. More than half of all consumers no longer watch commercials on live television. One out of four shoppers say they spend no time watching live TV at all, including 40% of millennials. Habits are shifting significantly this holiday season and brand budgets need to adapt to reach consumers where and when they are now consuming content.

73% of millennials don’t watch ads when viewing TV programming.

<table>
<thead>
<tr>
<th>People that have cable &amp; those getting rid of it</th>
<th>US TOTAL</th>
<th>MILLENNIALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have Cable</td>
<td>63%</td>
<td>73%</td>
</tr>
<tr>
<td>No Cable Or Plans for No Cable</td>
<td>37%</td>
<td>27%</td>
</tr>
</tbody>
</table>

Shoppers are tuning in less this year as 24% of consumers have already cut the cord or never had cable, and another 13% are considering doing so within the next year.
Mobile goes mainstream this holiday season

As media consumption habits change, and consumers shift away from TV, mobile usage continues to increase. 55% of consumers are on their smartphones for at least three hours a day, and more than a third of millennials and one out of four parents spend 6+ hours on their smartphones daily.

Users are not just consuming content on mobile devices but they are also increasingly engaging with brands and conducting larger shares of their overall shopping via their connected mobile devices.

Mobile games have emerged as a major media opportunity, and 40% of parents play mobile games every single day.

Millennials and parents expect to make about one-quarter of their purchases through a mobile device.

Millennials spend nearly 5X more time on a mobile device than watching live TV.

### Daily time spent on mobile devices

<table>
<thead>
<tr>
<th>LESS THAN 1 HOUR</th>
<th>1–2</th>
<th>3–5</th>
<th>6–8</th>
<th>MORE THAN 8</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%</td>
<td>31%</td>
<td>39%</td>
<td>12%</td>
<td>9%</td>
</tr>
</tbody>
</table>

**US TOTAL**

1% 20% 45% 19% 15%

**MILLENIALS**
Advertising in a changed media environment

In today’s changing media landscape effective advertising has taken on an increasingly important role. Almost 30% of consumers say online ads help with finding gift ideas, and most say they have learned about new products through online ads. Whether it’s reaching the 40% of moms playing mobile games daily, the 47% of dads that are shopping on their phone in bed at least once a week, or reaching a millennial on a connected TV, it’s important to not limit the majority of advertising to one channel or screen.

Providing something of value to the consumer is often the key to success, and 77% of consumers, and 84% of millennials would be more likely to watch an online video ad if they could receive a discount off a holiday purchase.

30% of millennials and parents click on mobile ads at least weekly, and more than 20% make weekly purchases based off a digital ad they have seen.

<table>
<thead>
<tr>
<th>Make a purchase based on an online ad</th>
<th>US TOTAL</th>
<th>MILLENIALS</th>
<th>PARENTS</th>
<th>100K+</th>
</tr>
</thead>
<tbody>
<tr>
<td>At Least Monthly</td>
<td>31%</td>
<td>41%</td>
<td>41%</td>
<td>39%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Make a purchase based on a mobile ad (phone/tablet)</th>
<th>US TOTAL</th>
<th>MILLENIALS</th>
<th>PARENTS</th>
<th>100K+</th>
</tr>
</thead>
<tbody>
<tr>
<td>At Least Monthly</td>
<td>34%</td>
<td>46%</td>
<td>48%</td>
<td>36%</td>
</tr>
</tbody>
</table>
Key takeaways

1. Consumers are confident and plan to spend. Consumers feel good about the economy and 80% will spend the same amount or more on gifts as they spent last year.

2. The holiday season has already started. Nearly a third of shoppers have already begun their holiday shopping.

3. Media fragmentation makes omnichannel key. Shoppers are on their phones multiple hours a day, and use their devices to shop anywhere and everywhere.

4. TV isn’t dead, but it is not leading. 25% of consumers say they watch no live TV, and more than 70% of millennials say they skip all TV ads.

5. Ad spend needs to follow the consumer. As consumers continue to leave traditional TV, nearly half of all purchases will now take place on digital channels. Nearly 10% of millennials and parents make daily purchases based off of online and mobile ads.

6. While consumers are open to advertising and rely on ads to learn about new products, relevance is key. More than 75% of people would be more likely to watch a video ad if they could get a retail discount on a product in exchange for watching the ad.
About OpenX

OpenX, the world's largest independent advertising exchange, powers highly relevant advertising at global scale, delivering quality and value to brands, publishers and consumers across every type of connected screen and ad format. The company's leading technology aggregates, curates and values consumer interest in real time on one of the world's largest and highest quality ad exchanges to ensure marketers reach exactly the audience they want. OpenX serves more than 30,000 of the world's most recognized brands, more than 1,200 publishers and more than 2,000 premium mobile apps.

This survey was conducted online within the United States by The Harris Poll on behalf of OpenX from August 30 to September 6, 2018 among 2,021 adult holiday shoppers.

To learn more about the report, visit openx.com/2018holidayresearch