

# Winter Holiday 2019: 'Tis the season for ads



# Planning for Winter Holiday 2019:

The most wonderful time of the year—for advertising



It's never too early to start thinking about the holidays. Certainly advertisers start gearing up months in advance, strategizing how they will reach shoppers and win share of wallet during the busiest time of year for retail: The Winter Holiday season.

Winter Holiday is a busy time for advertisers and consumers alike. The National Retail Federation (NRF) reports that consumers spent over \$1,000 on average during the 2018 season, with total holiday spending reaching \$707.5 billion or 2.9% over the previous year's results. Online shopping grew even faster, increasing by 11.5% to reach \$146.8 billion or close to 21% of overall sales. Altogether, Winter Holiday spending

accounts for 20% of annual retail sales, creating high stakes for advertisers seeking to reach consumers during this must-win period. Retailers are using a variety of strategies to try to break through the clutter and connect, varying the media channels, timing and messages they use.

Kantar's Media division, the global leader in connected media intelligence, has mined its extensive database to understand and report on these strategies. Our analysis encompasses media ad expenditures as well as the content of ad messaging across newspapers, magazines, radio, television, and digital channels (including both English and Spanish-language ads).

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## Key findings of this brief include:

- Retail ad expenditures during the Winter Holiday period declined by 6%
  - Walmart maintained its position as the top spending advertiser while Target jumped to second place
  - Digital media's share of retail spending during the holiday period continues to grow with top retailers like Walmart heavily upping their digital budget allocation
  - Amongst top retailers, hybrid shopping offerings played a key theme in holiday creative messaging last year as ecommerce offerings become more and more prevalent
  - Kantar expects that retailer ad spend for the 2019 holiday season will increase YoY
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# Retail and discount department stores dominate holiday



Kantar defines winter holiday as the period starting three weeks before Thanksgiving and extending through the end of the year. Retail is traditionally the largest advertising category during this period and during the year overall. In 2018, retailers made up 11% of all advertising for the year, with automotive the next-highest spenders at 9%. During winter holiday,

retailers spent a total of \$3.7 billion on advertising, or 13% of overall spend from all advertisers during the period. This reflected nearly a 6% decline over retail's 2017 winter holiday advertising expenditures of \$3.9 billion.

In general, retail advertising expenditures have been slowing due perhaps to uncertainty around a

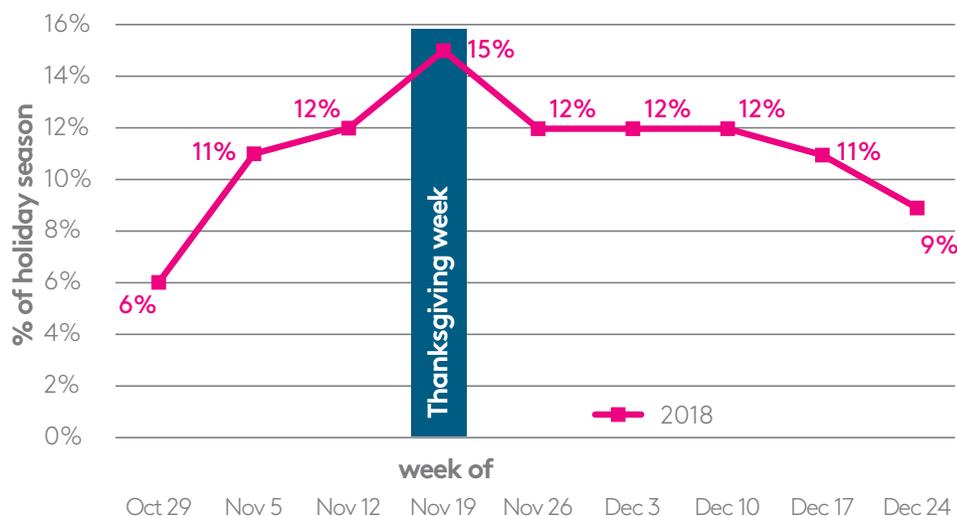
recession, tariffs and other unknowns causing retailers to be more cautious about expenditures; migration to digital channels has also in some cases led to lower spending overall. In 2018, full-year retail advertising spending was \$18.2 billion, a decline from spending of \$18.8 billion in 2017—even as total advertising spending grew 4% in 2018.

# Ad spend peaks around Thanksgiving

Due to the all-important winter holiday, retail ad spend typically climbs in the fourth quarter. This remained the case in 2018, with 22% of total ad spend for the category taking place during November and December, a decrease of 3% from 2017. While overall spending may be high, it does ebb and flow throughout this period however. Winter holiday immediately follows Halloween, another important marketing event for many retailers. Many companies accordingly scale down their advertising for 1-2 weeks after Halloween before ramping back up.

As a result, retail ad spend tends to start slow, then build to a spike during the week of Thanksgiving. Indeed, in 2018 retail ad spend jumped by nearly a quarter to reach \$534 million during the week of November 19th (Thanksgiving occurred on November 22nd in 2018). This focus is of course due to the massive amount of shopping that takes place during that week. According to the NRF, over 165

## Winter Holiday 2018—Retail Category Weekly Ad Spend Distribution



Source: Kantar, Media Division

million consumers shopped either in stores or online between Thanksgiving Day and Cyber Monday in 2018. The average shopper spent \$313.29 on

gifts and other holiday items over the five-day period.

In most years, retail ad spending has then remained significant for the week following Thanksgiving and Black Friday, in some cases actually climbing slightly higher. This was not the case in 2018, with spending immediately dropping back down to the same levels seen in mid-November and then remaining at that rate until just before Christmas. Of course, individual retailer strategies vary significantly, as discussed later in this report, and many companies do choose to advertise earlier or later to avoid staying out of the Black Friday fray.

This may be a wise approach. The \$313.29 consumers spent from Black Friday to Cyber Monday in 2018 was almost a 7% decline compared to the prior year, and with consumers increasingly relying on fast and free shipping they may be pushing buying closer to Christmas. Meanwhile, Black Friday pricing is debuting earlier and earlier, potentially encouraging advance planners to shop early in November.



# A shifting media mix



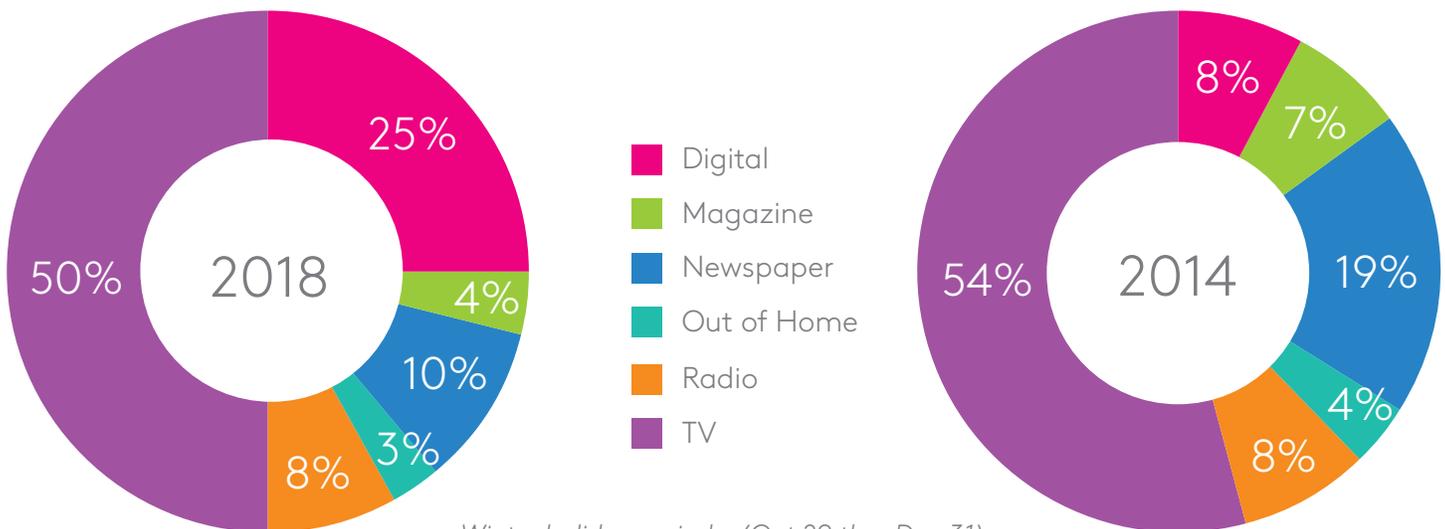
Over the last five years, the winter holiday media mix has experienced profound shifts, consistent with advertising overall. As would be expected given the growth of ecommerce, digital (including PC and mobile display, online video and paid social) has increased the fastest, jumping by 17 share points to reach 25% of total

spend. Paid social is making a significant contribution to this growth, with spending jumping by 16% from 2017 to 2018 alone.

Digital's growth of course occurred at the expense of traditional media channels. Television continues to hold its own, dropping by just 3% and still

accounting for half of all spend. However, newspapers were heavily impacted and lost ten share points; together, print now makes up just 14% of overall winter holiday ad spend. (Note that print media brands are likely achieving growth through their digital properties, which are included in digital media spend in this analysis.)

## Winter Holiday—Share of Total Retail Ad Spend By Year



Winter holiday period – (Oct 29 thru Dec 31)  
 Note: Digital media figures do not include paid search

Source: Kantar, Media Division



# Different paths to under the tree: Analysis of top retailers

To better understand what's driving winter holiday advertising, Kantar took an in-depth look at the strategies of the top ten retail advertisers. Together, these companies spent nearly \$1.2 billion during the months of November and December, with the top three alone – Walmart, Target and Amazon – accounting for 15% percent of category ad expenditures during the period. In the previous year, the top three retail advertisers spent \$561 million accounting for 14% percent of total category ad expenditures.

Walmart continued its reign as the top retail advertiser but decreased spend

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## Top 10 Retail Advertisers Nov-Dec 2018

Rank	Retailer	Ad Spend (millions)	% Change YoY
1	Walmart	\$226	-7%
2	Target	\$198	0%
3	Amazon	\$138	+84%
4	Macy's	\$121	+1%
5	Kohl's	\$109	+9%
6	Home Depot	\$92	+11%
7	JC Penney	\$87	-4%
8	Kay Jewelers	\$85	+18%
9	Best Buy	\$76	-18%
10	Lowe's	\$65	-6%

Source: Kantar, Media Division

# Different paths to under the tree: Analysis of top retailers

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from \$242 million in 2017 to \$226 million in 2018. Meanwhile, Amazon continued to up its ad spending for winter holiday, growing from \$75 million in 2017 to a hefty \$138 million in 2018.

Big-box retailers like Walmart and Target have invested in elevating their in-store shopping experiences as well as in their e-commerce offerings. Walmart added curbside fulfillment of grocery orders and in-home deliveries directly to shoppers' in the fall. Following on the heels of

Big-box retailers like Walmart and Target have invested in elevating their in-store shopping experiences as well as in their e-commerce offerings.

Walmart, Target introduced in-store mobile checkout. Last year, the retailer began allowing team members to place Target.com orders for guests directly from the sales floor and have purchases shipped to their homes.

As for Amazon, while still only spending a little more than half as much as

## Notable Retail Advertisers Nov-Dec 2017

Rank	Retailer	Ad Spend (millions)	% Change YoY
11	HomeGoods	\$60	+6%
12	Old Navy	\$58	-2%
13	Jared the Galleria of Jewelry	\$44	-7%
14	Ashley Furniture	\$39	+8%
15	Zales	\$36	+28%

Source: Kantar, Media Division

retail giant Walmart, the company is selling more items to more customers than ever before. According to their latest holiday [press release](#), voice-controlled shopping and Prime membership contributed some of the growth. Customers purchased millions more Amazon devices in the 2018 holiday season compared to the previous year – the best-selling Amazon Devices included the all-new Echo Dot, Fire TV Stick 4K with all-new Alexa Voice Remote, and Echo. Additionally, more than 4 million people tried Prime in one week alone during the holidays.

Among other leading stores advertising during the winter holiday period, Home Depot moved up in rank two places while Best Buy dropped two places in 2018. Facing strong competition from Amazon in the consumer electronics retail business,

Best Buy worked toward restructuring the business in 2018, cutting costs and focusing on differentiation through customer service.

Looking further down the rankings, there were increases in spend from three other leading retailers – HomeGoods, Ashley Furniture and Zales. Zales increased its ad spend by almost a third, above even the 18% increase by its sister company Kay. This may be due in part to a renewed effort to woo millennial shoppers, who analysts believe may be less likely to splash out on costly diamonds for engagements and special occasions. Overall, Signet Jewelers (which owns Kay, Zales and Jared) found that its same-store sales dropped by 1.3% during the 2018 holiday season, indicating the spending blitz was not successful.

# It's all in the timing

To be successful in today's clutter filled environment, standing out is critical. Consumers are bombarded with media from all directions. Therefore, retailers utilize a variety of timing strategies when planning out their ad campaigns to make sure they don't miss the opportunity to reach shoppers and that they reach them in the most appropriate stage.

To evaluate timing strategies that top retailers took, we divided the 9-week 2018 Winter Holiday season into three distinct periods:

- The 3 weeks preceding Thanksgiving week (Oct 29-Nov 18)
- The week of Thanksgiving, including Black Friday weekend (Nov 19-Nov 25)
- The 5 weeks culminating with New Years' weekend (Nov 26-Dec 31)

Taking a closer look at the top advertisers, we found varying timing trends within different retail segments. When looking at general-purpose retailers (including the discount department stores Walmart and Target as well as Amazon), spending was slightly higher than average in the pre-Thanksgiving period for the two brick and mortar retailers, while Amazon spent more both during Thanksgiving week and post-Thanksgiving. With many locations also selling groceries, it makes sense that Walmart and Target might want to get some early wallet share from customers in buying supplies for the holiday feast. Meanwhile, its fast shipping

capabilities make Amazon an ideal choice for last-minute gift buying. Thanksgiving day itself has also emerged as a strong opportunity for ecommerce, allowing consumers to get started with holiday shopping without having to brave stores.

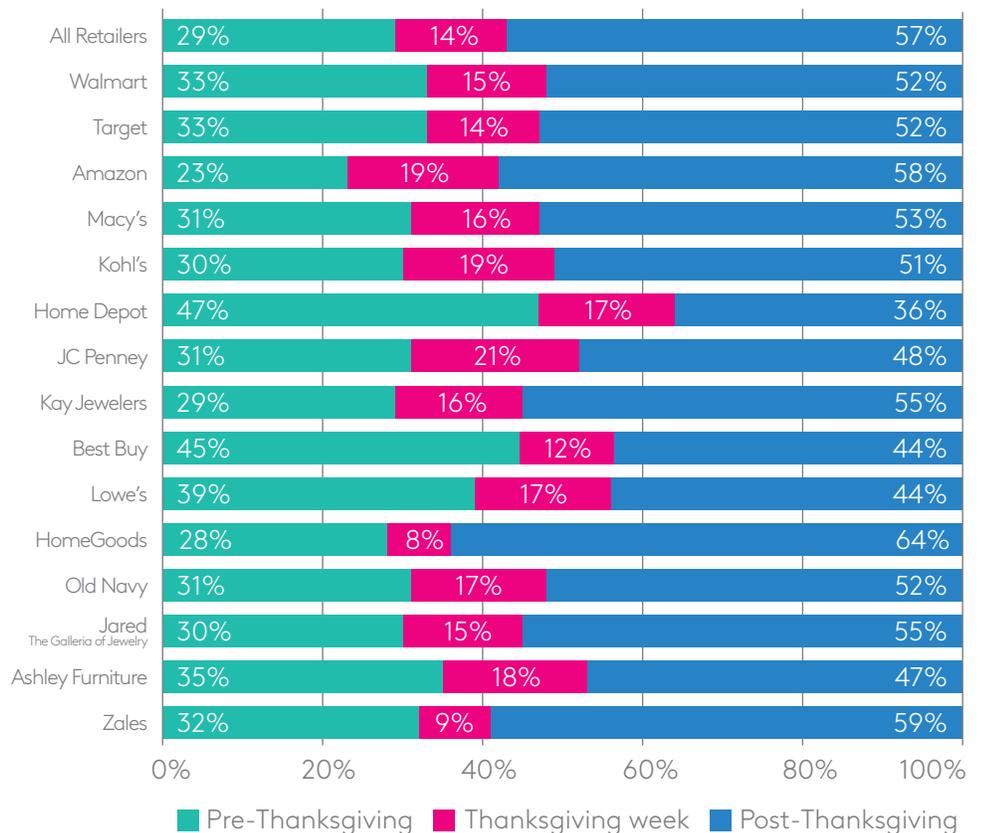
In the category of home improvement and housewares stores, higher spend during the pre-Thanksgiving period is typically most common as companies like Home Depot and Lowe's target consumers who may be in the market to make home improvements or install holiday decorations for seasonal guest and parties. HomeGoods is one noted exception,

allocating 64% of its ad spending to the post-Thanksgiving period. This is likely due to the company's focus on joint ads across its TJ Maxx and Marshalls brands, changing the focus to gift-giving.

Large jewelry retailers typically invest more than average on the week of Thanksgiving or Black Friday. Merchandise from this group is priced higher than other types of retail, so capitalizing on a week when consumers are seeking out discounts and sales can help increase profits. Zales was the only top jewelry retailer that allocated more than average in the post-Thanksgiving weeks.

## Retail Advertising Spend Distribution Holiday Season 2018

Time period: 10/29/18 - 12/31/18



Source: Kantar, Media Division

# What's in the (media) mix?



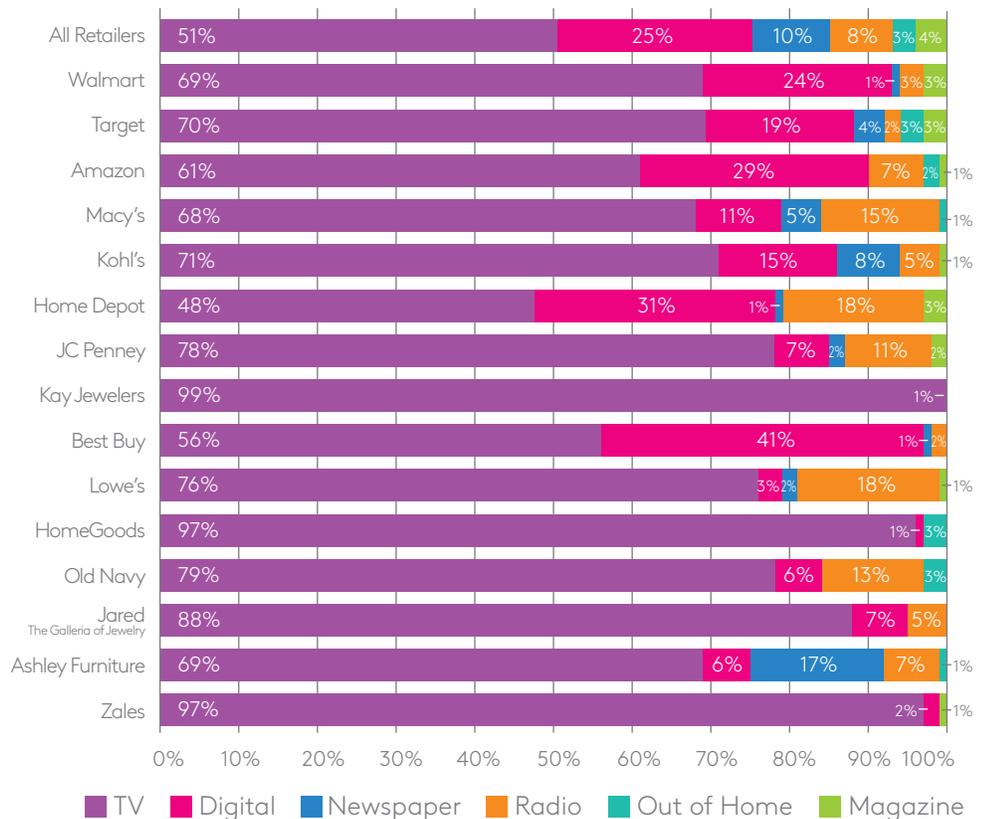
Television dominates share of measured ad spending during the Winter Holiday season. However, digital media spending is growing among the top spending retailers, consistent with overall trends. Given how important online holiday shopping has become for larger retailers, these trends are not surprising. In 2018 Walmart's digital share of budget jumped ten percentage points. Its top competitors Target and Amazon only had marginal changes during the same period, but Amazon's mix was already much more heavily focused on digital, as would be expected.

Print also remained an important part of the mix for some retailers, with Ashley Furniture devoting 17% of its spend to newspaper while Kohl's spent 8% and Macy's 5%. Newspaper can be an attractive channel for local ad campaigns as well as couponing and thus fits well with some brands' strategies.

Finally, jewelry companies devoted the vast majority of their spend to TV. These brands focus most of their ad spend during holiday periods (including Mother's Day and Valentine's Day in addition to Winter Holiday), making brand building an important focus. Accordingly, TV is likely a better fit for their needs over digital.

## Retail Advertisers Holiday Season 2018 Media Mix

Winter holiday period: 10/29/18 - 12/31/18



Source: Kantar, Media Division

# Creative messaging



Holiday themes are common in retail advertising during the Winter Holiday Season. Last year half of all ad expenditure during the months of November through December was for holiday themed ad creatives of which 44% ran on TV. For the purpose of this report we determined an ad was holiday-themed if it had one or more of these messages:

- “Black Friday”
- “Cyber Monday”
- “Winter Holiday”

To determine if an ad has a holiday message, Kantar specialists perform a detailed content analysis of each ad creative, providing a comparative view of the approached taken by brands and how these are changing over time. For the purposes of this study, we examined TV commercials from top-spending retailers that aired during November/December 2018.

“Black Friday”, “Cyber Monday” and “Winter Holiday” messages are always typically part of winter holiday TV promotions – especially from discount department stores. As would be expected, Amazon spent heavily on Cyber Monday themes, consistent with their e-commerce focus.

## Top Advertisers: % of Retail Total TV Spend: Nov-Dec 2018

Time period: 11/01/18 - 12/31/18

Retailer	Holiday themed (net)	Black Friday	Winter Holiday	Cyber Monday
Walmart	12%	1%	10%	0%
Target	9%	1%	8%	1%
Amazon	9%	1%	8%	9%
Kohl's	7%	6%	6%	0%
Macy's	7%	6%	6%	0%
JC Penney	6%	2%	2%	1%
Best Buy	5%	4%	4%	4%
Lowe's	5%	4%	3%	5%
HomeGoods	4%	5%	5%	5%
Home Depot	4%	2%	4%	2%
Kay Jewelers	4%	1%	1%	4%

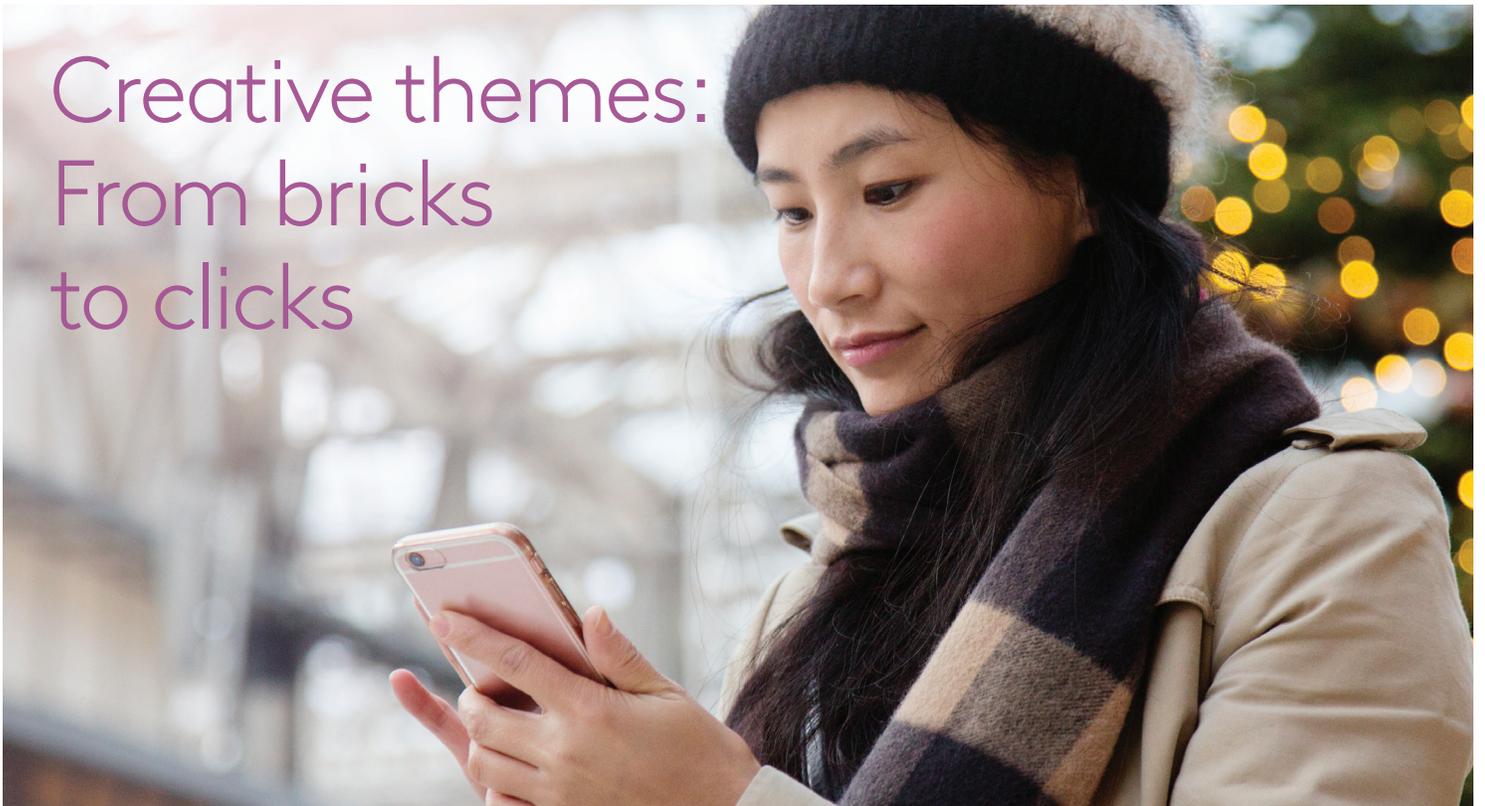
TV includes Spot TV Network TV Cable TV Syndication SLN TV  
Totals will not equal 100%. Single ads may have multiple messages

Source: Kantar, Media Division

Over the years Black Friday has become less of a factor for many retailers, with companies often rolling out Black Friday pricing before Thanksgiving and concentrating less on the doorbusters and other specials that had led to mobs and injuries during some past years. The two largest brick and mortar retailers

– Walmart and Target – only spent 1% of their TV ad budgets on Black Friday, providing some opportunity for Macy's and Kohl's to step into the gap. Brands may be also using other more tactical channels such as social and mobile to help drive shoppers both onto websites and into stores on Black Friday.

# Creative themes: From bricks to clicks



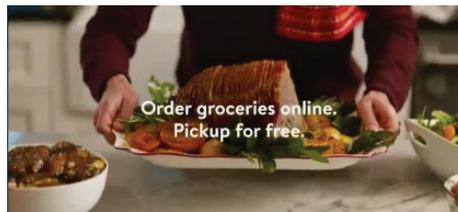
The trend for holiday shopping is moving from in-store purchases towards ecommerce, and the ads for the largest holiday ad spenders reinforced this trend. Big-box retailers like Walmart and Target utilized ad creative themes that centered around hybrid shopping models (e.g., ordering, pickup and delivery).

For example, during the winter holiday months of November and December Target ran TV ads highlighting their offers of free two-day shipping, same day delivery, order pickup and drive up. Target's ads featured Sia singing "Round and

Round." The upbeat and colorful ads inform shoppers how easy and convenient it is to shop at Target for a variety of product categories – beauty, toys, electronics, appliances, etc. Additionally, Target's "All the Ways" holiday spots are directed at consumers wanting to skip the line with offers of drive up, order pick-up, and same day delivery.

Walmart took a similar approach with their creative messaging. Convenience in the form of their mobile app, online grocery ordering, in-store pickup and two-day free shipping (formerly a main competitive advantage of Amazon) were the key elements in their messaging. The retailer's ad featuring "Give It To Me" by Rick James promotes the ability to provide gifts to everyone (even self-gifters). Furthermore, Walmart's ad targeting last minute shoppers "Staying Alive" including music from the Bee Gees offers customers free pickup on Christmas Eve when they order by 4 p.m. on Dec. 23, 2018.

Amazon's holiday commercials feature brown boxes singing The Jackson Five's "Can You Feel It?" The ads take the joyful boxes out of the distribution center and into the office or home and Alexa turning on Christmas lights.



# Creative themes: Inclusive holidays

Multicultural themes were another point of emphasis for leading retailers. Many TV commercials included diverse groups of people of various ethnicities and ages. The ads mainly depicted families gathering around the table to enjoy traditional holiday foods or meals. Spanish-language ads were used by some retailers, primarily on Spanish-language media, to help them appeal to Hispanic shoppers, which include many young families who are prime targets for gift-buying campaigns.

## Walmart



## Target



# Paid search advertising, Black Friday-Cyber Monday

Kantar examined paid search advertising in a variety of areas over the important 2018 Black Friday-Cyber Monday weekend, focusing on advertisers who gained the greatest percentage of total clicks on top retail and toy keywords for product listing ads, which feature a product image and price, and traditional text ads, which include only ad copy and links. While Walmart retained a dominant position in search, a number of additional competitors who did not rank in the top tier of advertisers on other channels also emerged as major players.

## Walmart Led on Retail Keywords

To assess overall paid search performance in the retail space during the 2018 Black Friday-Cyber Monday weekend, Kantar examined U.S. Google text ad and product listing ad click share on 2500 popular retail product keywords across desktop and mobile search from November 23 through November 26. Keyword examples include 'fitbit', 'canada goose', 'ugg boots' and 'mattress'.

Walmart led all advertisers in product listing ad clicks (PLAs), generating a 10.8% desktop click share and a 5.7% mobile click share over the extended weekend. In recent years Walmart has moved away from text ads in its paid search strategy to focus its efforts on PLAs. Accordingly, Walmart was not present among the top 10 text ad sponsors for desktop or mobile search.

Amazon was the top text ad advertiser during from Black Friday through Cyber Monday, gaining 6.9% of all desktop text ad clicks on the 2500 retail keywords and 12.6% of all mobile text ad clicks.

## Top Retail Advertisers by Paid Search Clicks

Black Friday – Cyber Monday 2018

Product Listing Ads			
Desktop Click Share %		Mobile Click Share %	
Walmart	10.8	Walmart	6.7
Amazon	5.0	Jet.com	4.2
Kohl's	4.4	Bed Bath & Beyond	3.4
Macy's	3.4	Kohl's	3.0
Target	3.0	Etsy	2.8
Wayfair	3.0	Macy's	2.6
JC Penney	2.9	Overstock.com	2.5
Bed Bath & Beyond	2.7	Hayneedle	2.2
Hayneedle	2.5	Target	2.1
Overstock.com	2.2	Wayfair	1.6
Text Ads			
Desktop Click Share %		Mobile Click Share %	
Amazon	6.9	Amazon	12.6
JC Penney	5.8	JC Penney	3.7
Macy's	2.2	Macy's	2.6
Wayfair	1.9	Wayfair	1.4
Overstock.com	1.5	Hayneedle	1.3
Office Depot	1.5	Lowe's	1.3
Fitbit	1.5	Kohl's	1.2
Hayneedle	1.2	Best Buy	1.1
Kohl's	1.1	Samsung	0.8
Best Buy	1.1	Office Depot	0.8

Source: Kantar, Media Division

Kantar data based on US Google click share percentage for desktop and mobile product listing ads and text ads displaying on 2500 popular retail product keywords, November 23-26, 2018

2018 was only the second holiday season that Amazon has sponsored product listing ads on U.S. Google and it had a strong showing in desktop PLAs during the Black Friday-Cyber Monday weekend, ranking second with a 5% click share. However, the online giant did not

crack the top 10 in mobile PLA clicks over the weekend.

Among the other top advertisers, Macy's, Kohl's, Wayfair and Hayneedle all ranked among the top 10 in clicks for both product listing ad and text ads in both desktop and mobile search.

# Mobile product listing ads drove 67% of retail product clicks



Around 92% of all clicks on ads displaying for the 2500 retail product keywords went to product listing ads over the Black Friday-Cyber Monday weekend, with mobile PLAs accounting for nearly 67% and desktop PLAs accounting for 25%. Desktop text ads drove 5.9% of total clicks while clicks on mobile text ads made up 1.9%.

This analysis gives a very good indication why Walmart has focused almost entirely on product listing ads over text ads in recent years, and why Amazon began sponsoring product listing ads two years ago after abstaining for years prior.

It also indicates that the top 10 mobile PLA advertisers should be considered the true winners of the Black Friday-Cyber Monday weekend. Ranked first and second in mobile PLA clicks, Walmart and Walmart-owned Jet.com accounted for 10.9% of mobile PLA clicks or 7.2% of total clicks across mobile and desktop PLAs and text ads—far more than any other advertiser.

# Walmart tops in toys

To evaluate paid search leadership in the toy category, Kantar analyzed U.S. Google desktop paid search clicks on 895 popular toy keywords over the Black Friday-Cyber Monday weekend, including 'lego', 'playstation 4', 'lightsaber', 'xbox one' and 'hatchimals'. (We did not include mobile search in the study.)

Once again, product listing ads were clicked far more than text ads. PLA's accounted for 88% of clicks on the toy keyword group while text ads drove 12% of clicks.

And once again, Walmart led the field, capturing nearly 25% of all product listing ad clicks on the toy keyword group over the weekend, while its Jet.com captured 4.1% of PLA clicks. In total, the two Walmart brands captured more than 25% of total clicks across both product listing ads and text ads.

Kohl's ranked second in PLA's, with a very strong 16.4% click share, followed by Target (8.5% click share) and Amazon (4.5% click share).

Amazon led once more in text ads, gaining a 20.3% click share. Xbox ranked second in desktop search with a 17.3% click share, followed by four advertisers with similar results to each other: Kohl's (6.9% click share), JC Penney (6.7% click share), Lego (6.4% click share) and Playstation (6.2% click share).

Toys "R" Us delivered a formidable search marketing performance over the Black Friday-Cyber Monday weekend in 2017, ranking third in PLA's with an 8% click share on the same 895 toy keywords, while also ranking second in text ads with an 11.4% click share. However, in 2018 the famous toy retailer was no longer in operation and, of course, gone from the paid search arena, which was a likely factor in competitor brands gaining click share on the 895 toy keywords last year.

For instance, Walmart increased its 2018 PLA click share on the toy keyword group by 9.2 percentage points compared to the 2017 Black Friday-Cyber Monday weekend, while Kohl's saw a year-over-year increase of 10.3 percentage points on PLAs.

Target, on the other hand, lost click share this year, falling from a 9.1% PLA click share in 2017 (good enough to rank second) to an 8.5% click share this Black Friday-Cyber Monday weekend, ranking third behind Walmart and Kohl's.

On a related note, we found that consumers continued to search the term 'toys r us' millions of times per month in 2018, including over the holiday season, even though Toys "R" Us ceased operations in June of last year. Despite continuing consumer interest, however, no paid search advertiser stepped in to take advantage; Kantar found the term 'toys r us' had not been sponsored by any paid search advertiser since March 2018 when Toys "R" Us announced its plans to close. That means toy sellers may have missed a significant opportunity to engage millions of holiday shoppers last season while they were actively searching for toy gifts. What's more, that opportunity may not present itself this year as there have been announcements that the Toys "R" Us brand is being revived, starting with two stores in Texas and New Jersey.



# The most visible toy brands on Amazon.com

To further explore search advertising for toys over the 2018 Black Friday-Cyber Monday weekend, Kantar shifted focus from Google to retail giant Amazon, analyzing the most visible toy brands appearing in Amazon search results for six popular toy-related keywords.

Specifically, we ranked the top five brands displaying for the keywords 'hot holiday toys 2018', 'top toys 2018', 'top toys for baby', 'top toys

Boys and girls toys may not be as neatly divided into the traditional pink and blue camps as one may have thought.

for toddlers', 'top toys for girls' and 'top toys for boys', based on factors including the percentage of time each brand was found in the top 3 positions on the first search results page, the brand's average page position and the number of the brand's sponsored and organic listings we found.

The results included brands one would expect in a top holiday toy list, including mainstays such as LEGO, Hot Wheels, Mattel, VTech and Crayola as well as newer favorites such as Hatchimals and Unstable Unicorns, and the season's hottest new brands like L.O.L. Surprise! and Cry Babies.

However, the rankings over the Black Friday-Cyber Monday weekend also

## The Most Visible Toy Brands on Amazon

Displaying for 6 Popular Keyword Searches, Black Friday-Cyber

	Hot Holiday Toys	Top Toys 2018	Top Toys for Baby	Top Toys for Toddlers	Top Toys for Girls	Top Toys for Boys
1	 My-My	 Mattel	 VTech	 Manhattan Toy	 LEGO	 LEGO
2	 Scruff-A-Luvs	 Unstable Unicorns	 Infantino	 LIRS TOYS	 TOP Gift	 UOKOO
3	 Hot Wheels	 Singing Machine	 Top Bright	 LEGO	 Force 1	 Force 1
4	 LEGO	 Best Learning	 Cry Babies	 3 Bees & Me	 Hatchimals	 Spikeball
5	 Crayola	 L.O.L. Surprise!	 Manhattan Toy	 Think Gizmos	 Enchantmints	 Top Gift

Source: Kantar, Media Division

featured a number of brands that have not yet achieved household name status but may soon thanks to their prominence in Amazon search results this holiday season. Examples include Think Gizmos for toddlers, 3 Bees & Me bath toys and Force1 drones.

Based on ubiquity, the top brand overall would have to be LEGO, which featured among the top five in four of the six keyword searches, including keywords 'hot holiday toys 2018', 'top

toys for toddlers', 'top toys for girls' and 'top toys for boys'.

Interestingly, the top five toy brands for girls and boys share three brands in common, LEGO, TOP Gift and Force1, suggesting boys and girls toys may not be as neatly divided into the traditional pink and blue camps as one may have thought (although the walkie talkies we saw advertised were indeed pink for girls and blue for boys).



# Looking ahead for the holiday: The rising importance of digital

For 2019, Kantar is currently expecting that retailer ad spend will increase, consistent with spending patterns seen thus far. Over the first half of 2019, retailers spent 4% more on advertising compared to the prior year. The end of the year brings the highest-stakes months for retailers, requiring them to optimize their media plans in order to drive shopping trips and grab their portion of consumers wallets. With retailer ad spend already up year over year, the result could be an increase during the most competitive period of the year.

More than ever, digital media will be a critical component of holiday communication strategies, enabling brands to engage throughout the consumer journey. Shoppers have become increasingly online savvy in

## Retail Ad Spend: H1 2018-2019



Source: Kantar, Media Division

their search for the most exclusive inventory and best deals during Black Friday and Cyber Monday events. And the behavior continues through

the last-minute holiday crunch and the end of the year. Maximizing a brands' continued on next page

# Looking ahead for the holiday: The rising importance of digital

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touchpoints across the digital ecosystem will be critical for holiday success.

Continuing on 2018 trends, search, social and Amazon are expected to remain the cornerstones of investment, with display and video placements augmenting reach goals. Brands will leverage a broad portfolio of digital activations to optimize impact and drive consumers closer to direct brand engagement. A cross-section of Kantar's digital data provides a window into how each component of the digital mix is driving communications.

Search is by far a core pillar of brands' holiday communications strategies. Search plays a dynamic, ever present role throughout the consumer decision journey. With mobile device in-hand, consumers are leveraging search for comparative shopping, price checks, product information, inventory availability, and much more. Search enables brands to be at the ready to intercept, interject and conquest consumer interest in branded and generic category terms.



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This holiday season, Amazon is expected to extend its reach, encroaching on everyone's territory.

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Paid Social has emerged as a key awareness channel, supporting both target-ability and ubiquity of presence. Incrementally, paid social enables brands to follow and steer the social conversation with messaging that fits authentically in the consumer's

social timeline. As social conversation around the hottest holiday inventory reaches a crescendo, retail brands will increasingly leverage Paid Social to ensure their well positioned to benefit from the excitement.

This holiday season, Amazon is expected to extend its reach, encroaching on everyone's territory. Amazon will actively seek to steal share of wallet, increasing its advertising presence as well as leveraging its owned media assets to lock in its lucrative, loyal base of Prime Subscribers. Brands actively participating in the Amazon Marketplace might realize an advantage, especially as +60%

of shopping journeys begin with Amazon.

Paid Desktop and Mobile activations in Display and Video will continue to augment communications strategies, especially as brands seek to reach cord-cutters and other consumers less frequently engaged with traditional media. During the Holiday season, paid digital placements in Display and Video offer brands a platform to drive target-ability and ubiquity of presence, surrounding relevant content to maximize brand impact. Additionally, as brands seek ubiquity during the all-important holiday season, optimizing efficiency will be a key objective, driven through programmatic buys.



Kantar media will continue to monitor ad trends throughout this critical period; please visit [kantar.com](https://www.kantar.com) for our latest insights.

Contact us today for more information at [info-us@kantarmedia.com](mailto:info-us@kantarmedia.com) or 800.497.3450.