Retail Holiday: the return of in-store buying & apparel trends
Summary of findings

- In-store shopping is coming back
  - Bid on new keywords or expand your match types to cover in-store shopping queries

- Apparel trends are growing year-over-year (YoY)
  - Ensure your campaigns are not limited by budget so you are able to capture peak seasonal spending

- Optimizations will be key this holiday
  - Check out the Microsoft Advertising Holiday checklist for tips on best maximizing your budget

- Both search and native are effective
  - Launch Microsoft Audience Ads to boost your clicks and conversions alongside search
Consumers are increasingly becoming more comfortable with in-store shopping

How soon from now would you be comfortable shopping in stores (not including groceries)?

<table>
<thead>
<tr>
<th></th>
<th>September 2020*</th>
<th>September 2021**</th>
</tr>
</thead>
<tbody>
<tr>
<td>I’d be / I am comfortable shopping in stores now</td>
<td>58%</td>
<td>67%</td>
</tr>
<tr>
<td>In less than 2 months</td>
<td>4%</td>
<td>13%</td>
</tr>
<tr>
<td>In 2-4 months</td>
<td>5%</td>
<td>4%</td>
</tr>
<tr>
<td>In more than 4 months</td>
<td>33%</td>
<td>16%</td>
</tr>
</tbody>
</table>

Source: 2021 CivicScience Report

*23,762 responses weighted by US Adults from 9/16/20 to 9/30/20

**9,635 responses weighted by US Adults from 9/16/21 to 9/30/21
Shopping in stores is now perceived to be safer than other activities

How soon from now would you be comfortable...?

(\% I am comfortable now)

Source: 2021 CivicScience Report

* 136,108 – 294,083 responses weighted by US Adults from 9/30/2020 to 9/30/2021 | ± 1%
After a sharp decline in 2020, in-store related searches and clicks are growing.

Source: Microsoft Internal Data, (Sep – Oct 2019, 2020, 2021)
Apparel Accessory sub-categories are on an upward trend this season

Source: Microsoft Internal Data, 2019-2021
Clothing searches are trending upward, with Custom clothing showing growth

Source: Microsoft Internal Data, 2019-2021
Searches for dress shoes are inching their way back to 2019 levels

Source: Microsoft Internal Data, 2019-2021
Top optimizations to maximize your spend this holiday season

- Ensure your campaigns are NOT limited by budget and plan for periods of high cost per clicks (CPCs) around peak times.
- Boost clicks and conversions outside search and launch feed-based audiences for your Microsoft Audience Network Campaigns.
- Upload campaigns early and add Merchant Promotions to make the most of your seasonal deals.
- Test ad copy variations or use Responsive Search Ads to test up to 40,000 different ad permutations for you.
- Add rich visual elements to your ads to help them stand out, increase performance and give shoppers a better idea of your offerings with Multimedia Ads and Multi-Image Extensions.
- Increase profitability and save time by removing the need to create targets for individual URLs using Page Feed Dynamic Search Ads.
Both Native and Shopping Ads prove to be effective methods for reaching retail users in their research.

Ad served by conversion path position for Retail across the Microsoft Network

Source: Microsoft internal data; Microsoft Advertising query path data for US Retailers, Sep 2020 – Dec 2020, 500K total unique paths. Results may vary for each advertiser based on campaign settings, targeted audiences, and other factors. Lift metrics represent an average of all advertisers with lift studies done during peak seasonal periods (thru May 2021). These advertisers may be a non-representative sample of all advertisers on the marketplace. Lift measured between exposed users and a control group of eligible unexposed users, with lift represented on a per-user basis. Average user count per advertiser study = 3.5M.
To get actionable data, insights and best practices to help make decisions and grow your business, visit MicrosoftAdvertising.com/Insights