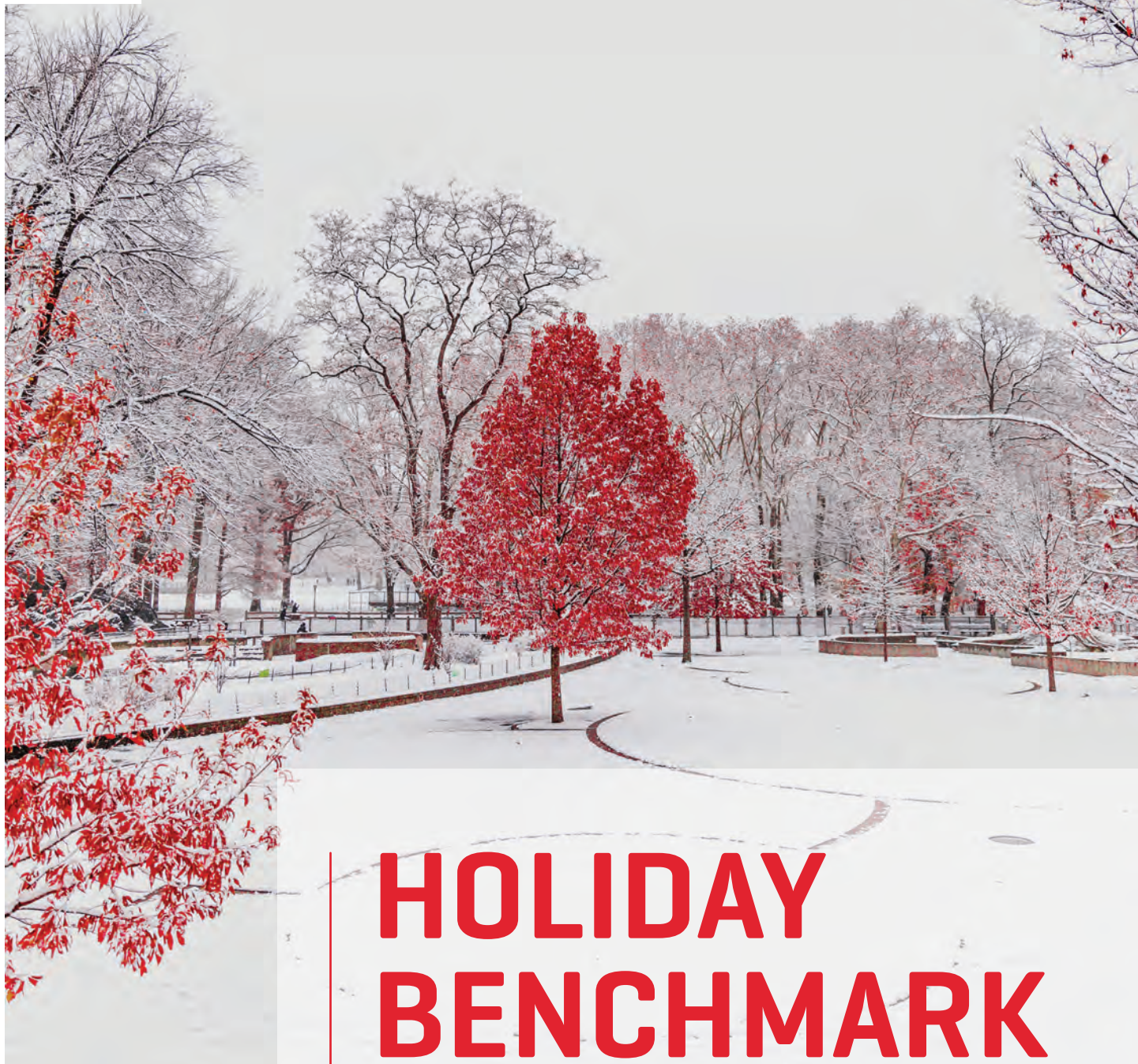




STEELHOUSE



HOLIDAY BENCHMARK REPORT.

A Recap of 2018 Holiday Advertising Trends with
Insights into How to Start the New Year Right



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Introduction

How Does Your Holiday Campaign Performance Compare?

This holiday shopping season, we launched over **7,700 retargeting**, branding, and prospecting campaigns through display, mobile, social, and Connected TV. We analyzed over **3+ billion ad impressions served by 1000+ brands** through our platform to see what made the biggest impact.

Find out which shopping days, campaigns, and channels commanded the most attention this season based on your vertical.



*If you're **not** benchmarking
your performance against your
competitors, you're just playing
with yourself.*

Al Paison,
CEO of Loyalty Research Center



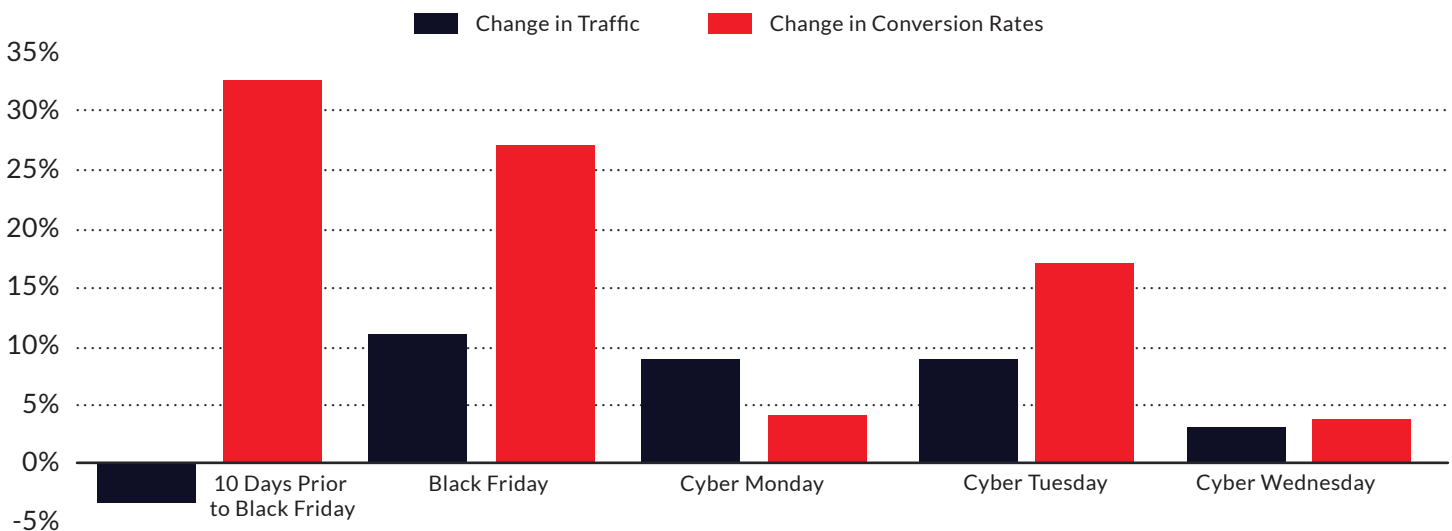
Cyber Week Audience Trends

Shoppers Research Early in Anticipation of Better Deals

Heading into Black Friday, there was an increase in YoY traffic but a decrease in conversion rates. Conversion rates on Black Friday, Cyber Monday, and Giving Tuesday, however, increased from **8.57% - 11.82% YoY**. This indicates that shoppers were researching their potential purchases, but holding off on converting until Black Friday and the rest of Cyber Week in the hopes of getting better deals.

Consumers are beginning to see the shopping period between Black Friday and the end of Cyber Week as a continuous shopping event, as opposed to individual days like Black Friday and Cyber Monday. This is evidenced by conversion rates staying more consistent during this stretch of time than previous years. **Cyber Monday is still the strongest day for online sales, but the gap is narrowing.**

Year-Over-Year Changes in Traffic & Conversion Rates



KEY METRICS: 2018 vs 2017

	Gross Revenue	Total Impressions	Verified Visits
Black Friday	▲ 28%	▲ 19%	▲ 102%
Cyber Monday	▲ 4%	▲ 22%	▲ 56%



[Cont.]

Shoppers Research Earlier Than Ever in Anticipation of Better Deals



What is a Verified Visit?

Verified Visits is our proprietary technology that measures any user visits to your site following the guaranteed in-view display of your ads, in a window of time defined by you. It's how you know your performance is based on humans and not bots.

Recommendations:

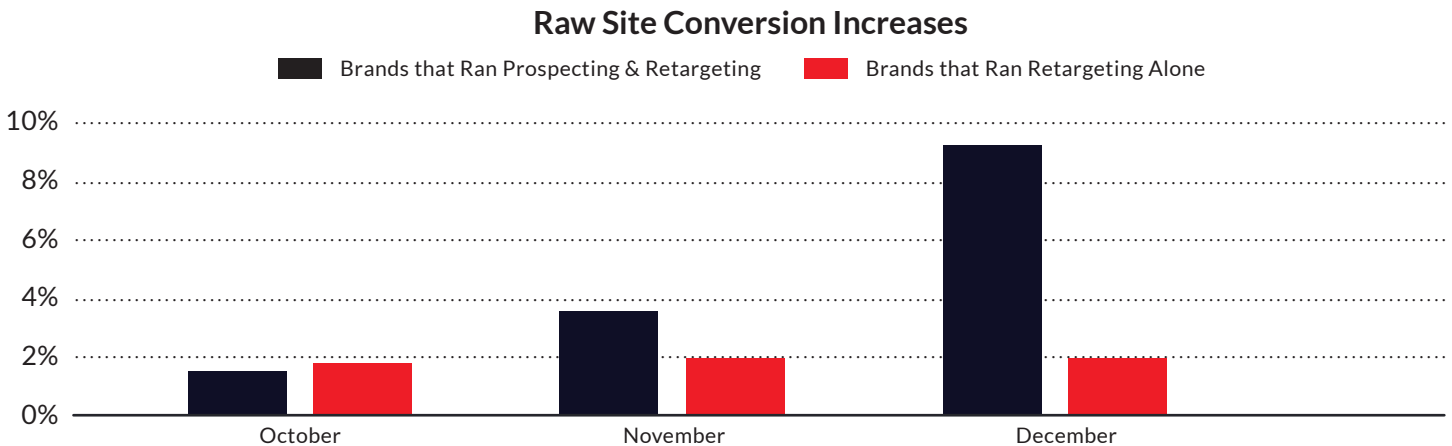
Prospect Your Promotions - Release your Black Friday promotions early to get them in front of audiences in October to ensure you're part of their consideration set. Traffic increases in late October will result in higher conversion rates in November. When it comes to creative, be sure to specifically call out when you have advertised your most aggressive promotion.

Extend Your Conversion Windows - Understand how your prospecting in October affected November sales to get a full picture of how your ads contributed to your bottom line.



Prospecting

Brands That Launched Prospecting Saw 75% More Q4 Conversions



Many brands increased overall Facebook and Display prospecting spend for October and November, and there was good reason for it. Brands that ran prospecting in October saw major dividends in December.

While October conversion rates were slightly lower for brands that made October prospecting a priority (2.35% vs. 2.39%), we saw increases in conversion rates in November and December for advertisers that ran prospecting throughout the quarter. In fact, these increases in conversions were almost in direct correlation to the increases in their average spend.

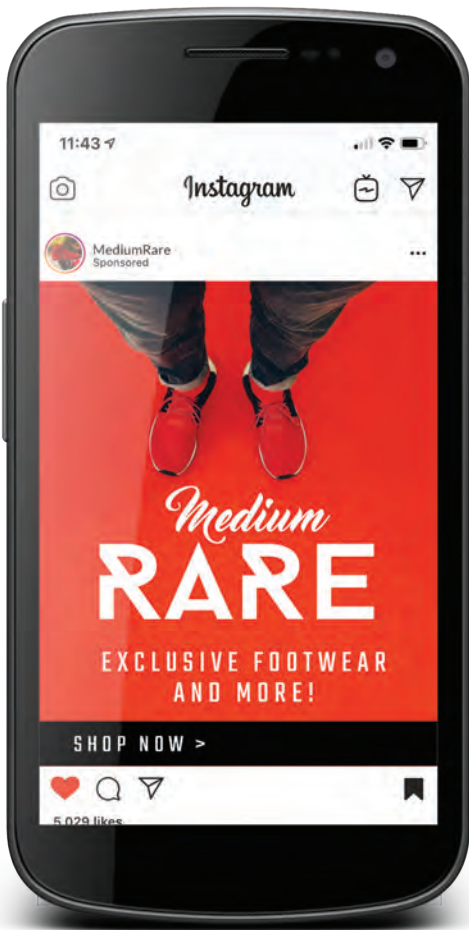
KEY METRICS: 2018 vs 2017

	Prospecting Spend	Conversion Rates
October	▲ 34%	—
November	▲ 74%	▲ 33%
December	—	▲ 75%

Recommendations:

Understand the Long Term Value of Prospecting - What does a 75% increase in total conversions mean to your bottom line? Let that be a guide to your Q4 budget plan.



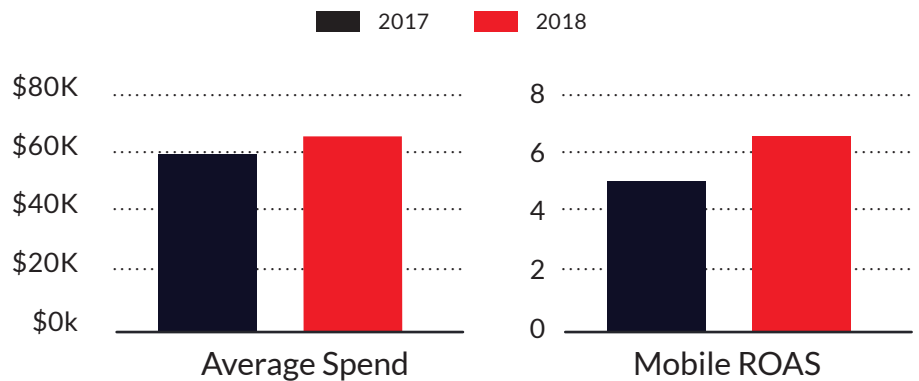


Mobile

The Quantity of Mobile Ads More Than Doubled in Q4

Our advertisers spent more on mobile this year which resulted in 2x the quantity of mobile ads. But the largest increases came in November where average mobile spend increased by \$21,200 YoY. The additional spend correlated to positive results as efficiency-based metrics also increased.

NOVEMBER 2017 vs 2018



KEY METRICS: 2018 vs 2017

November

▲ **33%**

December

▲ **75%**

Black Friday

▲ **35%**

Cyber Monday

▲ **17%**

Conversion Rate

▲ **33%**

▲ **75%**

Mobile ROAS

▲ **35%**

▲ **17%**

Q4 Mobile Spend

▲ **6%**

Mobile Order Value

▲ **10%**

▲ **8%**

Recommendations:

Shift Additional Budget to Mobile in November - Mobile Web retargeting and Facebook App targeting will show stronger results and help support any in-store business you may have.



Connected TV

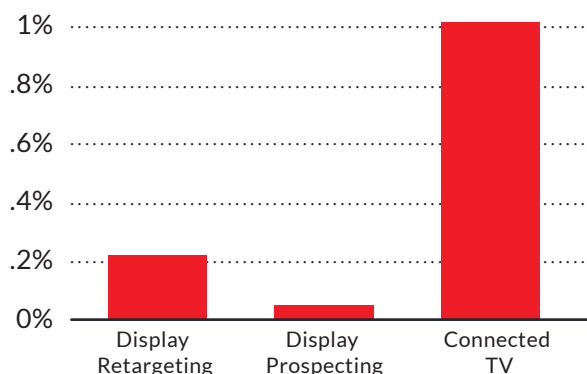
CTV Prospecting Saw Higher ROAS Than Desktop Retargeting

Advertisers that invested in CTV and CTV Audience Extension in Q4 2018 enjoyed a very happy holiday season. On average, the ROAS for Connected TV in Q4 was 4x greater than that of display prospecting. This is especially meaningful, considering the spend for **CTV was 8x greater than the display prospecting spend**.

What is SteelHouse CTV Audience Extension?

With SteelHouse, brands can target a new audience during premium, ad-supported shows provided by well-known networks. With our Audience Extension, we can then retarget site visitors, who saw your CTV ad, to drive even better performance.

Site Visit Rate When Running CTV + Audience Extension + Other SteelHouse Channels



KEY METRICS: 2018 vs 2017

CTV vs. Display Prospecting

Connected TV ROAS

4X

Connected TV Spend

8X

Recommendations:

Invest in Connected TV Advertising Now - According to eMarketer, there are 190 million Connected TV viewers in the US and that number is steadily growing. Contact us to discuss the best strategy to get your brand successfully utilizing this channel.



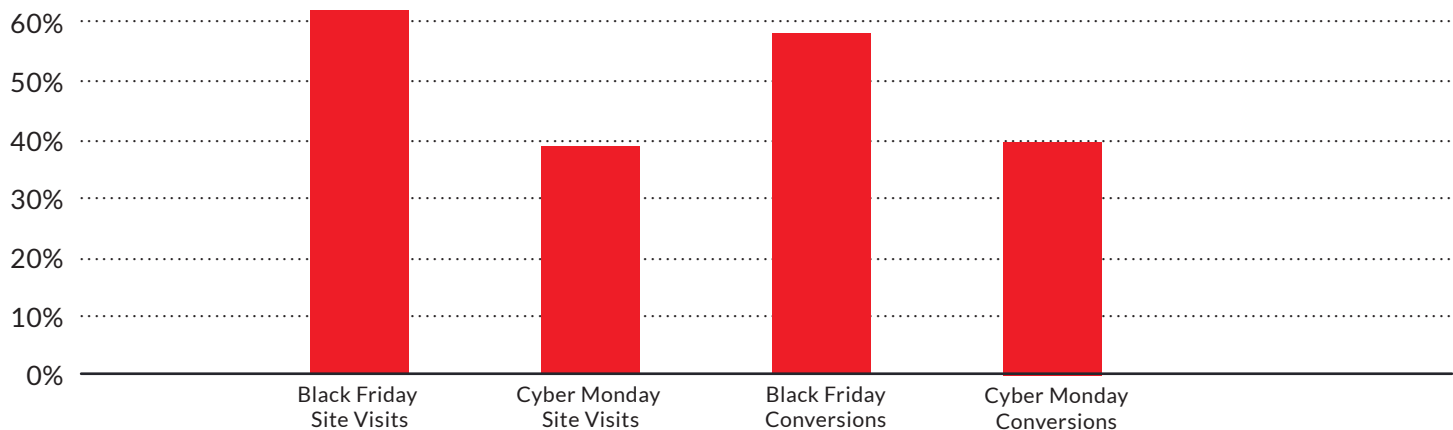
Fashion Brands Saw a 60% Increase in Total Conversions on Black Friday



This holiday shopping season, fashion brands’ overall conversions and traffic grew considerably. Site traffic was more evenly distributed compared to last year, which saw Cyber Monday beating Black Friday by 33%, with a difference of only 14% this year.

Increases in site traffic can be attributed to fashion retailers shifting budget into prospecting, with average October and November prospecting budgets increasing from \$115,000 to \$210,000.

Fashion: Year-Over-Year Increase



KEY METRICS: 2018 vs 2017

Gross Online Revenue	Verified Visits	Mobile ROAS Increased	Mobile Conversions	Mobile Conversion Rate
▲ 10%	▲ 27%	2X	▲ 13%	▲ 29%

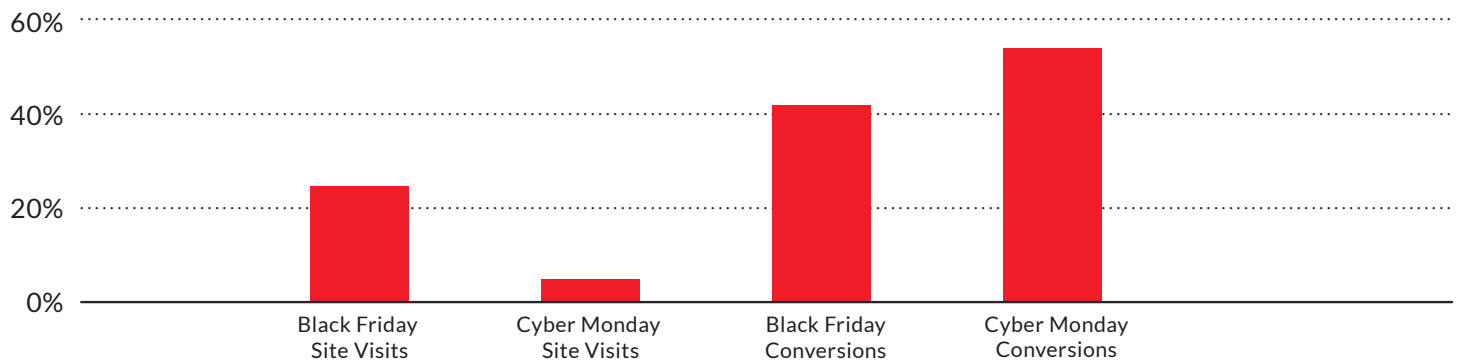


Home Goods Saw a 55% Increase in Raw Site Conversions on Cyber Monday



Average raw conversions almost doubled this year for Home Goods, thanks to heavy spending in Facebook and desktop retargeting. Unlike fashion brands, site traffic was not as evenly distributed, with Black Friday recording substantially more traffic than Cyber Monday. Interestingly enough, the lower site traffic numbers for Cyber Monday did not hurt performance. Cyber Monday recorded 29% more conversions than Black Friday, despite having less site traffic.

Home Goods: Year-Over-Year Increase



KEY METRICS: 2018 vs 2017

	Site Visits
Black Friday	▲ 35%
Cyber Monday	▲ 12%

Q4 Retargeting Spend

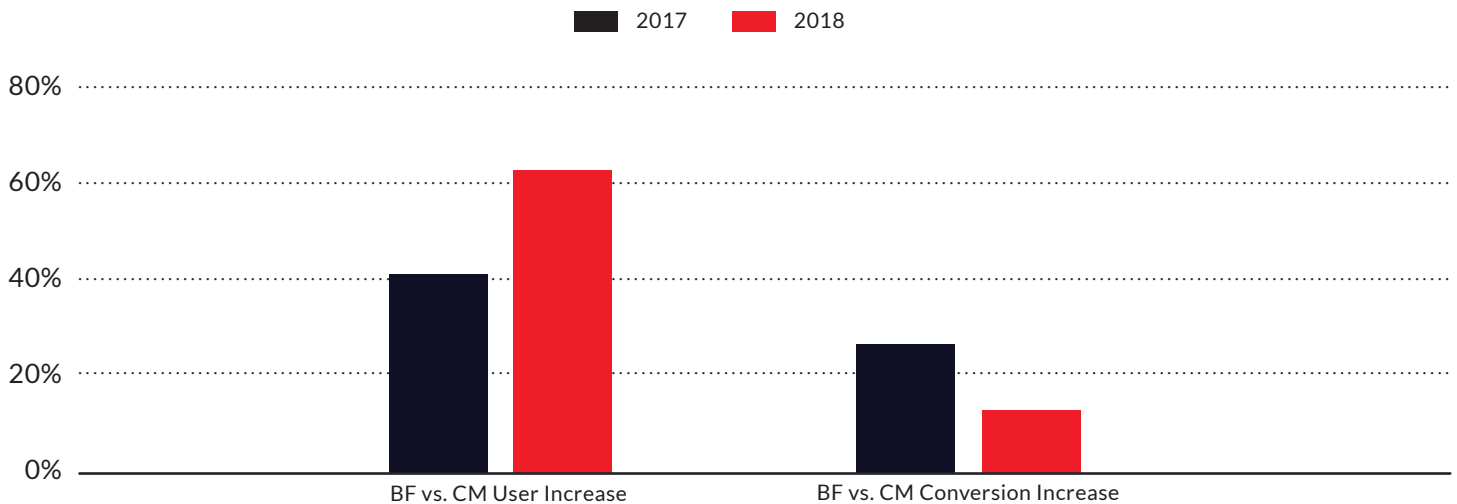
▲ 300%



Cyber Monday Was a Great Day for Travel Brands

Travel shoppers appeared to have the most patience, as they waited until Cyber Monday and Travel Tuesday to book a trip. Cyber Monday outperformed Black Friday by a significant margin in both site traffic ($\uparrow 74\%$) and conversions ($\uparrow 28\%$). This points to an emerging trend in 2017 that saw Cyber Monday outperform Black Friday by $\uparrow 65\%$ in site traffic and $\uparrow 16\%$ in conversions.

Travel: Black Friday vs. Cyber Monday



KEY METRICS: 2018 Cyber Monday vs. Black Friday

CM Site Visitors

$\uparrow 74\%$

CM Raw Site Conversions

$\uparrow 28\%$



New Year Recommendations

There are Plenty of Reasons to Increase Your Budget in Q1

Take Advantage of Holiday Returns & Gift Card Purchases

58% of holiday shoppers expect to return or exchange an unwanted present. More than 3 in 4 (77%) say they will likely make an additional purchase when making a return. The same is true for gift cards with the average recipient spending 20% more than their gift card value.



Get the Most Out of Valentine's Day & Presidents Day
Themed ads, based on holidays or events perform better because there's a sense of relevancy and urgency. Merely changing the color or theme of your ad can double your conversion rate on these days.

Strike While the Competition is Low

Chances are your competitors are going to blow their budget during the holidays. That means January is the perfect time to get your message out while there's less noise with nearly 2% higher win rates.

Turn One-Time Purchasers Into Loyal Shoppers

64% of retailers say shoppers acquired during Black Friday and Cyber Week have lower lifetime value thanks to being one-time shoppers. If they make a second purchase however, the chance they make a third increases to 45%. Seize the opportunity to make these one-time shoppers loyal customers.

