

COLUMNS

Ecommerce: The new holiday frontier

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London department store Fortnum & Mason goes all out for Christmas. Image courtesy of Fortnum & Mason

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A season once defined by hectic shopping malls, frenzied crowds and stocking the shelves of bricks-and-mortar stores shifted this year to something a bit more homey. This year has provided us with a glimpse into the era of digital dominance, with shopping leading the charge.

This year we saw an increasing number of shoppers across the nation trade in a trip to the mall for an at-home shopping day as more stores and malls kept their doors closed on Thanksgiving Day.

While the age-old tradition of hitting the stores on Black Friday still suited some consumers, this holiday season has already shown us that the traditional bricks-and-mortar shopping experience is now at odds with many of the realities and desires of today's digital natives.

Consumers set new records for online sales this year across Black Friday, Cyber Monday and Bounceback Tuesday, marking a 15.7 percent year-over-year increase in online transactions compared to the same sales period last year.

Our latest Holiday Shopping Insights report revealed that on Black Friday, 53 percent of visitors browsed products on mobile devices. However, a majority of transactions were still conducted on desktops.

Retailers are now tasked with determining how to harness these trends to maximize success through the critical holiday season.

Here are some helpful tactics based on our deep-dive into consumer browsing and buying activity.

Invest in mobile

While our report found a decrease in tablet transactions, down 25 percent year over year on Android and 12 percent year over year on iPad, smartphone use continues to soar with iPhone transactions up 58 percent year over year.

Consumers are more comfortable than ever with the concept of executing ecommerce transactions on smartphones. For this reason, it is critical that retailers migrate from thinking "mobile accessible" to thinking "mobile delight."

Consumers expect pixel-perfect rendering across devices, along with site layouts that are easy to navigate on

smaller screens. Because phone sizes, screen resolutions and other technical characteristics are not consistent across phone manufacturers, best-in-class retailers will need an effective testing and QA process to minimize friction in the transaction process across all devices.

Do not forget about desktop

Though mobile generated more site visits on Black Friday, desktop generated more transactions on Black Friday, Cyber Monday and Bounceback Tuesday.

Consumers will often leverage the smartphone to research transactions that materialize later on other devices. Therefore, ecommerce technology should facilitate a seamless path to purchase across all devices. Rather than taking the "go mobile or go home" approach, marketers should dedicate resources to both desktop and mobile.

Finish strong, finish smart

Black Friday is merely the tip of the iceberg in terms of shopping momentum for the holiday season. In fact, our data predicted a second spike of visitors from Dec. 5 through Dec. 15, giving retailers a window of opportunity to capitalize on increased consumer buying intent.

This final pre-Christmas buying period provided an opportunity for marketers to analyze what worked over Black Friday weekend and adjust their strategies for the rest of the holiday shopping season.

Marketers should spend time identifying the specific channels that drove transactions and allocate remaining advertising dollars to these strongest channels.

While the late season shopping period does not feature the extreme peaks in site visitors that we find on Black Friday and Cyber Monday, the key benefit to reaching out to late-season visitors is that they are more focused on transacting from a preferred or known ecommerce Web site.

We calculate a daily Promiscuity Index for each day in the fourth-quarter selling season, where the index represents the propensity for ecommerce site visitors to visit multiple Web sites selling the same class of products.

Promiscuity peaks on Black Friday weekend as consumers search for deals across retailers and exhibit strong price sensitivity. Later in the season, we find that promiscuity drops considerably.

The Black Friday weekend indexes at 148, but the late season indexes at only 121. Marketers should find audiences to be more receptive to messaging, as there is more interest from consumers in transacting and less interest in researching the transaction.

THE STRATEGIES in this article are derived from holiday shopping data, but they also offer long-term benefits to marketers.

Our data indicates that consumers will continue to purchase heavily via both mobile phone and desktop devices, even outside of the holiday shopping season.

Furthermore, a review of full-year transaction counts reveals that there are other points in the calendar year such as back-to-school where user propensity to purchase spikes.

Marketers who can embrace the cross-device nature of the new consumer decision journey and who can understand the smaller but still discernible peaks and troughs throughout the year are likely to drive the best performance.



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