



MICROSOFT ADVERTISING INSIGHTS

Mother's Day 2021: why subscription boxes are gaining consumer interest

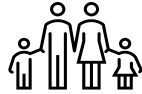
Microsoft Advertising. Intelligent connections.



Agenda



1 Marketplace trends



2 Consumer behavior



3 Correlation analysis



4 Audience trends

Since COVID-19 has put a spotlight on opportunities for consumers to show their loved ones they care, this **Mother's Day** has the potential to be more meaningful than ever





Examining current retail trends

86%

Of consumers say
Mother's Day is
important to them,
given the current state
of the pandemic¹

\$26.7B

Total spend reflected in
this consumer sentiment¹

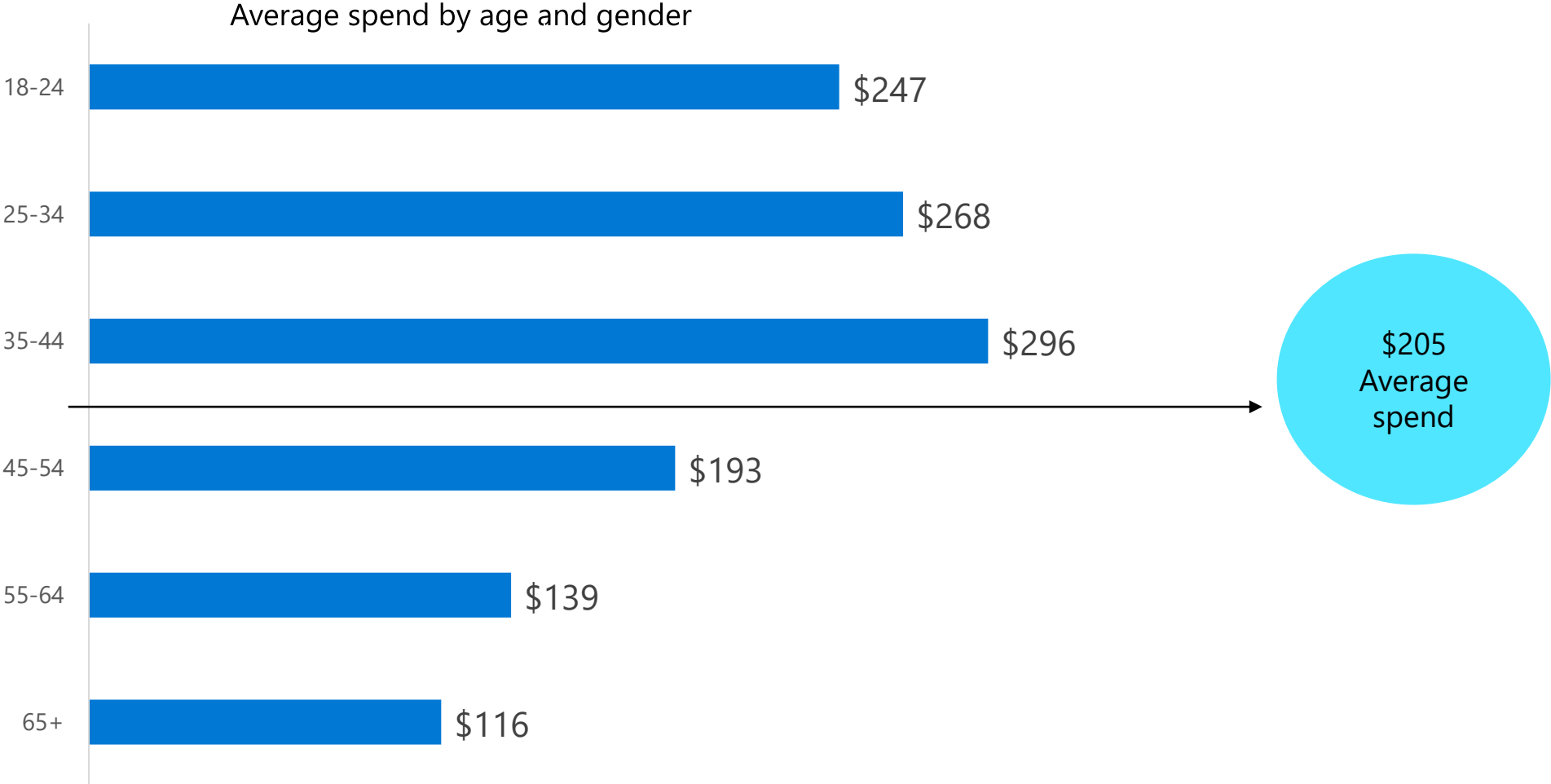
\$205

Average amount
consumers are planning
to spend on meals and
gifts for mom¹

35-44

The age group most
likely to be
celebrating a spouse
this Mother's Day¹

Consumers spend an average of \$205 for Mother's Day



Source: National Retail Federation May 2020

Mother's Day online merchant clicks grew by **69%** year over year (YoY), while brick & mortar is up **24%**

Sub-vertical click rank vs. YoY growth



Online only

↑69%

YoY for top advertisers



Brick & Mortar

↑24%

YoY for top advertisers





Subscription services are on the rise during COVID-19



21%

Increase in revenue for subscription services due to surging demand amid social distancing restrictions from COVID-19³



There is increased demand for meal kits and apparel subscription boxes since we are preparing meals at home, staying fit, & dressing for remote work³



35%

Of consumers are interested in gifting a subscription box for Mother's Day¹



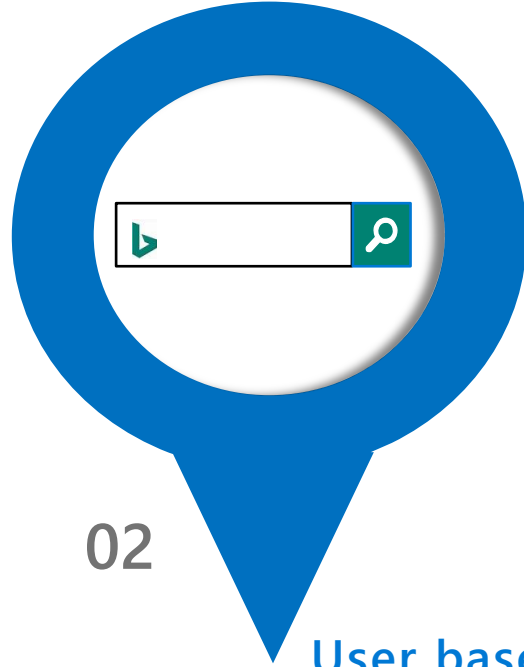
Our methodology



01

Criteria

Users were qualified as having visited or searched for sites related to “**subscription services**” at least 10 times



02

User base

1,000 users and **140K page views** were identified as highly qualified shoppers of “**subscription services**”



03

Location

All users analyzed were in the **US** on a PC device



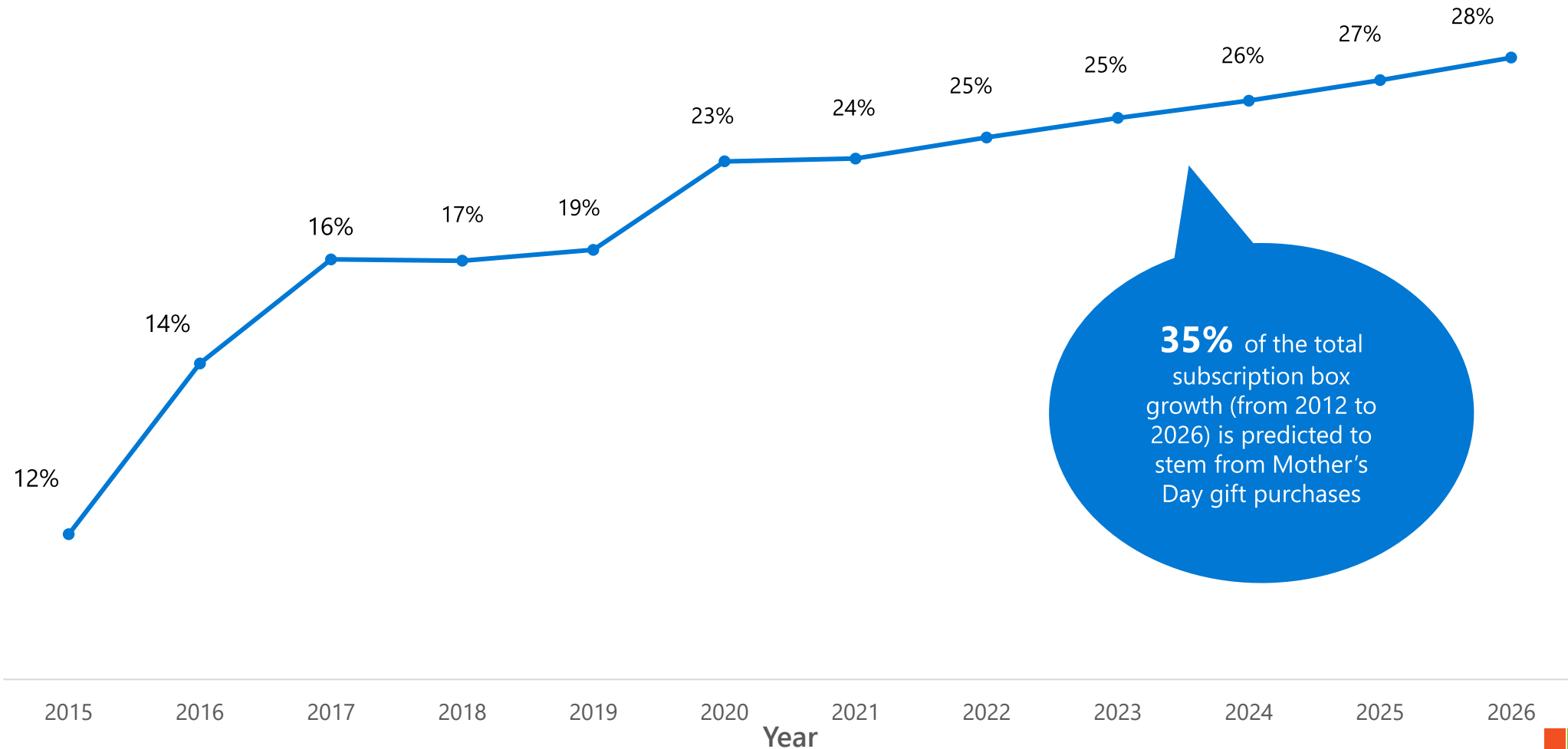
04

Timeline

Data from October 2020 through January 2021

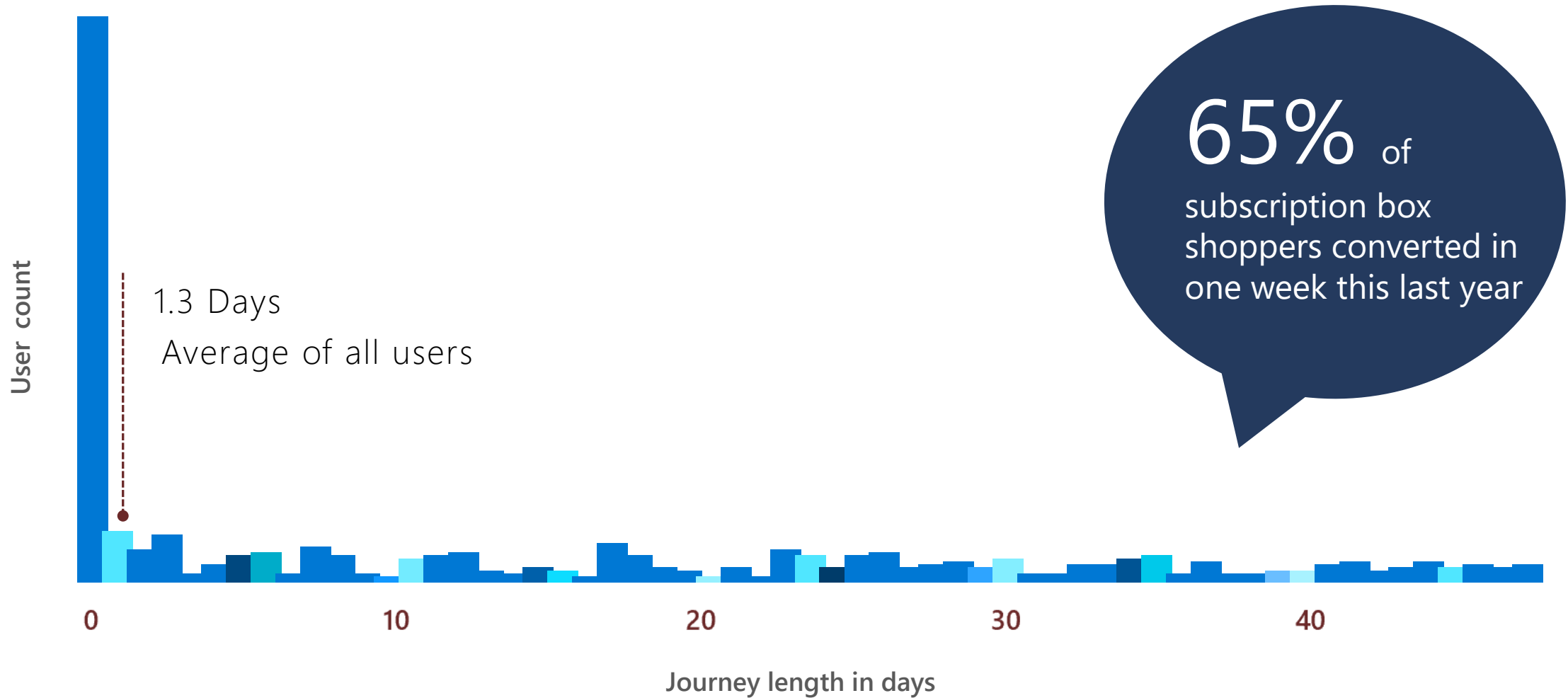
Predicted revenue from subscription boxes is on the upswing

Forecasted subscription box revenue growth (in percent value)



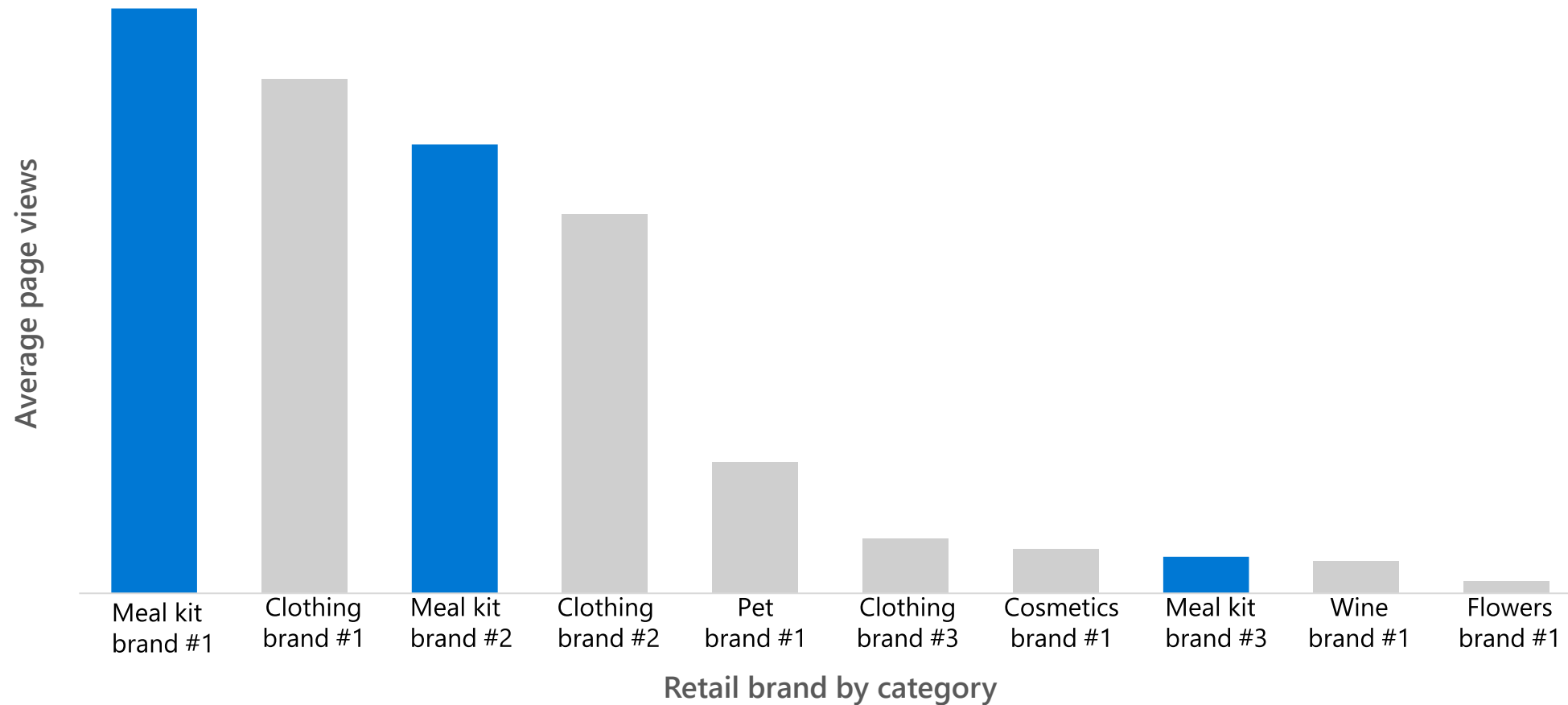
Subscription box shoppers convert instantly post COVID-19

User grouped by journey length



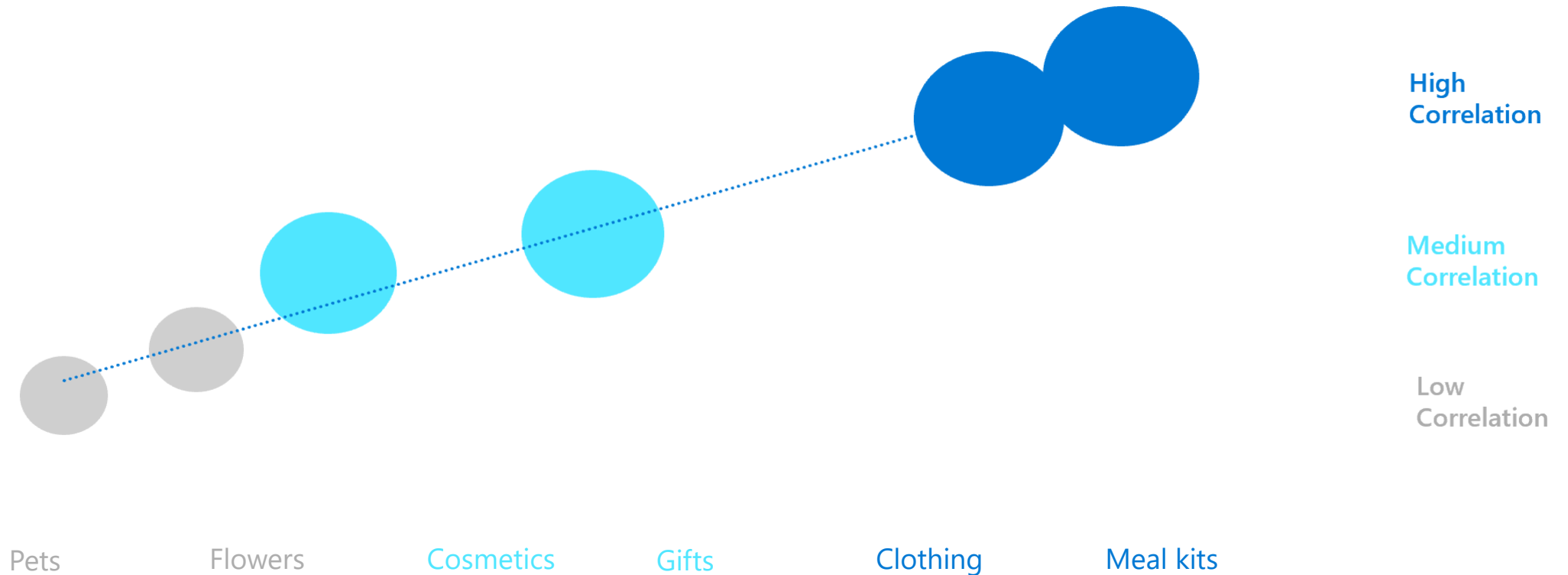
Food and clothing-based subscription boxes are receiving the most online traffic

Top domains by Avg Page Views



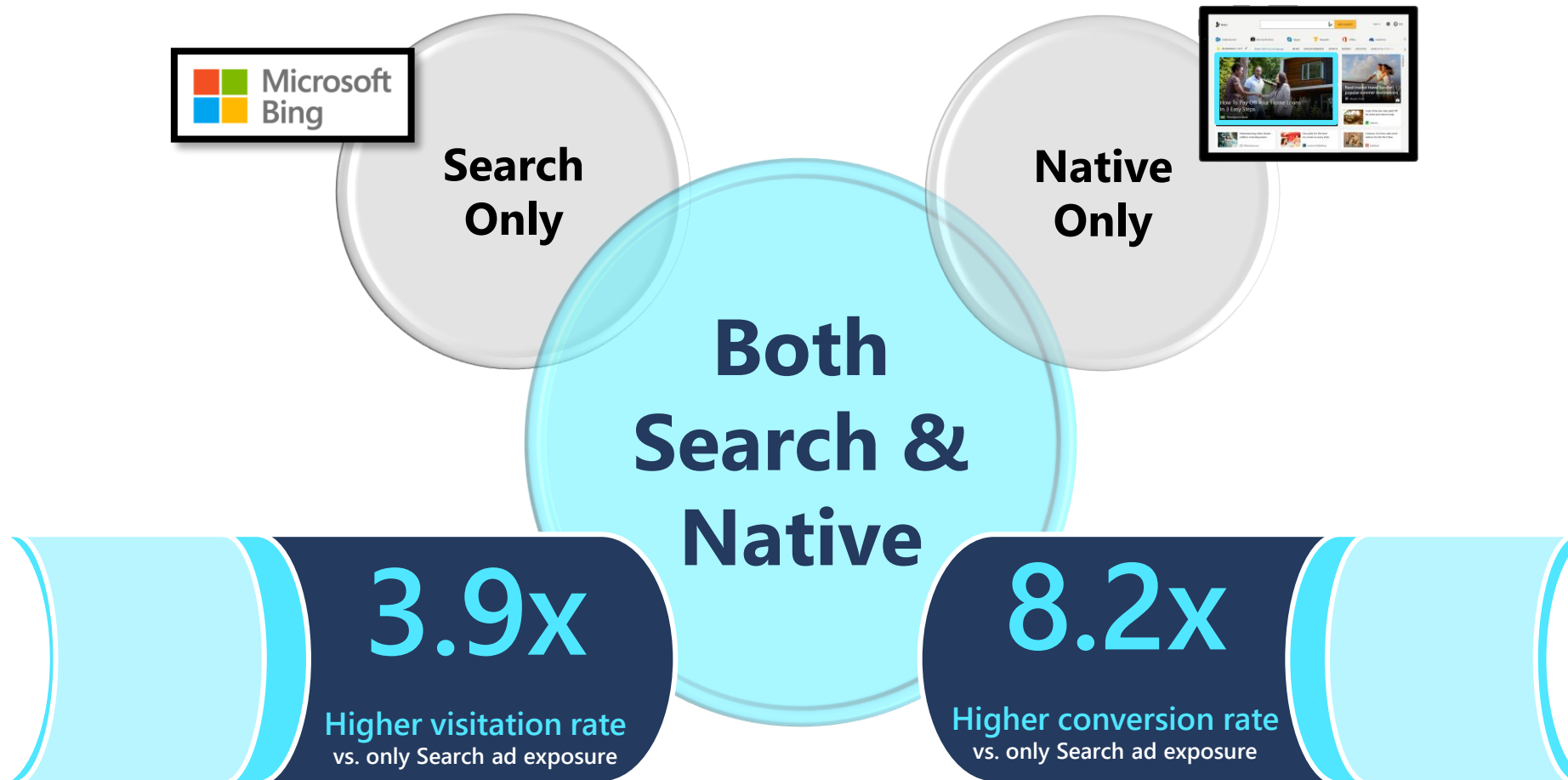
The correlation between **subscription boxes** and **Mother's Day searches** is also strongest between clothing and food categories

Correlation between subscription boxes and Mother's Day queries



Occasion & Gift advertisers should consider pairing native with search strategies

Gifts & Occasions ad effectiveness study



Users exposed to both Microsoft Search ads & Microsoft Audience ads are **more likely to visit a Gifts & Occasions website** compared to those who are exposed to only one type of ad.

Notes: Results may vary for each advertiser based on campaign settings, targeted audiences, and other factors. Lift metrics represent an average of all advertisers with completed lift studies to date (Feb. 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 = 680K

Key takeaways



Mother's Day will be a large celebration this year as total spending should reach **\$26.7B** with the average consumer spending over **\$200**

Drive more customers to your products with engaging experiences through shopping campaigns



We're seeing strong correlations between subscription boxes and Mother's Day searches, with **35%** of consumers expecting to gift a subscription box this Mother's Day

Increase coverage within top categories and Mother's Day queries



Studies show that campaigns produce a **8.2X** higher conversion rate and **3.9X** higher visitation rate when Search and Microsoft Audience Network ads are combined

Create In-market Audiences across top product categories

To get actionable data, insights and best practices to help make decisions and grow your business, visit MicrosoftAdvertising.com/Insights



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