

2003-2004 Online Holiday Shopping Patterns Revealed

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In an effort to understand online holiday shopping patterns, Atlas analyzed anonymous shopping behavior from November 24, 2003 to January 31, 2004. These data represent billions of impressions and millions of sale transactions across 28 leading e-commerce companies whose online campaigns are managed using the Atlas™ Digital Marketing Suite.

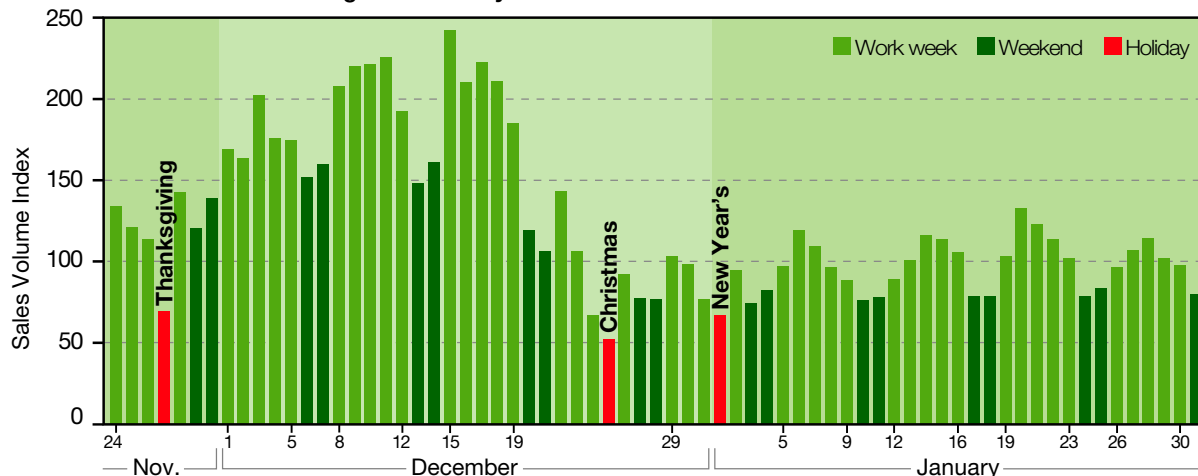
Our goal in this annual study—now in its fourth year—is to understand the trends of online holiday shopping and inform marketers’ resource allocations during this critical time. Our measure of shopping activity is an index, where a value of 100 indicates a day that had average shopping activity for the six-month period from September 2003 through February 2004.

During the 2003-2004 holiday shopping season, online retailers experienced an unprecedented surge in pre-Christmas shopping. The shopping peak on December 15 had an action index score of 240, indicating a 140% increase over an average shopping day. In previous years, the score on the peak day was 100 points lower. One can clearly see the 2003 peak in Figure 1.

Reaching New Peaks

The 2003 holiday shopping peak was over 70% higher than the previous year’s peak.

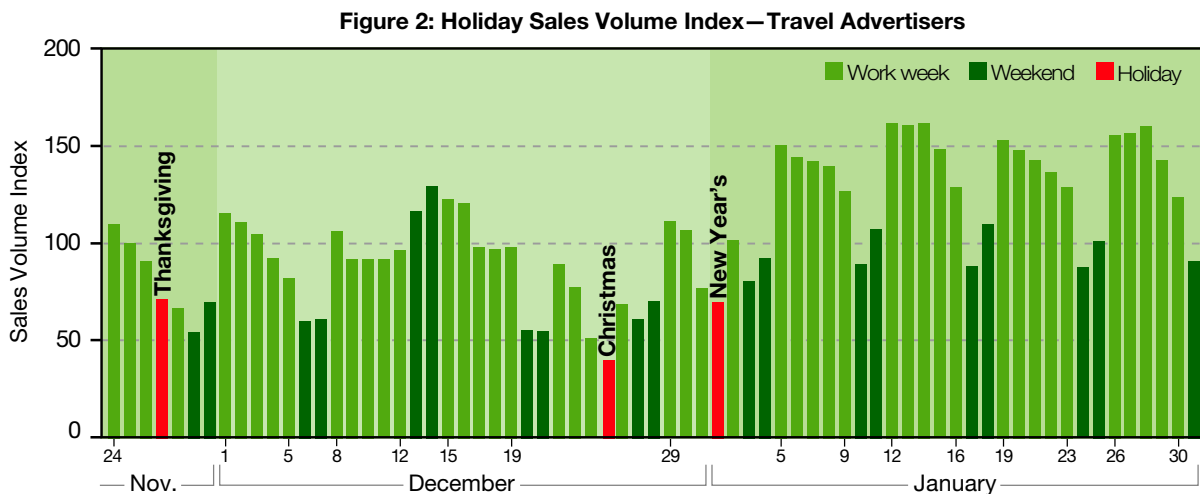
Figure 1: Holiday Sales Volume Index—Retail Advertisers



An index of sale volume is charted by day for the 2003-2004 holiday season. A score of 100 indicates a day of average sale volume for the period. The busiest shopping days are during the work week, with a huge peak the week of December 15 and a lull leading up to Christmas.

In previous years, there was a pre-Christmas peak, but it was neither as high nor as late as the peak in 2003. In fact, over the last four years the busiest shopping day has steadily moved closer to Christmas.

A new insight this year is a look into how different types of advertisers performed during the holiday season. As we can see in Figure 1, advertisers with a retail focus followed similar patterns to what we have seen in previous years. For advertisers with a travel focus, however, results were quite a bit different, as Figure 2 indicates.



Sales volume by day is shown for advertisers with a travel or vacation focus. Activity in December is much lower than for retail advertisers. January is appreciably strong, with all mid-week days having indices around 150.

As you can see from Figure 2, sales for travel advertisers are depressed during most of December, only to rebound in impressive fashion during January. The contrast between the January sales data for travel and retail advertisers is striking. Marketers are advised to take into account these types of trends that vary by industry. Travel advertisers can likely improve performance by reallocating expensive December impressions into the less expensive month of January.

What We Have Learned

This study produced the following key insights:

- 1) **The pre-Christmas shipping lag continues to shrink.** Three years ago online shopping peaked at the beginning of December, as customers were wary of items not arriving due to shipping delays. Then, two years ago, online shopping peaked 14 days before Christmas. Last year online shopping peaked 10 days before Christmas, but remained strong only 7 days before Christmas. In light of this day, we predict that the busiest shopping day of 2004 will occur during the week of December 13th, possibly at the end of that week.
- 2) **Mondays are king for holiday shopping online.** Mondays remain the busiest online shopping day for the second year. This contrasts with non-holiday behavior where Monday tends to be less busy than midweek. Once again, this seems indicative of customers who shop offline during the weekend and then go online for comparison or bargain shopping. Fridays—traditionally a weak day for online shopping—are also stronger than usual during the holidays.
- 3) **Tailor holiday online advertising messages to people who are at work.** As in 2002, weekdays remain the most active online shopping days during the holidays. Online shopping activity peaks between noon and 3 p.m. EST. Take advantage of your ability to purchase day-part placements to target online shoppers during the middle of the workday and find publisher sites with a high concentration of the at-work audience.

- 4) **Know when your holiday season peaks.** As we can see from the travel versus retail example above, different industries can have dramatically different profiles during the holidays. Loading impressions right before and during your peak times increases the effectiveness of your marketing budget.
- 5) **January and November are relatively strong for retail advertisers.** The months on either side of December enjoy a lift from the holiday shopping boom. Though November is slightly stronger (an average sales index of 100 versus 96 for January), both months show an approximately 20% lift when compared to September, October, and February.

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