



THE \$55 BILLION CHRISTMAS SPEND-A-PALOOZA



WHY READ THIS?

The nights are getting warmer, the days are getting longer, and it can only mean one thing, the countdown to Christmas has begun.

As you contemplate family festivities and make holiday plans, you are probably starting to do the sums. But this year, the credit card may take a back seat to online shopping with “buy now pay later” schemes aplenty.

Online purchases have grown 20% across 2018, with many expecting ecommerce sales for the months in the lead up to Christmas in 2019 to be the biggest on record.

The eight weeks leading up to Christmas remains a spend-a-palooza, however the surge in popularity of online sales events like Black Friday has extended the season, shifting the peak online Christmas shopping period to November

And while house prices remain flat, and the economy stutters, consumer confidence has improved in the back half of 2019, pointing to a solid end to the year.

Across all categories, the ABS expects us all to splurge around \$55.6 billion from grocery products, food, household goods and appliances, hospitality, clothing and footwear in November and December this year, an uptick of just shy of 3%.

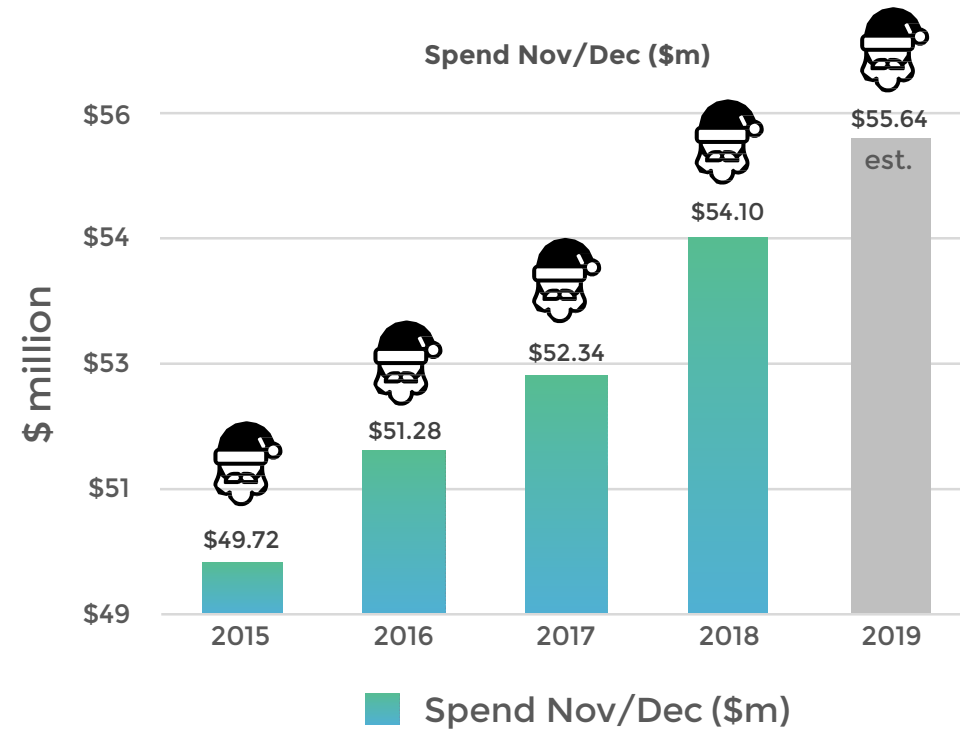
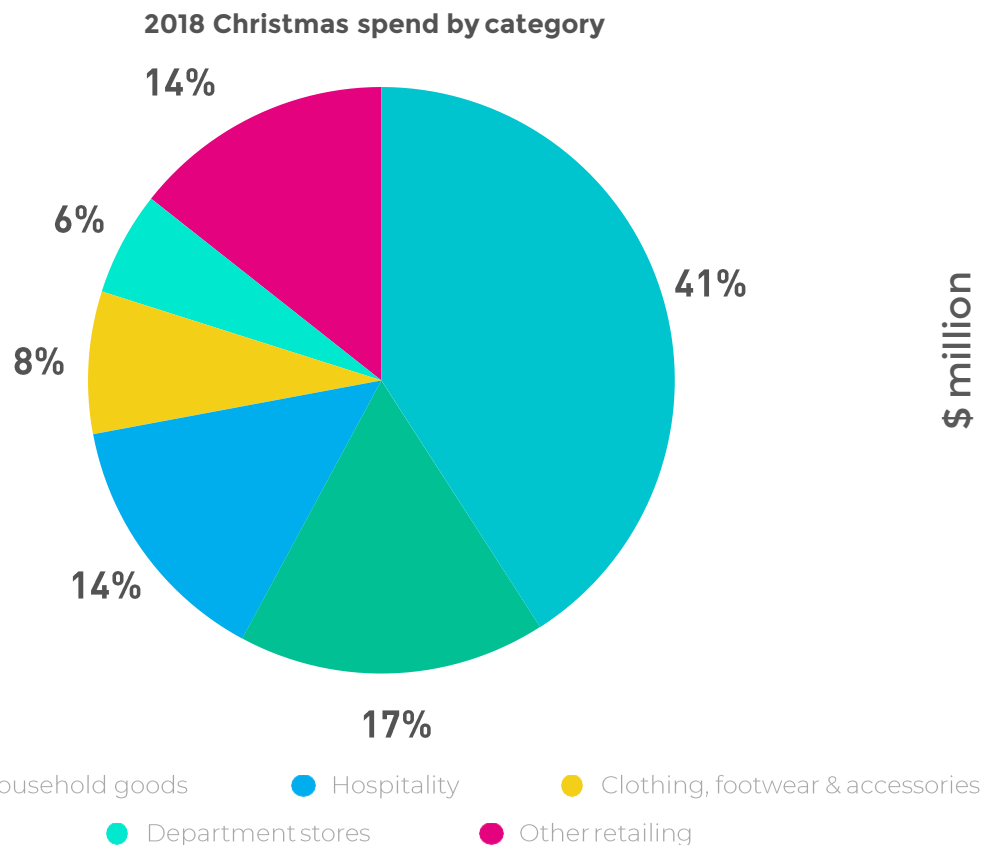
As the cash registers ring both in-store and online, your brand can either sit back and relax or invest to secure a bigger share of the ever-bigger pie.

TV is one of the best media platforms for driving retail sales, whether it's an ecommerce purchase driven by branded search or a sale from a bricks and mortar store.

Television, with its mass reach and scale across both broadcast and BVOD, is the perfect platform to drive awareness for your brand and put it front of mind as consumers search for your products online or in store.

Christmas spending trend

November and December continue to be the strongest months of the year for retail sales. Despite a sluggish economy, ABS trends indicate continued growth in these two months in 2019 with November providing most of the expected sales.



CHRISTMAS COMES EARLY-ER

Sales volumes are moving into November, with much talk about the advent of different 'sales/retail' events affecting when and how people shop in the run up to Xmas.

"We had weak results in December (-0.4 per cent) and January (0.1 per cent) & strong in November (+0.5per cent), which had been driven by the increasing popularity of November's 'Black Friday' promotions that pulled forward sales from Christmas and Boxing Day."

Sarah Hunter, Chief Australian economist, BIS Oxford Economics

"These big events have seen the traditional Christian retail calendar be replaced by the digital calendar. It means the bricks and mortar retailer must now try and keep up and get in early before what was the traditional Christmas sales, which is altering our shopping habits at a rapid pace."

Bill Rooney, Chief Executive, 6one5 Retail Consulting Group

SOURCE: Sydney Morning Herald, Retailers rethinking Christmas as Black Friday tears up calendar, April 22nd 2019

A neon sign graphic with the word 'Cyber' in a pink, cursive script and 'MONDAY' in large, blue, block letters. The sign is set against a dark blue background and has a glowing effect.

10 cents in every retail dollar is spent online

More than 73% of Australian households shopped online in 2018, with eCommerce in Australia growing rapidly; up over 20% nationally compared with the previous year.

Online spending reaching 10% of total retail sales in 2018. Australians spent \$27.5 billion buying goods online, an increase of 24.4% year on year (YOY)²

Retail Spend
\$275.3bn

Online Spend
\$27.5bn

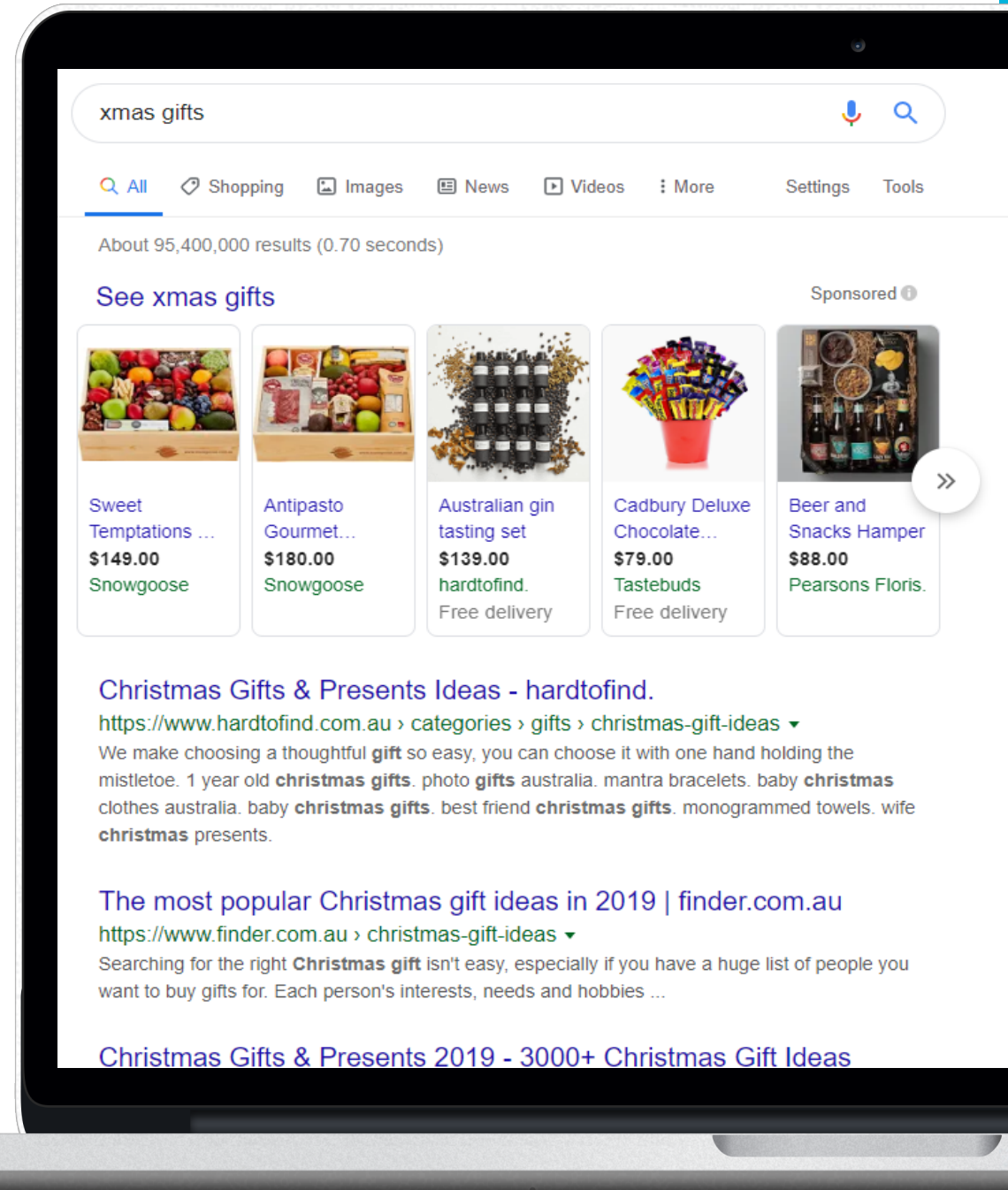
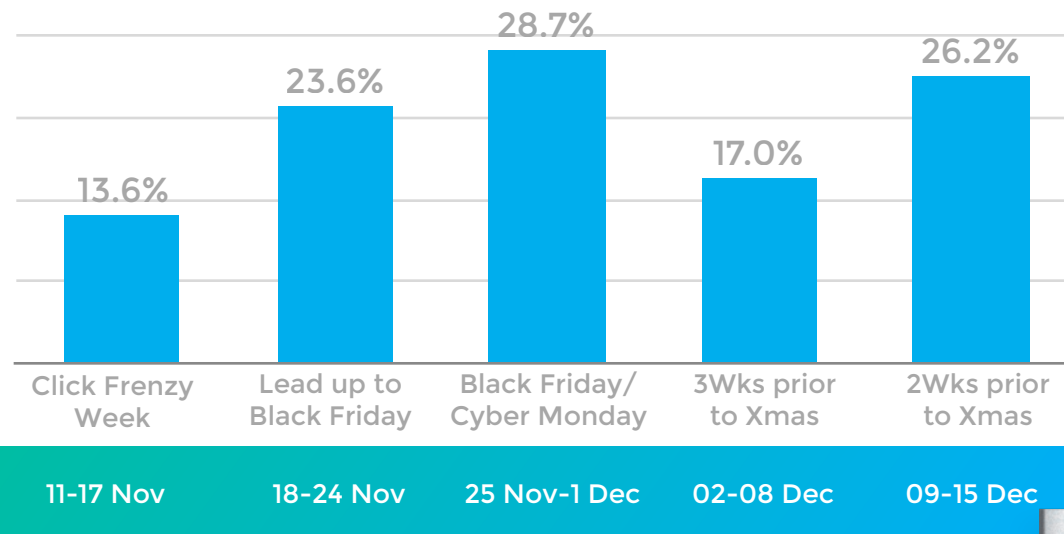


Increased Online Shopping

The five weeks from 11 November to 15 December 2018 accounted for almost **15%** of all eCommerce transactions for the whole year.

The peak for this period was Black Friday/Cyber Monday, which was the biggest online shopping week in Australia's history, showing growth of more than 28% YOY.

YOY growth %



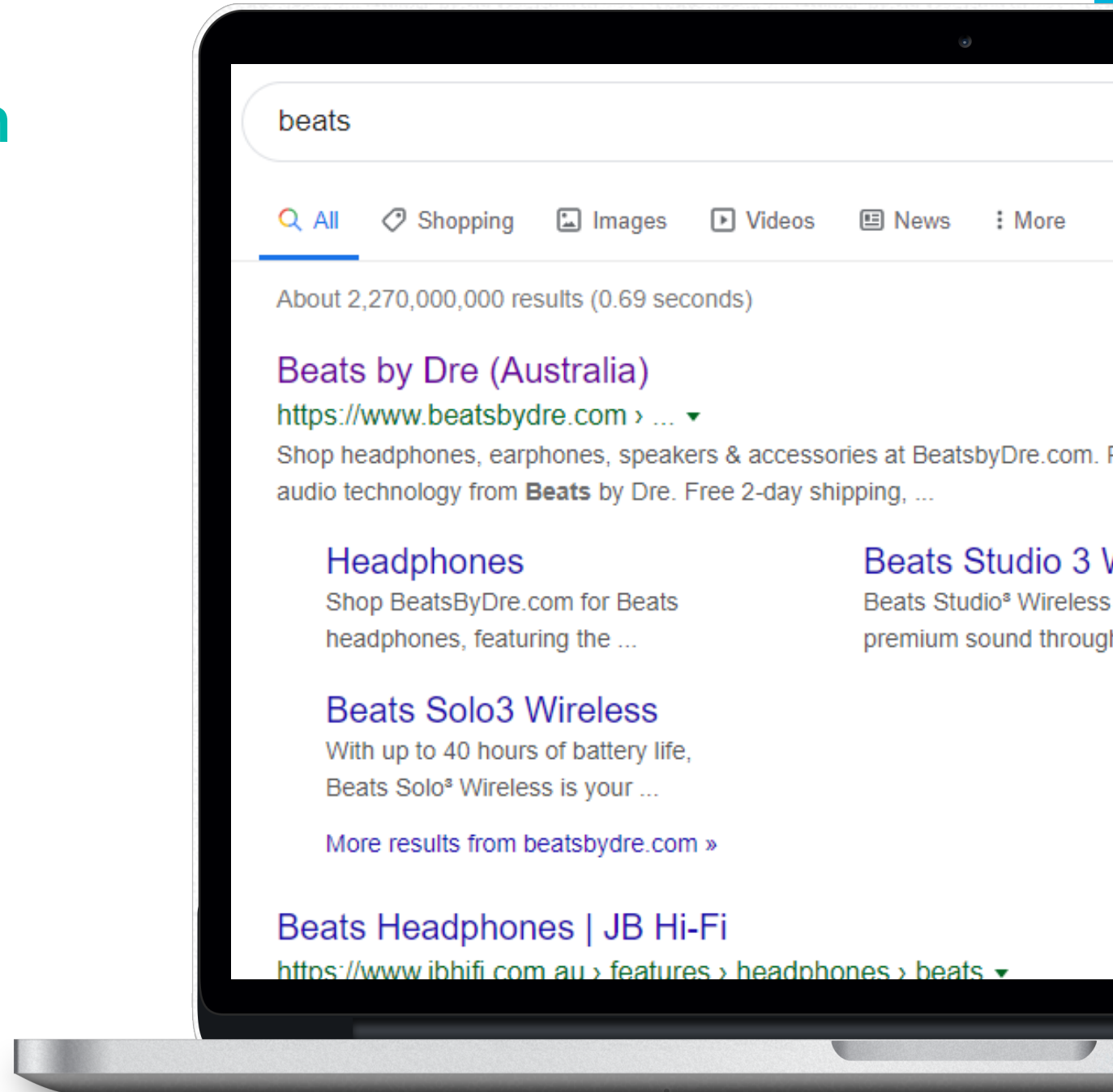
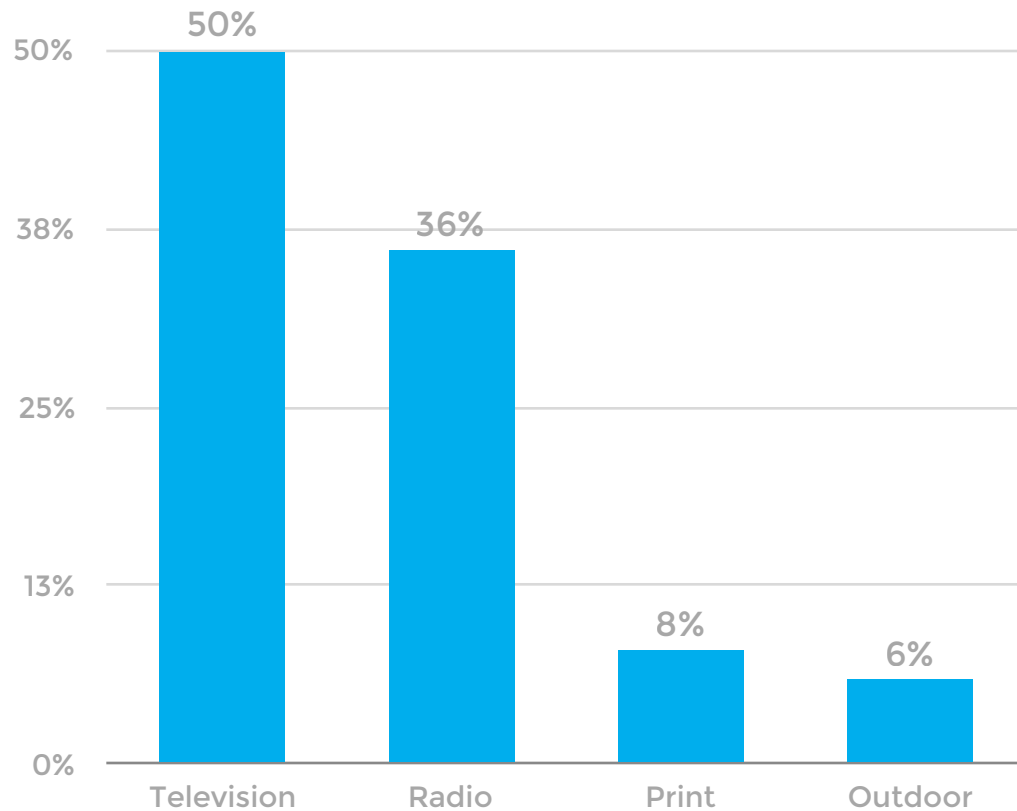
TV drives branded search

With its scale and capacity to reach people at speed, TV is the perfect platform to deliver awareness for your brand. Regardless of category, TV drives branded search better than any other offline platform



TV drives branded search

Television advertising has been shown to prompt people to search for a brand name. As a result, TV can increase brand awareness, branded search and decrease reliance on paid search.



WHAT DOES LES SAY?

“If I had a big budget to spend, I would spend it on TV and paid search because **TV is the best brand builder** and paid search is the best channel for activation”

Les Binet

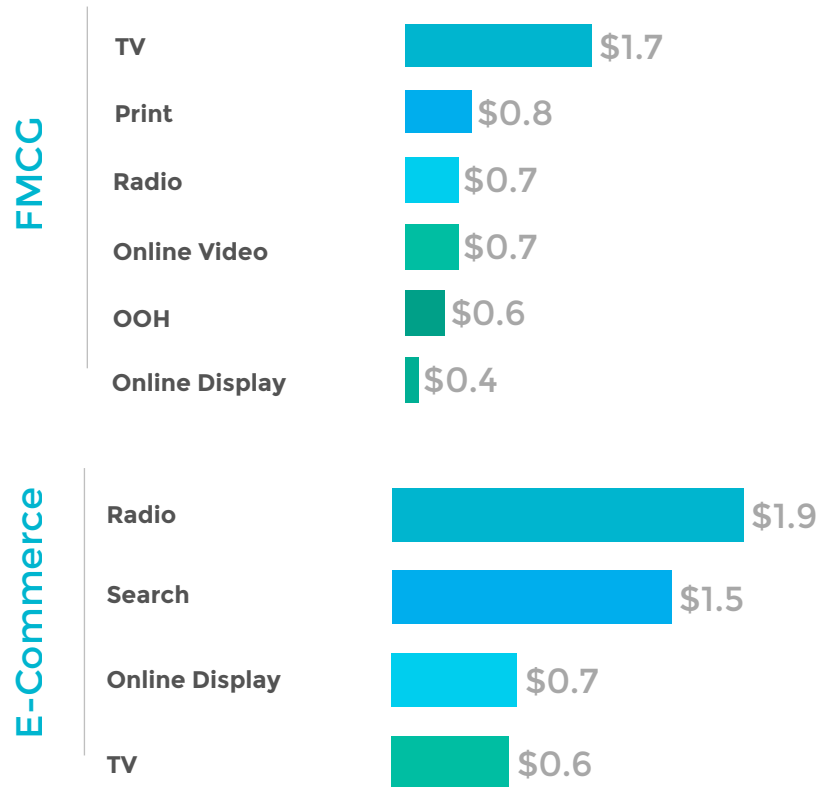
SOURCE: Les Binet. Author, Media in Focus. Marketing Effectiveness in the Digital Era, 2017.



think 

Why TV? Because TV advertising pays back

Ebiquity was commissioned to run econometric models using 3 years of data across 20 brands from four categories with more than \$500m in ad spend between them. Ebiquity found that TV generates by far the highest ROI. That's a great Christmas gift.



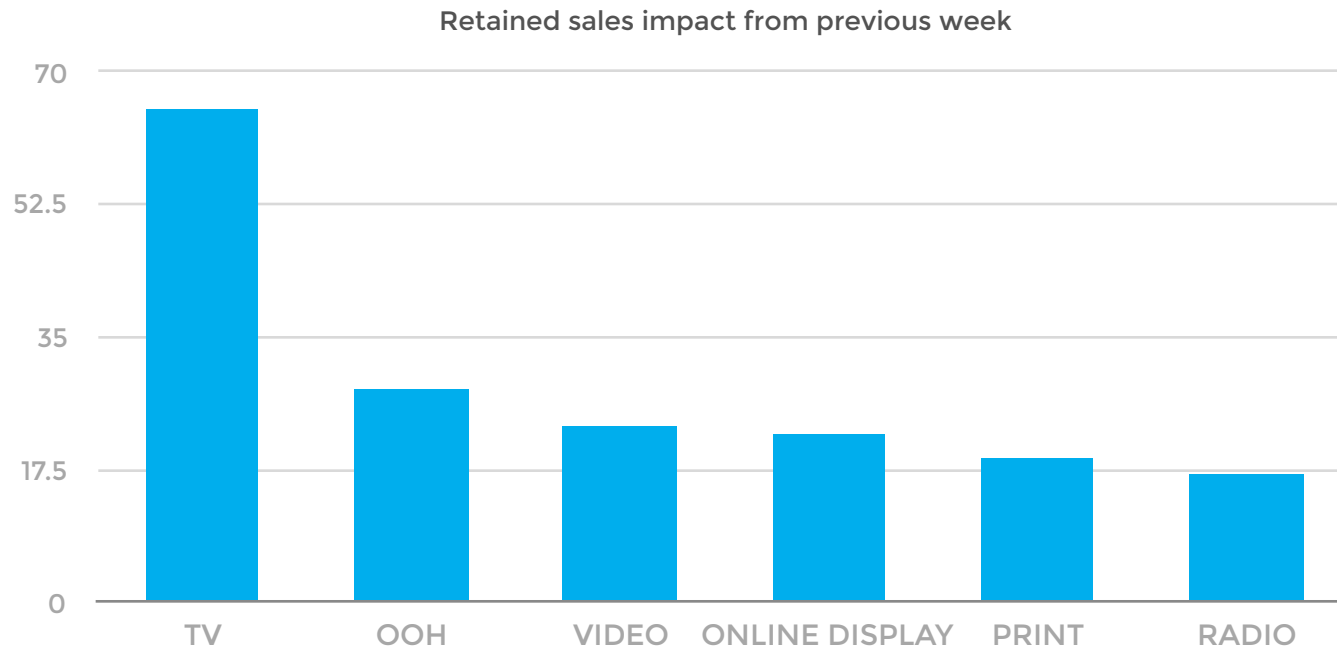
For every \$1 of media spent,
TV returns \$1.70

Only TV returns a positive ROI

Search provides strong
returns for this category
Search needs paid media to
generate its return

TV recall is stronger and lasts longer

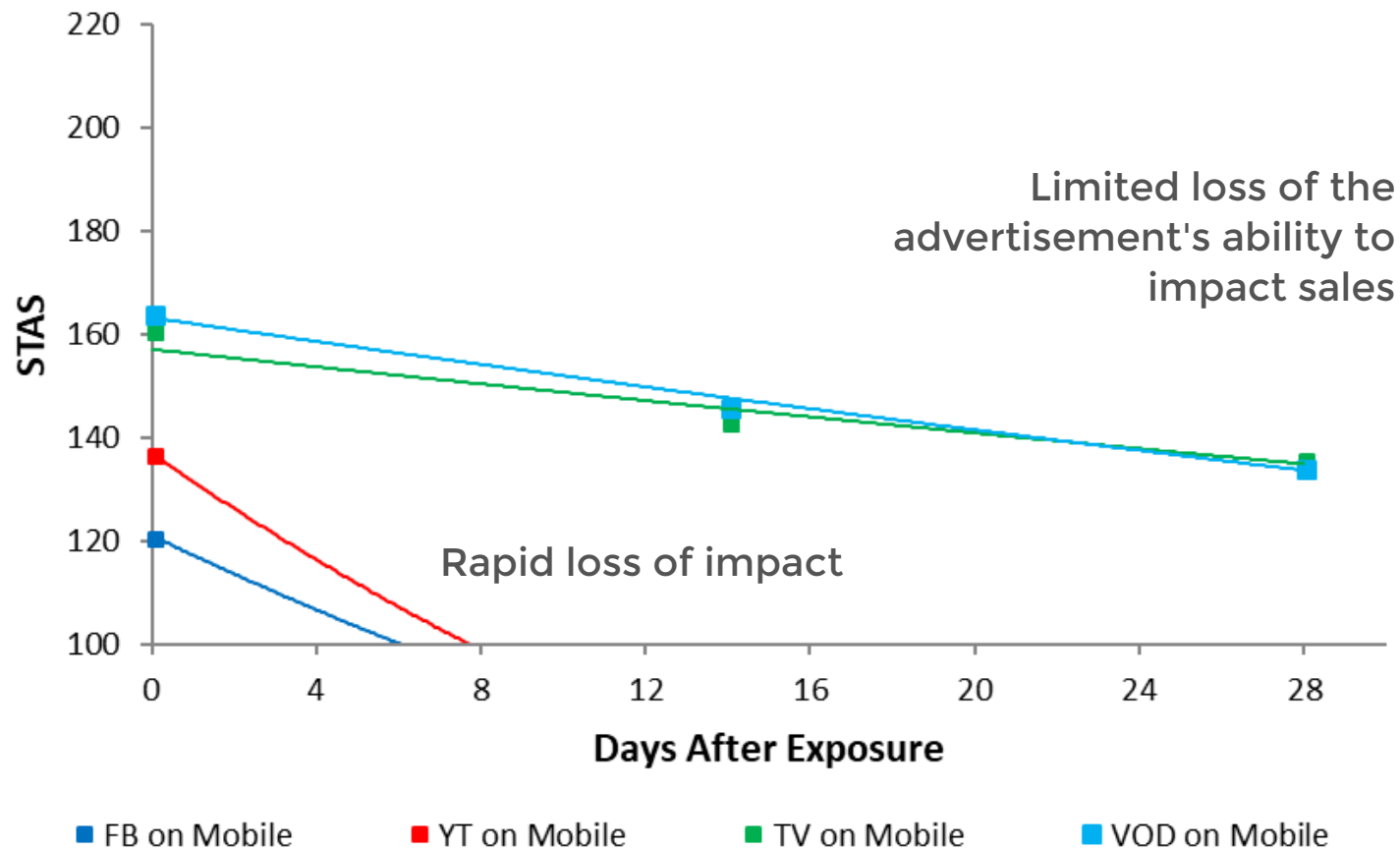
TV not only generates a positive return on investment, TV retains approximately 65% of its impact from the previous week. TV not only generates strong sales impact; it keeps working long after it has aired.



TV retains approx. **65%** of its impact from the previous week. Results also suggest recall of TV ads is stronger and lasts longer than other media.

Better memory retention leads to longer impact on sales

Using media that works long after it's aired effectively means TV continues generating more sales without spending a single extra dollar on media. That's a gift worth giving.



A very TV Christmas – TV audience figures

Audience figures for television across the 5 capital cities during the Christmas period last year (November 15th to December 24th 2018) demonstrate the unparalleled reach of TV. And that's despite the increase in shopping and the occasional Christmas par-tay.

DEMO	CUME REACH	CUME REACH %
Total Individuals	16,084,940	93.3
GB	6,325,320	95.6
TGS 13+	10,095,421	94.5
Total Households	6,488,427	98.1

5 reasons why TV should be top of your Christmas list

1. Never has a % of market share been worth more than pre-Christmas

- Australians expected to spend up big in the months before Christmas
- Consumer confidence is improving at the second half of 2019
- eCommerce continues to grow in importance

2. The 'Christmas shopping' period is extending with more spending in November

- The e-sales 'calendar' has driven greater spending in November around Black Friday and Cyber Monday.

3. TV has the best Return On Investment (ROI) for FMCG

- TV generates strong branded search results for online Christmas Shoppers, and provides a \$1.70 for every \$1 spent on media in the FMCG category.

4. TV has a greater sales impact and stays in memory for longer

- TV will share you a greater share of retail spend.

5. TV is the most effective media for driving branded search

- By driving brand awareness, TV drives branded search which in turn drives share of online basket.



