Microsoft Advertising Insights

Getting into the holiday spirit

Holiday search trends seen during October 2020
The holiday spirit is alive and well this year as Occasions & Gifts categories saw an uptick in volume this October.

Despite 2020, holiday related searches have risen for Halloween, Thanksgiving, and Christmas.

Gift related queries are trending 10% higher year over year (YoY) with increased demand seen Monday through Thursday.
October performance was strong for overall Retail and Occasions & Gifts categories despite 2020 events

YoY % change metrics (October 2019 vs. October 2020)

- Search growth across Retail categories: +22%
- Search growth for Occasions & Gifts categories: +14%
- Click growth: +23%
- Click growth: +8%
- Cost per click (CPC) decrease: -11%
- CPC change: 0%

Source: Microsoft internal data – YoY Search, Click, CPC % volume changes seen for 10.3-10.30 dates between 2019 and 2020 for overall Retail & CPG vertical vs. Occasions & Gifts subvertical
Holiday trends
“Holiday” related searches were up 11% YoY for October, indicating a lift in holiday spirit.

“Holiday” search volume and % YoY change by day (October 2019 vs. 2020)

Source: Microsoft Advertising Internal Data: Holiday sub-category search performance October 2019 vs. 2020
However, clicks from “holiday” related searches were down 10% YoY

“Holiday” click volume and % YoY change by day (October 2019 vs. 2020)

Source: Microsoft Advertising Internal Data: Holiday sub-category click performance October 2019 vs. 2020
Halloween, Thanksgiving, Christmas, and décor related searches saw substantial gains
Top 15 “holiday” queries for October 2019 vs. 2020 (in order of most searches)

<table>
<thead>
<tr>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. halloween recipes</td>
<td>1. Halloween (+2%)</td>
</tr>
<tr>
<td>2. halloween</td>
<td>2. halloween costume (+3%)</td>
</tr>
<tr>
<td>3. halloween costumes</td>
<td>3. halloween costumes</td>
</tr>
<tr>
<td>4. halloween costume</td>
<td>4. halloween decorations (+52%)</td>
</tr>
<tr>
<td>5. thanksgiving 2019</td>
<td>5. jack o’ lantern (+1,178%)</td>
</tr>
<tr>
<td>6. spirit halloween</td>
<td>6. halloween recipes (-73%)</td>
</tr>
<tr>
<td>7. halloween decorations</td>
<td>7. spirit Halloween (-32%)</td>
</tr>
<tr>
<td>8. halloween party ideas (-69%)</td>
<td>8. christmas tree (+47%)</td>
</tr>
<tr>
<td>9. christmas tree</td>
<td>9. halloween crafts</td>
</tr>
<tr>
<td>10. top halloween costumes 2019</td>
<td>10. thanksgiving 2020</td>
</tr>
<tr>
<td>11. jack o’ lantern</td>
<td>11. halloween décor (+122%)</td>
</tr>
<tr>
<td>12. halloween dessert recipes</td>
<td>12. turkey</td>
</tr>
<tr>
<td>13. pumpkin carving ideas (+2%)</td>
<td>13. diy halloween decorations</td>
</tr>
<tr>
<td>14. halloween masks</td>
<td>14. halloween masks</td>
</tr>
<tr>
<td>15. halloween parade (-60%)</td>
<td>15. christmas decorations (+25%)</td>
</tr>
</tbody>
</table>

Source: Microsoft Advertising Internal Data: Holiday sub-category top queries by SRPVs for October 2019 vs. 2020
Gifting trends
Search demand for “gifts” increased 13% this October compared to last October.

“Gifts” search volume and % YoY change by day (October 2019 vs. 2020)

Source: Microsoft Advertising Internal Data: Gifts sub-category search performance October 2019 vs. 2020
Clicks for “gifts” were up 10% YoY with large gains seen Mondays-Thursdays

“Gifts” click volume and % YoY change by day (October 2019 vs. 2020)

Source: Microsoft Advertising Internal Data: Gifts sub-category click performance October 2019 vs. 2020
Queries containing “gift” climbed 72% from last October to this October
Top “gifts” queries for October 2020 (% change YoY)

- gift (+37%)
- gifts (+7%)
- memory gifts (+54,720%)
- gift delivery (+83%)
- gift card (+72%)
- gift ideas (+23%)
- personalized gifts (+112%)
- gifts [person]
- [retailer] gift card
- gift baskets (+10%)
- christmas gifts (+15%)
- unique gifts (+300%)
- gift guides (+49%)
- holiday gift guides (+94%)
- anniversary gifts (+59%)

Source: Microsoft Advertising Internal Data: Gifts sub-category top queries by SRPVs for October 2019 vs. 2020
The holiday spirit is alive and well this year as Occasions & Gifts categories saw an uptick in volume this October. Both reported significant YoY search growth – creating strong holiday momentum this season.

Despite 2020, holiday related searches have risen for Halloween, Thanksgiving, and Christmas. Add terms like “decor” or “crafts” when marketing holiday planning, holiday activities, or party supplies.

Gift related queries are trending 10% higher YoY with increased demand seen Monday through Thursday. Ensure gift promotions, offers, recipient guides, and occasion campaigns are enabled as demand has increased.
Holiday: Retail best practices

Be there ahead of time.
- Review last season’s campaigns for successes and lessons learned.
- Set budgets to accommodate increases in traffic.
- Upload campaigns early.
- Double-check to make sure all relevant accounts and campaigns are active.
- Follow up on any rejected ads.
- Add new, relevant and emerging keywords.
- Test new features and pilots to optimize before traffic volumes increase with peak season.

Find approaches for a better ROI.
- Test In-market Audiences that are directly and indirectly related to your industry.
- Budget for PC/tablet and mobile traffic.
- Plan your budgets for periods of high CPC.
- Opt in to search partner sites to expand your mobile reach.
- Use long-tail brand terms.

Optimize keywords, ads and bids.
- Set up the relevant ad extensions to drive more traffic.
- Test new ad copy variations.
- Set bids in anticipation of increased competition during the seasonal peaks.
- Apply auto-bidding strategies to take advantage of key audiences.
- Set up automated rules to schedule and automate your top campaign management tasks on a weekly, or even daily, basis for invaluable time savings and efficiency gains.
- Optimize your keywords and ads by testing Dynamic Search Ads and Responsive Search Ads.

Optimize Shopping Campaigns.
- Schedule Merchant Promotions and Flyer Extensions to display relevant sitewide or category-specific offers and top products.
- Refresh your product feed daily.
- Send your full product feed with all product offers. Search query trends can change quickly, so ensure your products are eligible to serve as traffic fluctuates.
- Go beyond the required attributes and populate your feed with as many recommended attributes as possible, including GTIN, MPN, brand, size, color, shipping cost and multiple images (up to 10 additional).
- Use Local Inventory Ads to promote in-store products, and include the Curbside Pickup Badge, if applicable.

Optimize Shopping Campaigns.
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