

# FACES

2020

HUMANIZE EVERY CLICK™

## TOOLS

Growing adoption of cordless power tools, increasing sales of commercial vehicles, rising demand for fastening tools in industrial environments, and the expanding construction industry are key factors driving the growth of the tool industry in the U.S.

One of the biggest trends in the power tools market is that of DIY culture. Advances in power tools have made it easier for DIY enthusiasts to use these products. These advances, along with a drop in the availability of professionals working on household jobs and the emergence of ergonomic, user-friendly power tools, have stimulated massive growth in the tool industry.

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# LATENCY

## PRE-HOLIDAY

**123**  
HOURS

.... TIME FROM FIRST WEBSITE  
LANDING TO PURCHASE

## HOLIDAY

.... **95**  
HOURS

Last witnessed in 2013, the late occurrence of Thanksgiving led to 6 fewer days between Thanksgiving and Christmas, which U.S. market analysts deemed a threat to projected revenue volumes. However, it actually led to minimal or no effect on overall revenue accumulated by business owners in Q4 of 2019. This can be attributed to buyers who geared up for this year's holiday period by reducing their research and decision making period, leading to a more than 20% drop in latency. The latency period fell from about 5 days and 3 hours during the pre-holiday season to just 3 days and 23 hours during the holiday season.

A lot of credit for this heightened sense of urgency among online shoppers can be attributed to how U.S. retailers have mastered the art of maximizing sales during the holiday period. In the past few years, Black Friday has not been the biggest shopping day because it has become a week-long affair starting on Thanksgiving Eve. By lengthening the deal period, retailers can capitalize on gaining shoppers' attention more quickly and easily in order to get their holiday spending dollars. Highly receptive online shoppers, in turn, have rewarded retailers' efforts by making more instinctive purchases, bringing down the overall latency and generating higher revenue.

# DEVICE LEVEL INSIGHTS

**PRE-HOLIDAY**

**HOLIDAY**

**22%** ..... FIRST VISITS ON MOBILE ..... **31%**

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In 2018, a survey conducted by Facebook showed 49% of consumers in the U.S. made holiday purchases on a mobile device, leading to an overall increase of 9%. As this trend showed no signs of slowing, it was expected that more than half of U.S. consumers would be buying holiday gifts on their phones. In the past, digital marketers have observed that the usage of mobile devices is significant for research purposes, while desktop continued to dominate when it came to actually making the purchase. However, in 2019 mobile devices positioned themselves strongly as the final device leading to conversions rather than just playing a role in the initial stages of a customer's shopping journey. The number of mobile-first shoppers also grew significantly. Ecommerce brands have enhanced their mobile shopping experience by improving mobile speeds, increasing their chances of a better conversion rate and higher revenue through mobile devices.

For the tool industry, the mobile first visit percentage increased from 22% during the pre-holiday season to 31% during the holiday season. Similarly, mobile purchases increased from 22% during the pre-holiday





season to almost 30% during the holidays. Due to ecommerce brands' dedicated efforts toward making their websites more mobile-friendly, mobile devices are at the forefront of touchpoints throughout the consumer's purchase journey. Smartphones aren't just for research purposes, as customers are becoming more comfortable making purchases directly through their phones.

The tool industry witnessed an increase in sessions and orders on mobile devices during the early hours of the day, from 8 to 10 am, and during the afternoon, from 1 to 2 pm. The prevalence of smartphones has allowed users to scroll and browse more freely, such as during their morning commute or lunch break. Mobile devices increased overall traffic because of the ease with which people can quickly search at any given moment.

# CART SIZE AND COMPOSITION

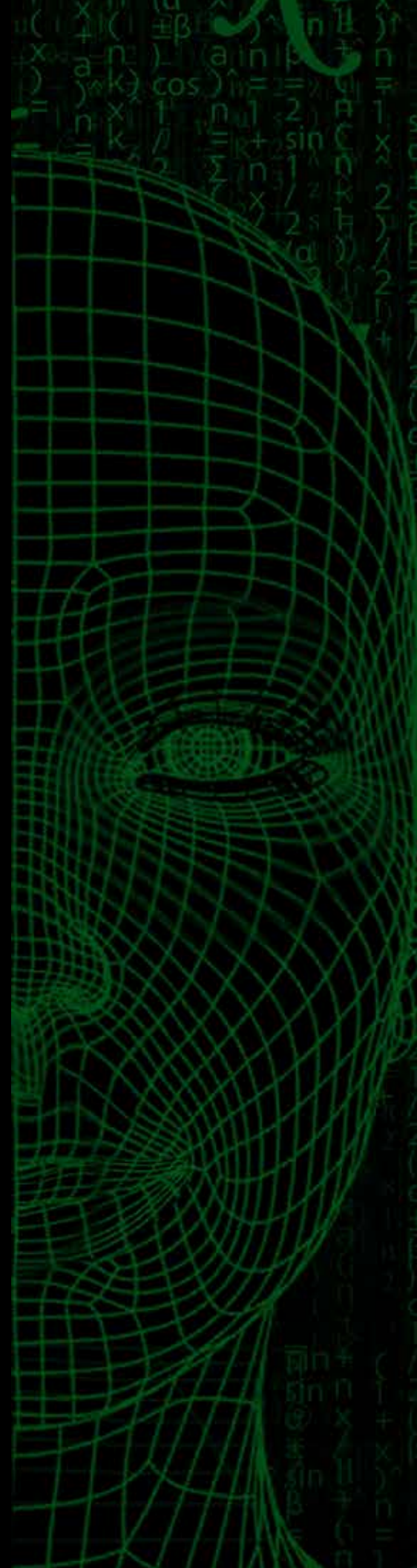
**PRE-HOLIDAY**

**HOLIDAY**

**\$191** ..... AVERAGE ORDER VALUE (AOV) OF CART ..... **\$208**

Adobe Insights of 2019 showed that online retail shopping expanded among households with a median income of \$100k, while it contracted among households with a median income of \$33k. The growth in share from the higher income group was close to 5%, while the contribution from the lower income group dropped by almost 6%. With higher income groups dominating the shopping space, the AOV and number of items per order changed. In the tool industry, the AOV increased by more than 15% during the holiday period, as compared to pre-holiday period.

Technological advancements in AI are making it a more significant factor in the retail industry since 2018, as more websites incorporate its features. AI suggestions and recommendations offered on websites have encouraged shoppers to purchase a higher priced product in 1 out of 4 instances, increasing the AOV overall. Shoppers tend to purchase larger SKUs by size or volume whenever the deals are attractive. In 2019, deal-hunting shoppers enjoyed greater digital discounts from retailers, with discount rates growing 9% the week before Cyber Week. Cyber Monday was the best day of the year for scoring the best online deals, with an average discount rate of 29%.



A variety of factors helped retailers maximize their revenue volumes throughout the 2019 holiday season, from starting sales earlier to overall attractiveness of the deals. However, we need to account for the overall sentiment and shopping behavior of online consumers as well. In 2019, the average age of online shoppers saw a drop with a huge pool of the younger population participating in the shopping frenzy. In 2019, with a larger share of online shoppers belonging to younger age groups, the awareness and receptiveness of online shoppers toward marketing efforts of e-tailers also saw an increase, making it an exceptional period for retailers not only in the tools and equipment industry, but across other major industries as well.

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