MICROSOFT ADVERTISING INSIGHTS

Post-COVID trends in the CPG vertical

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1. State of Retail all up
2. Beauty & personal care trends
3. Food & beverage trends
4. Household supply trends
5. Pet supply trends
We are starting to see the economy re-open for in-store shopping and early signals suggest consumer purchases are shifting back to pre-pandemic products or services.
Retail sales dropped 1.3% in May as pandemic shopping habits shifted toward service-based industries.

Total US retail and food-service sales in billions

Source: US Census Bureau, June 2021
Overall retail search volume has fallen the past 4 weeks as user’s change their research and purchasing behavior

Search volume change across Retail

Source: Microsoft internal data, Weeks 16-23 2020 & 2021
As in-person events and office work resumes we are seeing users focus on beauty, hygiene, and personal presentation products in ways they largely haven’t since last February.
Searchers have begun applying make-up again, leading to increased interest in make-up removal products.

Search volume change in Facial Cleansers & Make-Up Remover

Source: Microsoft internal data, Weeks 16-23 2020 & 2021
Additional make-up categories show a slowing decline in interest, suggesting new make-up purchases are coming.
Various products and services associated with personal aesthetics are seeing a surge in interest

Search volume change in Dental Care Gum

Source: Microsoft internal data, Weeks 16-23 2020 & 2021
Consumers appear to be preparing for more in-person interactions through their online search behaviors.

Source: Microsoft internal data, Weeks 16-23 2020 & 2021
One relatively new category seeing a resurgence in interest is virtual makeovers

Search volume change in Virtual Makeovers

Source: Microsoft internal data, Weeks 16-23 2020 & 2021
A couple of food & beverage trends have shown significant interest growth recently, with excitement about the return of BBQ season being our #1 trend across CPG categories.
As we reach the Summer months, and can gather with other people again, we’re expecting a big BBQ season.

Search volume change in BBQ & Grilling Sauces

Source: Microsoft internal data, Weeks 16-23 2020 & 2021
While many consumers learned new cooking skills during the pandemic, people may be revisiting food convenience.

Search volume change in Prepared Foods

Source: Microsoft internal data, Weeks 16-23 2020 & 2021
Cleaning and sanitization products are not as popular as they were this time last year at the height of the pandemic. However, a few categories are showing increased recent activity.
A very popular category during the past year, household cleansers have generated increased search volume.

Search volume change in Household Cleansers:

- 2020: 78.6, -21.4%
- 2021: 35.9, 37.6, +4.6%

Source: Microsoft internal data, Weeks 16-23 2020 & 2021
While we are down from the heights of paper towel and toilet tissue interest, there has been a small recent uptick in search volume change in Household Paper Products.

Source: Microsoft internal data, Weeks 16-23 2020 & 2021
Increased pet adoption during the pandemic should be a boon for pet supply businesses for years. In the short-term, many new pet owners may be buying seasonal summer products for the first time.
Pet owners have their preferred supplier for all-year products, but some seasonal products are spiking

Search volume change in Flea & Tick Control Products

Source: Microsoft internal data, Weeks 16-23 2020 & 2021
Key takeaways

1. As the economy re-opens, signals suggest consumer purchases are shifting back to pre-pandemic products or services.

2. As in-person interaction increases, we are seeing users focus on beauty, hygiene, and personal presentation products again.

3. The return of BBQ season is currently our #1 trend across CPG categories.

4. Cleaning and sanitization products are not as popular as they were this time last year at the height of the pandemic, which makes sense as more people have become vaccinated.

5. Increased pet adoption during the pandemic has led to an influx in online pet product purchases. In the short-term, many new pet owners may be buying seasonal summer products for the first time.
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