



Holiday Shopping Study 2023

Connected TV, Shopper Trends & Intended Behaviors This Holiday Season

LG AdSolutions

Executive Summary



1

Streaming ranks as the #1 for method of watching holiday TV (over broadcast, cable and satellite)

2

Respondents believe Streaming TV ads are more helpful for holiday shopping than mobile ads (for the first time)

3

Over three quarters plan to spend the same or more on purchases relative to last holiday season despite potential economic concerns

4

Streaming TV delivers an engaged audience for marketers with the vast majority doing some online holiday shopping while watching TV

Study Methodology



Objective:

LG Ad Solutions conducted an online survey in the US to determine consumer perceptions and behaviors related to holiday TV content and shopping habits.

Survey field period:

August 2023

Sample:

n=886

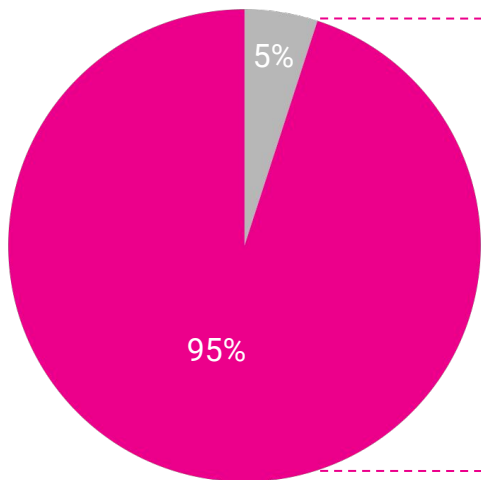
Online panel balanced to US Census.

LG Ad Solutions



Most US consumers view holiday content with friends or family

Coviewing indicates increased opportunities for engaging multiple viewers at the same time



97% of those who watch holiday TV content during the holidays, watch with friends and family

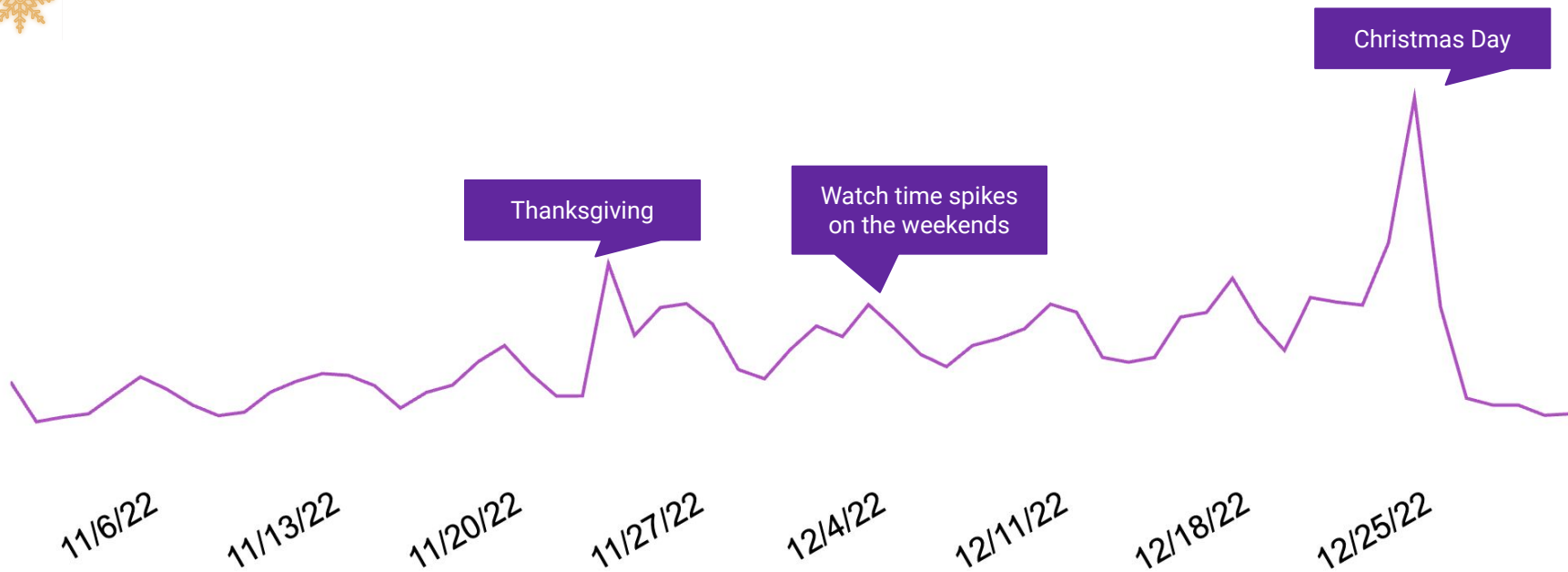
Only 3% do not watch with friends or family

- Watch holiday-themed content during the holidays
- Do not watch holiday-themed content during the holidays

Q: To what extent do you watch holiday-themed content during the winter holiday season? Select one.
Q: To what extent do you watch winter holiday TV content with other people (i.e. friends and family) during the holidays? Select one.

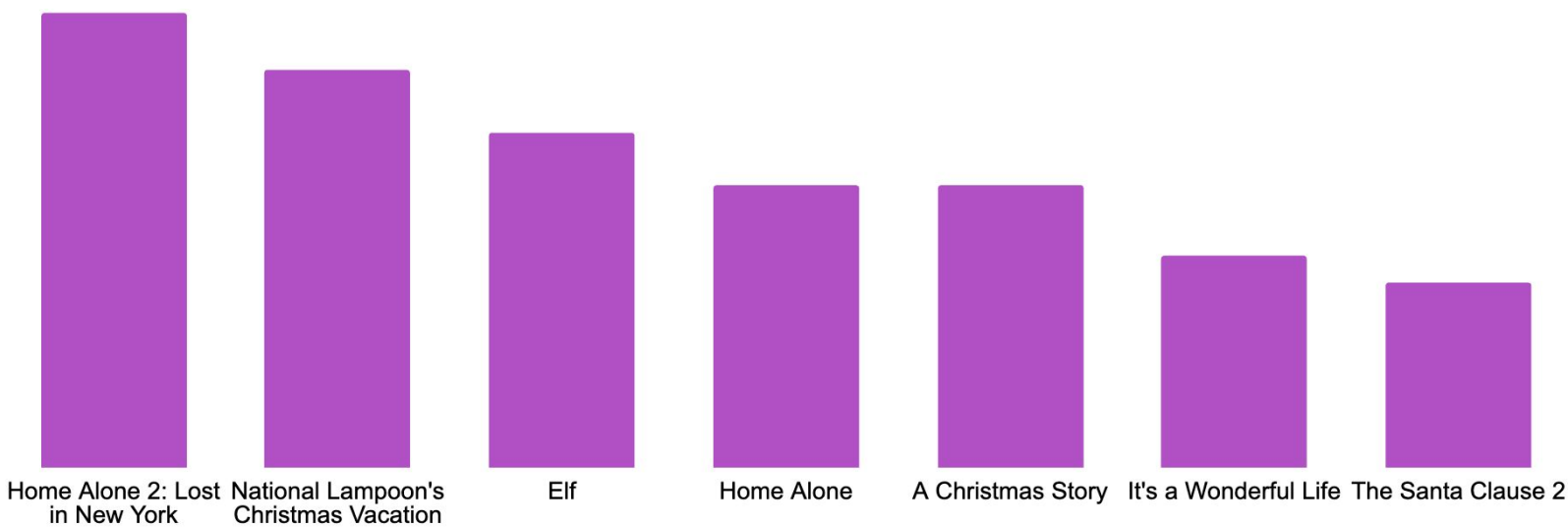
Thanksgiving marks the start of peak holiday content viewing and hits a high on Christmas Day

Cumulative Holiday Content Watch Time Trends



Home Alone 2 takes the most watched holiday movie spot

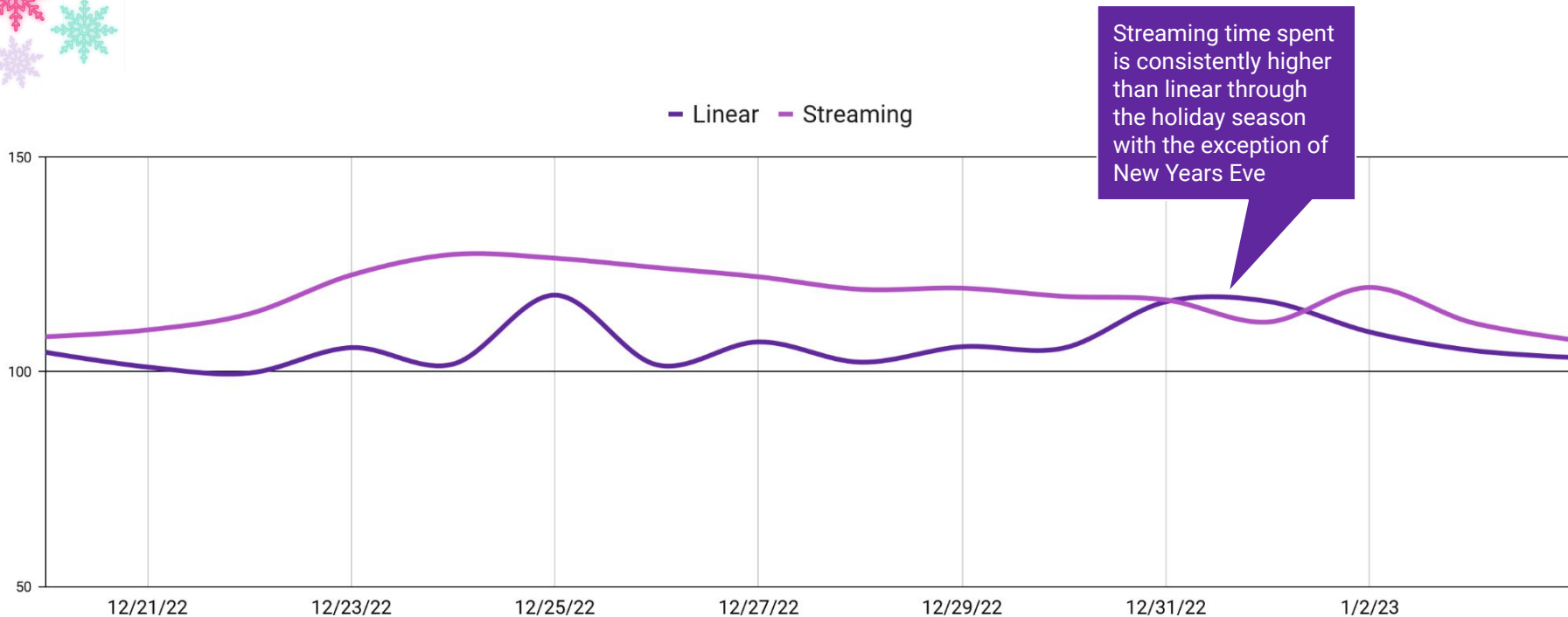
Most Watched Holiday Movies
2022 (by Cumulative Watch Time)



Source: Internal ACR Data

Before and after Christmas, Streaming beats out linear in amount of TV watched daily

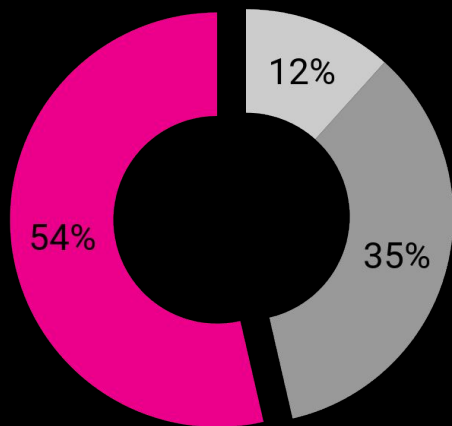
Daily Watch Duration per TV
(Indexed)



Source: Internal ACR Data
Indices have been calculated using previous 3 months average

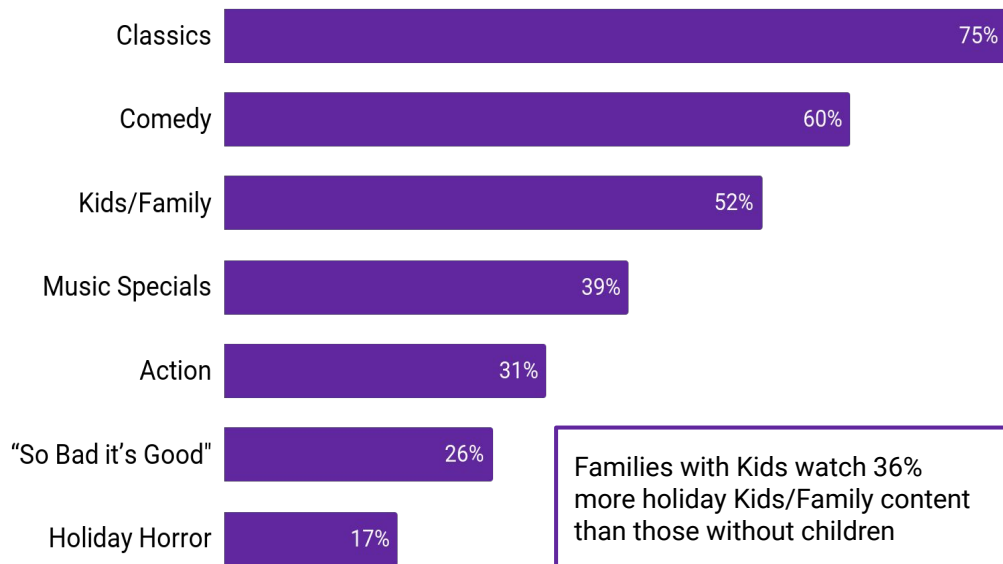
Streaming ranks #1 for method of watching holiday TV

- Stream
- Broadcast / Cable / Satellite
- Purchased Media



Top Types of Holiday Movie Content Watched

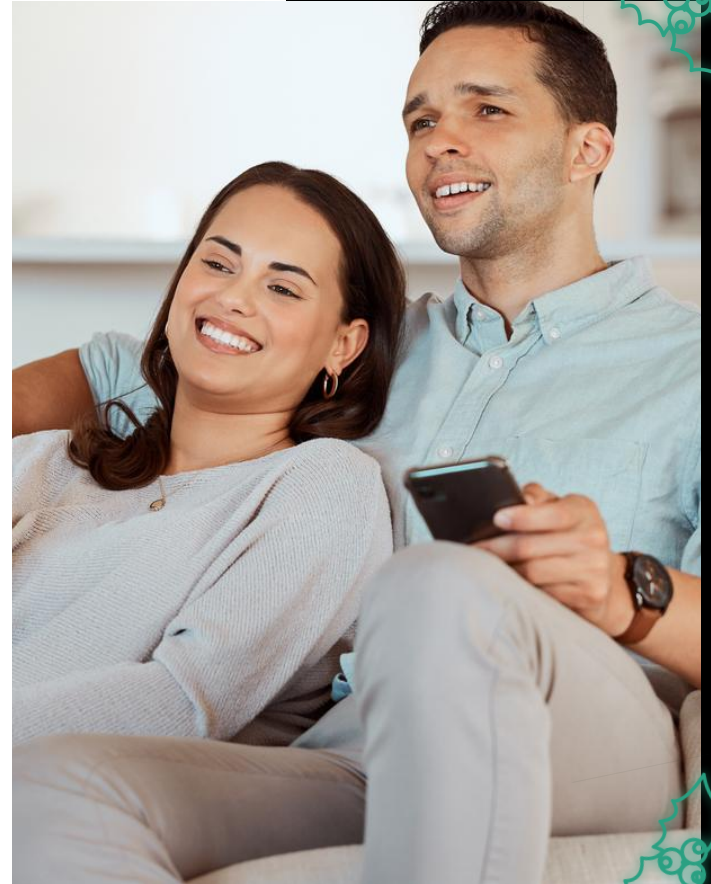
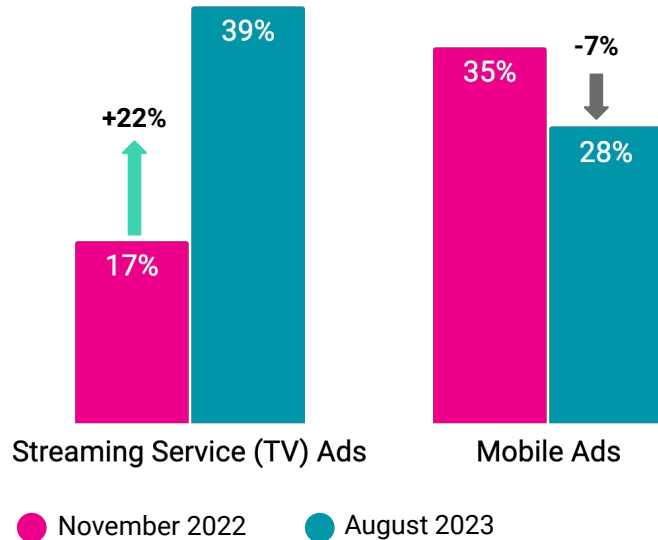
LG Channels offer a plethora of holiday content, especially holiday classics that are free and ad-supported



Note: All numbers are calculated based on those that have a preference
Q: How would you primarily watch winter holiday content on your TV? Select one.
Q: Please select which of the following holiday content you typically watch during the winter holiday season. Please select all that apply.

2023 Streaming TV ads were 2.3X more helpful relative to 2022

Type of Ad Most Helpful at Informing Holiday Purchases



Free Ad-Supported Streaming is a favorable advertising environment

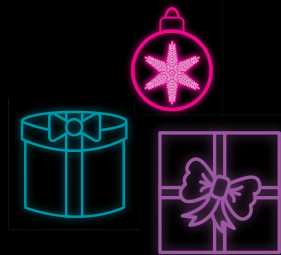


57%

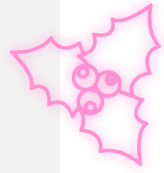
Advertising on LG's exclusive FAST service, LG Channels, enables brands to drive impact

feel more favorable to brands that advertise on Free, Ad-Supported Streaming Platforms

LG Ad Solutions



FASTs allow for improved consumer experience and increased brand favorability



LG Channels

Viewers can stream hundreds of free linear-like channels and content including exclusive and original content, movies, TV, news, sports, comedy and more.

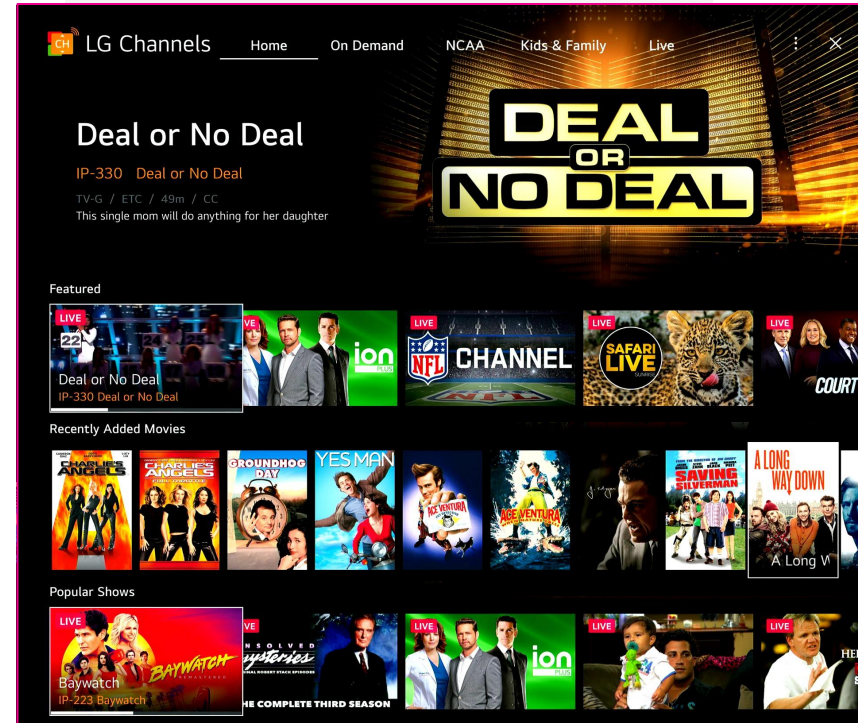
#1

FAST Service on webOS

120%

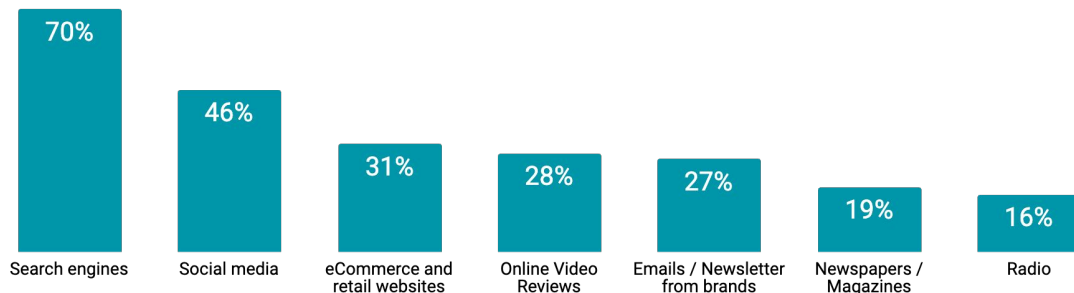
YoY Increase of Global MAU

FAST environments mirror Linear TV's channel surfing capability, which is the #1 pull for those who watch Linear TV*



Search Engines remained the top research method in 2023

Preferred Method for Researching Holiday Gifts



By advertising on Connected TV (CTV) over the holidays, brands can improve awareness and drive searches and ultimately purchases

Second Screen Activities*

42%
Shopping

Actions taken
after seeing a
CTV Ad*

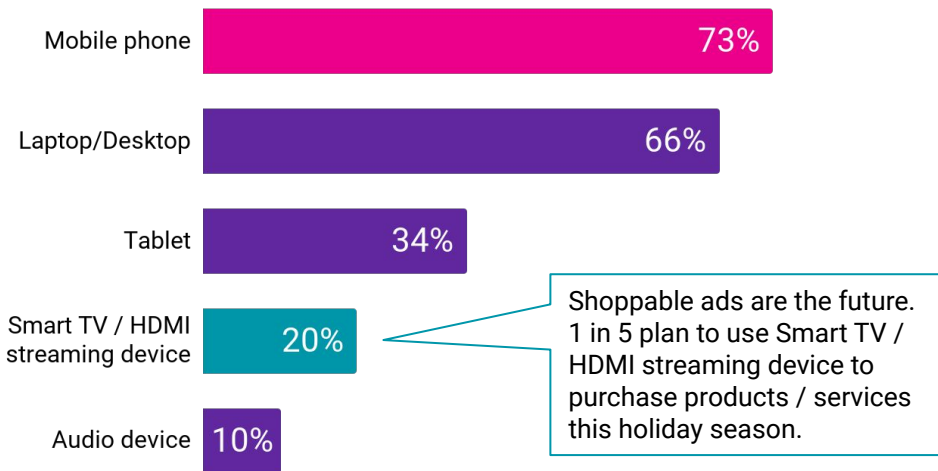
39%
Searched Online

37%
Visited Website



Mobile is the top device for purchasing during the holidays, but Smart TVs are on the rise

Top Device Used for Holiday Purchases



Brands can engage with holiday shoppers using relevant TV ads



53%

remember holiday shopping ads on streaming TV

Ranking of What People Want/Believe Regarding Holiday Shopping TV Ads

- 1 Deals**
- 2 Personalized, Relevant Ads**
- 3 Ads that streamline direct buying**
- 4 Streaming TV ads are relevant for holiday shopping**
- 5 Video Ads**

LG Ad Solutions' Dynamic QR-Enhanced Ads can lead viewers from TV to mobile to prompt action

Brands can engage with holiday shoppers using relevant QR Enhanced Ads

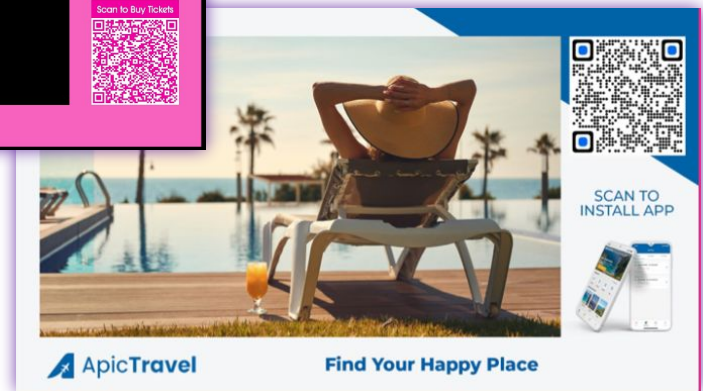
Brands can convert passive ad exposures into engagements.

Dynamic Creative

- Scan to web
- Scan to app
- Scan to video

Outcomes

- Website visit
- App visit / download
- Coupon download
- Product purchase



Viewers' inclination to holiday shop while watching TV enables relevant advertising opportunities



Not only do

73%

prefer ads relevant to their interests*



But

86%

Do some type of holiday shopping while watching TV



Which creates an **appropriate, relevant time** to communicate *brand and message*

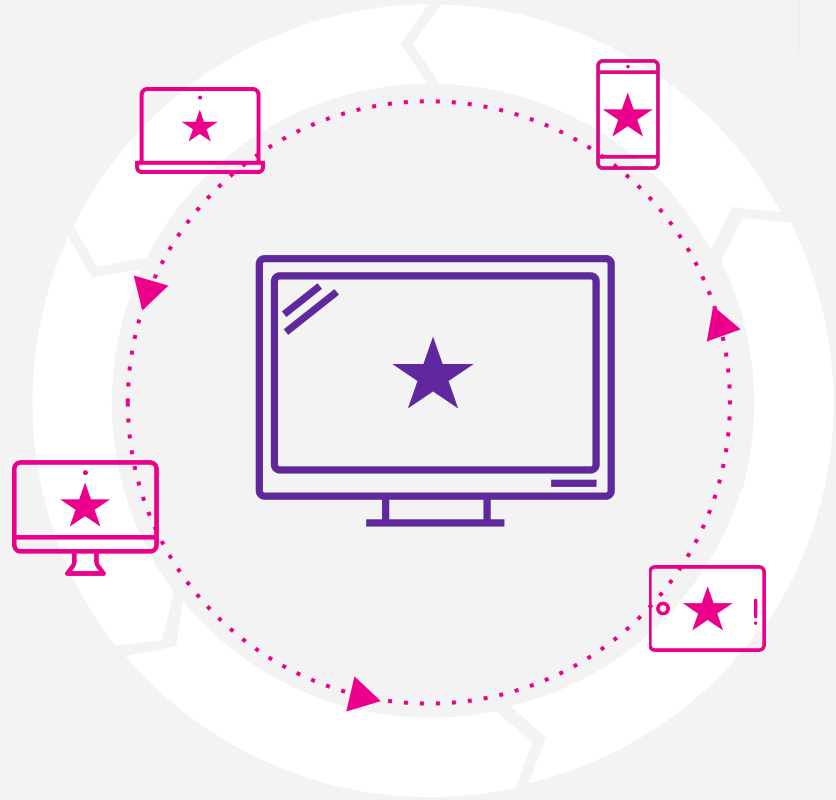
Household Extend allows brands to effectively re-target audiences on mobile / desktop / tablet devices, surrounding the household and driving conversion

Household Extend:

Extends media footprints onto other devices in LG TV homes

The LG Household Identity Graph is used to target other internet-connected devices by derived ID profiles across phones, tablets, computers and HDMI.

Address audiences beyond LG Smart TVs and extend reach to 250 million mobile, tablet and desktop devices within the US household.

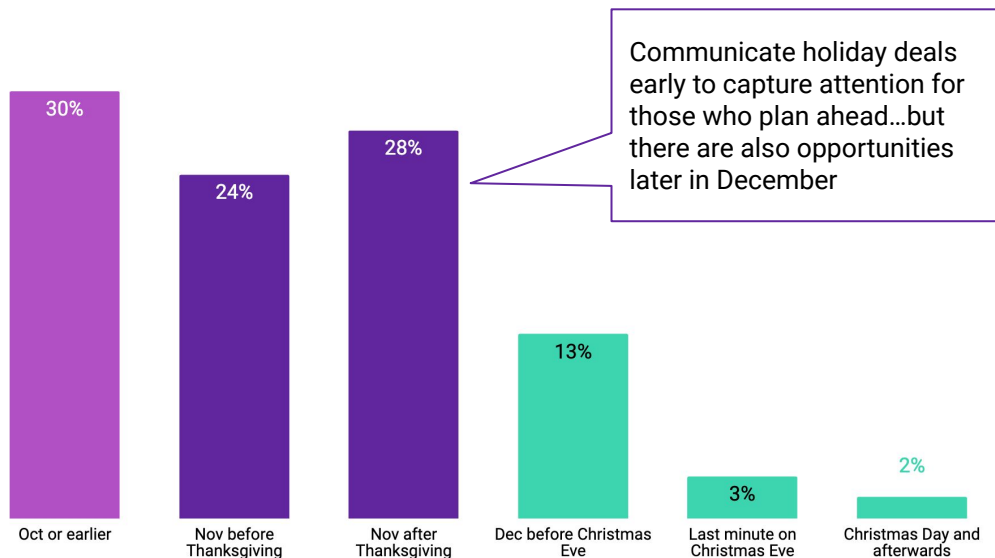


Holiday Shopping Behaviors

LG Ad Solutions

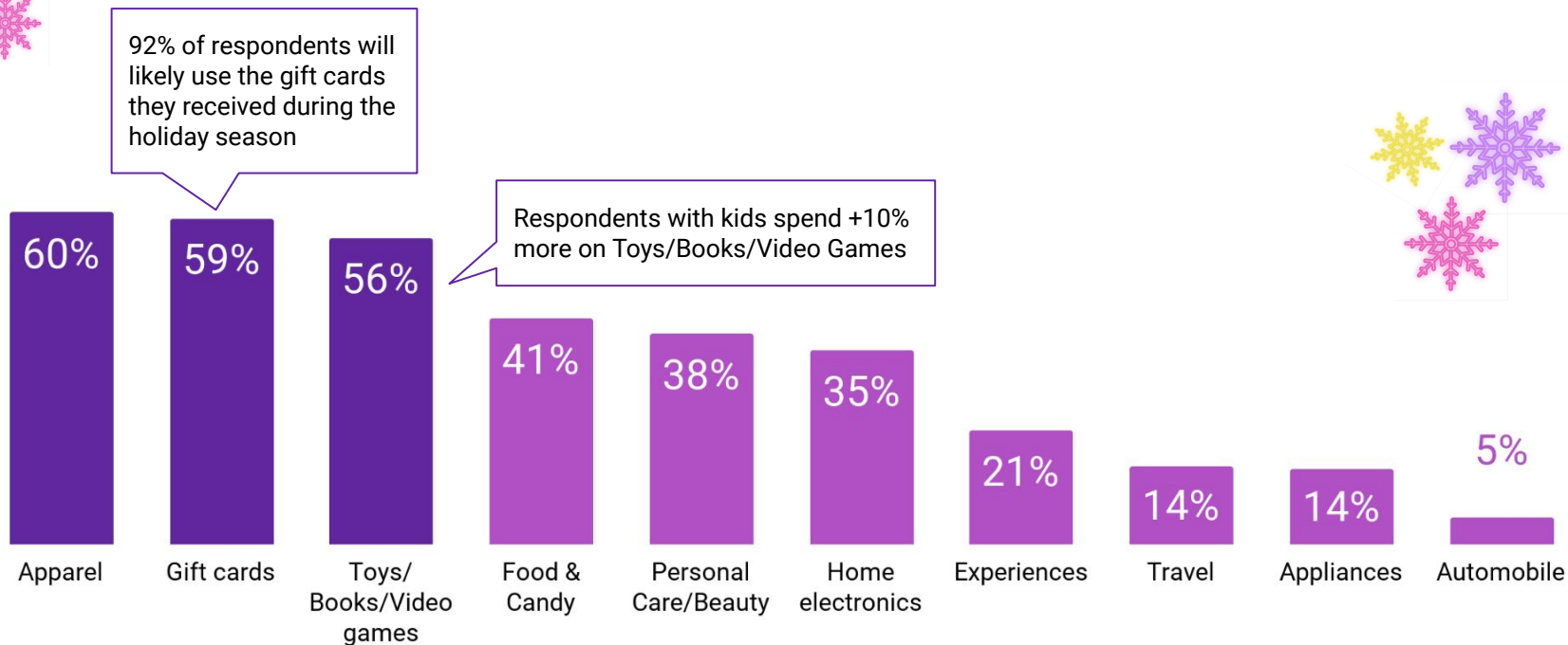
The majority of holiday shopping starts in October and November

When Holiday Shopping Starts



Apparel, Gift Cards, and Toys/Books/Video Games are the top planned holiday gifts

Categories of Holiday Gifts



Q: Which of the following types of gifts do you plan to buy this year for the winter holidays? Please select all that apply.

Understanding LG TV Users' Consumption Habits

63%

tend to hold off on buying things until they go on sale
(Index 101)

24%

purchase holiday greeting cards / decorations
(Index 109)

21%

spend more \$100 on gift cards or prepaid cards
(Index 111)

52%

are likely to travel domestically or internationally in the next 12 months
(Index 110)

23%

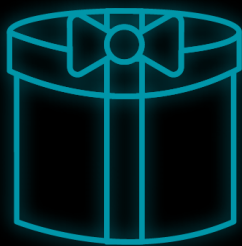
are likely to buy electronics in the next 12 months
(Index 103)



Despite the economy, more than three out of four respondents' holiday budgets are stable or *higher* relative to last year

76%

will spend *more or the same* on gifts relative to last year





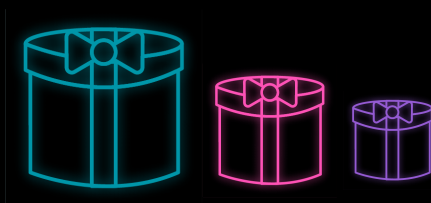
Online is the preferred shopping channel

2 in 3

primarily do their holiday shopping
online

1 in 3

primarily do their holiday shopping
in-store



Q: Where do you primarily do most of your winter holiday shopping?
*Among those who shop for the holidays



While people are split about
in-store Black Friday deals...



54% take advantage of **in-store**
Black Friday deals

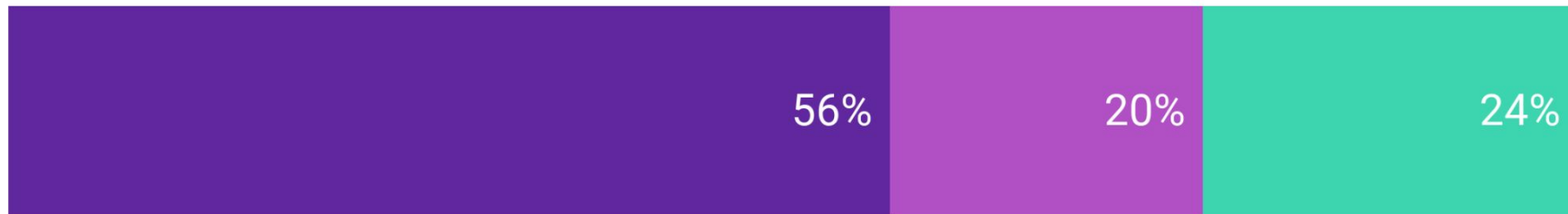
...a large majority takes advantage of
Black Friday & Cyber Monday Deals

79% take advantage of **online**
Black Friday deals

77% take advantage of
Cyber Monday deals

Consumers believe post Thanksgiving is the best time for deals

Best Time of Year for Deals



■ Black Friday / Cyber Monday ■ Christmas / Winter Holiday ■ Other

3 in 4

believe the best deals can be found in either **Black Friday/Cyber Monday** or during **winter holiday sales**

Only a small minority think better deals can be found during other sales like Memorial Day, 4th of July, or Labor Day



Holiday shopping doesn't end with the holidays



85% are likely to look for **additional deals** after the holiday season

54% are likely to **return or exchange** a holiday gift

92% are likely to use a **gift card** they received during the holiday

Key Takeaways

- 1 Capitalize on holiday TV content as an opportunity to connect with audiences** as 95% of audiences watch holiday content and of those, 97% watch with friends / family
- 2 Reach audiences via streaming ads as in 2023 consumers view them as 2.3x more helpful** relative to 2022
- 3 Increase ad spend during the holiday season** because despite the current economy, 76% of people plan to spend the same or more on holiday shopping this year relative to last year
- 4 Don't stop spending on ads post the holidays** as 85% are still looking for additional deals and 92% are likely to use received gift cards in the new year

LG Ad Solutions is a global leader in connected TV and cross-screen advertising, helping brands find hard-to-get unduplicated reach at optimal frequency across the fragmented streaming TV landscape. We bring together LG's years of experience in delivering world-class smart TVs to consumers with big TV audience data and Video AI designed to connect brands with audiences across all screens.

Contact us at info@lgads.tv for more information.

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