

LOOKBACK

The 2020 Holiday Season

April 2021

FACEBOOK     





What you know about
the 2020 holiday season

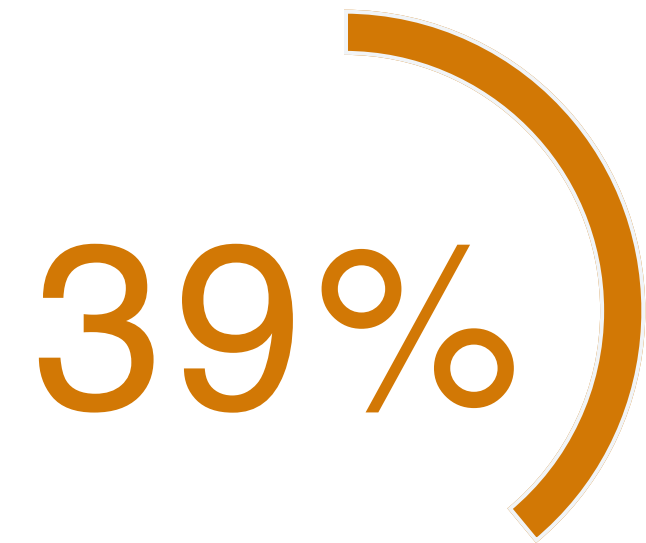
2020 was a year like no other, and it's safe to say that 2021 will not revert back to our pre-pandemic normal. As we think about planning our holiday campaigns this year, what should we take away from 2020?

Here, we break down the biggest surprises and lessons of the 2020 holiday season, and what it all means in 2021.

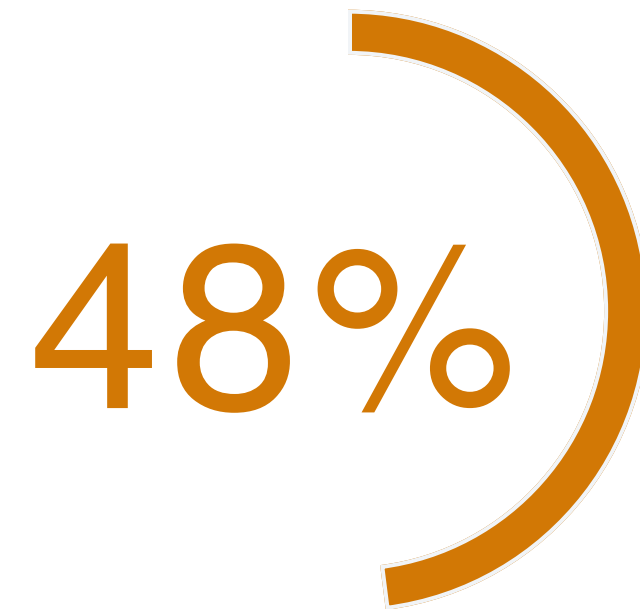
2020 was a long holiday shopping season

BY MID-NOVEMBER

2019



2020



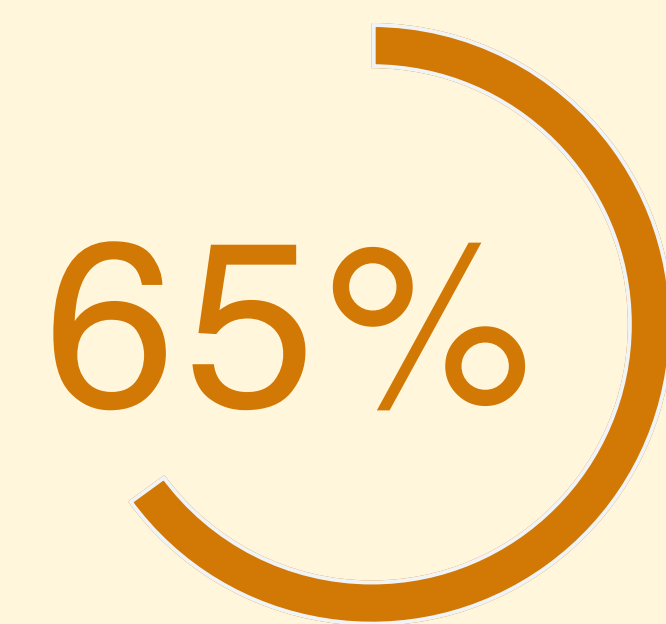
of people surveyed had already started their holiday shopping by mid-November (before Mega Sales Days)¹

NOVEMBER

2019



2020



of people surveyed say they started shopping for the holidays in November or earlier in 2020¹

“Facebook Holiday Discovery Moment Study” by YouGov (Facebook-commissioned online study of 49,563 people aged 18+ across 32 markets: AE, AR, AU, BR, CA, CL, CO, CZ, DE, DK, ES, HK, ID, IT, FR, JP, KR, MY, MX, NL, PH, PL, SG, TH, TR, TW, RU, SE, UK, US, VN, ZA). Minimum N=1500 per market. 2 Dec to 24 Dec 2020.



The longer shopping season also meant that sales grew, surpassing expectations

71%

of respondents said they spent about the same or more on holiday shopping in 2020 than in 2019¹

47%

eCommerce sales experienced significant growth during the traditional holiday season²

1. "Facebook Holiday Discovery Moment Study" by YouGov (Facebook-commissioned online study of 49,563 people aged 18+ across 32 markets: AE, AR, AU, BR, CA, CL, CO, CZ, DE, DK, ES, HK, ID, IT, FR, JP, KR, MY, MX, NL, PH, PL, SG, TH, TR, TW, RU, SE, UK, US, VN, ZA). Minimum N=1500 per market. 2 Dec to 24 Dec 2020
2. Mastercard SpendingPulse, December 2020.

Shopping started in October, and was sustained throughout the entire holiday season

56%

of people said they finished their holiday shopping in mid-late December (Dec 11-31), proving that shopping continues well into the holidays for most people. ¹

43%

of respondents said they still make most of their purchases during the month of December ¹

“Facebook Holiday Discovery Moment Study” by YouGov (Facebook-commissioned online study of 49,563 people aged 18+ across 32 markets: AE, AR, AU, BR, CA, CL, CO, CZ, DE, DK, ES, HK, ID, IT, FR, JP, KR, MY, MX, NL, PH, PL, SG, TH, TR, TW, RU, SE, UK, US, VN, ZA). Minimum N=1500 per market. 2 Dec to 24 Dec 2020.





An elongated shopping season helped to alleviate “shipageddon” concerns

CONSIDER THIS:

Higher shipping costs may have helped alleviate strain on the supply chain. Will consumers and businesses be as tolerant for those higher costs this year?



Shifts in shoppers' mindset



Uncertainty led to more planning among shoppers

59%

of people agree that planning ahead financially this year is more important than ever¹

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CONSIDER THIS:

Shoppers will face continued uncertainty this year, and addressing that uncertainty could be critical to marketing success.

- The ideas you build should enrich the lives of your audience and communities. How can your brand inspire or empower people?
How can you help with decision-making during a time of uncertainty?
- Consider how you can make shoppers feel more at ease by communicating your safety-first approach and breadth of safer shopping offerings

In-store shopping was more intentional

27%

of people have increased their pre-store research, likely as a result of COVID-19. Less time in store equals less risk (and less browsing)¹

“Micro-Shifts Monthly Tracker” by Kantar Profiles (Facebook-commissioned online survey of 6,340 gen. pop. respondents ages 18+ in the US), 2020.



CONSIDER THIS:

- Unlike 2020, retailers may face fewer restrictions around store capacity this holiday season. But that doesn't mean shoppers are ready for 2019-level crowds.
- With more people adopting safer shopping practices, brands will keep the momentum going on hybrid shopping innovations
- Logistics challenges are far from over. Brands will continue to stay focused on local inventory and fulfillment management to be prepared for this upcoming holiday season.
- We'll likely see the rollout of safer in-store layouts and larger curbside pickup and buy-online, pick-up-in-store (BOPIS) operation hubs



Brands re-evaluated the content production process

Of all Instagram formats, Stories made up:

33%

of holiday ad spend among participating advertisers¹

CONSIDER THIS:

About 1 in 2 people surveyed in 2018 who use Stories said that Stories have strengthened their relationships with brands, and many indicated that Stories propel them through the purchase process.² This holiday season will be all about sparking new connections. Immersive, engaging formats can help do that.

1. Meckle, Q4 2020 Digital Marketing Report.
2. Facebook Stories survey by Ipsos (Facebook-commissioned survey). Aug 2018.



New habits are sticking

A rise in online shopping led to a rise in online discovery

47%

of Gen Z and Millennial shoppers say they discovered ideas or browsed for inspiration during the holiday season on Facebook or Instagram, a significant increase from 35% of Gen Z and Millennial shoppers in 2019.¹

43%

of holiday shoppers say they discovered ideas or browsed for inspiration on a mobile device in 2020¹¹

“Facebook Holiday Discovery Moment Study” by YouGov (Facebook-commissioned online study of 49,563 people aged 18+ across 32 markets: AE, AR, AU, BR, CA, CL, CO, CZ, DE, DK, ES, HK, ID, IT, FR, JP, KR, MY, MX, NL, PH, PL, SG, TH, TR, TW, RU, SE, UK, US, VN, ZA). Minimum N=1500 per market. 2 Dec to 24 Dec 2020.



WHAT IT MEANS:

Discovery will continue to happen online this year, especially on mobile. help people discover things they'll love.

CONSIDER THIS:

Shoppers on Facebook and Instagram are ready to discover and be inspired. Connect with them with relevant and interactive content.

Last-minute shoppers increasingly relied on contactless pickup

Curbside pickup is here to stay

From Nov. 1 through Dec. 9, curbside pickup increased by

88%

year-over-year with curbside, setting a record of 23% of all orders.¹



CONSIDER THIS:

One of the perks of in-store shopping is receiving personalized recommendations from a salesperson. Brands will continue to look for ways to offer that helpful, relevant and interactive experience online and through hybrid shopping experiences.



Trends with growth potential

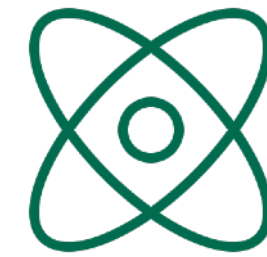
What can we learn from 2020 as we plan for the 2021 holiday season?



Technology will enable a broad spectrum of shopping experiences, blurring the lines between digital and physical environments.



Shoppers will be attracted to experiences that deliver ease and tiered levels of access.



Demand for safety and access will sustain interest in curbside pick-up, buy-online, pick-up in-store and frictionless payments.



Early deals and promotions will kick off holiday shopping in October.



Innovations that deliver touch-free, personalized shopping experiences.



Shopping experiences delivered through social media.



The surge in online shopping will cement mobile as a key driver of discovery.

INSIGHTS

Five trends shaping the 2021 holiday shopping season

Gold dangle
earrings \$41 >>



FACEBOOK     



TREND 01

Pent-up demand centers around reconnection



TREND 02

Community drives discovery



TREND 03

A longer holiday shopping season



TREND 04

The blurred lines of in-store and online



TREND 05

Lo-fi content is in high demand

Are you ready?



The future
of holiday shopping has
come early

Lasting shifts to the ways we discover, shop and buy

The acceleration of ecommerce

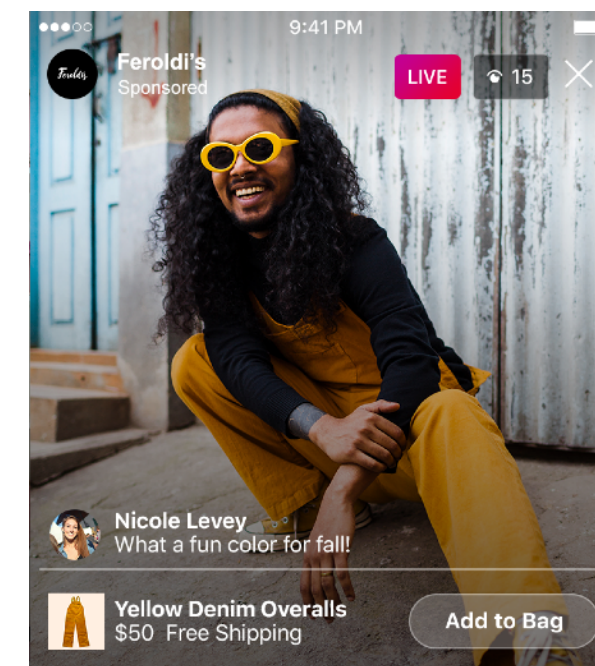
2020



Buy online,
pick up in store



Online
consultations



Live-streamed
shopping events

Lasting shifts to the ways we discover, shop and buy

The acceleration of ecommerce

2020

32%

growth in purchasing year-over-year (compared to 2019)¹

In the US, sales reached

\$180B

(including Cyber Monday) for the first time ever¹

52%

of Christmas Day revenue was derived from smartphones¹

HOW DO YOU MAKE THE MOST OF
MOMENTS THAT MATTER?

Adapt to trends that are
shaping the holiday
shopping season



TREND 01

Pent-up demand centers around reconnection



Economists predict faster annual growth in 2021 than any of the past 30-40 years¹

8 in 10

Mega Sales Day shoppers surveyed say the event allows them to “feel part of a community”²

Source: 1. CNN, March 2021. 2. “Facebook Holiday Discovery Moment Study” by YouGov (Facebook-commissioned online study of 49,563 people aged 18+ across 32 markets: AE, AR, AU, BR, CA, CL, CO, CZ, DE, DK, ES, HK, ID, IT, FR, JP, KR, MY, MX, NL, PH, PL, SG, TH, TR, TW, RU, SE, UK, US, VN, ZA). Minimum N=1500 per market. 2 Dec to 24 Dec 2020.

TREND 01

Pent-up demand centers around reconnection



OPPORTUNITY

Build on
experiences
that people
have missed

WAYS TO ACT

How do you translate pent-up demand into sales?



Build on experiences that people have missed

- 1 Attract shoppers' attention with immersive experiences** that blend in-store and online seamlessly
- 2 Take an always-on approach to brand building** to retain newly acquired customers and reach new audiences
- 3 Use personalized ads to tap into communities** that center around interests, geographies and passions

TREND 02

Community drives discovery

47%

of Gen Z and Millennial shoppers say they discovered ideas or browsed for inspiration during the holiday season on Facebook or Instagram—up from 35% in 2019

40%

of Gen Z and Millennials interviewed have bought something while watching a live stream on a social media app

Source: Facebook Holiday Discovery Moment Study" by YouGov (Facebook-commissioned online study of 49,563 people aged 18+ across 32 markets: AE, AR, AU, BR, CA, CL, CO, CZ, DE, DK, ES, HK, ID, IT, FR, JP, KR, MY, MX, NL, PH, PL, SG, TH, TR, TW, RU, SE, UK, US, VN, ZA). Minimum N=1500 per market. 2 Dec to 24 Dec 2020.

TREND 02

Community drives discovery

OPPORTUNITY

Create personalized, shoppable moments of discovery



WAYS TO ACT

How can you make discovery your most effective marketing tool?



Create personalized, shoppable moments of discovery

- 1 Make discovery and purchase seamless** where people are already spending their time by reducing friction across every step of the journey
- 2 Personalize ads for preferred shopping methods** like Buy Online, Pick Up in Store and reach people most likely to make a purchase using a specific delivery method
- 3 Help your products find the right people** by reaching and re-engaging people who are interested in your products or products similar to yours

TREND 03

A longer holiday shopping season



48%

of people surveyed had already started their holiday shopping by mid-November (before Mega Sales Days), compared to 39% in 2019

56%

of people said they finished their holiday shopping in mid to late December (Dec 11-31)

Source: "Facebook Holiday Discovery Moment Study" by YouGov (Facebook-commissioned online study of 49,563 people aged 18+ across 32 markets: AE, AR, AU, BR, CA, CL, CO, CZ, DE, DK, ES, HK, ID, IT, FR, JP, KR, MY, MX, NL, PH, PL, SG, TH, TR, TW, RU, SE, UK, US, VN, ZA). Minimum N=1500 per market. 2 Dec to 24 Dec 2020.

TREND 03

A longer holiday shopping season

OPPORTUNITY

Start early and stay top of mind through 'Q5'



Ways to act

How can you maximize sales during an expanded holiday season?



Start early and stay top of mind through 'Q5

- 1 Test and learn early and often** to compare different ad strategies and determine which one drives the best results during mega sales day moments
- 2 Measure cross-platform and cross-device performance** and adjust marketing efforts based on real results
- 3 Use automation and machine learning** to help you access new efficiencies, uncover insights and spend time on the bigger picture

TREND 04

The blurred lines of in-store and online

88%

of people say researching online is the easiest way to research products or services for the holiday, compared to 8% in-store

BEST CUSTOMER SERVICE

48%

in-store

38%

online

Source: "Facebook Holiday Discovery Moment Study" by YouGov (Facebook-commissioned online study of 49,563 people aged 18+ across 32 markets: AE, AR, AU, BR, CA, CL, CO, CZ, DE, DK, ES, HK, ID, IT, FR, JP, KR, MY, MX, NL, PH, PL, SG, TH, TR, TW, RU, SE, UK, US, VN, ZA). Minimum N=1500 per market. 2 Dec to 24 Dec 2020.

TREND 04

The blurred lines of in-store and online

OPPORTUNITY

Bring the best of in-store online, and vice versa



WAYS TO ACT

How do you embrace
our new hybrid reality?



Bring the best of in-store online, and vice versa

- 1** **Treat social like your flagship store** by creating shoppable experiences that are engaging and immersive
- 2** **Build a nimble local strategy** that personalizes ads for preferred shopping methods and communicates local store hours, available shopping services, in-store promotions and inventory
- 3** **Use live shopping and rich messaging** so sales experts can offer real-time advice, product demos and retail-tainment online

TREND 05

Lo-fi content is in high demand



When considering “premium” videos, “Relevance” ranked

#1

in a list of attributes — over production quality, content source, and length¹



Source: Global Media Study, Video by Ipsos. (Facebook-Commissioned online study of over 25,000 people ages 18-64; internet population monthly users of mobile internet & monthly video viewers in AU, BR, CA, DE, FR, IN, JP, KR, UK and US), Oct-Nov 2020.

TREND 05

Lo-fi content is in high demand

OPPORTUNITY

Blend in to stand out



WAYS TO ACT

How do you better relate with audiences on social apps?



Blend in to stand out

- 1 **Try incorporating an unpolished aesthetic** into your creative strategy to signal accessibility, spontaneity and contextual relevance
- 2 **Let real, relatable people help tell your story** by spotlighting influencers, creators and customers
- 3 **Speak the shared visual language of social** and get creative with native, interactive features like augmented reality filters and polling in Stories
- 4 **Experiment with different creative concepts** to better understand what drives engagement and sales

Five trends shaping the 2021 holiday shopping season

The future of holiday shopping has come early. **Are you ready?**



TREND 01

Pent-up demand centers around reconnection



TREND 02

Community drives discovery



TREND 03

A longer holiday shopping season



TREND 04

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Thank you