

Roundel™

2023 holiday shopper insights

Inspired shoppers are loyal shoppers.



Media designed by 

Table of contents

1. Introduction
2. Reaching Target loyalists
3. Communicating value
4. Inspiring shoppers
5. Connecting through preferred media
6. Key takeaways





Introduction

Making the most of your holiday spend.

With shoppers still feeling the impact of more than two years of inflation, holiday 2023 is shaping up to be different than years past.

One way to make the most of your spend is by focusing on the guests most likely to shop at a retailer.

In this report, we looked at those who shopped during holiday 2022, including Target loyalists, and what media influenced their purchases across categories to give you insights into how to reach them.

About our data.

We gathered these insights from a combination of Target and Roundel 2022 holiday performance data and media behaviors.

Reaching Target loyalists

Valued. And valuable.

A winning retail experience starts long before the first matching family pajama sets are put in a cart. It starts with an experience created throughout the year that inspires repeat visits—both for splurges and essentials.

During the holidays, brands can reach highly engaged shoppers (like Target loyalists) with the right messaging at the right time. Using first-party data, Roundel designs experiences based on what these shoppers love—and where they love to shop.



The numbers from the 2022 holiday shopping season are impressive when we reach the most relevant and active holiday shoppers.

100M+

Target Circle™ members¹

~15M+

active RedCard™ holders²

The top Target audiences that drive higher-than-average CTR during holiday:

>1.2%

Home seasonal purchasers
from last 12 months; 190%
higher CTR than benchmark³

1.7%

Toy purchasers;
106% higher CTR
than benchmark³

>1.1%

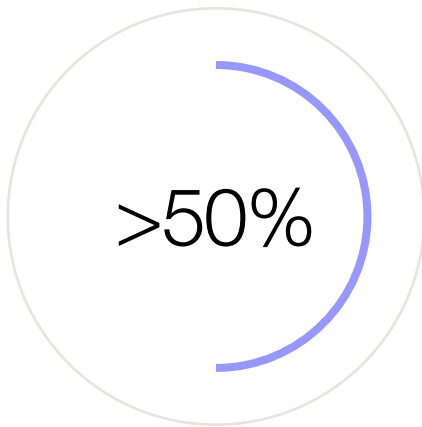
Target Circle™ users;
158% higher CTR
than benchmark³

>1%

RedCard™ users/highest spenders at
Target with high frequent trip amounts;
91% higher CTR than benchmark³

Convenience seekers.

Target loyalists aren't just big on experiences. They're also big on fulfillment options that simplify their lives during the gift-getting rush. Looking at last year's numbers, we expect similar patterns for holiday 2023.



of digital orders were fulfilled via same-day services³

↑ 9%

YoY increase in holiday spend for "Buy Online, Pick Up in Store" orders between 2021 to 2022³



Engaged holiday guests can deliver big wins—especially for brands that understand their needs. Design your holiday media campaigns so you can connect with them in meaningful (and memorable) ways, whether it's including a Target Drive Up logo or a well-placed native search ad.

Communicating value

Deal hunters start early.

As we've seen in years past, holiday shopping starts in October.

Looking back at Target Deal Days from October 6–8, 2022, Target guests (including loyalists) are anticipating and waiting for opportunities to spend—leading to a 20% YoY sales increase.³

For brands participating in Target Deal Days this year, there's a unique opportunity to go from being on the wish list to being on the purchased list.



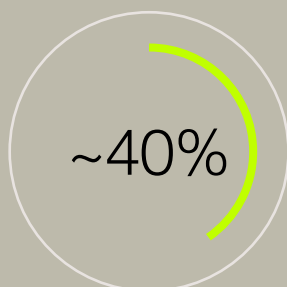
How they shopped for deals.



of shoppers used Target Circle™ Offers⁴

>70% of shoppers compared deals between websites⁴

What they filled carts with.



purchased food and beverage items⁴

>30% purchased beauty items⁴
~25% purchased toys⁴

What motivated them.



purchased items that they had been waiting on a significant discount to buy⁴

~40% purchased everyday essentials that they normally purchase⁴

Splurging—and stocking up—all season long.



Starting early.

51%

of Target shoppers plan to start their holiday shopping before November.⁵

No sign of stopping short.

56%

of Target shoppers plan to gift shop throughout the season.⁵

Virtually every brand across every category can capture the interest of Target loyalists with well-targeted and -placed media buys. Leaning into messaging that communicates value—whether it's part of a reward offer or promotional language—can also help aid in conversion.

Inspiring shoppers

Getting to the top of their holiday lists.

Convenience and value will certainly drive sales, but brands should look at making an emotional connection, too.

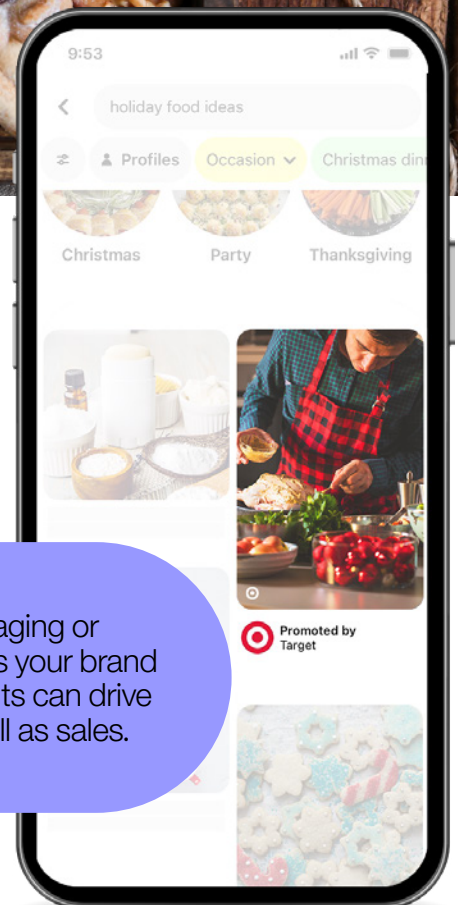


Nostalgia, family & friends, and traditions, new & old

Target guests who purchased holiday entertainment-related items, such as adult beverages, seasonal baking items, and Christmas/Hanukkah/Thanksgiving-related items engaged more last year.

With Target sales for tree trimming and tinsel typically starting to trend the first week of November, messaging early and often can turn awareness into consideration, and consideration into a sale.

Creative messaging or imagery that makes your brand part of key moments can drive awareness as well as sales.



An inspiring retail—and media—experience is better for brands. And guests.

Target guests—including loyalists who make good use of the RedCard™ and Target Circle™—are comparing prices and searching for items even while in-store.

It's not just about finding a good deal. Guests use digital advertising to aid in discovery of new products or to rediscover a brand they've purchased from before.

As a brand manager or media professional, this creates an added opportunity. You reach and inspire highly engaged shoppers through display and search ads while they browse and you can reach them in-store.



75%

of Gen Z shoppers state quality of products as very or extremely important when feeling inspired by a retailer.⁶

44%

of Gen Z shoppers we surveyed said “having strong relationships with family and friends” is what they want out of life.⁶

Leaning into nostalgia or family gatherings will be attractive to every generation, including Gen Z.

Connecting through preferred media

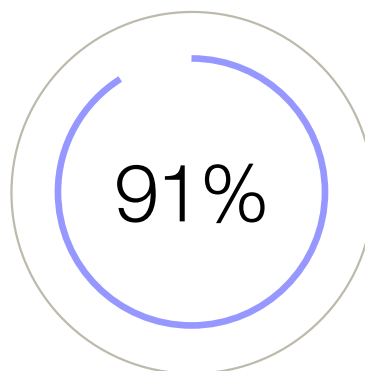
To get the full benefit of Target loyalists, go full funnel.



Loyalists aren't just highly engaged with Target, they're highly engaged with today's top media channels.

That includes Gen Z Target loyalists between the ages of 18–26 who are more likely to engage with social or video ads.⁶

As a whole, Target guests are receptive to digital advertising. When combined with a designed approach, brands can see a bigger impact from every ad unit.



of Target guests subscribe to a streaming service⁷

2x

Guests who say Target is their favorite place to discover products are twice as likely to love digital advertising compared to those who discover products on Google⁸

60%

of Target guests say digital ads introduce them to new products they want to try⁸

Electronics,
entertainment,
essentials.

The three Es can expect a holiday boost.



While marketers have traditionally thought of the holidays as a win for “gift giving” brands, Target guest behavior and campaign performance show that during October and through the end of December, the whole store (and .com and app) are being shopped.

Across nearly every Roundel media channel for holiday 2022, electronics and entertainment over-indexed on ROAS.² But essentials did well, too, with milk and toilet paper ranking in the top 5 search terms on Target.com from Oct.–Dec. 2022.³

To ensure you're inspiring shoppers, the channel also matters. For 2022 holiday campaigns, Pinterest outperformed all other channels across all categories.³ We anticipate it having an equally oversized impact this year.

Social

Whether it's coming from an influencer or a paid post that appears on their feed, Target guests are actively looking to social media for inspiration. Although we see high performance across categories on Influencers by Roundel™ and Social by Roundel™ all year long, Pinterest outperformed all channels across all categories last year. Looking at 2022 holiday winners can help you reach incremental guests and re-target past audiences to move them closer to purchase during the holiday season.

Influencers by Roundel™

14% higher average engagement rate than overall benchmarks for Toys, Electronics, and Entertainment³

7% higher average engagement rate than overall benchmarks for Pet and Essentials³

Social by Roundel™ Pinterest pins

When analyzing YoY ROAS performance by placement between Oct.–Dec. 2022, we saw a big boost³

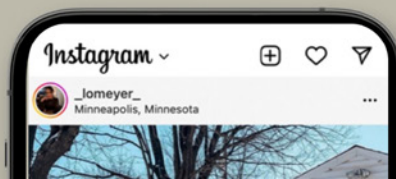
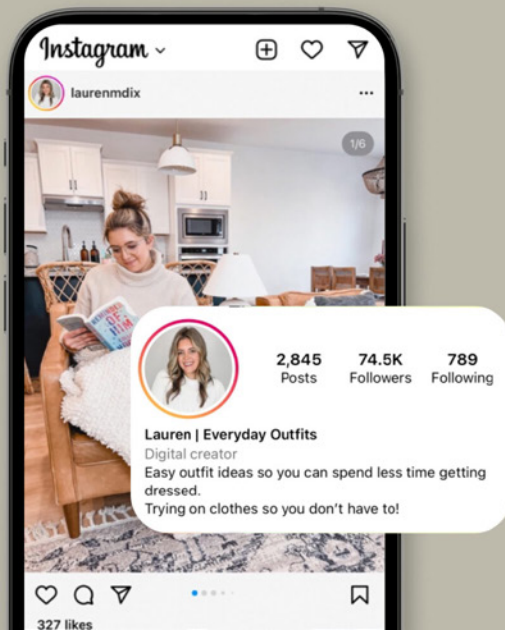
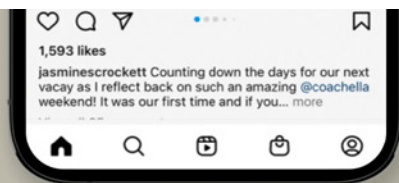
80% increase in YoY ROAS for Electronics³

57% increase in YoY ROAS for Grocery³

53% increase in YoY ROAS for Pets³

Social by Roundel™ Pinterest video

143% over-index in ROAS benchmarks for Grocery³



CTV and video

For brands looking to break through the holiday media clutter, video is a great way to capture guests' attention.

Complement your programmatic and display media buys with CTV and video to create a holistic, full-funnel strategy to connect with guests however they prefer to engage.

CTV category winners

Beauty: >105% over-index in ROAS benchmarks FY 2022³

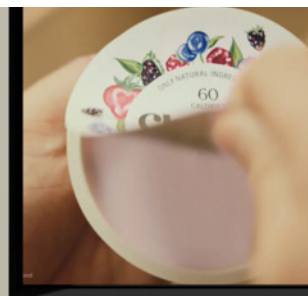
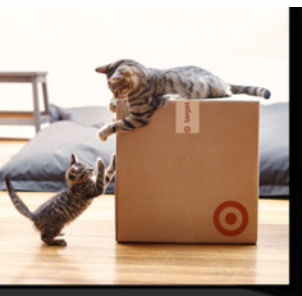
Electronics: >22% over-index in ROAS benchmarks FY 2022³

Bullseye Marketplace video category winner

Electronics: >340% over-index in ROAS benchmarks FY 2022³

Bullseye Marketplace

Reach guests across the content that they love to consume. Work with Roundel to run in-stream, out-stream, or full episode player video ads across our private marketplace, Bullseye Marketplace, which gives you access to 150+ premium publisher sites. And it's effective. Brands who used this solution saw a 90% increase in ROAS during Holiday 2022 (compared to the rest of FY 2022).



Display

The brands we work with are seeing success across the board at driving awareness and consideration with native (Target.com and Target app) display as well as placements on top publishers.

Entertainment ads performed best out of all other categories that ran media on Target.com through Display by Roundel™, with an average ROAS of \$200—43% above benchmarks.³

We expect to see similar performance in 2023, with Target loyalists continuing to drive ROAS on the Target app. In 2022, it was the highest performing channel for ROAS for both multivendor campaigns (\$70+ ROAS) and solo brand campaigns (\$45+ ROAS).³

Top-performing categories on Target.com

Electronics: 115% YoY increase in ROAS³

Toys: 56% YoY increase in ROAS³

Baby: 37% YoY increase in ROAS³

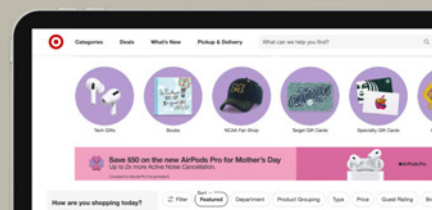
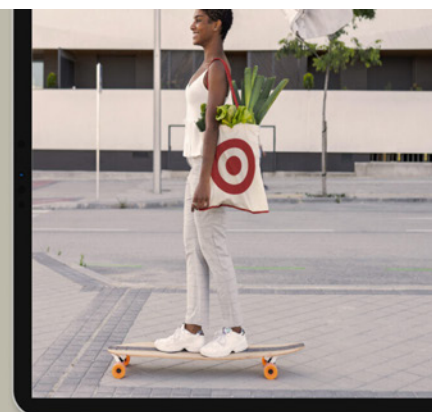
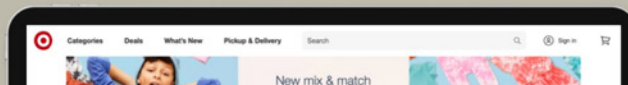
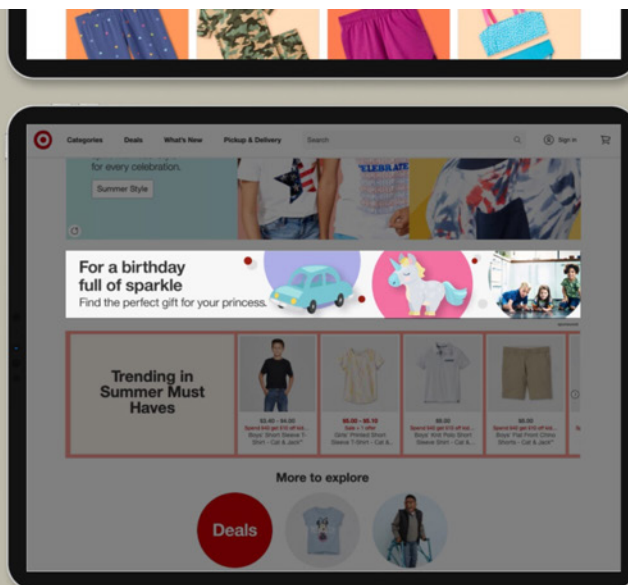
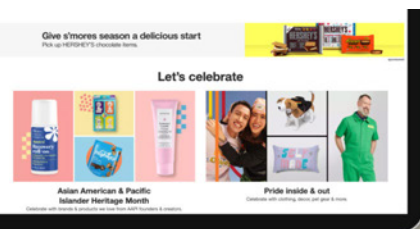
Top-performing categories on the Target app

Entertainment: \$135+ average ROAS, 14% above benchmark³

Apparel: \$15+ average ROAS, 13% above benchmark³

Top-performing category on Bullseye Marketplace

Entertainment: 33% increase in YoY ROAS (average ROAS of \$65+)³



Search

Native search (Target.com and the Target app) drove sales across all categories last holiday. Searches on Google through Search Ads by Roundel™ tended to be more focused on gifting.

For many brands, a combination of Target Product Ads by Roundel™ and Search Ads by Roundel™ can help them reach highly engaged audiences. Native search was especially effective last year at delivering sales through the end of December.³

A plan that extends through the end of 2023 can provide an unexpected (but welcome) boost.

Search Ads by Roundel™

>15% ROAS increase during the holidays compared to FY 2022 benchmarks³

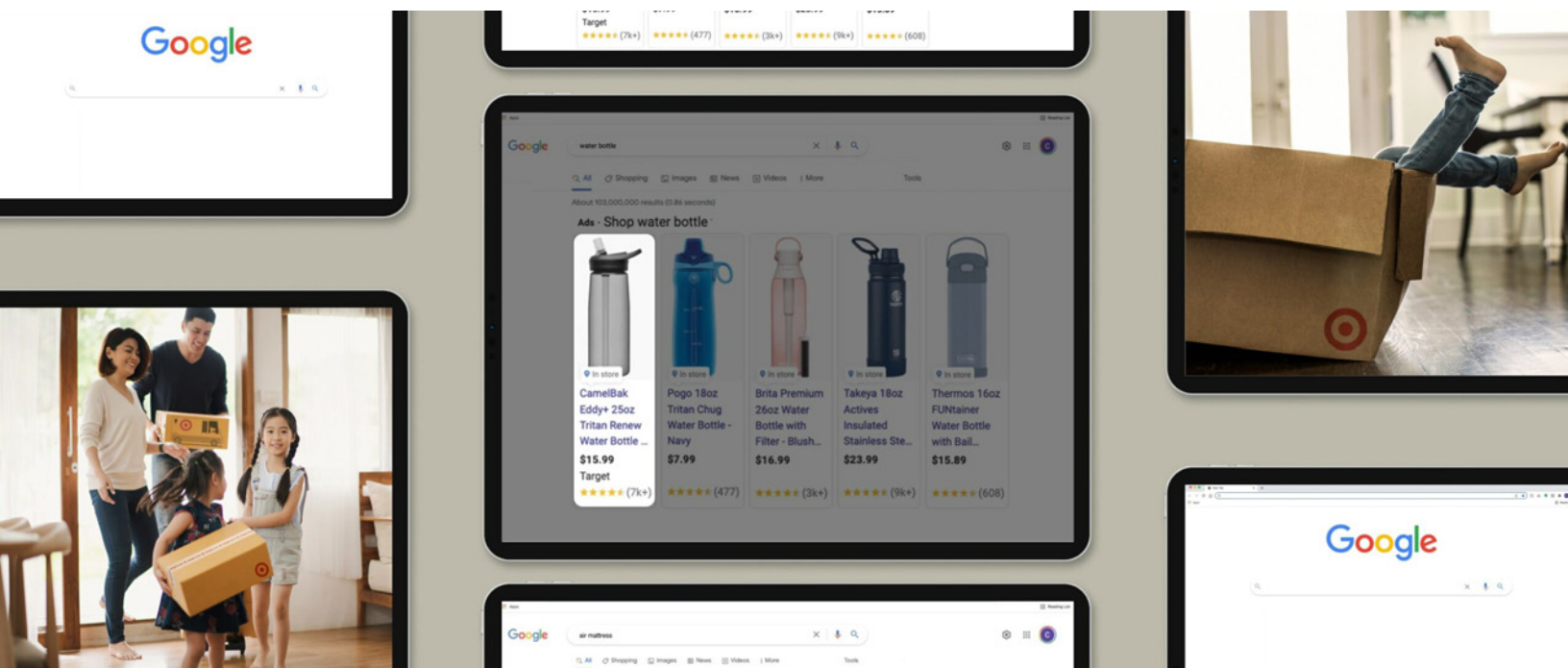
137% increase in YoY ROAS, 1,046% increase over-index in ROAS benchmark for Apparel/Accessories³

109% increase in YoY ROAS, >50% over-index in ROAS benchmark for Entertainment³

Target Product Ads by Roundel™

21% increase in searches in the last week of November compared to the week prior³

17% increase in the last two weeks of December compared to the two weeks prior³



Key takeaways

Highly engaged shoppers are a win for holiday sales.

Focus first on valuable audiences.

Target loyalists are highly engaged during the holiday season. Putting a focus on reaching them should be a key part of your audience strategy. Then work with your Account Representative to bring in other audiences based on your previous campaigns.

Start early, run late.

By the time Target Deal Days hit in early October 2022, guests had planned what to splurge on as well as what to stock up on. Consideration/conversion tactics like search saw a boost through the end of the year, indicating that value-conscious shoppers look to the season as a whole to save.

Take a full-funnel approach.

Based on last year's holiday campaign performances, it's clear that Target guests—including loyalists—are inspired by messaging that they are seeing across the entire funnel. To get the most from your 2023 holiday campaign, consider a mix of awareness/consideration and consideration/conversion.

Plan across the funnel to reach and inspire Target guests through designed experiences. [Roundel.com/solutions](https://roundel.com/solutions)

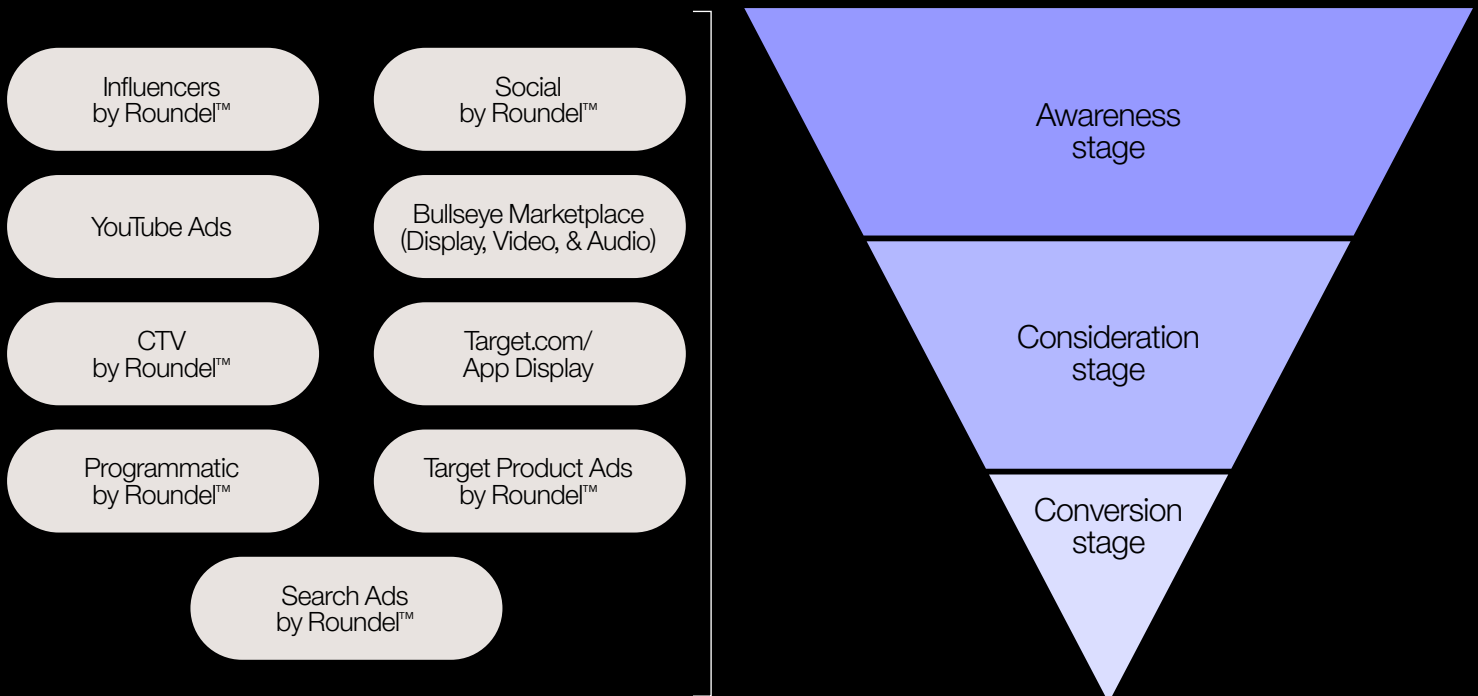
Roundel™
Media designed by 

© 2023 Target Brands, Inc. Roundel, Target, and the Bullseye Design are trademarks of Target Brands, Inc.



Roundel™ full-funnel solutions

Many of our solutions can be tailored to meet objectives across any aspect of the full funnel.



Sources

- ¹ Target 2023 Internal Data
- ² Verified Aug 2023 based off internal Target data
- ³ Roundel 2022 Holiday Internal Data
- ⁴ Numerator Custom Survey, October 2022
- ⁵ Roundel survey to 2,500 current Target shoppers, August 2022
- ⁶ Roundel 2023 Gen Z Insights Report
- ⁷ Roundel & Innovid CTV x Commerce Report, June 2023
- ⁸ Survey conducted by Roundel via Fuel Cycle in May 2021 and sent to 2,500 current Target guests