

MARKETING

## Mobile to act as personal shopper for 2017 holiday season: Facebook

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*Mobile conversions will be at an all-time-high this holiday season. Image courtesy of Facebook*

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By STAFF REPORTS

NEW YORK Although July 4 weekend is only a few days away, brand and retail marketers should be preparing for the 2017 holiday season.

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During Facebook's "Holiday Preview" press brunch June 27, two executives shared holiday trends, research and predictions, as well as new tools created by the social network to drive sales this upcoming holiday season. Although consumers tend to only start shopping in October, 69 percent of marketers begin planning for the holiday rush in August, taking a "never too early" approach to the gifting season.

### Holiday head start

Facebook's head of global retail and ecommerce strategy Martin Barthel explained that the 2017 holiday season will see a higher rate of mobile conversions.

In 2015, mobile conversions were about 45 percent of sales, while the year-ago saw mobile use for holiday shopping increase to 53 percent of conversions. Likewise, mobile's use in a physical store setting has also grown at a rate of 28 percent and 37 percent in 2015 and 2016, respectively.

Mr. Barthel also shared that 70 percent of consumers conduct product research on mobile, and only 27 percent do so only in-store.

## Mobile means avoiding lines in-store

Of surveyed global shoppers:



*Mobile commerce offers shopping ease and consumer convenience. Image courtesy of Facebook*

Presented with an onslaught of challenges, retailers have approached business strategy as 90 percent offline and 10 percent ecommerce, but there has been an eye-opening shift in consumer behavior.

Today, 23 percent use desktop to shop, 37 percent of shopping is done on mobile and 40 percent happens offline. The mobile percentage is on pace to continue to grow, which Facebook suggests should inspire brand and retail marketers to take a mobile-first approach.

"The future for retailers lies in digitally-influenced commerce, driven by the new possibilities of window shopping on mobile," Mr. Barthel said. "For retailers it is easy, they need to become mobile first."

Through a user survey conducted in 16 markets, Facebook found the following trends to stand out. The first is that mobile-first behavior is not only seen in millennials, but is now common across all generations.



*Mobile-first behavior is not only seen in millennials. Image courtesy of Facebook*

In the United States, for example, there has been a 56 percent increase, year-over-year, in mobile shopper growth. Of those users, 64 percent are parents who, due to convenience and being pressed for time, rely heavily on mobile in their everyday lives.

Facebook has also found that video merchandising is on the rise. By 2025, the social network predicts that 75 percent of mobile traffic will be driven by video.

Video will become not just a tool for storytelling and creating brand perception, but also as a merchandising engine to drive sales.

Increasingly as well, Facebook is playing a role in the discovery and purchase decision process, acting as a mobile storefront that seamlessly connects a consumer to an ecommerce site.

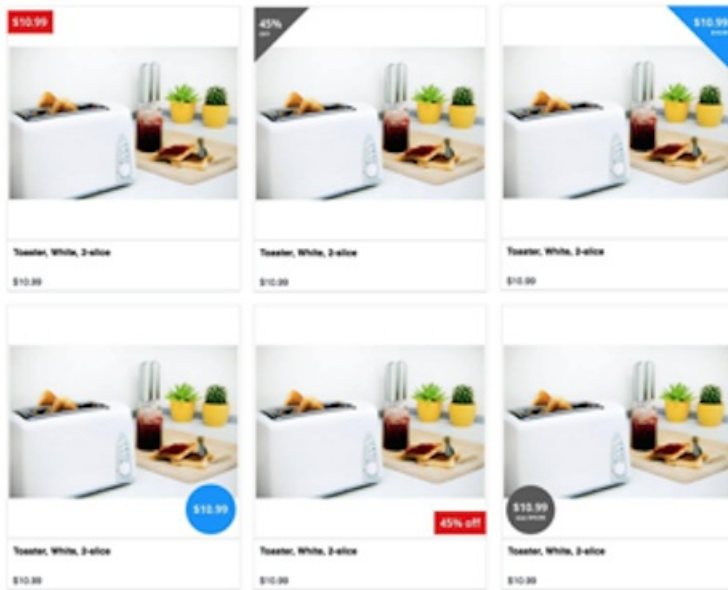
In terms of holiday product discovery, 52 percent of Facebook users and 46 percent of those with an Instagram account use the platforms for gifting inspiration.

To anticipate these mobile-first behaviors, Facebook has launched a collection of new marketing tools to help brands and retailers create relevant, feed-based environment campaigns.

New tools include dynamic advertisements enhancements and household targeting.

Updates to dynamic ads will include video rather than only static images as previously available. This update to include video will heighten merchandising efforts.

Marketers will also be able to apply overlays for dynamic ads. Visual overlays will include customizable add-ons to alert consumers to price or discounts, for example.



*Example of the new dynamic ad overlays. Image courtesy of Facebook*

Household targeting, an ideal holiday gifting tool, will help marketers speak to an entire family rather than an individual consumer. Facebook has unveiled this tool with the thinking that multiple family members influence purchase decisions.

Research has shown that vacation planning is often a household activity, and Facebook feels that gifting ideas can be pushed to the family unit as well. For example, if one family member has an interest in home audio systems, and has expressed a preference or longing for a particular brand, Facebook will push that product to others in the household.

With the exception of a few sensitive categories such as jewelry, mainly engagement rings, this type of targeting will boost influence across households and reach the shoppers most likely to be making a purchasing decision.

Also, household targeting protects marketers' bottom lines by reducing wasteful ad spend.

As the holidays quickly approach, Facebook wants to be perceived as a marketing solution that is found further up the funnel in the discovery and purchasing process, similar to how broadcast television and radio influenced sales.