MICROSOFT ADVERTISING INSIGHTS

Netherlands Retail festive season insights

Microsoft Advertising. Great relationships start here.
2021 year-to-date trends: Apparel
Recent openings have impacted search and click volume

1. Despite sharp decline recently in search volume, current levels are still above 2020 at +2% year-over-year (YoY)

2. Cost per clicks (CPCs) recently are going up potentially due to change in query mix, currently growing +10% YoY

3. Despite the decrease in recent weeks, clicks are still higher than 2020 volumes with +10% YoY growth

Source: Microsoft internal, market performance on owned and operated network, NL, Retail – Apparel query categories, 2019-2021
New ad formats are outpacing average growth as adoption grows and consumer interaction increases.

**Ad type share of clicks 2021 year-to-date (YTD)**
(NL, Apparel & Accessories advertisers)

- **Search ads**: 83%
- **Product ads**: 16%
- **Dynamic search ads**: 2%

**Ad type clicks YoY growth 2021 year-to-date (YTD)**
(NL, Apparel & Accessories advertisers)

- **Search ads**: 23%
- **Product ads**: 293%
- **Dynamic search ads**: 355%

*Numbers might not add up due to rounding*

Source: Microsoft internal, market performance on owned and operated network, NL, Retail – Apparel & Accessories advertisers, 2020-2021 (up till August)
Higher age groups are outpacing average growth

**YoY change in clicks by age group**
(NL, Apparel)

<table>
<thead>
<tr>
<th>Age Group</th>
<th>2021 YTD</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>65+</td>
<td>40%</td>
<td>57%</td>
</tr>
<tr>
<td>50-64</td>
<td>15%</td>
<td>57%</td>
</tr>
<tr>
<td>35-49</td>
<td>4%</td>
<td>58%</td>
</tr>
<tr>
<td>25-34</td>
<td>4%</td>
<td>65%</td>
</tr>
<tr>
<td>18-24</td>
<td>4%</td>
<td>65%</td>
</tr>
</tbody>
</table>

Source: Microsoft internal, market performance on owned and operated network, NL, Retail – Apparel categories, 2019-2021
2021 year-to-date trends: Computers & Consumer Electronics
Current click volumes floating above 2020 levels

1. **2021 search volumes** following 2020 trajectory, with volumes being very close (no growth in latest week).

2. CPCs have been showing a steady rise, potentially due to changing query mix, currently at +23% YoY.

3. Clicks in 2021 have gotten closer to 2020 volumes but they are still growing YoY with 4% in latest week.

Source: Microsoft internal, market performance on owned and operated network, NL, Retail – Computers & Consumer Electronics categories, 2019-2021
New ad formats are driving overall growth

Ad type share of clicks 2021 YTD
(NL, Consumer Electronics advertisers)

- Search ads: 73%
- Product ads: 24%
- Dynamic search ads: 3%

Ad type clicks YoY growth 2021 YTD
(NL, Consumer Electronics advertisers)

- Search ads: 13%
- Product ads: 216%
- Dynamic search ads: 1231%

* Numbers might not add up due to rounding
Source: Microsoft internal, market performance on owned and operated network, UK, Retail – Consumer Electronics advertisers, 2020-2021 (up till August)
Higher age groups are growing in line with average

**YoY change in clicks by age group**
(NL, Computers & Consumer Electronics)

<table>
<thead>
<tr>
<th>Age Group</th>
<th>2021 YTD</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>65+</td>
<td>47%</td>
<td>66%</td>
</tr>
<tr>
<td>50-64</td>
<td>51%</td>
<td>59%</td>
</tr>
<tr>
<td>35-49</td>
<td>47%</td>
<td>56%</td>
</tr>
<tr>
<td>25-34</td>
<td>65%</td>
<td>62%</td>
</tr>
<tr>
<td>18-24</td>
<td>61%</td>
<td>66%</td>
</tr>
</tbody>
</table>

Source: Microsoft internal, market performance on owned and operated network, NL, Retail – Computers & Consumer Electronics categories, 2019-2021
2021 year-to-date trends: Home & Garden
Recent openings have resulted in lower search and click volume.

1. Search volume **current levels are below 2020** (-5% in last week)

2. CPCs are trending at a higher level this year, currently at **+62% YoY**

3. In line with search volume, clicks are decreasing and have been below 2020 volumes since April (**-26% YoY** in last week)

Source: Microsoft internal, market performance on owned and operated network, NL, Retail – Home & Garden categories, 2019-2021
Searchers are engaging with new ad formats more than ever.

*Numbers might not add up due to rounding.*

Source: Microsoft internal, market performance on owned and operated network, NL, Retail – Home & Garden advertisers, 2020-2021 (up till August)

**Ad type share of clicks 2021 YTD**
(NL, Home & Garden advertisers)

- Search ads: 79%
- Product ads: 18%
- Dynamic search ads: 3%

**Ad type clicks YoY growth 2021 YTD**
(NL, Home & Garden advertisers)

- Search ads: 37%
- Product ads: 210%
- Dynamic search ads: 307%
Higher age groups are outpacing average growth

YoY change in clicks by age group
(NL, Home & Garden)

- 65+: 2021 YTD 31%, 2020 54%
- 50-64: 2021 YTD 17%, 2020 42%
- 35-49: 2021 YTD 10%, 2020 32%
- 25-34: 2021 YTD 26%, 2020 32%
- 18-24: 2021 YTD 12%, 2020 25%

Source: Microsoft internal, market performance on owned and operated network, NL, Retail – Home & Garden categories, 2019-2021
Focus on Black Friday
Prime Day not occurring in October may lead to additional Black Friday sales

Retail calendar November – December 2021

<table>
<thead>
<tr>
<th>NOVEMBER 2021</th>
<th>DECEMBER 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>S</td>
<td>M</td>
</tr>
<tr>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>21</td>
<td>22</td>
</tr>
<tr>
<td>28</td>
<td>29</td>
</tr>
</tbody>
</table>

- **26** Black Friday
- **29** Cyber Monday

Amazon Prime Day will not happen in October this year, which potentially will drive consumers to shop more during Black Friday.

The runup to Black Friday is expected to show increasing search volumes, as promotions get released by Retailers.

Consumers shopping for Christmas will continue to drive increased search volumes in the first weeks of December.
Computers & Consumer Electronics shows the highest acceleration towards Black Friday

- **Computers & Consumer Electronics**: Consumer interest starts taking off in early November. Black Friday week clearly sees strong growth, with peak on Black Friday and Cyber Monday uptick.
- **Apparel**: Data suggests consumers for this category are focusing their efforts on Black Friday week itself, with strong growth on Black Friday.
- **Home & Garden**: Sees an uplift across the entire Black Friday week.

Source: Microsoft internal, market performance on owned and operated network, NL, Retail, Oct-Dec 2020
As Black Friday approaches, consumers interact more with ads

### Average daily click uplift

<table>
<thead>
<tr>
<th>Category</th>
<th>Black Friday</th>
<th>Cyber Monday</th>
<th>Black Friday Week</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apparel</td>
<td>55%</td>
<td>56%</td>
<td>138%</td>
</tr>
<tr>
<td>Beauty &amp; Personal Care</td>
<td>63%</td>
<td>63%</td>
<td>128%</td>
</tr>
<tr>
<td>Computers &amp; Consumer Electronics</td>
<td>47%</td>
<td>59%</td>
<td>106%</td>
</tr>
<tr>
<td>Home &amp; Garden</td>
<td>24%</td>
<td>28%</td>
<td>-8%</td>
</tr>
<tr>
<td>Sports &amp; Fitness</td>
<td>32%</td>
<td>40%</td>
<td>63%</td>
</tr>
</tbody>
</table>

### Average click-thru-rate (CTR) uplift

<table>
<thead>
<tr>
<th>Category</th>
<th>Black Friday</th>
<th>Cyber Monday</th>
<th>Black Friday Week</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apparel</td>
<td>1%</td>
<td>4%</td>
<td>15%</td>
</tr>
<tr>
<td>Beauty &amp; Personal Care</td>
<td>4%</td>
<td>9%</td>
<td>27%</td>
</tr>
<tr>
<td>Computers &amp; Consumer Electronics</td>
<td>7%</td>
<td>10%</td>
<td>18%</td>
</tr>
<tr>
<td>Home &amp; Garden</td>
<td>3%</td>
<td>3%</td>
<td>18%</td>
</tr>
<tr>
<td>Sports &amp; Fitness</td>
<td>4%</td>
<td>5%</td>
<td>18%</td>
</tr>
</tbody>
</table>

### Average CPC uplift

<table>
<thead>
<tr>
<th>Category</th>
<th>Black Friday</th>
<th>Cyber Monday</th>
<th>Black Friday Week</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apparel</td>
<td>-6%</td>
<td>2%</td>
<td>10%</td>
</tr>
<tr>
<td>Beauty &amp; Personal Care</td>
<td>-1%</td>
<td>2%</td>
<td>6%</td>
</tr>
<tr>
<td>Computers &amp; Consumer Electronics</td>
<td>-2%</td>
<td>5%</td>
<td>6%</td>
</tr>
<tr>
<td>Home &amp; Garden</td>
<td>2%</td>
<td>2%</td>
<td>14%</td>
</tr>
<tr>
<td>Sports &amp; Fitness</td>
<td>-1%</td>
<td>1%</td>
<td>6%</td>
</tr>
</tbody>
</table>

*) Uplift measured by comparing Black Friday average performance, Cyber Monday average performance and Black Friday week average performance to average daily performance in first 3 weeks November

Source: Microsoft internal, Bing Search and Yahoo Search, NL, Q4 2020

1. **Apparel** and **Computers & Consumer Electronics** show strong growth during Black Friday period
2. Consumers **increasingly click on ads** to find promotions
3. **CPCs generally see some growth** during Black Friday
Black Friday interest started to accelerate in mid-November

Daily searches for Black Friday
terms that include ‘Black Friday’, NL

Source: Microsoft internal, market performance on owned and operated network, NL, searches that include ‘black friday’, November 2020
Black Friday starts off with early deal hunters

1. **Early deal hunters** cause increased activity at the start of Black Friday

2. Activity stretches more into the night. **Ensure enough budget** for later activity

3. **CPCs** on Black Friday follow trends of previous Friday

4. Due to the increased intent of users to buy something, **CTRs during Black Friday are mostly higher** as users interact more with ads

Source: Microsoft internal, market performance on owned and operated network, NL, Retail – Apparel categories, November 2020
Black Friday starts off with early deal hunters

1. Early deal hunters cause slightly higher activity at the start of Black Friday
2. Data suggest increased activity later at night, ensure enough budget to cover

3. Black Friday evening shows CPCs that are generally higher than the previous Friday

4. Black Friday CTRs are closely following regular Friday trends

Source: Microsoft internal, market performance on owned and operated network, NL, Retail - Computers & Consumer Electronics categories, November 2020
# Home & Garden

**Black Friday starts off with early deal hunters**

1. **Early deal hunters** cause increased activity at the start of Black Friday
2. **Clicks** stretch into the evening, ensure enough daily budget to capture this

3. Compared to preceding Friday average, **CPCs are generally higher** on Black Friday

4. **CTRs during Black Friday are slightly lower** compared to preceding Friday

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**Share of clicks by hour**
(NL, Home & Garden)

**Average CPC by hour**
(NL, Home & Garden)

**Average CTR by hour**
(NL, Home & Garden)

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**Source:** Microsoft internal, market performance on owned and operated network, NL, Retail – Home & Garden categories, November 2020
Festive season **recommended preparations**

- Reserve *enough budget* to ensure visibility throughout holiday season
- Start *influencing early* as demand heats up
- Check *bid modifiers* to capture volume during Black Friday period
- Utilize *Dynamic Search Ads* to gain flexibility, efficiency and scale
- Make sure your *Microsoft Shopping Campaigns* are ready to go
To get actionable data, insights and best practices to help make decisions and grow your business, visit MicrosoftAdvertising.com/Insights
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