Microsoft Advertising Insights

Italy’s Home and Garden trends
Search traffic and clicks are trending upward

- The market is showing a large uptick during the most recent weeks in both searches and clicks.

Source: Microsoft Advertising Network O&O Internal Data, Jan 2019 - Feb 2021, Home & Garden, Italy, All devices
Both searches and clicks had their largest year over year (YoY) growth in Wave 1 of COVID-19

YoY overall search and click growth by phase

<table>
<thead>
<tr>
<th></th>
<th>Search Traffic YoY %</th>
<th>Clicks YoY %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wave 1 (Mar-May)</td>
<td>78%</td>
<td>99%</td>
</tr>
<tr>
<td>Summer 2020 (Jun-Aug)</td>
<td>5%</td>
<td>-9%</td>
</tr>
<tr>
<td>Winter 2020 (Sep'20-Feb'21)</td>
<td>44%</td>
<td>59%</td>
</tr>
</tbody>
</table>

Source: Microsoft Advertising Network O&O Internal Data, Jan 2019 - Feb 2021, Home & Garden, Italy, All devices
Click through rates are growing as well

- Average click through rate (CTR) is slightly below last year numbers during both wave 1 and summer weeks.
- Average cost per clicks (CPCs) in 2020 and 2021 were much lower compared to the previous years, increasing chances for a better return on investment (ROI).

Source: Microsoft Advertising Network O&O Internal Data, Jan 2019 - Feb 2021, Home & Garden, Italy, All devices
Audience profiles over time

During summer we saw a larger share of senior users on the network aged 50-64 and 65+. However, the audience age profiles are now *returning to what we saw in wave 1 (young users increasing).*

![User age profile](image)

![User gender profile](image)

Source: Microsoft Advertising Network O&O Internal Data, Jan 2019 - Feb 2021, Home & Garden, Italy, All devices
Click trends show a similar growth for generic and brand keywords. The current winter season is showing generic searches slightly ramping up quickly while brands and generic clicks are increasing at comparable pace.

Source: Microsoft Advertising Network O&O Internal Data, Jan 2019 - Feb 2021, Home & Garden, Italy, All devices
Brand vs. generic reach

Generic accounted for larger share of total traffic and clicks during all seasons

<table>
<thead>
<tr>
<th></th>
<th>Search traffic %</th>
<th>Clicks %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Wave 1 (Mar-May)</strong></td>
<td>8% 92%</td>
<td>13% 87%</td>
</tr>
<tr>
<td><strong>Summer 2020 (Jun-Aug)</strong></td>
<td>7% 93%</td>
<td>11% 89%</td>
</tr>
<tr>
<td><strong>Winter 2020 (Sep'20-Feb'21)</strong></td>
<td>7% 93%</td>
<td>11% 89%</td>
</tr>
</tbody>
</table>

Source: Microsoft Advertising Network O&O Internal Data, Jan 2019 - Feb 2021, Home & Garden, Italy, All devices
Average CPCs for generic clicks remained stable, while brand CPCs experienced small fluctuations over time.

Source: Microsoft Advertising Network O&O Internal Data, Jan 2019 - Feb 2021, Home & Garden, Italy, All devices
Home and Garden forecasts based on previous search volume

Expected YoY growth in search volume (Feb to Dec 2021)

49% to 78%

Source: Microsoft Advertising Internal Data, Jan 2019-Aug 2020 Retail categories for ES using adjusted PROPHET forecasting model
Key findings

- During **COVID-19 Wave 1** (Mar-May) we saw increases in traffic with people in lockdown spending more time at home.

- The **Winter Retail Season** is showing fast growth for both traffic and clicks.

- **Generic traffic** has more searches and clicks than brand traffic at relatively low CPCs.

- Given the growth seen in 2020 and the continuation of restrictions in the country due to COVID-19, **we are forecasting** up to +78% YoY growth for the rest of the calendar year 2021.

Recommended actions

- Prepare, **expand and optimize** your campaigns and keyword sets in order to fully profit from the coming months of Winter Retail Season peaks.

- Make sure your brand traffic is fully covered, but **leverage generic searches** to increase your conversions.

- Leverage eCPCs and **automated bidding strategies** to improve performance.
To get actionable data, insights and best practices to help make decisions and grow your business, visit MicrosoftAdvertising.com/Insights