



# Microsoft Advertising Insights The Amazon shopper and the effects of Prime Day

Microsoft Advertising. Intelligent connections.





Prime Day in 2020 was moved  
from July to October 13<sup>th</sup> &  
14<sup>th</sup>



Prime Day continues to be  
an Amazon Brand event

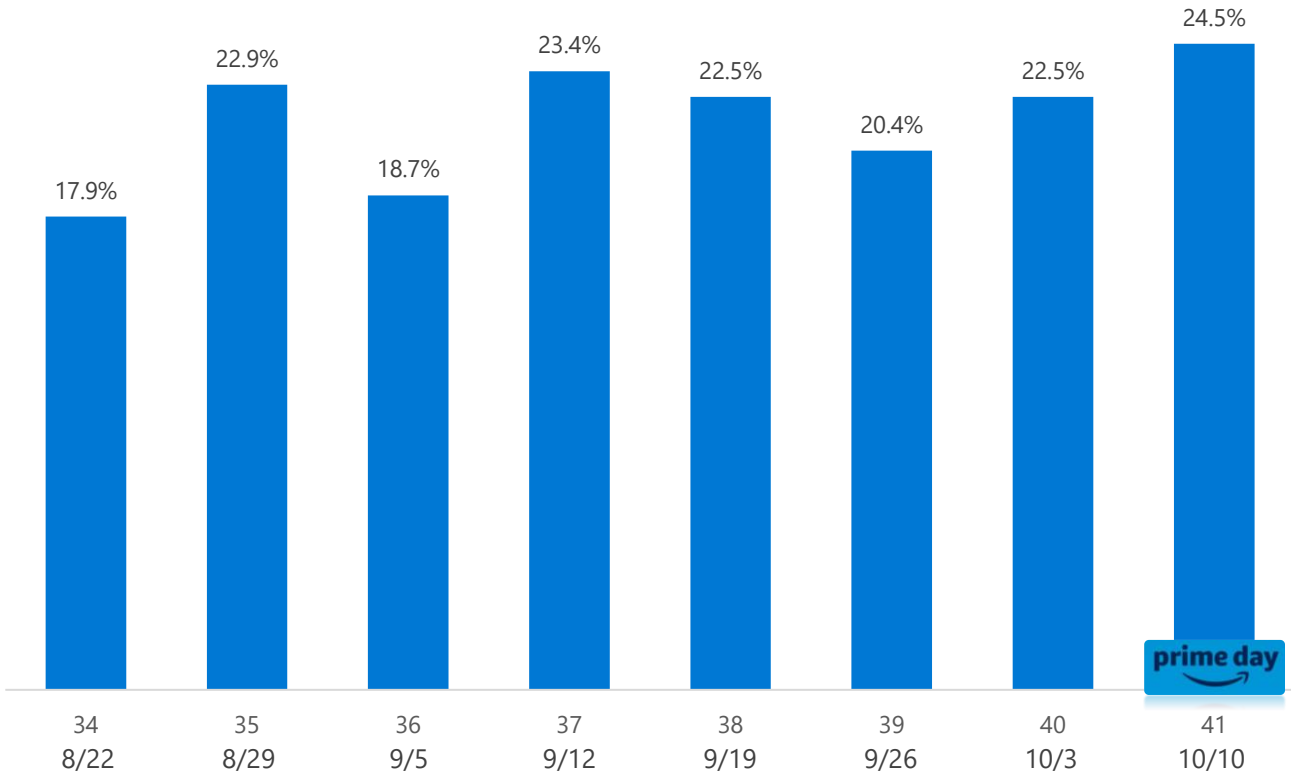


The shift of Prime Day is an early  
start to the holiday shopping  
season for many, and we can use  
the top growth categories to  
identify categories that are top of  
mind this season

# Retail searches saw a slight impact

Overall search trends by week

Searches year-over-year (YoY)



Source: Microsoft Advertising Internal Data, 2019 v. 2020

Brand terms

+1.8%

Week-over-week (WoW) (40/41)

Non-brand terms

+1.4%

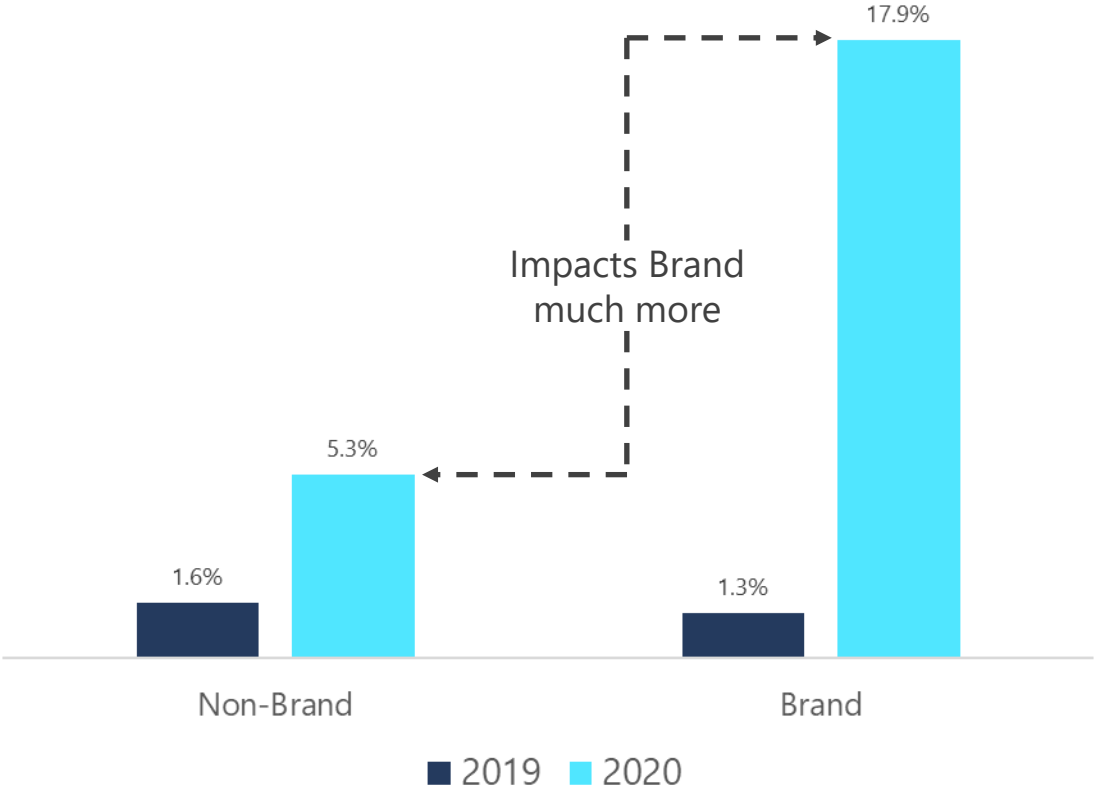
WoW (40/41)



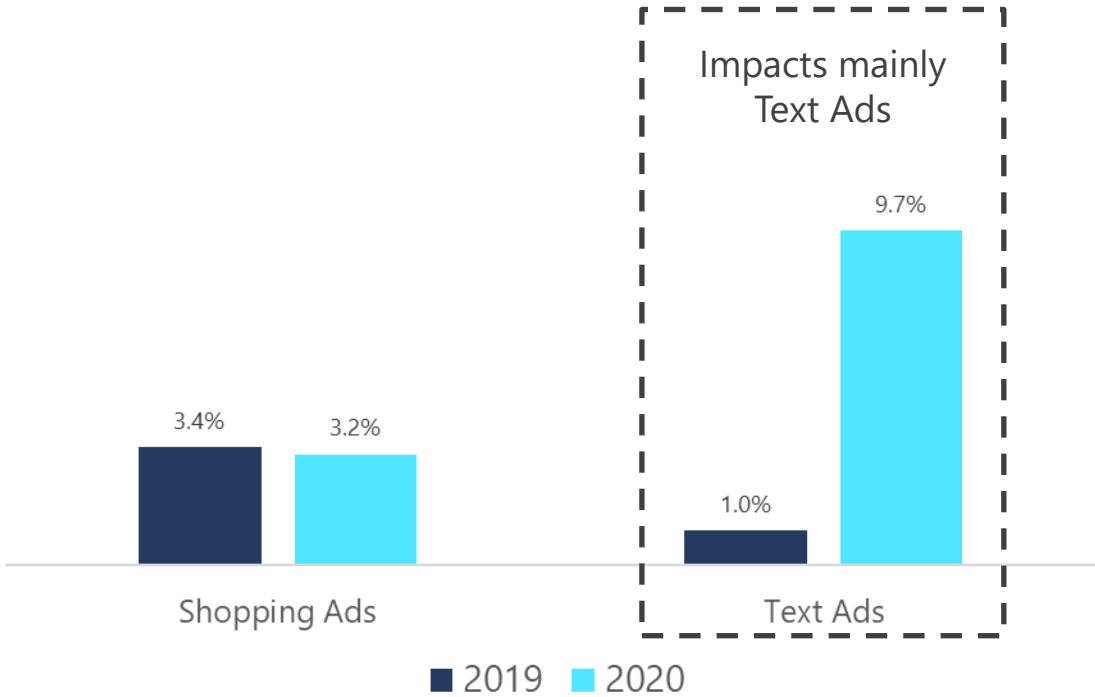
# Prime Day affects text ads and mainly brand

Overall click trends comparing week 40 to 41 (Prime Day week)

Week over Week Click Change – Query Type



Week over Week Click Change – Ad Type



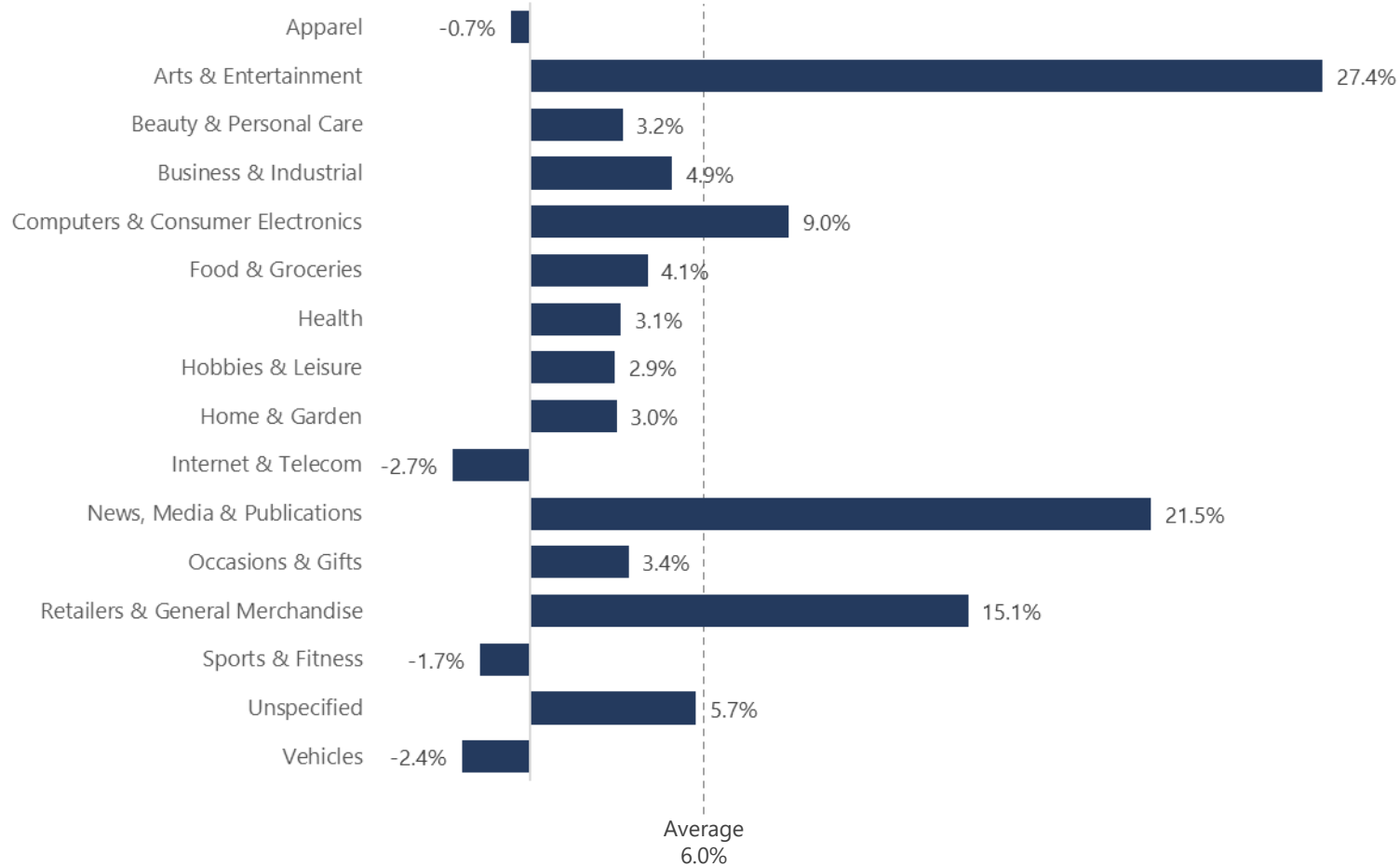
Source: Microsoft Advertising Internal Data, 2019 v. 2020



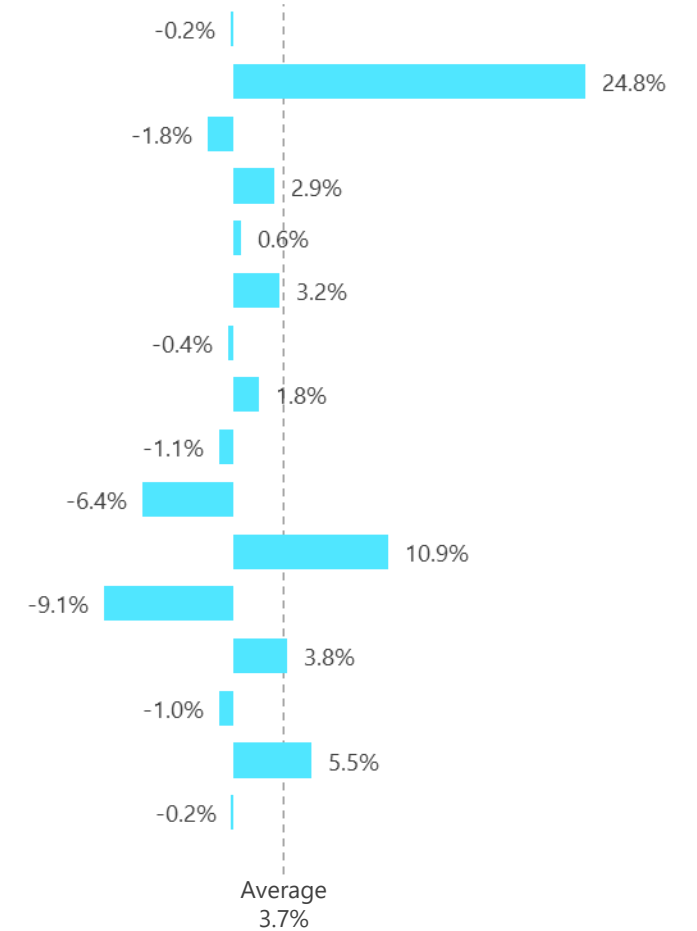
# Amazon brand and products saw the most gains

Overall Retail non-brand click and click through rate (CTR) trends

WoW (40/41) Click Change (adjusted for seasonal trends)



WoW (40/41) CTR Change (adj.)



# Top categories by search growth (#)

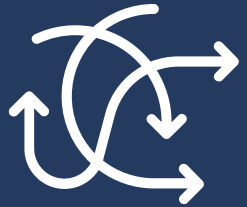
Categories with the most search growth from week 40 to 41 (Prime Week)

Category	Searches %	Clicks %	CTR %	CPC %
Occasions & Gifts > Holidays & Seasonal Events > Halloween & October 31 <sup>st</sup>	27.1%	-1.6%	-30.9%	-6.0%
Apparel > Footwear > Unspecified	10.4%	-0.8%	3.6%	-14.9%
News, Media & Publications > Books & Literature > Children's Books	54.0%	4.9%	-2.5%	0.3%
Hobbies & Leisure > Toys & Games > Games	1.7%	-4.4%	-4.4%	-7.6%
Internet & Telecom > Telephony > Mobile Phones & Accessories	4.5%	9.6%	3.4%	1.1%
Sports & Fitness > Sports > American Football	18.0%	10.1%	-18.0%	8.8%
Hobbies & Leisure > Birding > Unspecified	32.9%	2.6%	1.2%	-2.2%
Computers & Consumer Electronics > Computers > Software	0.6%	4.2%	2.0%	4.6%
Computers & Consumer Electronics > Consumer Electronics > Home Audio & Video	5.7%	21.2%	5.6%	12.0%
Occasions & Gifts > Holidays & Seasonal Events > Holiday & Seasonal Decorations	19.6%	6.6%	-11.6%	1.4%
Sports & Fitness > Sports > Basketball	14.9%	15.8%	6.3%	2.5%
Computers & Consumer Electronics > Computers > Computer Hardware	2.7%	12.0%	5.6%	6.2%
Sports & Fitness > Sports > College Sports	23.1%	-1.3%	-5.7%	12.5%
Hobbies & Leisure > Antiques & Collectables > Trading Cards	19.3%	19.8%	8.5%	1.4%
Sports & Fitness > Sporting Goods > Bicycles & Accessories	5.4%	0.8%	1.5%	-1.2%

# Top categories by click growth (#)

Categories with the most click growth from week 40 to 41 (Prime Week)

Category	Searches %	Clicks %	CTR	CPC
Computers & Consumer Electronics > Consumer Electronics > Home Audio & Video	5.7%	21.2%	5.6%	12.0%
Hobbies & Leisure > Toys & Games > Toys	3.2%	12.2%	5.5%	-0.8%
Occasions & Gifts > Holidays & Seasonal Events > Unspecified	172.8%	261.9%	35.9%	-4.6%
Computers & Consumer Electronics > Computers > Unspecified	3.5%	30.9%	17.8%	1.1%
Computers & Consumer Electronics > Computers > Computer Hardware	2.7%	12.0%	5.6%	6.2%
Home & Garden > Kitchen & Dining > Small Kitchen Appliances	8.0%	18.3%	5.7%	-2.2%
Computers & Consumer Electronics > Consumer Electronics > Portable Media Devices	7.6%	35.6%	6.2%	-2.6%
Business & Industrial > Building Construction & Maintenance > Hardware Tools & Accessories	2.9%	6.4%	2.2%	1.2%
Computers & Consumer Electronics > Computers > Computer Accessories	2.6%	9.0%	1.5%	3.8%
Home & Garden > Kitchen & Dining > Cookware & Cookware Sets	8.8%	17.0%	3.1%	1.7%
Internet & Telecom > Telephony > Mobile Phones & Accessories	4.5%	9.6%	3.4%	1.1%
Computers & Consumer Electronics > Computers > Software	0.6%	4.2%	2.0%	4.6%
Computers & Consumer Electronics > Unspecified > Unspecified	-0.7%	54.1%	47.7%	69.5%
Home & Garden > Doorbells & Door Knockers > Unspecified	15.9%	51.5%	15.2%	1.7%
Food & Groceries > Household Supplies > Household Cleaning Products	3.4%	13.4%	8.1%	-2.8%



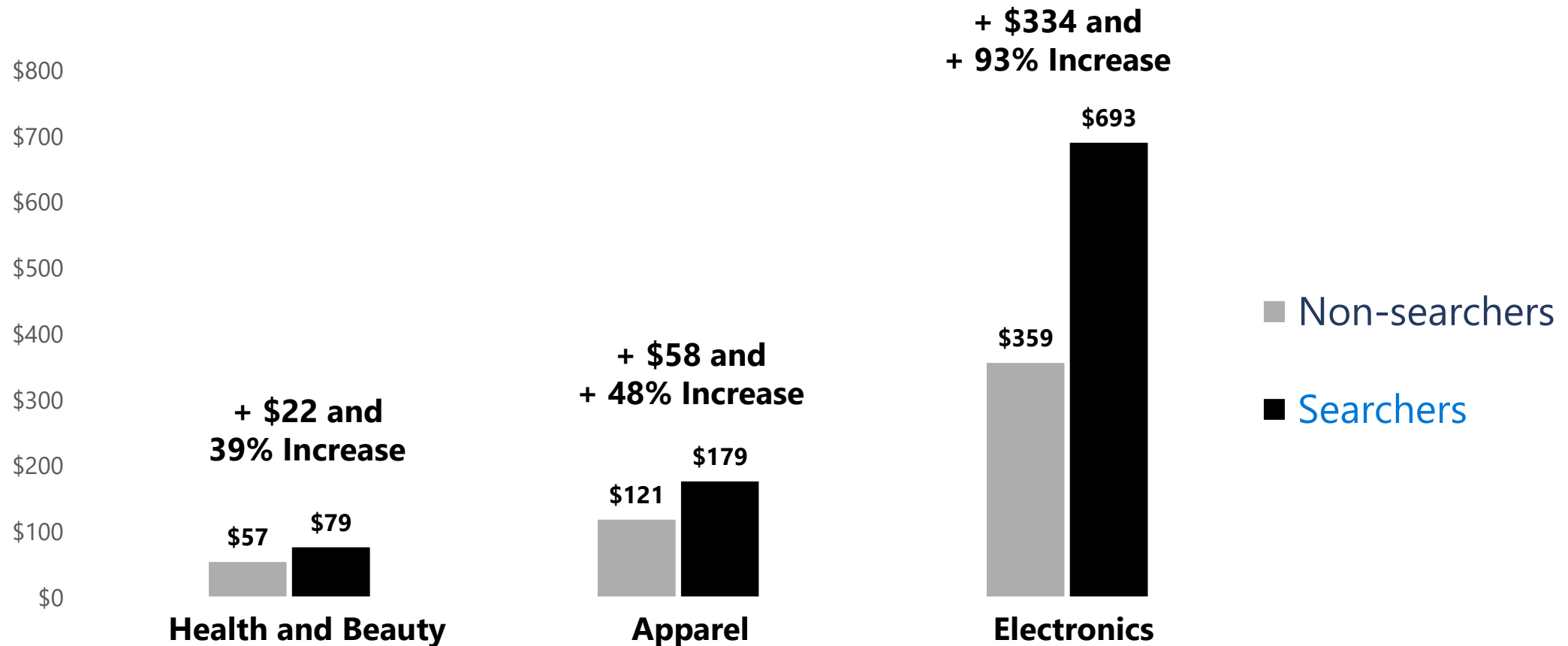
# The online consumer



# Searchers spend more than non-searchers

Search advertising is important to influence these high value shoppers

Average spend by searchers vs. non-searchers  
(brand site shoppers over a 6-week period)



# Searchers purchase and become loyal more frequently

	Searchers	Non-searchers	Difference
<b>Purchase rate</b>			
Health & Beauty	13%	5%	+160%
Electronics	4%	2%	+100%
Apparel	18%	7%	+157%
<b>% Becoming repeat purchasers</b>			
Health & Beauty	17%	28%	-39%*
Electronics	14%	5%	+180%
Apparel	28%	17%	+65%

Searchers convert more

Searchers, except in H&B, repeat more

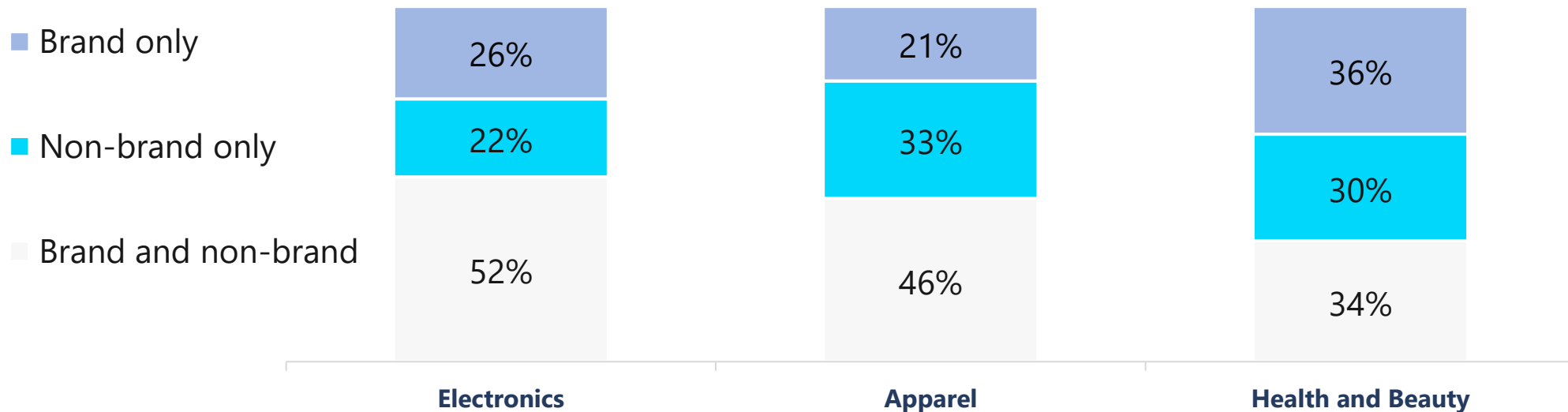
\* Because searchers purchase at a rate 160% higher than non-searchers, the total % of shoppers who become re-purchasers is still higher from searchers than from non-searchers



# Between 22% and 33% of online purchasers studied are using non-brand terms only

Advertisers who don't spend against non-brand terms are likely missing these sales entirely

% of total purchasers broken by types of search terms they use



Based on related search terms conducted 5 minutes prior to related visits to Amazon or brand sites.

Online Shopping Behavioral Analysis; Microsoft Advertising Market Intelligence, September 2019, J. Randolph  
Source: Luth Research ZQ Intelligence™ Passive Metering Panel Data



# Among purchasers, brand search terms yield a higher spend on average

	Brand terms	Non-brand terms	Difference
<b>Average spend</b>			
Health & Beauty (H&B)	\$86	\$82	5%
Electronics	\$601	\$554	8%
Apparel	\$114	\$105	9%
<b>Purchase rate</b>			
Health & Beauty	61%	39%	22%
Electronics	53%	47%	6%
Apparel	46%	54%	-8%
<b>% of repeat purchasers</b>			
Health & Beauty	39%	37%	2%
Electronics	22%	22%	0%
Apparel	51%	51%	0%

Brand terms yield a slightly higher spend

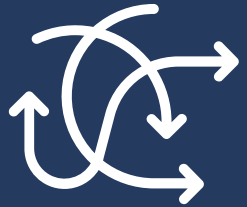
Brand terms yield a higher purchase rate in H&B and Electronics but not in Apparel

Both brand and non-brand search terms have comparable repeat purchaser rates

Based on related search terms conducted 5 minutes prior to related visits to Amazon or brand sites.

Online Shopping Behavioral Analysis; Microsoft Advertising Market Intelligence, September 2019, J. Randolph  
Source: Luth Research ZQ Intelligence™ Passive Metering Panel Data

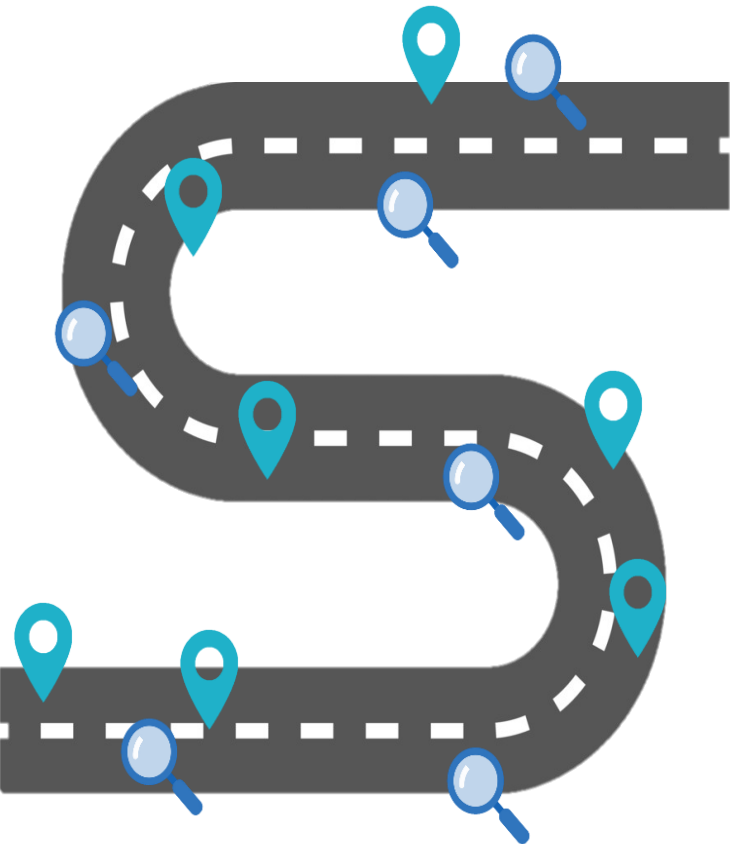




Capitalizing on consumers who  
also shop on Amazon

# There are many opportunities on search to connect with most Amazon shoppers during their journey

For example, Electronics shoppers on Amazon are not “attention loyal” during shopping. They continue to rely on search engines to discover and refine their shopping choices.



## Amazon

During Electronics shopping journeys that include Amazon



77%

Amazon shoppers use search engine as a part of their overall shopping journey



11.8

Amazon shoppers on average use 11.8 searches during their overall shopping journey



3.9

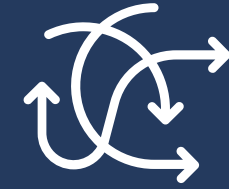
Amazon shoppers on average make 3.9 “switches” to and from search engine during their overall shopping journey

Overall Shopping Journey = all the search engine searches and visits to brand sites, Amazon, and other key electronics related retailers during a journey to buy an electronics item. A typical journey averages 4-6 weeks.

Online Electronics Shopping Behavioral Analysis; Microsoft Advertising Market Intelligence, September 2019, J. Randolph  
Source: Luth Research ZQ Intelligence™ Passive Metering Panel Data



# Amazon shoppers use search engines – even while on the Amazon site

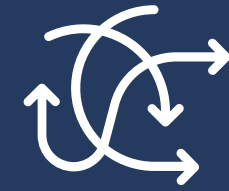


## Shopper interactions with search engines

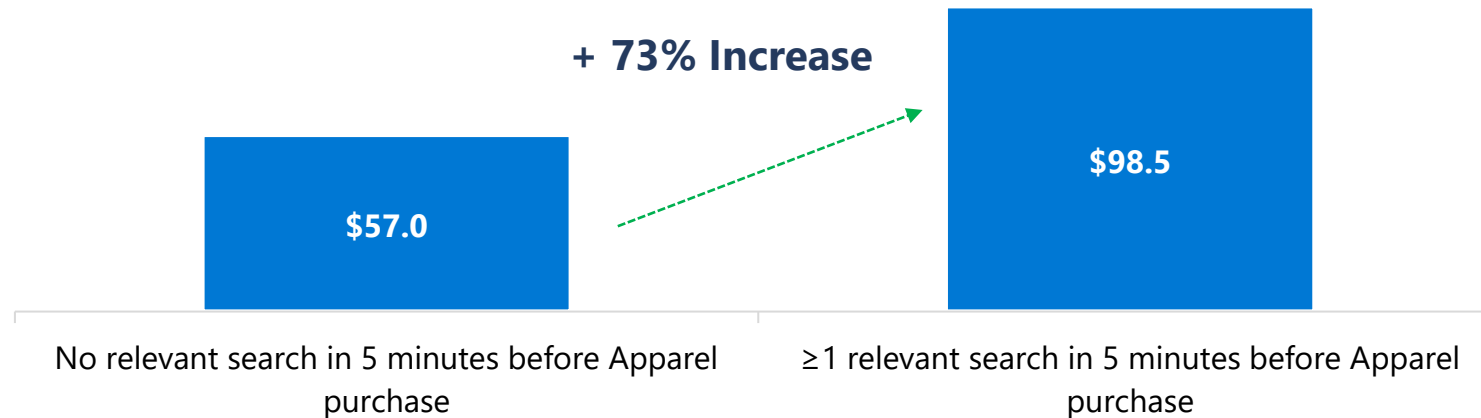
	% of shoppers who also use search engines	Average # of switches (to/from search engine)
During Complete Shopping Journey (typically 4-6 weeks)		
Health & Beauty	59%	3.2
Electronics	77%	3.9
Apparel	61%	4.9
<b>Concurrently</b> (while shopping on Amazon during the same visit)		
Health & Beauty	11%	2.4
Electronics	17%	2.6
Apparel	18%	1.6

Most Amazon shoppers use search engines during their shopping journey. Many even use search engines as they are browsing on Amazon.

# Amazon shoppers who search first also tend to spend more on their purchases



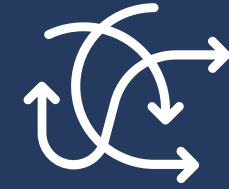
Average Apparel spend by Amazon purchasers



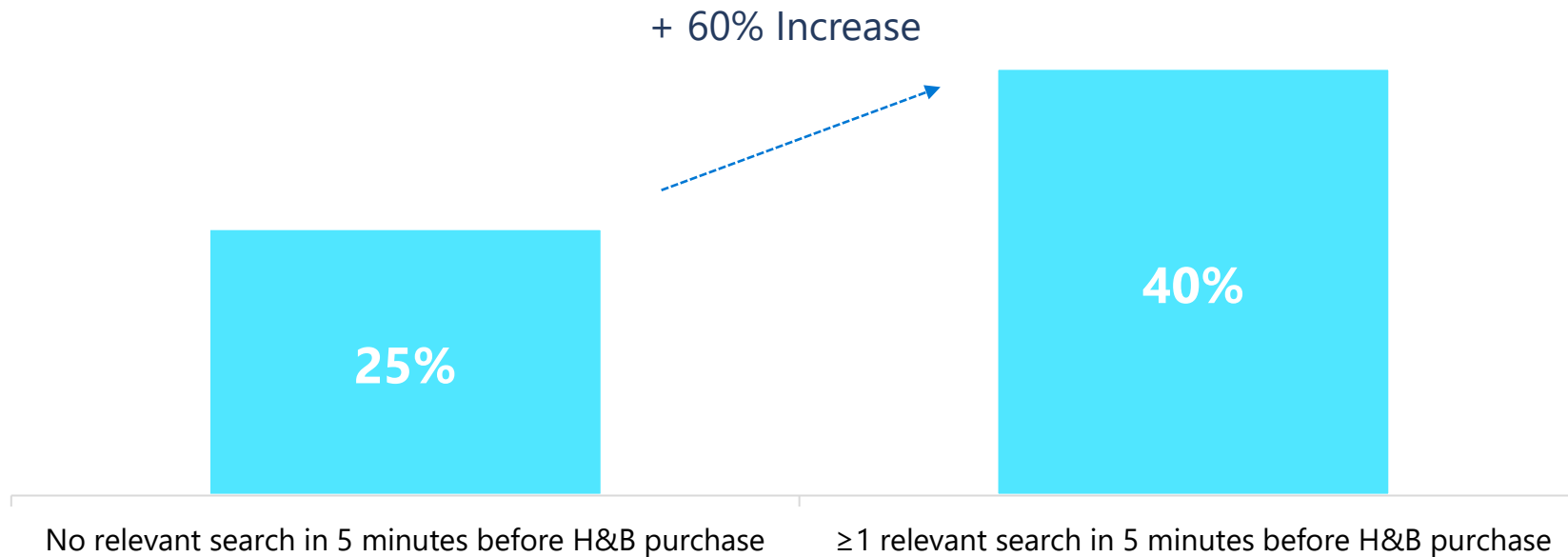
Even if you maintain a strategy to focus on Amazon, search is a necessary and critical touchpoint for influencing and acquiring your high value customers



# Finally, searchers are more likely to make repeat purchases in the same product category



Likelihood that Amazon Health & Beauty shoppers will make an additional purchase within our 1-month analysis window



Ensuring your product is the one that's purchased on Amazon is even more critical considering the likelihood of repeat sales

# Key takeaways:



Focus your efforts on top performing categories for Prime Day



Your keyword strategy should include broad match and non-brand terms to reach the most customers



Search is a large component of an Amazon shopper's journey, be sure you're apart of their shopping journey

To get actionable data, insights and best practices to help make decisions and grow your business, visit [aka.ms/MicrosoftAdvertisingInsights](https://aka.ms/MicrosoftAdvertisingInsights)



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