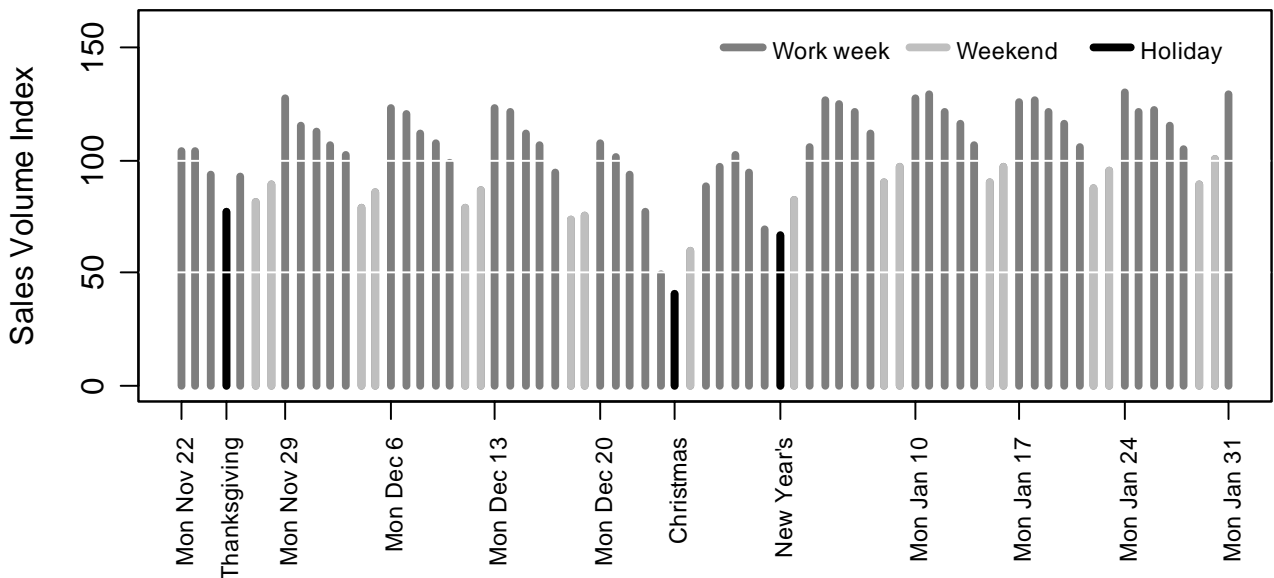


# 2004-2005 Online Holiday Shopping

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For the fifth year in a row, the Atlas Institute studied anonymous online shopping activity to understand the behavior of consumers during the holiday season. Over the past few years a number of patterns have emerged, and this year's data confirms some of these patterns while contradicting others. We analyzed transaction data from November 22, 2004 to January 31, 2005. These data represent billions of impressions and millions of sale transactions across 96 leading e-commerce companies whose online campaigns are managed using the Atlas Suite. Our goal in this

**Holiday Sales Volume Index**



This chart shows an index of sale volume with respect to date for the 2004-2005 holiday season. A score of 100 indicates a day of average sale volume for the period. Weekdays are in dark gray, weekends are in light gray, and Thanksgiving, Christmas and New Year's Day are in black. The busiest shopping days are Mondays and Tuesdays, with a lull leading up to Christmas and New Year's.

annual study is to understand the trends of online holiday shopping and inform marketers' resource allocation 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 2004 through February 2005.

The 2004-2005 holiday season shows a steady increase in shopping activity during the 3 weeks before Christmas. Mondays and Tuesdays showed the greatest shopping activity with characteristic lulls during the weekend. There was little activity during the days immediately around Christmas with a strong rebound in January.

### Five Year Trends

What have we seen over the last five years in online holiday shopping? The biggest news is the change in the "busy season" for online shopping. In 1999, the peak shopping day was sharply defined and occurred on November 28<sup>th</sup> (the first Wednesday after Thanksgiving that year). In 2000, it moved to December 7<sup>th</sup>, and last year the busiest shopping day was quite a bit later—December 15<sup>th</sup>. The concentration of shopping activity has varied remarkably. Last year, the peak shopping day showed activity 140 percent greater than the average, while this year the peak day showed activity only about 30 percent above the average day.

When we began this study the busiest day of the week changed every week and every year, but was typically one of the three days in the middle of the work week. Over the last three years a new, clear trend has emerged: Mondays are the king of online holiday shopping. We hypothesize that this is a result of some people doing their shopping in stores but then going online for their buying. The time of day when people buy, typically between noon and 3 p.m. has not changed over the years.

Another new phenomenon is the emergence of January as a busy time for online retail sales. Four and five years ago, we did not see as much activity in January as in December, except for travel clients. Now, while remaining strong for travel clients, January has become a strong month for retailers as well, typically showing a large volume of sales.

Finally, for the last three years we attempted to predict the peak shopping day for the coming holiday season. Each year, except last year, we have correctly predicted the week of peak shopping but missed the day. Last year we predicted that the 2004 peak would occur on December 13<sup>th</sup>. While this day was the last heavy shopping day of the year, it showed three percent lower shopping activity than November 29<sup>th</sup>, the busiest shopping day of 2004. Since we cannot resist the allure of making predictions, we predict that the busiest shopping day of 2005 will occur on Monday, December 12<sup>th</sup>.

### What We've Learned

1. **Holiday shopping is steady and strong until 5-7 days before Christmas.** Online shoppers tend to buy heavily throughout the month of December. In past years, we have seen a very sharp peak in our indexed actions. This past year, in contrast, shopping was steady throughout the holiday period with largely similar peaks on each Monday after Thanksgiving until before Christmas.

- 2. Consumers are shopping in stores during the weekend, then moving online during the week.** Marketers should attempt to message to shoppers who have been shopping in stores during the weekend. We conjecture that ads with messages that acknowledge this pattern will perform better during the holidays, and these messages should have a preeminent place in marketers' ad rotation on Mondays—the busiest shopping day of the week for each of the last three years. For advertisers who have a brick-and-mortar presence, marketers should provide potential customers with a seamless transition from online to offline store.
- 3. Search behavior models that of transactions.** Clicks on paid search keywords reveal a similar pattern to our action index, although the pre-holiday peaks are less pronounced. Most clicks occur during the workday and during the workweek. In the weeks before Christmas, Mondays in December are the paramount day for search clicks with about 12 percent more clicks than the average day. Marketers should expect to bid more for keywords during these peak times and should carefully analyze their results to ensure that the increased click volume is worth the cost.
- 4. Tailor holiday online advertising messages to people who are at work.** As our recent Daypart study (<http://atlassolutions.com/pdf/DaypartAnalysisDMI.pdf>) has indicated, prime transaction hours are during the workday. We have repeated the daypart analysis for the holiday period and confirmed that the general patterns are no different during these months. 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.
- 5. January is strong for retail advertisers and booms for travel advertisers.** Marketers should anticipate continuing a strong marketing effort through January.

### About the Atlas Institute

The Atlas Institute is the research and education arm of Atlas, a provider of accountable marketing tools and expertise for agencies, marketers, and publishers. The Institute publishes Digital Marketing Insights, a series of publications by Atlas senior marketing analysts and digital marketing experts that help our customers improve their digital marketing effectiveness. Many of these findings are also made available to the digital marketing industry at large. Each Digital Marketing Insight report is designed to help marketers more successfully build value with their customers, throughout the customer lifecycle: from awareness to acquisition and from retention to growth. The Atlas Institute also provides education in digital marketing to Atlas customers and partners. To view a full listing of the Atlas Institute's Digital Marketing Insights, please visit: [www.AtlasSolutions.com/insights](http://www.AtlasSolutions.com/insights).