



MICROSOFT ADVERTISING. INTELLIGENT CONNECTIONS.



Emerging Small Business Trends for COVID Recovery

How Microsoft Advertising can help you reach new customers and grow your business

Despite 2020 being filled with uncertainty, small business owners are showing resilience in 2021

The pandemic has posed new challenges for small businesses as they find ways to adapt and recover.

Small and midsize businesses are the innovators and drivers of new ideas, products and services. They're the lifeblood of economies and communities around the globe. They also employ most of the workforce.

Providing opportunities to attain financial independence and encouraging diversity — both socially and economically — small businesses (SMBs) drive the economy and have an enormous impact locally and nationally, accounting for 99.9% of all businesses in the U.S.¹

They're also a part of the fabric that brings communities together while creating millions of jobs that enable minority groups and women to contribute and earn equal pay. It's estimated that women own 32% of all small businesses in the U.S.²

SMBs are as diverse and unique as their owners and encourage innovation to fill in the gaps where products and services may be needed but aren't yet available. They fuel passion and independence while pushing the boundaries of what's possible.

Small businesses drive empowerment and independence³

46% of African American small businesses are run solely by the owner.



Women own 12.3 million businesses in the U.S.



Women-owned businesses generate \$1.8 trillion in revenue.



1. [United States Small Business Profile](#), U.S. Small Business Administration, 2020. 2. ["2021 Small Business Trends,"](#) Guidant Financial, 2021. Email survey of 2,400 SMB owners from December 1-18, 2020. 3. Andjelic, Julija. ["42 Small Business Statistics: Everything You Need to Know,"](#) January 26, 2021.

2021 will be a year of transition for small business owners

Though most small business owners have struggled this past year, they've also learned to adapt faster than they ever thought they could before.

Even with the heavy competition most SMB owners already faced – now coupled with the effects of the pandemic – most adjusted and many feel optimistic about the future.¹

Despite all the unique challenges, the majority anticipate growth in the next few years, and they're willing to put in the hard work needed to succeed.

2021 will be a year of transition as we slowly get past the many hurdles in front of us. Barring any unexpected events, businesses and the general public can begin looking forward to shaping their futures rather than winging it in the present.

New technology, management tools for resource efficiency, and new marketing tactics will certainly be required, but it's attainable with the right knowledge and resilience.

Here's to the new normal.

The top SMB business goals for 2021¹

1. Updating or pivoting their business model.

2. Forecasting and scenario planning.

3. Marketing and research.

4. Maintaining and improving cashflow.



Table of contents

1. Trends impacting small businesses in 2021
2. Why Microsoft Advertising?
3. Products and features useful for small businesses
4. Resources for small businesses

Trends impacting small businesses in 2021



Trends impacting small businesses in 2021

Consumers are becoming more hopeful in 2021 as vaccinations roll out and more jobs open up. However, they're also cautiously optimistic to get "back to normal." How your customers view travel, retail, health and wellness, technology, finance – and just about every other industry – has changed.

Let's look at some key trends as we take on the "new normal."



Lower impact consumerism and a shift to local shopping gains ground (retail).



Rethinking living spaces and the do-it-yourself trend takes hold (retail, home improvement).



Mindfulness and inclusivity become a primary focus (health and wellness).



Travel and rescheduled trips are being planned, but consumers are wary (travel).



Physical and virtual realities blend as people search for a healthy balance. Contactless payments are adopted by the masses (technology).

Trends and behaviors – retail

“More” is not the norm anymore, as shoppers are moving to lower impact consumerism, and the convenience of big-box retailers conflicts with their desire to support small businesses.

COVID-related trends for retail include more do-it-yourself projects, resale, recycling and sharing of used goods.

Though local businesses suffered, there was an uptick in hyper-local shopping, and since March 2020, 27% said their shopping through independent, local, small businesses increased.¹ This behavior will continue in 2021 as shoppers want to support their communities.

Saturdays used to be the most popular day for shopping, but with digital storefronts, every day offers an opportunity to search and shop online.

Retailers had to step it up to meet customer needs and create superior digital experiences with relevant messaging to better compete.

Business owners should think of using search and audience marketing solutions, visuals and timing to deliver the right messaging at the right time.



Local Inventory Ads can help communicate in-store availability and “buy online pick up in store” options to boost brick-and-mortar sales.

1. “2021 Consumer Trends,” Microsoft Advertising + Suzy joint report, February 2021.

Trends and behaviors – home improvement

Staying home made us rethink our living spaces, and do-it-yourself projects grew exponentially as people spent more time at home.

Do-it-yourself (DIY) projects were all the rage in 2020 as more people realized the importance and value of comfort at home. In fact, home and construction growth outpaced all-up retail last year.¹ Whether it was home improvements, crafts, or repurposing, the effects of COVID restrictions empowered the DIY ethos.

A reported 43% of respondents started a home or gardening project in 2020 that they weren't planning prior to the pandemic.² This trend will likely continue in 2021, as more than 35% surveyed said they're likely to spend money on home improvements or renovations in the future.³

Information is top of mind, and when starting home and garden planning, 41% said they will start with online search.² Be prepared to capture searchers throughout their journey.



Remarketing can help boost your campaign performance by reengaging with high-value searchers who have already visited your website.

1. Microsoft internal data, U.S., January – November 2019 and 2020. 2. Microsoft internal survey, 2021. 3. "2021 Consumer Trends," Microsoft Advertising + Suzy joint report, February 2021.

Trends and behaviors – health and wellness

Physical and mental health became a major focus, as most people spent more time at home and without their regular social circles. Inclusivity has become more important than ever.

During the past year, consumers found new ways to meet their fitness goals and to stay healthy. Virtual fitness proved popular as 43% surveyed said they're comfortable taking online classes.¹ It also took traveling time out of the equation, making it more accessible to the masses. Many will get back to the gyms, but others will continue working out at home due to the convenience.

Inclusivity has also become more popular as consumers are demanding more accessible products designed for all sizes, shapes, genders, ethnicities and races. The one-size-fits-all approach is no longer being accepted.

Health care went virtual to reduce COVID exposure. Doctors, nurses, chiropractors and physiotherapists are just a few practitioners who took to digital platforms to work with their patients. This trend will continue in 2021.

Businesses will need to develop strategies to keep top of mind to maintain and attract new customers and offer goal-oriented solutions in addition to products.



Custom Audiences help you increase efficiency and scale by using data you already have about your customers to tailor your campaigns and make them more actionable.

1. "2021 Consumer Trends," Microsoft Advertising + Suzy joint report, February 2021.

Trends and behaviors – travel

Consumers are excited to travel and take trips that had to be canceled in 2020. They're also conflicted on how to do this safely, responsibly and sustainably.

Local travel became more important last year, and bicycles, e-bikes and scooters gained in popularity. Additionally, people have become more conscious about the impacts of travel and tourism and the environmental repercussions.

Searching and planning future vacations to familiar places or nostalgic locations continue to increase as people ease back into traveling.

Many have taken advantage of remote work and are doing it from locations besides their homes – renting in new locales and exploring these places outside of working hours.

Micro-mobility gives businesses an opportunity to get back to the basics and use geolocation search solutions to target local customers.



Location Extensions include your business information, such as address, phone number and directions to help local searchers find you.

Call Extensions display a clickable phone number in your ads on any device, giving searchers an instant call option.

Trends and behaviors – technology

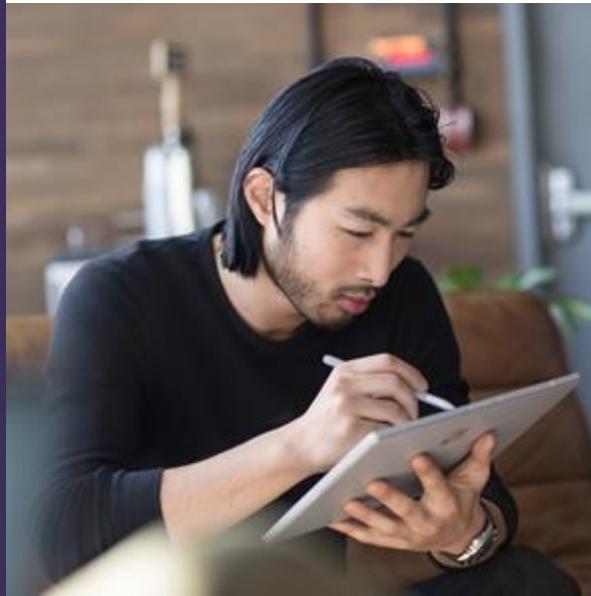
The pandemic escalated the adoption of virtual experiences. With more screen time, there also became a need to find balance.

While physical and virtual worlds continue to blend and technology becomes more prevalent in everyday life, people are searching to find a healthy balance.

Screen time became an escape, but for content, consumers began looking for unique and out-of-the-ordinary experiences. This will continue in 2021, including online live performances, book clubs, community meetings and more.

Predictive purchasing is influencing consumer behaviors. Artificial intelligence (AI) algorithms are beginning to drive convenience with new technology such as smart refrigerators and online grocery shopping services.

Digital platforms are shaping marketing opportunities. Location-based advertising is increasingly becoming the norm, but privacy will also be a factor in retaining customers, as data protection is increasingly important to them.



Local Inventory Ads showcase your products and local store information to nearby shoppers.

Countdown Customizers for Expanded Text Ads emphasizes your event or promotion by adding a countdown to your ad.

Trends and behaviors – financial services

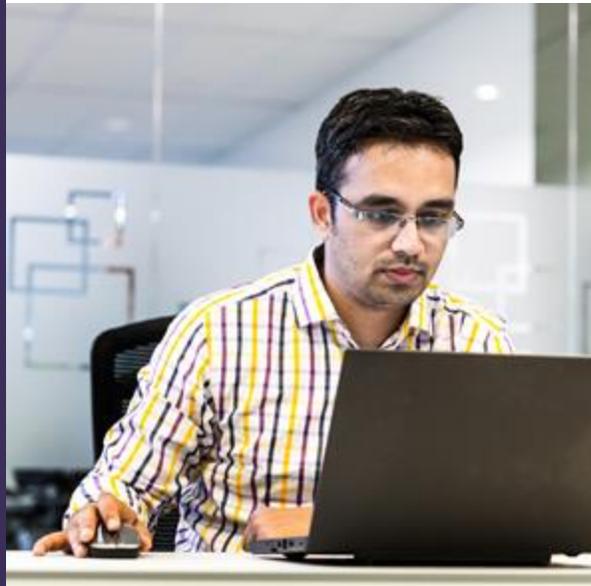
Independence and taking control of finances are top of mind. Knowledge, the environment and privacy are also important for consumers in 2021.

2020 saw an increase in contactless payments as consumers adopted mobile payment options and apps to pay online. Biometric payments, such as fingerprint scans, have also become more normalized and are expected to increase in 2021.

Sustainability is important to consumers and they're paying attention to where products are made and how brands conduct their business. In fact, one-third said they would pay more for environmentally friendly tech options.¹

Self-directed investments are more important than ever to consumers, and they want control of where their money is going.

Brand values will be key in communicating to your customers in 2021. Make sure your business shares and demonstrates its values by using technology to offer new products and features that resonate with them.



In-market Audiences saves you time by reaching curated audiences who are in-market for your category and are more likely to convert and purchase.

Dynamic Search Ads help you target relevant search queries based on your website content.

1. "2021 Consumer Trends," Microsoft Advertising + Suzy joint report, February 2021.

How can
Microsoft
Advertising help
small businesses
survive and thrive?



How can Microsoft Advertising help you reach highly value customers and grow your business?

We can help you reach and engage a diverse, high-value audience with efficiency.

As a small business owner, we know you wear many hats and have limited time and resources. You have lots of choices for marketing your business, and perhaps you already use paid search and run campaigns through channels such as Google Ads.

Microsoft Advertising can help you reach an additional audience you won't find on Google. We can also help save you time through automation while helping increase conversions.

[Sign up with Microsoft Advertising](#) and [contact our specialists](#) to get help setting up your new account and craft a winning ad campaign that's customized to your business.

“Santa Barbara Chocolate attained the sweet results it craved with the help of the Sales & Orders platform coupled with Microsoft Advertising. With a 476% increase in conversion rate, Santa Barbara Chocolate raised its average revenue growth by 315% in less than a year. This also led to a 5X boost in return on ad spend.”¹

1. "[Santa Barbara Chocolate achieves sales sweet success](#)" Microsoft Advertising customer success story, May 2020.

Reach a unique, valuable and growing audience on the Microsoft Search Network



In the U.S., you can reach 44 million monthly PC searchers you won't find on Google.¹



Our searchers spend 30% more online than the average searcher.²

1. comScore qSearch, Explicit Core Search (custom), U.S., March 2020; industry categories based on comScore classifications. Data represents desktop traffic only. 2. comScore qSearch, Explicit Core Search (custom), U.S., December 2020. The Microsoft Search Network includes Microsoft sites, Yahoo sites (searches powered by Bing) and AOL sites in the United States. Data represents desktop traffic only. 3. Microsoft Advertising, Audience data for Microsoft Advertising network compared to the internet, GWI March 2020.

Our audience also holds values close to their hearts³



28% of millennial searchers are more likely to be community contributors.



66% of millennial searchers are likely to pay more for sustainable and eco-friendly products.

The Microsoft Search Network has a broad reach and continues to grow year over year

In the U.S. we reach more than 1/3 of all searchers.¹



142 million
unique monthly searchers

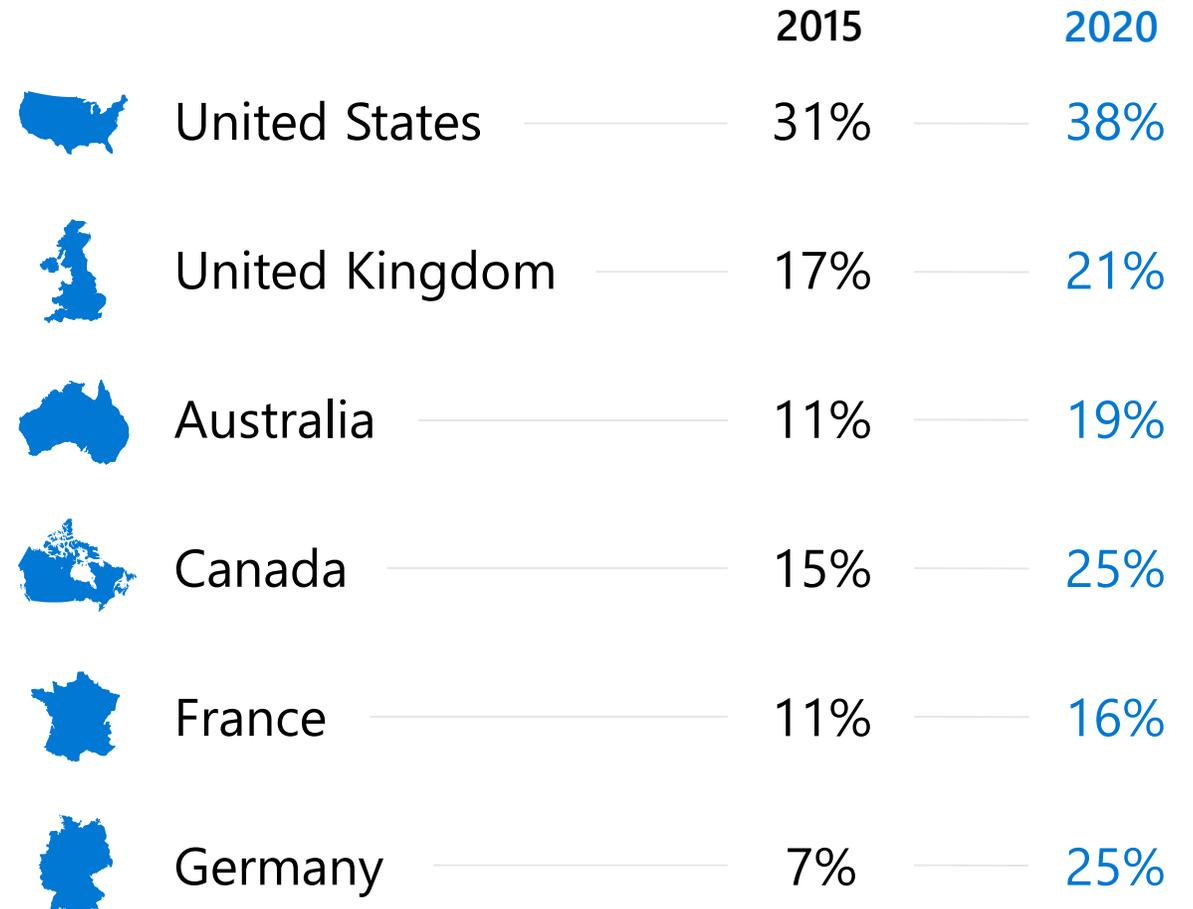


7.5 billion
monthly searches



38%
PC market share in the U.S.

Our global market share continues to grow²



1. comScore qSearch, Explicit Core Search (custom), U.S., December 2020. The Microsoft Search Network includes Microsoft sites, Yahoo sites (searches powered by Bing) and AOL sites in the United States. Data represents desktop traffic only.
2. comScore qSearch (custom), global, December 2020; includes Microsoft sites, Yahoo sites (searches powered by Bing) and AOL sites in the United States. Data represents desktop traffic only.

Discover a diverse, educated and highly valuable audience to find your ideal customer



50/50 men and women¹



More than 1/2 are under the age of 45¹



35% graduated from college¹



1/3 has a household income \$85K+¹

Younger generations on the Microsoft Search Network are increasing in ethnic diversity.²

125% more Hispanics under the age of 45.

57% more Black / African Americans under the age of 45.

75% more Asian Americans / Pacific Islanders (U.S. only) under the age of 45.

1. Global Web Index, Chart Builder, U.S., Q4 2020; Microsoft Search Network represents unduplicated visitors to Microsoft Search Network web search, Yahoo web search and AOL.com web search. Data represents desktop, mobile web and tablet traffic. 2. Global Web Index, Chart Builder. Data represents desktop, mobile and tablet traffic, N=37,340 GWI respondents, March 2020.

Our combined networks bring you more connections to reach the right audience at the right time



We reach more than **half a billion** people worldwide¹

We believe in marketing with purpose:

- Responsibility
- Trust
- Values
- Inclusion

1. comScore qSearch (custom), global, December 2020; includes Microsoft sites, Yahoo sites (searches powered by Bing) and AOL sites in the United States. Data represents desktop traffic only.

We reach people across all devices and platforms, providing more exposure for small businesses

1 in 5

searches across all devices¹

1 in 3

searches on PCs¹

1 billion

Windows 10 devices with Bing search built in globally²



1. comScore qSearch (custom), December 2020. 2. Microsoft internal data, 2020.

Microsoft Advertising search partners add value

Our carefully vetted partners help bring you more high-quality traffic to your business.

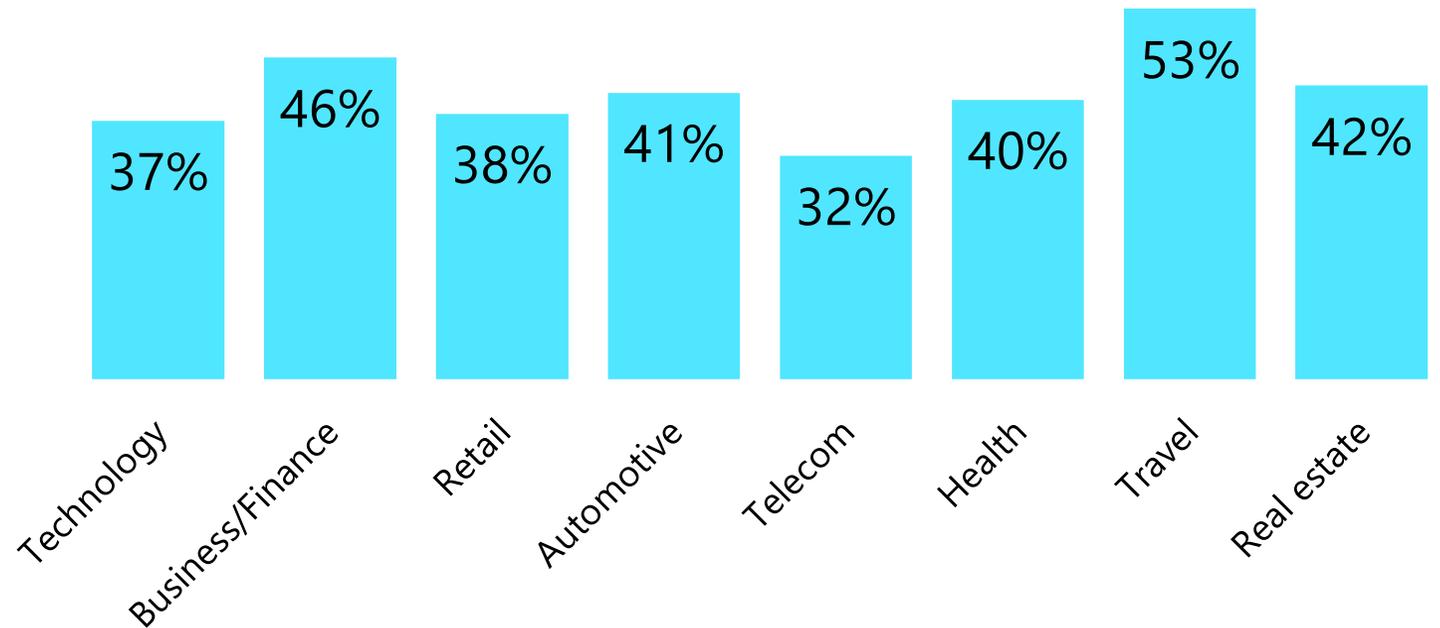
We have about 30 partners in our network, and we get 100% of traffic from Verizon Media, which includes its partners, such as Forbes and WebMD. Its sites join forces with us with partners such as The Wall Street Journal and CBS interactive to provide high-quality traffic, from trusted sources.

Owned and operated		Search partners		
MICROSOFT ADVERTISING PROPERTIES EXAMPLES	VERIZON MEDIA PROPERTIES EXAMPLES	MICROSOFT ADVERTISING SEARCH PARTNERS EXAMPLES	VERIZON MEDIA SEARCH PARTNERS EXAMPLES	
 Microsoft Bing  Skype  Windows  msn Outlook  Cortana Microsoft Edge	 	 DuckDuckGo  	  CBS Interactive 	  

Future-proof your monetization

We have significant paid click share in key verticals important to small businesses.

In key verticals important to SMBs, the (PC) share of clicks in these verticals is greater than 32%.



comScore qSearch (custom), U.S., September 2020; industry categories based on comScore classifications. Data represents desktop traffic only.

Products and features useful for small businesses



Save time so you can focus on growing your business

Increase performance and reduce management – three intelligent products with small businesses in mind

Harness the power of Artificial Intelligence (AI) and automation to import your Google Ads and Audience campaigns directly into the Microsoft Advertising platform. Automation, especially combined with AI, can **save you time**. While automation by itself can assist in completing tasks, especially those that are repetitive, intelligence helps when you're resource constrained.



Google
Import



In-market
Audiences



Smart
Campaigns

With Google Import, In-market audiences and Smart Campaigns, we can help you:

- Save time so you can focus on growing your business.
- Focus on your most creative, high-impact, and strategic work by letting automated solutions assist with tactical and repetitive tasks.
- Adjust swiftly with marketplace dynamics that change seasonally – or lately, are driven by COVID-19.

Google Import

Spend less time managing your ads and more time focusing on your customers

Save time managing search and Audience Ads campaigns

You don't have to start from scratch: Directly import search and audience campaigns from Google Ads into Microsoft Advertising, reaching more customers with just a few clicks.

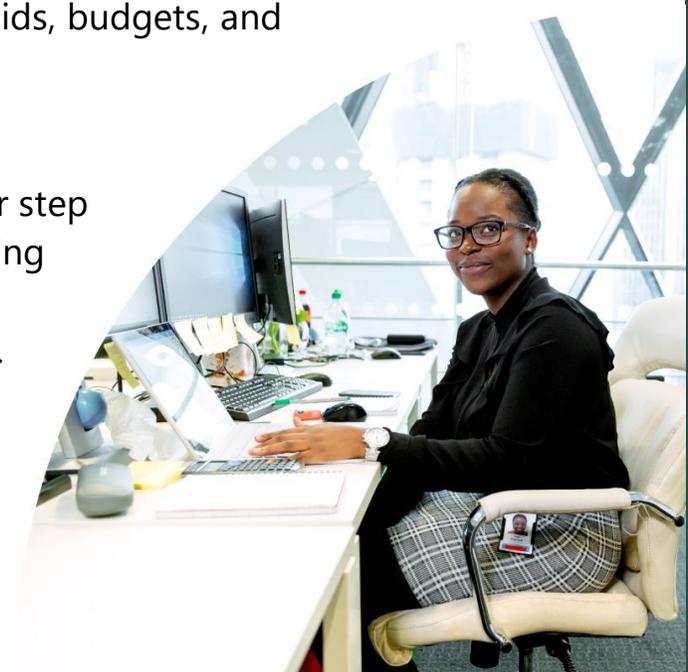
Manage with greater flexibility and control

Get granular with all the advanced import options to just bring over the specific features you want, and make edits to entities such as bids, budgets, and campaign names.

Transfer at a larger scale than ever

Import 20 million keywords and 20 million ads (a major step up from the previous 9 million combined limit), and bring over new entities, such as **audience ads** and **Remarketing lists** (under **Audience lists and targets**).

Find out more on our [Help page](#).



Choose only the **campaigns and ad groups** you'd like to import from Google Ads.



Select **more options** such as your bids, budgets and campaign options.



Take advantage of **flexibility** to schedule import now, at a later date and time, or on a recurring basis.

In-market Audiences

Save time, reach more customers and increase conversions

With the In-market Audiences feature from Microsoft Advertising, you can find curated lists of **users who are determined to be in market for a particular purchase category**. When these lists are associated to ad groups, you can target and modify bids for these audiences, such as Remarketing lists.

Expand your audience list **quickly and easily** with users who are ready to buy. In-market Audiences are **easy to use** in combination with your other audience targeting solutions, which we recommend using together.

Find out more on our [Help page](#).



If you have Google Ads campaigns using in-market audiences, you can **pull your associations** into Microsoft Advertising in minutes.



No need to build or manage your own audience lists since **Microsoft Advertising** does the work for you.



You can **start without prerequisites** such as website tagging.

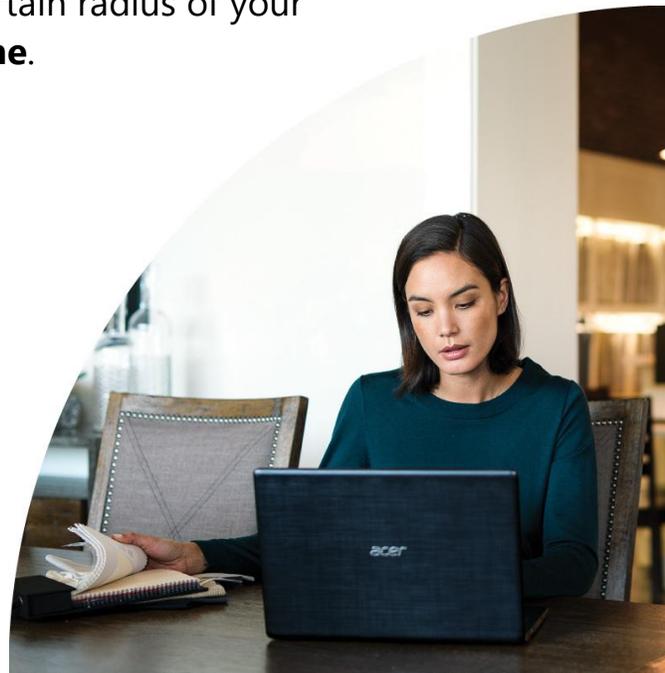
Smart Campaigns

Spend time doing what you love most — running your business

Smart Campaigns is the latest AI-powered feature for small businesses from Microsoft Advertising. It provides a **simple, efficient, and easy** way to get started with advertising and run campaigns on the Microsoft Search Network.

Best of all, you get to **determine your advertising goals**, such as getting more in-store visits, more online visits, or more phone calls. You also decide where customers must be located in order to see your ads, such as within a certain radius of your business address, or other **specific locations you define**.

Find out more on our [Help page](#).



Get **access to more searchers** on Bing, MSN, Yahoo, AOL and other sites powered by Bing.



Smart Campaigns help **improve your ads**, measure performance and show clear results.



Saves you money by delivering the right message to the right person at the right time.

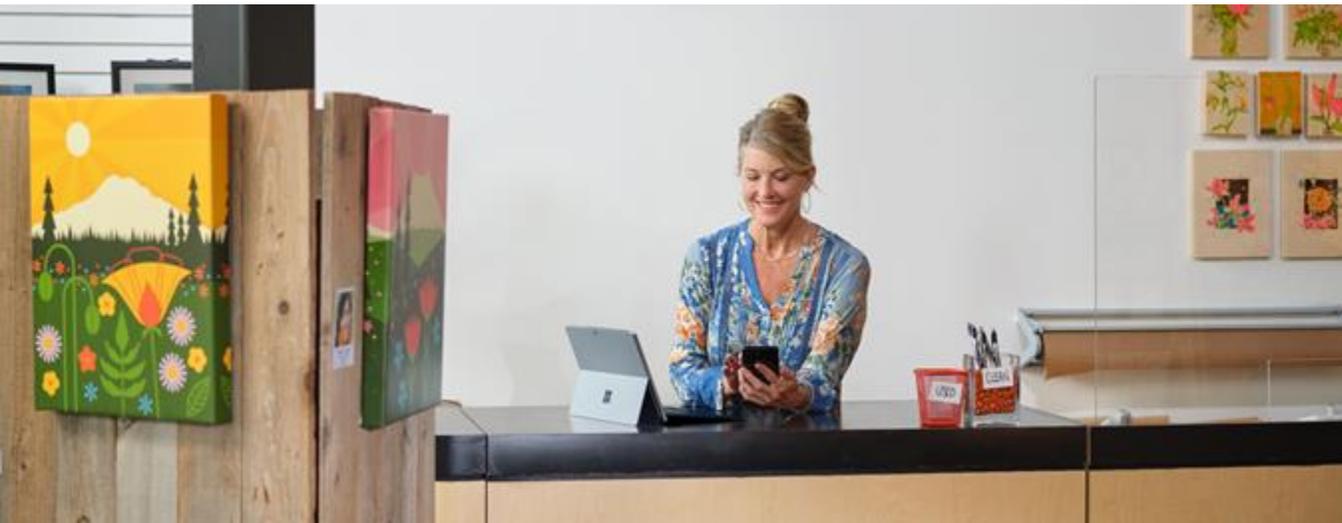
Resources for small businesses



Resources for small and mid-sized businesses

As a small business owner or manager, it's important — now more than ever — to stay up to date with the most impactful and current trends in the industry. We've compiled some of our top content for SMBs to help you continue to grow your business and expand your reach in 2021.

- [Sign up](#) with Microsoft Advertising
- Visit the [Microsoft Advertising Small Business Center](#)
- Get help setting up or optimizing your account
[Free consultation - Microsoft Advertising](#)
- Stay informed with the Microsoft Advertising newsletter
[Microsoft Advertising newsletter sign-up - Microsoft Advertising](#)





Microsoft Advertising. Intelligent connections.