



RhythmOne

The Always-On Consumer

Mobile Shopping and Purchasing in the
2015 Holiday Season



#1Rinsights

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Conducted by RhythmOne in the first half of October 2015, this 1R Insights research brief features results from a survey of 552 US online adults aged 18 or older. A segment of 459 respondents self-identified as consumers who are either currently shopping or will shop for the 2015 holiday season. The results reported in this brief focus exclusively on this segment of respondents; as such we have labeled this group “holiday shoppers.”

Our survey focused on timing of shopping for the “traditional” December holidays including Christmas, Hanukkah and Kwanza. We also asked about the use of mobile devices to assist in the shopping process, and we inquired about mobile shopping activities while within brick-and-mortar store locations.

Key Findings

- **Prior to Thanksgiving, more than one-half of female holiday shoppers will have started shopping for the holidays.** Entering the extended Thanksgiving weekend, 1-in-2 female holiday shoppers will have started their shopping – by the end of the weekend, that number will increase to 3-in-4.
- **Compared to other age segments, baby boomers are expected to increase online holiday purchases the most.** Online purchasing is an essential element of the holiday shopping process, and nearly one-third of baby boomers expect their activity to increase in 2015 compared to 2014.
- **Mobile is the digital platform of choice.** For a large segment of holiday shoppers (18-54 years old), a mobile device is preferred over desktops/laptops by a wide margin.
- **Mobile use continues its ascent.** Two-fifths of holiday shoppers who will use a smartphone and/or tablet to shop will use their mobile devices more this holiday season versus last.
- **Retailers will see the impact of purchases made via mobile devices.** More than one-third of holiday shoppers who will use a smartphone and/or tablet to shop for holiday gifts will make purchases directly on their devices.
- **Mobile is an essential element of in-store shopping experience.** One-half of holiday shoppers use their mobile devices while in a physical store location to assist in the shopping process.
- **Mobile is often used to compare retail prices while at point of purchase.** One-half of holiday shoppers who use a mobile device while in a physical store location check competitor prices with their mobile device.
- **In-store push notifications are redeemed when noticed by consumers.** The majority of holiday shoppers who recall receiving an in-store push notification featuring a coupon or promotion eventually redeem it.



Holiday Shoppers are Already Active

One-quarter (26.7%) of holiday shoppers will purchase more this year compared to last year, and a plurality (46.3%) say they will “spend about the same.” One-quarter (27.0%) will spend fewer dollars on holiday gifts this year compared to last year. The pullback in holiday spending is slightly more evident among men than women: one-third (32.8%) of men versus one-fifth (22.8%) of women, respectively, plan to cut spending.

The percentage planning to pullback holiday spending is consistent among all household income (HHI) segments with the exception of respondents reporting a HHI of \$100,000 or more. Amongst this highest HHI segment, only 7.6% plan to cut holiday spending – the vast majority (65.7%) will spend the same amount as last year.

Holiday Shopping Timing

Two-fifths (43.1%) of holiday shoppers will have started their holiday shopping before Thanksgiving Day; that figure includes 54.1% of women and 28.7% of men. Two segments, women aged 18-34 years and women aged 55 years and older, are much more likely than all other age/gender segments to say they will start their holiday shopping before Thanksgiving Day: 55.3% and 62.8%, respectively.

One-in-six (16.0%) holiday shoppers plan to start their holiday shopping on Thanksgiving Day or during the weekend immediately following it. Women are much more likely than men to say they will start their holiday shopping during the extended Thanksgiving weekend (21.3% versus 9.1%, respectively). Interestingly, 35.7% of women aged 18-34 years plan to start their holiday shopping during the extended Thanksgiving weekend.

Nine-in-ten (91.0%) women aged 18-34 years will have started their holiday shopping by the end of the Thanksgiving weekend.



Online Purchasing is a Staple of Holiday Shopping

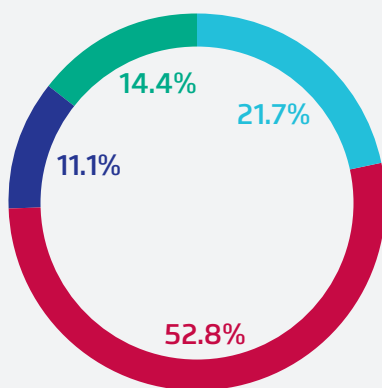
The vast majority (84.7%) of holiday shoppers expect to make a holiday purchase online this year, including one-quarter (25.4%) who plan to make more holiday purchases online this year compared to last year. Men are significantly more likely than women, 33.9% versus 19.4% respectively, to say they will make more holiday purchases online in 2015 compared to 2014.

One-quarter (23.8%) of holiday shoppers who did not make a holiday purchase online in 2014 do plan to make a purchase online during the 2015 holiday season.

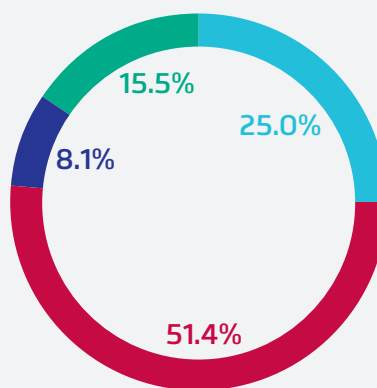
A subtle baby boomer story emerges from the data; the segment of holiday shoppers aged 55 years and older has the greatest percentage (30.2%) of members saying they will make more holiday purchases online in 2015 as compared to 2014. Interestingly, male baby boomers are twice as likely than female baby boomers to say they will make more purchases online this year compared to last year: 44.5% versus 19.4%, respectively. Among other age segments, 25.0% of those aged 35-54 years and 21.7% of those aged 18-34 years say they will make more holiday purchases online this year compared to last.

2015 vs. 2014: Holiday Shopping Purchases Made Online

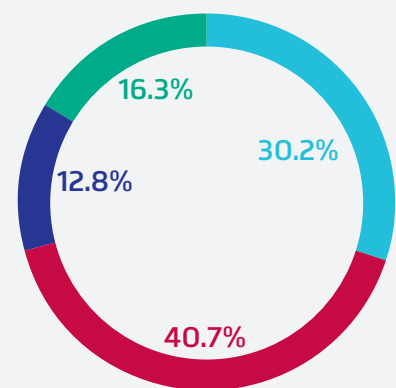
- I will make more holiday shopping purchases online
- I will make about the same number of holiday shopping purchases online
- I will make fewer holiday shopping purchases online
- I will not make holiday shopping purchases online



18-34 years



35-54 years



55+ years

RhythmOne, Nov 2015 n = 376; Margin of Error = +/- 5.0%



Convenience Drives Online Holiday Shopping

Convenience is of utmost importance to consumers and is a leading factor for shopping online rather than offline at a retail location during the hectic holiday shopping season. In fact, the opportunity to avoid crowds (58.0%) and the ability to shop whenever you want (55.9%) are the two most often cited reasons for shopping online versus offline. These two reasons are followed by free shipping (41.4%) and time savings (40.4%). Other reasons cited for shopping online versus offline during the holiday season include: the availability of specific products (31.3%), the ability to ship purchase directly to recipient (28%), the availability of product reviews (28%), and the availability of online only coupons or promotions (25.4%).

Nearly one-third (32.4%) of holiday shoppers say they frequently make an unplanned purchase for themselves while shopping online for gifts for a family member, friend, or acquaintance. There is a significant difference between women and men on buying for oneself with two-in-five women (40.1%) saying this occurs frequently, as compared to one-in-five (22.2%) men. Women aged 25-34 are the segment most likely to buy for themselves, with nearly two-thirds (63.6%) saying this occurs frequently.





Mobile is Essential to Holiday Shopping

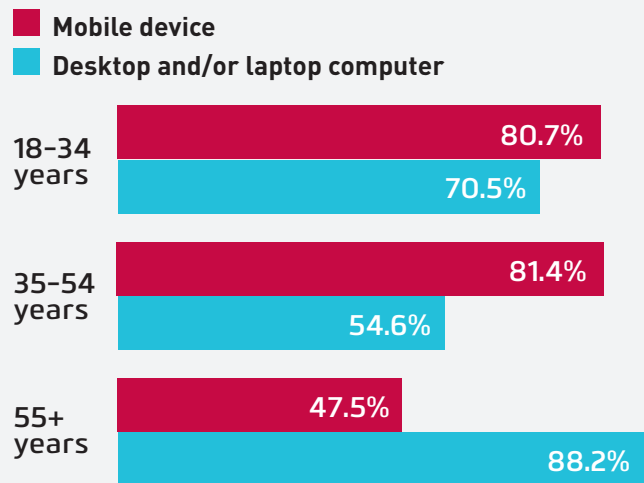
Seven-in-ten (71.5%) holiday shoppers are “mobile holiday shoppers” and will use a mobile device to go online and/or use an app to shop or research holiday products and gifts. This figure is equal to those who say they will use a desktop device (69.0%). Among mobile holiday shoppers, 40.9% will use a smartphone only, 40.0% will use both a smartphone and a tablet, and 19.1% will use a tablet only to research/shop for holiday products and gifts. Of note, 3-in-5 (60.4%) mobile holiday shoppers aged 18-34 years will exclusively use a smartphone as their mobile holiday shopping device.

Among age segments, mobile use is near identical for respondents aged 18-34 years and respondents aged 35-54 years (80.7% and 81.4%, respectively) – and mobile use is far outpacing desktop/laptop-planned usage. It is only among respondents aged 55 years and older that desktops/laptops (88.2%) outpace mobile devices (47.5%) in expected usage during the holiday shopping season.

Two-fifths (41.2%) of mobile holiday shoppers expect to use their mobile devices more this year than they did last year to research/shop for holiday products and gifts, including 22.7% who say “much more.” One-half (51.4%) of mobile holiday shoppers expect to use their mobile devices the same amount, and few (3.5%) expect to use their mobile devices less.

The most popular holiday shopping activities conducted from a mobile device are comparing prices of different retailers (39.6%) and making a product purchase (38.5%). These activities are followed by searching for retailer’s promotions or coupons (30.8%), reading product reviews (28.0%), researching products before buying online (27.5%), researching products before buying offline (27.3%), finding a store location (24.8%) and visiting a retailer’s mobile site (22.4%).

Devices Used For Holiday Shopping



RhythmOne, Nov 2015
n = 459; Margin of Error = +/- 4.6%

“Mobile holiday shoppers” are multi-platform shoppers, with three-fifths (61.8%) saying they will also use a desktop device to research/shop for holiday products and gifts.



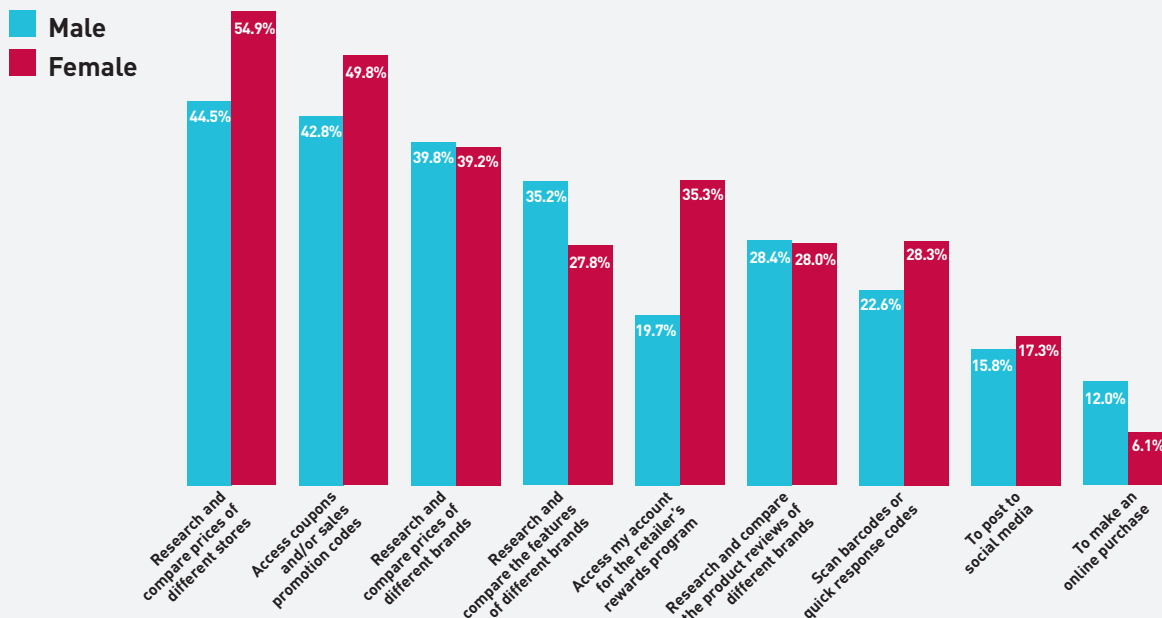
Mobile is Essential to the In-Store Experience

One-half (51.7%) of holiday shoppers have used a mobile device inside a physical retail location to aid in their shopping research and/or purchasing decisions. Men are slightly more likely than women (54.1% versus 49.8%, respectively) to use a mobile device in a retail location. In-store usage is highest at 62.1% among holiday shoppers aged 35-54 years, drops to 52.1% among the 18-34 years segment, and drops further to 37.2% among those aged 55 years and older.

Men aged 35-44 years are active in-store mobile users with 4-in-5 (80.0%) saying they use their mobile device to assist in shopping while in a retail location.

Comparing prices of different retailers (50.2%) is the most often cited reason to use a mobile device to assist with in-store shopping. Women (54.9%) cite this activity more than men (44.5%). Accessing coupons and store sales promotions codes follows, with 46.6% of respondents citing it as a reason to use a mobile device when within a retail location. Other reasons cited include: to research and compare the prices of different brands (39.4%), to research features of different brands (31.2%), to access a retailer's reward program (28.2%), to compare product reviews of different brands (28.2%), and to scan a barcode or QR code (25.7%). Our study found that only 6.4% of holiday shoppers had used a mobile digital wallet within a retail location, however this figure increases to 22.1% among respondents aged 18-24 years.

Mobile Activities While in a Retail Location



RhythmOne, Nov 2015 n = 459; Margin of Error = +/- 4.6%



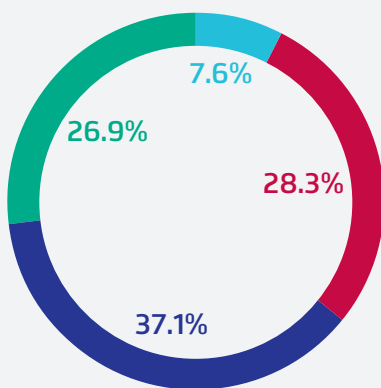
Holiday Shoppers Act on In-Store Push Notifications

More than one-quarter (28.5%) of holiday shoppers recall receiving a push notification on their mobile device promoting a specific in-store deal, incentive, or coupon while in a retail location. Two-thirds (68.5%) of those who recall an in-store push notification say they acted on it; nearly one-third (31.5%) redeem the offer immediately, 20.4% typically save the offer and redeem at a later date, and 13.9% say it depends and redeem some offers immediately and others at a later time. Men are more likely than women (76.1% versus 59.7%, respectively) to act on an in-store push notification.

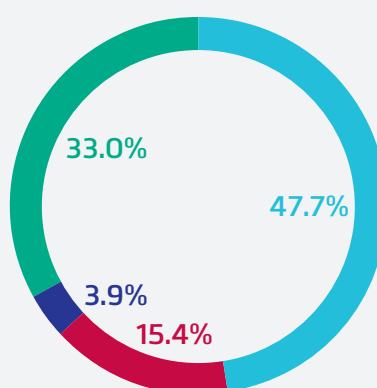
Amongst age segments, nearly one-half (47.7%) of holiday shoppers aged 35-54 redeem an offer immediately, while more than one-third (37.1%) of those aged 18-34 say it depends and redeem some offers immediately and others at a later date.

Action Taken After Noticing an In-Store Push Notification

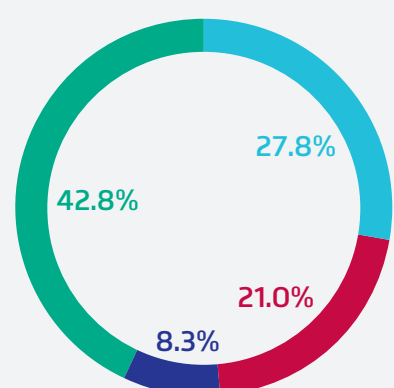
- Typically redeem immediately
- Typically redeem later
- Depends, redeem some immediately and others at a later time
- I don't redeem



18-34 years



35-54 years



55+ years

RhythmOne, Nov 2015 n = 120; Margin of Error = +/- 9.0%



Holiday Shoppers Seek Out Online Product Review Videos

One-third (34.6%) of holiday shoppers have watched an online product review video. Interestingly, this finding is relatively equal among age segments – starting at 34.6% among respondents aged 18-34 years, moving up to 37.6% among respondents aged 35-54 years, and settling back to 30.8% among respondents aged 55 years and older.

More than one-half (56.1%) of holiday shoppers who have watched an online product review video have done so on a retailer's or manufacturer's website. Other outlets respondents watch an online product review video include content websites such as CNN.com (52.6%), social media platforms such as Facebook (47.3%), and blogs (44.2%).

Three-in-five (62.3%) respondents who use a mobile device to research products or read product reviews say they watch online product review videos.



How You Can Use This Information

Time spent with digital devices has significantly shifted over the past few years, with a very clear move from tethered devices to mobile devices. This shift has had a dramatic impact on consumer behavior – most notably in the fact that mobile devices (i.e., tablets and smartphones) are now an essential element of consumer shopping processes whether at home or in a physical store location. This holiday season will very clearly be impacted by the rise of the “mobile consumer” and their use of mobile devices to research products and/or make holiday purchases.

To be successful this holiday season, marketers must embrace making consumer connections on mobile platforms. These connections can be accomplished and amplified through owned and operated platforms (i.e., mobile optimized websites and mobile apps) as well as through mobile advertising opportunities and mobile extensions of television campaigns. As the research has shown, consumers are gathering product information both inside and outside physical store locations – and watching video product reviews on mobile devices. These facts point to a tremendous opportunity to use mobile in-stream video to engage consumers with product information as well as with a brand’s message through the power of sight, sound, and motion.

Brands might also consider beaconing technology – devices installed in brick-and-mortar locations that can “beam” coupons and branded content to nearby smartphones via app push notifications. Our research does show that consumers do pay attention to these types of offers and do redeem them.



About RhythmOne

RhythmOne is a media technology company that connects audiences with brands through premium content across devices, at scale. We work with advertisers, publishers and content providers to offer fully integrated, cross-screen advertising solutions, spanning desktop and mobile video, rich media, display, social and native formats. RhythmOne offers advertisers a significant supply footprint through both owned and operated web properties and a network of quality partners. RhythmGuard, our proprietary filtering technology that screens and qualifies inventory pre-campaign, eliminates suspicious or fraudulent traffic before it reaches the advertiser. The sum of these capabilities ensures advertisers maximize their ROI, with transparent measurement around campaign effectiveness and attribution. RhythmOne's long-term vision is to provide the industry's most accountable marketplace for online advertising.

The Company is headquartered in San Francisco, California with offices worldwide. For more information please visit www.RhythmOne.com.

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About 1R Insights

Trends in Internet use and consumers' online purchasing behaviors are constantly evolving, so it can be very difficult to stay up to speed. That's why RhythmOne publishes 1R Insights – our research series that highlights emerging consumer trends in online media and ecommerce. Findings reported in 1R Insights are based on an online survey fielded across our collection of digital properties.

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