



Microsoft Advertising Insights Home & Construction trends on the Microsoft Search Network

Microsoft Advertising. Intelligent connections.



Agenda



1 Marketplace trends



2 Category trends



3 Sub-category trends



4 Black Friday/Cyber Monday recap



Marketplace trends



2020 Retail growth on the Microsoft Search Network accelerated following the shelter-in-place announcement



+18% YTD* **+26%** Post-COVID-19 YTD
Search growth across Retail categories



+11% YTD **+14%** Post-COVID-19 YTD
Click growth



-1% YTD **-1%** Post-COVID-19 YTD
Spend decline due to lower CPCs*

*YTD = year to date

*CPC = cost-per click

2020 Home & Construction growth outpaced all up Retail



+18% YTD **+26%** Post-COVID-19 YTD
Search growth across Retail categories



+26% YTD **+37%** Post-COVID-19 YTD
Search growth for Home & Construction categories



+11% YTD **+14%** Post-COVID-19 YTD
Click growth



+28% YTD **+35%** Post-COVID-19 YTD
Click growth

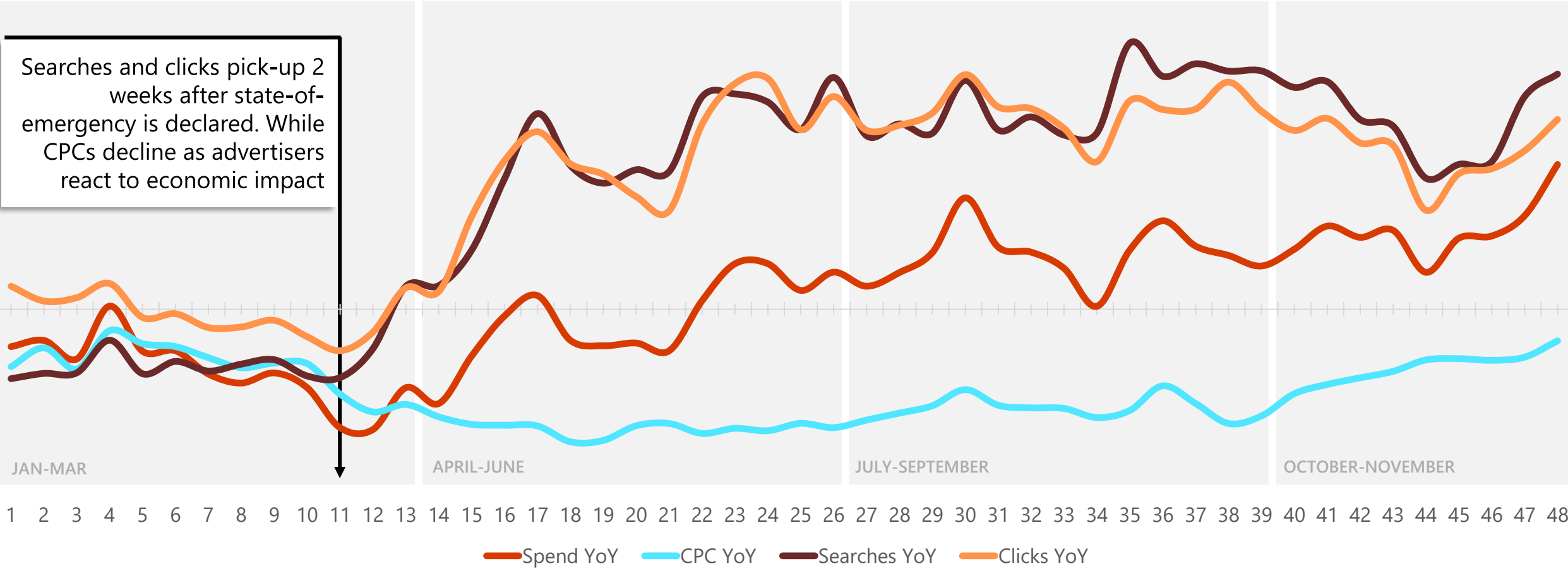


-1% YTD **-1%** Post-COVID-19 YTD
Spend decline due to gains in CPC efficiency



+3% YTD **+6%** Post-COVID-19 YTD
Spend growth, while CPCs are down **↓20%** YoY

Following a recent lull, Home & Construction searches and clicks have regained year-over-year (YoY) momentum



Source: Microsoft internal data, US Only, January – November 2019 & 2020, Post-COVID > 3/14/20

Top online merchant clicks grew by **49%** YoY, followed by brick & mortar up **31%**



Online only



↑49%

YoY for top advertisers

Brick & Mortar



↑31%

YoY for top advertisers

Mobile and Shopping ads reported strong YoY and month-over-month (MoM) growth



Mobile

+45.0%

YoY

+15.9%

MoM
(Oct vs. Sep)

36.3%

YTD % of Total



Shopping

+44.8%

YoY

+24.0%

MoM
(Oct vs. Sep)

35.7%

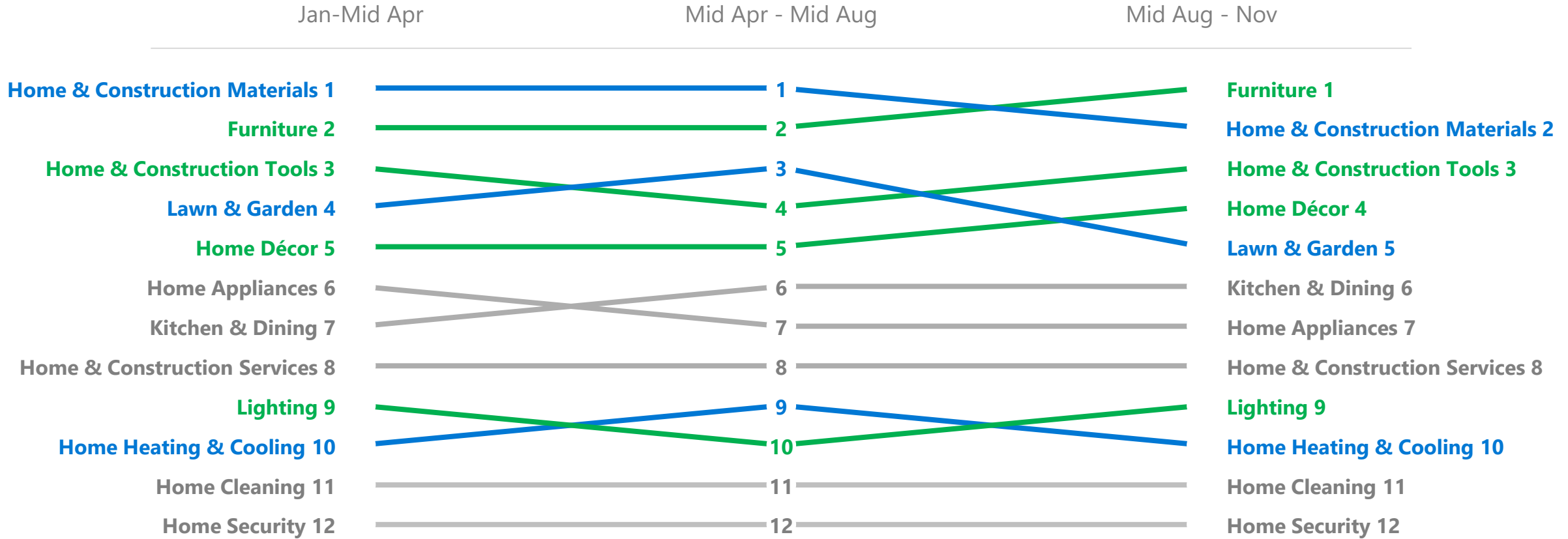
YTD % of Total



Category trends



Lawn & Garden fell as the colder months approach, while Furniture and Home & Construction Materials continue to battle for top slot



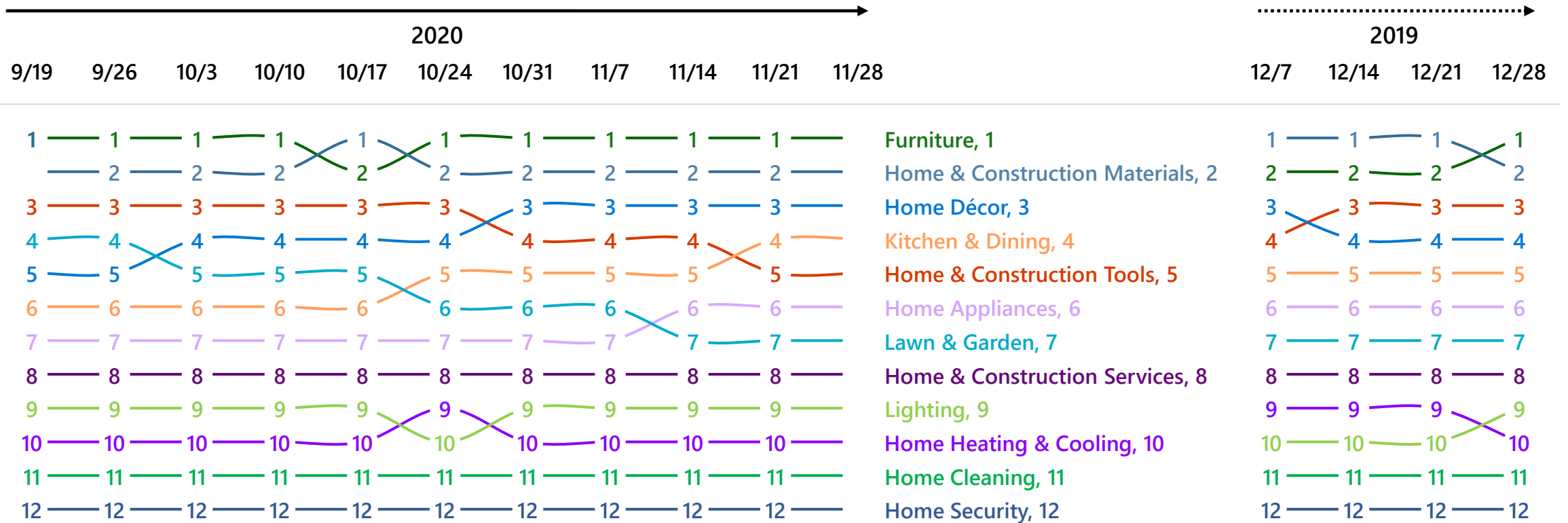
Green = Increased Period Over Period Blue = Declined PoP Gray = Flat PoP



Home Décor momentum is expected to slow making space for Home & Construction Tools to regain rank



RANK OF CATEGORY SEARCH SHARE OVER TIME



Source: Microsoft internal data, US Only, January – October 2019 & 2020, Post-COVID > 3/14/20



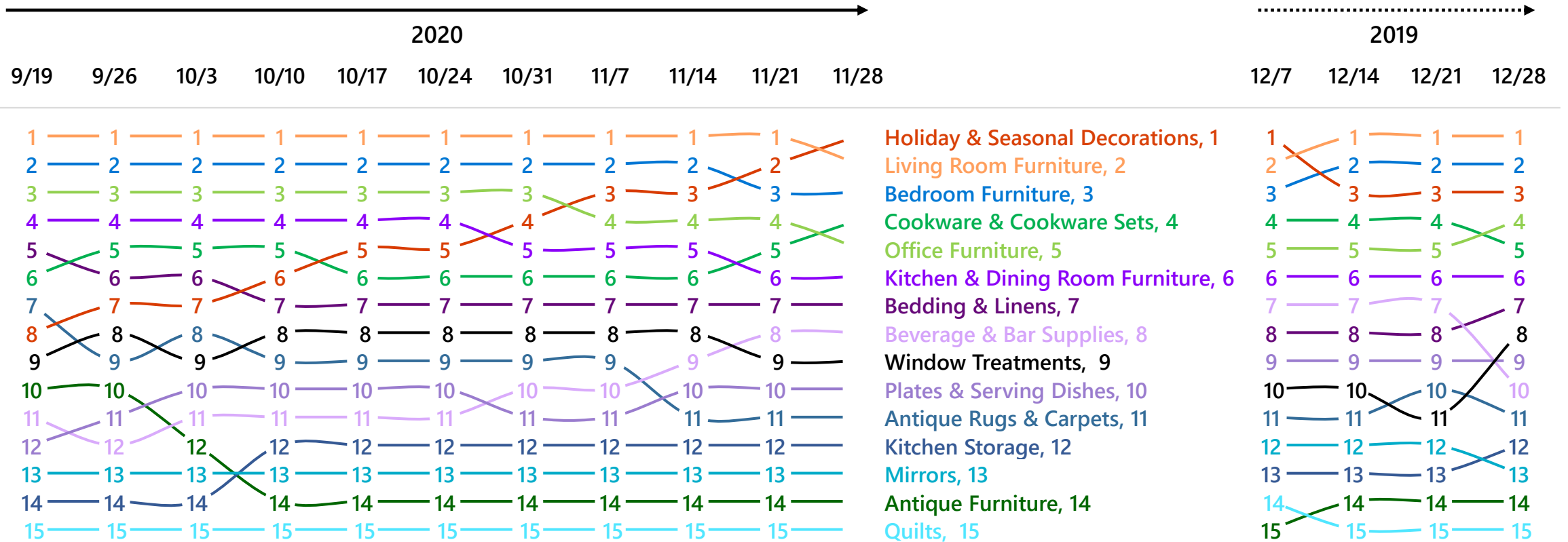
Sub-category trends



Holiday & Seasonal Décor was the top climber in the recent weeks, but likely slip to make room for the less seasonal bread & butter categories: Living Room and Bedroom Furniture



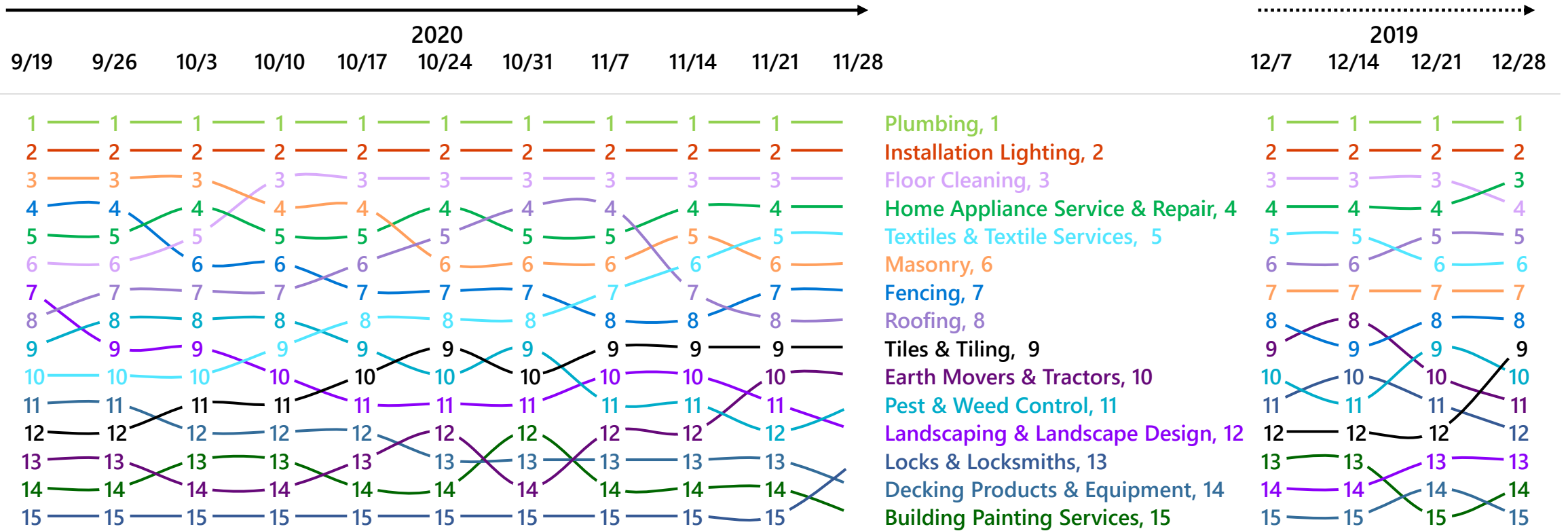
RANK OF CATEGORY SEARCH SHARE OVER TIME



Home Appliance Service & Repair will likely continue to ascend in rank, while a recent climber, Textile Services, is expected to slip



RANK OF CATEGORY SEARCH SHARE OVER TIME

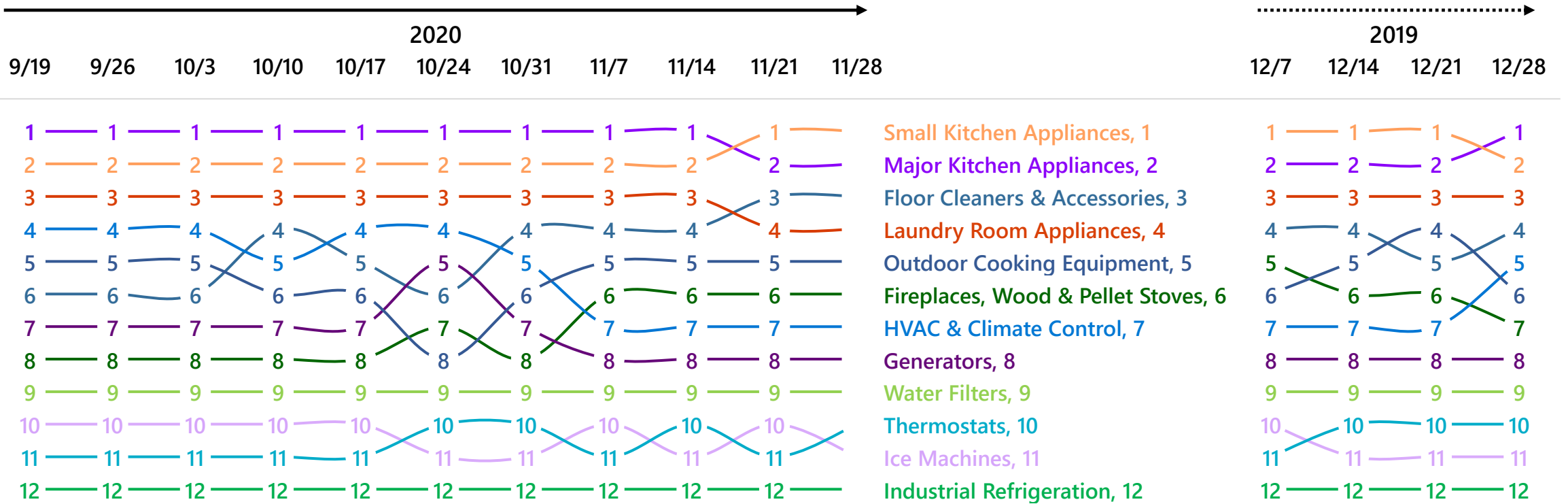


SUB-CATEGORY TRENDS

As expected, Floor Cleaners rose to 3rd, but is expected to slip, while Small Kitchen Appliances recently outranked Major Kitchen Appliances likely in preparation for gift giving



RANK OF CATEGORY SEARCH SHARE OVER TIME



Source: Microsoft internal data, US Only, January – November 2019 & 2020, Post-COVID > 3/14/20
 *BF/CM: Black Friday/Cyber Monday

SUB-CATEGORY TRENDS

Searches for Plumbing are up 130% YoY and Flooring queries are up 94% YoY

YoY Search growth per query category, 11/17/20-12/13/20 vs. 11/19/19 vs 12/15/19, sorted by search volume



Query Contains	YoY Search Lift
Tubs	127%
Sinks	194%
Toilets	165%
Faucets	178%
Water Heaters	53%
Pipes	176%
Plumbing	38%
Water Filters	241%
Water Tank	164%
Plumber	24%

↑130%
YoY



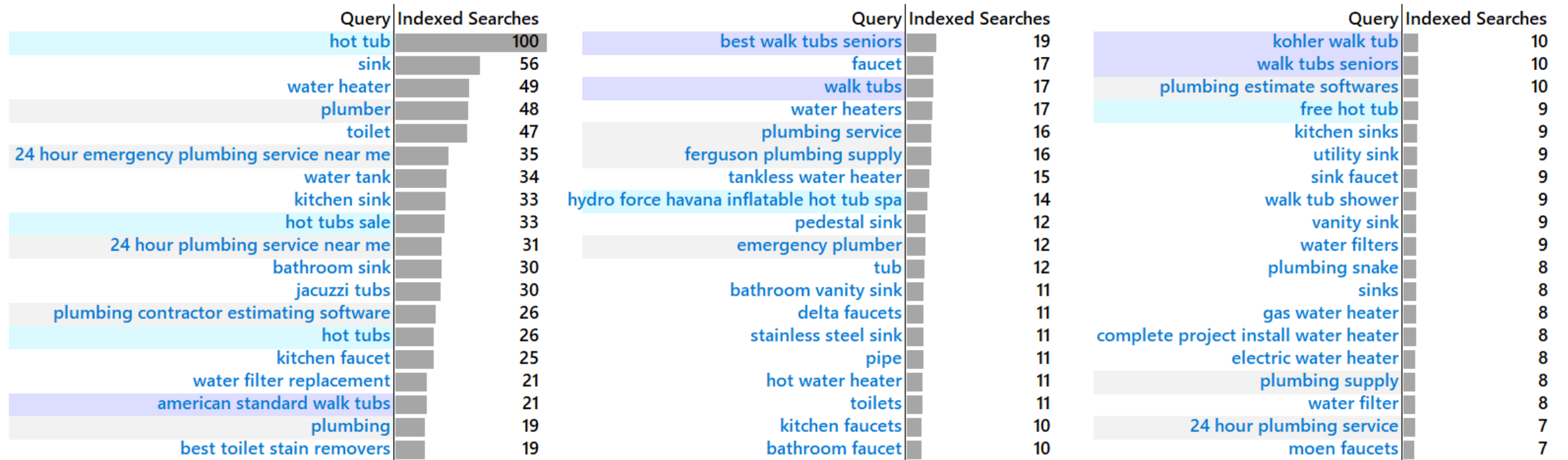
Query Contains	YoY Search Lift
Flooring	60%
Rugs	195%
Carpets	67%

↑94%
YoY

Hot tubs, plumbing services, walk in-tubs are top searches across the plumbing queries



Top recently* searched 2020 Plumbing related queries, indexed



Source: Microsoft internal. Search volume by query category for queries that "contain": tubs; sinks; toilets; Faucets; Water Heaters; Pipes; Plumbing; Water Filters; Water Tanks; Plumber; Flooring; Rugs; Carpet. 11/17/20-12/13/20* vs. 11/19/19 vs 12/15/19*

Area Rugs and Floor Cleaning are top searches across flooring queries

Top recently* searched 2020 Flooring related queries, indexed



Query	Indexed Searches
rug	100
rugs	63
area rug	49
carpet	40
area rugs	32
floor decor	27
floor jack	25
floor carpets sale	24
flooring	24
carpet cleaner	22
industrial floor mats	18
recessed floor mat	18
flooring houston texas	18
home kitchen home d cor area rugs pads all area rugs	17
laminare flooring	17
weathertech floor mats	15
discounted rugs	15
floor mats	14
wool rugs sale	14

Query	Indexed Searches
robot floor cleaner	12
vacuum floor care deals	12
best carpet steam cleaner pet stains	11
vinyl flooring	10
recessed floor mats	9
best way clean hardwood floor	9
rugs usa	8
discount vinyl flooring planks	8
irobot vacuums floor care	8
dog urine carpet	8
carpet cleaning	7
wood flooring	7
irobot floor cleaner	7
large area rug	6
vinyl plank flooring	6
rubber flooring	6
hardwood flooring	6
floor	6
bissell carpet cleaner	6

Query	Indexed Searches
rug doctor	5
persian rug	5
rugs com	5
shark vacmop pro cordless hard floor vacuum	5
front door rugs	5
carpet cleaners	4
outdoor rug	4
large rug	4
carpet cleaning machine	4
8x10 rug	4
outdoor rugs	4
floor buffer	4
hoover carpet cleaner	4
natural hardwood floor cleaner	4
floor cleaner robot	4
heavy duty floor mats	4
wood flooring repair	4
complete project install tile floor	4
commercial floor cleaners scrubbers	4

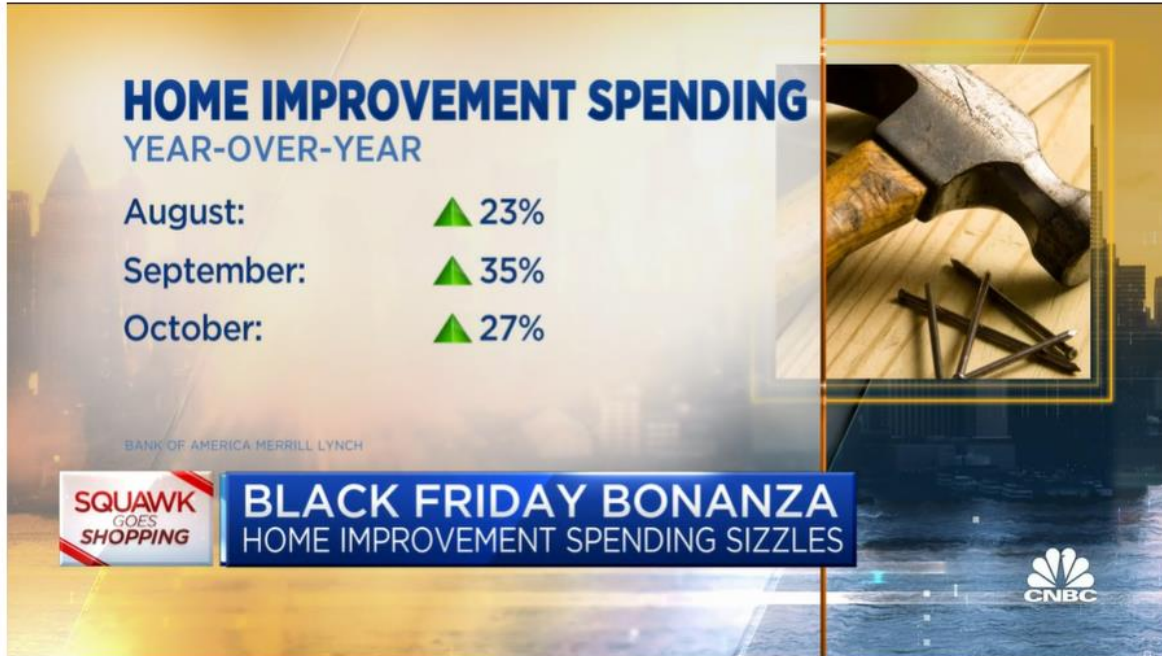
Source: Microsoft internal. Search volume by query category for queries that "contain": tubs; sinks; toilets; Faucets; Water Heaters; Pipes; Plumbing; Water Filters; Water Tanks; Plumber; Flooring; Rugs; Carpet. 11/17/20-12/13/20* vs. 11/19/19 vs 12/15/19*



Black Friday/ Cyber Monday recap



Home Improvement was Retail's silver lining on Black Friday



SQUAWK BOX

SHARE    

Home improvement is booming during the pandemic—And Black Friday

CNBC's Frank Holland takes a look at the home improvement stores that have benefited from consumers investing in their home.

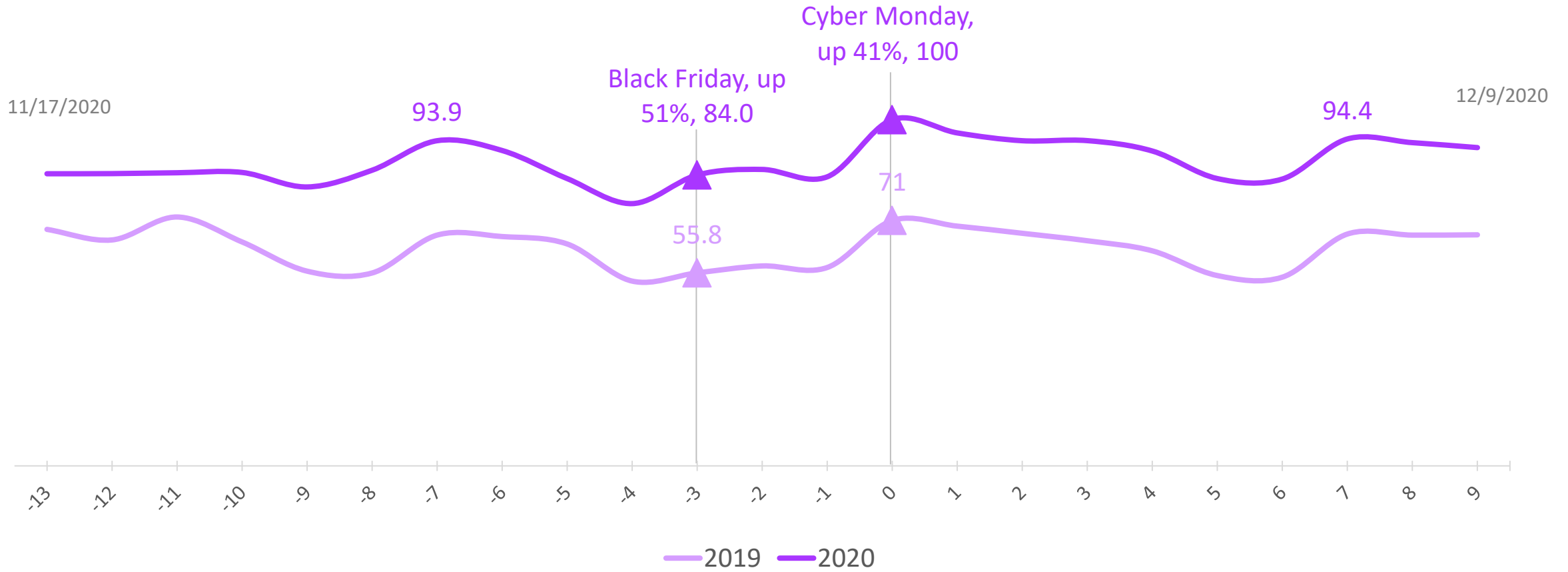
FRI, NOV 27 2020 - 9:10 AM EST

- Home Improvement spending has surged during the pandemic with double digit growth
- Driven by home buying and consumers investing in home improvements
- Double digit growth occurred in staffing for Buy online, pickup in-store (BOPIS), Curbside pickup and call center associates

Home & Construction remains strong with +40% YoY search growth during the 23 days around Black Friday and Cyber Monday



All Retail search volume for 23 days ending on December 9, 2020

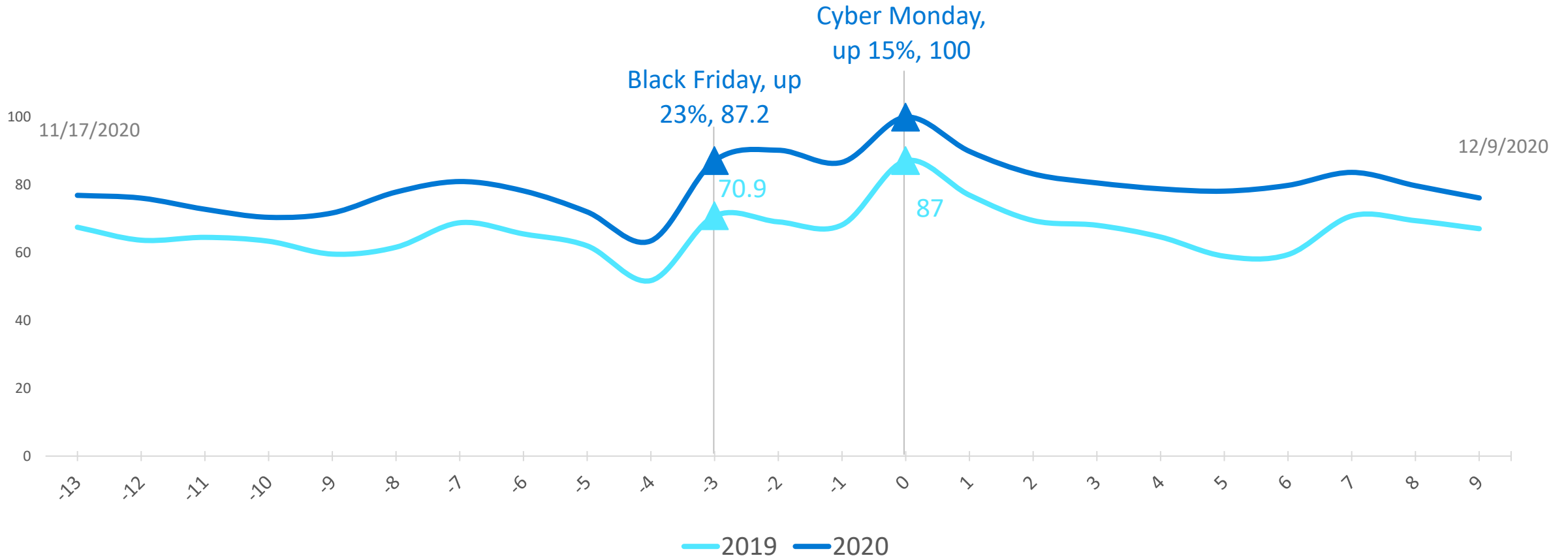


Source: Microsoft internal data. US Only. 11/17/2020 – 11/30/2020 & 11/19/2019 – 12/2/19

Clicks were also up YoY at +20% lift during the 23 days around Black Friday and Cyber Monday

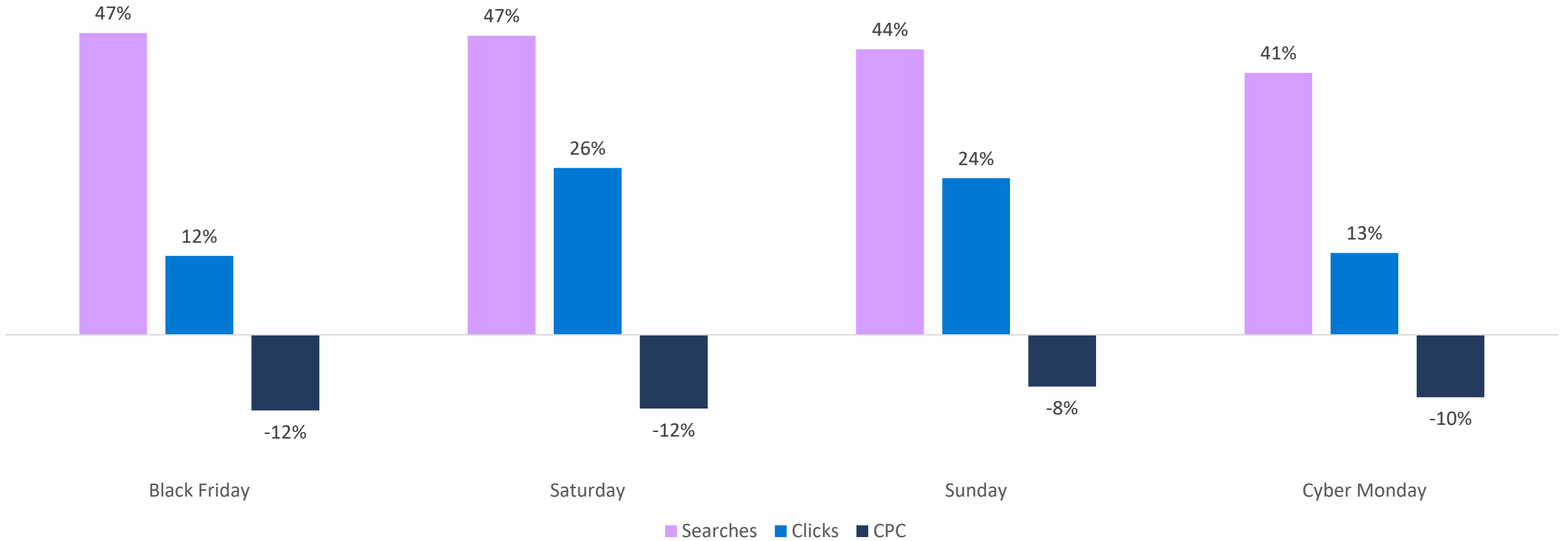


All Retail search volume for 23 days ending on December 9, 2020



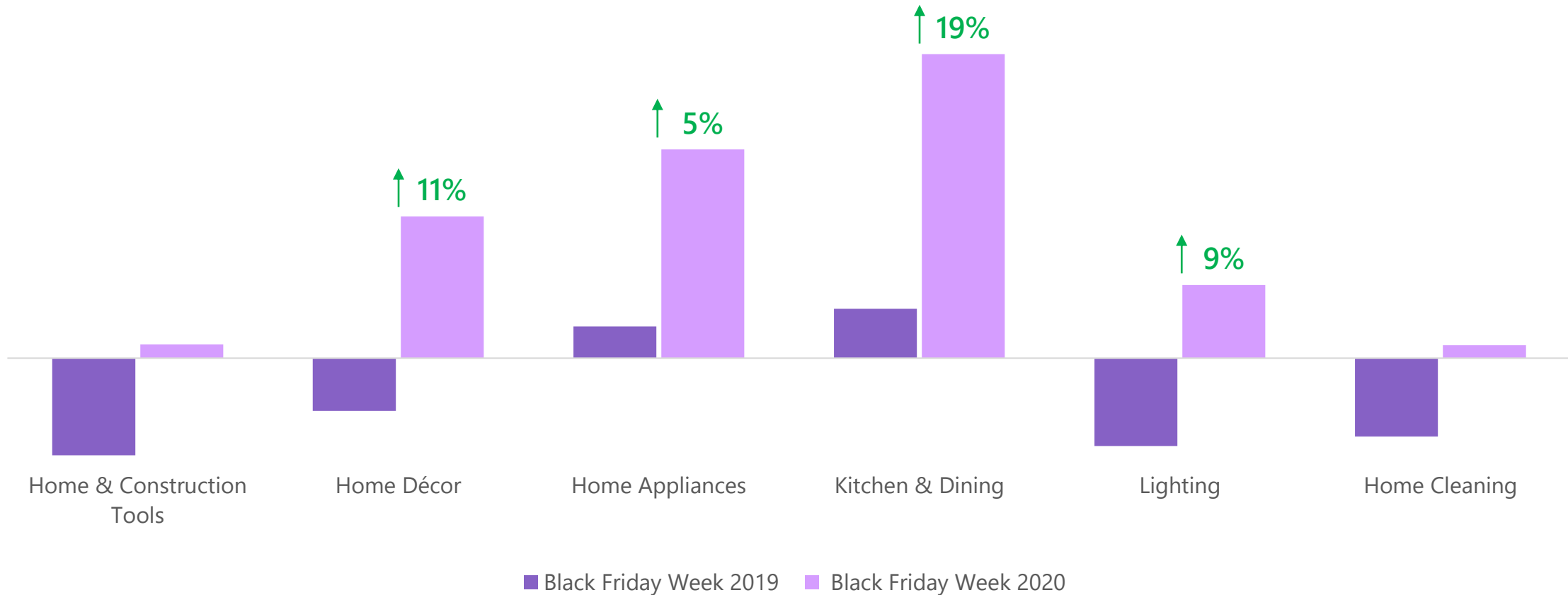
During key days searches and clicks were regularly up and CPCs were down

YoY change in Home & Construction marketplace metrics



Kitchen & Dining, Appliances, Home Décor, & Lighting saw the biggest search lifts YoY during Black Friday week this season

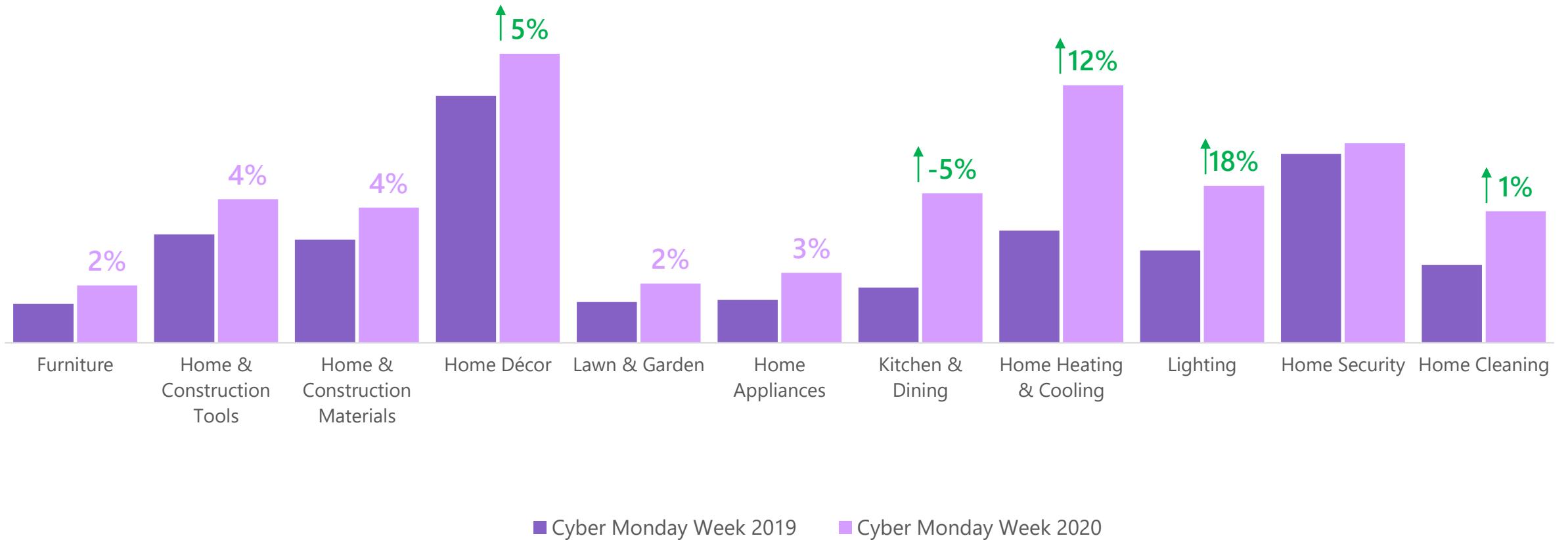
Week over week (WoW) search lift, Black Friday week vs. the week prior, in 2019 & 2020



Source: Microsoft internal data. US Only. BF Week 2019 (11/23-11/29) vs week prior. BF Week 2020 (11/21-11/27) vs week prior

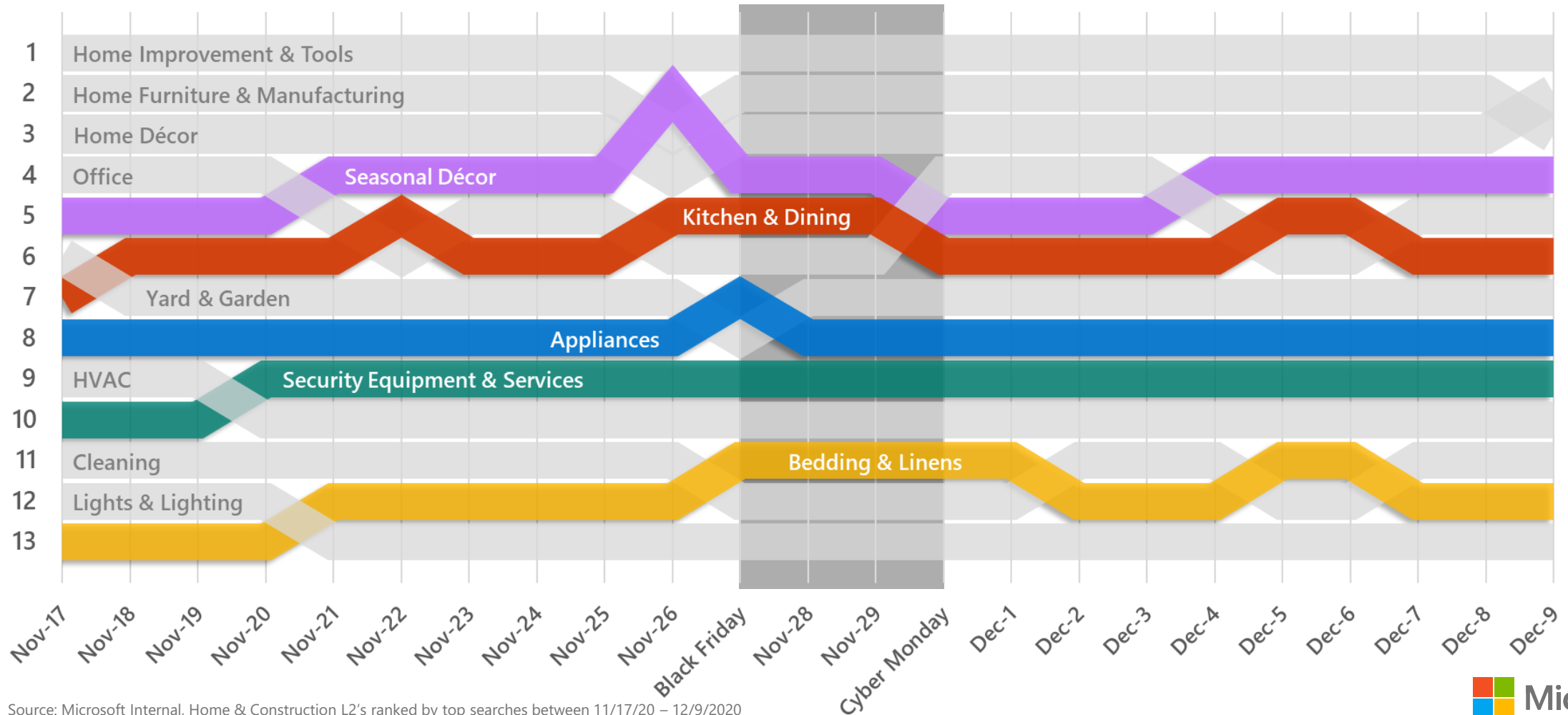
Overall, Cyber Monday saw search lifts across most Home & Construction categories, but HVAC, Kitchen & Dining, Lighting, Cleaning, and Home Décor saw the largest YoY gains

WoW search lift, Cyber Monday week vs. Black Friday week, in 2019 & 2020



Searches for Seasonal Décor, Kitchen & Dining, Appliances, Bedding & Linens spiked during Black Friday and Cyber Monday

Searches ranked across Home & Construction categories by day, 11/17/20 – 12/9/20



Source: Microsoft Internal, Home & Construction L2's ranked by top searches between 11/17/20 – 12/9/2020

Search queries with high YoY volume lift indicate that consumers are focusing on comfort as they practice social distancing during the Holiday



YoY Search lift by query category, 11/17/20 – 12/9/20 vs. 11/19/19-12/11/19

Bathroom

Query	% YoY Lift
bath towels	195%
shower curtains	147%
my pillow towels	994%
shower curtain	57%
medicine cabinet	76%
towels	86%
bathroom accessories	105%
towel	175%
bathroom decor	44%
bath rugs	313%
bath accessories	590%
bathroom rugs	78%
towel rack	64%

Bedding & Linens

Query	% YoY Lift
memory foam pillows	3051%
bedding	76%
sheets	60%
blankets throws	3078%
blankets	93%
comforter sets	281%
queen bed set	53%
bed set	54%
blanket	59%
comforters	210%
top weighted blankets	106719%
company store	37%
bedding bath	77611%

Home Security

Query	% YoY Lift
home security systems	251%
best home security companies	112403%
alarm	198%
brink	368%
smart home security	86%
alarm companies	3556%
home security	120%
home alarm system	186%
home security alarm system	2758%
security systems home	56%
best house alarm systems	351%
safe	26%
home security deals	1744%

Storage & Organization

Query	% YoY Lift
wine rack	3242%
wine cooler	1415%
pantry	379%
storage organization	12289%
basket	131%
wine fridge	889%
wine cabinet	2775%
storage bench	48%
clothing rack	66%
cube organizer	54%
baskets	91%
clothes rack	40%
cube storage	108%

To get actionable data, insights and best practices to help make decisions and grow your business, visit aka.ms/MicrosoftAdvertisingInsights



Microsoft Advertising. Intelligent connections.