Spain Retail festive season insights
2021 year-to-date trends: Apparel
Consumer interest is slightly above 2020 levels in recent weeks

1. Search volume 2021 trends are close to 2020 trends in recent weeks, currently showing growth with +14% year-over-year (YoY)

2. Cost per clicks (CPCs) have grown further in recent weeks vs. the start of 2021, currently at +35% YoY growth

3. Clicks are showing 2020 pattern in recent weeks, currently above 2020 levels with +15% YoY in last week

Source: Microsoft internal, market performance on owned and operated network, ES, Retail – Apparel query categories, 2019-2021
New ad formats are getting traction

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

- Search ads: 91%
- Product ads: 7%
- Dynamic search ads: 3%

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

- Search ads: -15%
- Product ads: 419%
- Dynamic search ads: 339%

*) Numbers might not add up due to rounding
Source: Microsoft internal, based on advertiser accounts labelled as Apparel & Accessories, ES, 2021 Jan - Aug
Higher age groups are growing in line with average

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

<table>
<thead>
<tr>
<th>Age Group</th>
<th>2021 YTD</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>65+</td>
<td>22%</td>
<td>24%</td>
</tr>
<tr>
<td>50-64</td>
<td>33%</td>
<td>39%</td>
</tr>
<tr>
<td>35-49</td>
<td>16%</td>
<td>31%</td>
</tr>
<tr>
<td>25-34</td>
<td>28%</td>
<td>37%</td>
</tr>
<tr>
<td>18-24</td>
<td>76%</td>
<td>62%</td>
</tr>
</tbody>
</table>

Source: Microsoft internal, market performance on owned and operated network, ES, Retail – Apparel query categories, 2019-2021
2021 year-to-date trends: Computers & Consumer Electronics
2020 volumes are maintained in recent weeks

1. Search volume is following 2020 trends in recent weeks, current levels +8% above 2020

2. CPCs have been on the rise since the start of this year, currently at +88% YoY

3. Clicks have been floating slightly below 2020 levels but seem to follow seasonality pattern, -5% YoY in last week

Source: Microsoft internal, market performance on owned and operated network, ES, Retail – Computers & Consumer Electronics categories, 2019-2021
New ad formats are taking off

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

- Search ads: 85%
- Product ads: 12%
- Dynamic search ads: 3%

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

- Search ads: 38%
- Product ads: 282%
- Dynamic search ads: 879%

*) Numbers might not add up due to rounding  
Source: Microsoft internal, market performance on owned and operated network, ES, Retail – Consumer Electronics advertisers, 2020-2021 (up till August)
Higher age groups are increasingly active online

<table>
<thead>
<tr>
<th>Age Group</th>
<th>YoY Change in Clicks</th>
<th>2021 YTD</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-24</td>
<td>-19%</td>
<td>60%</td>
<td></td>
</tr>
<tr>
<td>25-34</td>
<td>-18%</td>
<td>64%</td>
<td></td>
</tr>
<tr>
<td>35-49</td>
<td>-20%</td>
<td>79%</td>
<td></td>
</tr>
<tr>
<td>50-64</td>
<td>-9%</td>
<td>74%</td>
<td></td>
</tr>
<tr>
<td>65+</td>
<td>-5%</td>
<td>44%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Microsoft internal, market performance on owned and operated network, ES, Retail – Computers & Consumer Electronics query categories, 2019-2021
2021 year-to-date trends: Home & Garden
Clicks in recent week are matching 2020 levels again

1. **Search volumes** are up YoY with current performance around +8% YoY in last week

2. **CPCs** are floating slightly above 2019 levels after decrease in 2020, with +63% growth vs. 2020 and only 6% growth vs. 2019 in most recent week

3. **Clicks** in 2021 could not replicate the April-June 2020 'bump', yet currently clicks are growing from a YoY perspective with +3% in last week

Source: Microsoft internal, market performance on owned and operated network, ES, Retail – Home & Garden categories, 2019-2021
New ad formats driving category growth as consumers increasingly interact with them

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

- Search ads: 73%
- Product ads: 14%
- Dynamic search ads: 13%

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

- Search ads: 39%
- Product ads: 549%
- Dynamic search ads: 1161%

*) Numbers might not add up due to rounding
Source: Microsoft internal, market performance on owned and operated network, ES, Retail – Home & Garden categories, 2019-2021
Higher age groups are outpacing average growth

Source: Microsoft internal, market performance on owned and operated network, ES, Retail – Home & Garden categories, 2019-2021
Focus on Black Friday 2020
Prime Day not occurring in October may lead to additional Black Friday sales

Retail calendar November – December 2021

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.

Amazon Prime Day will not happen in October this year, which potentially will drive consumers to shop more during Black Friday.
Black Friday interest started to accelerate in mid-November.

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

Source: Microsoft internal, market performance on owned and operated network, ES, searches that include ‘black friday’, November 2020
Apparel shows the highest acceleration towards Black Friday

Daily clicks indexed – festive season 2020

(ES)

- **Apparel**: Data suggests consumers for this category are focusing their attention on Black Friday itself, showed by acceleration during Black Friday week and Black Friday
- **Computers & Consumer Electronics**: Consumer interest starts growing steadily in November, lifting during Black Friday week with peak on Black Friday and Cyber Monday uptick
- **Home & Garden**: We see anticipation growing in November with strong growth during Black Friday period

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

Average daily click uplift
- Black Friday: 85%
- Cyber Monday: 76%
- Black Friday Week: 68%

Average click-thru-rate (CTR) uplift
- Black Friday: 19%
- Cyber Monday: 16%
- Black Friday Week: 11%

Average CPC uplift
- Black Friday: 7%

1. Black Friday especially strong for Apparel
2. People increasingly click on ads to find promotions
3. CPCs generally go up as competition increases

*) 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, ES, Q4 2020
Apparel

Activity increases later at night

1. **Click activity** stretches into the late hours, ensure enough budget to capture demand later in the day

2. **CPCs** are mainly stable during the day

3. **Average CTR by hour**

4. CTRs during Black Friday had similar pattern compared to preceding Friday

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

1. Slightly increased **click activity** might mean that bargain hunters are more **active in the morning**

2. **CPCs** seem to follow a similar trend as preceding Friday

3. **CTRs** seem to follow a pattern that is generally equal to the preceding Friday, levelling off towards the end of day

Source: Microsoft internal, market performance on owned and operated network, ES, Retail - Computers & Consumer Electronics categories, November 2020
Activity increased later in the day, ensure enough budget to capture second surge

1. **Click** activity increased in the late afternoon and evening, ensure budget is not fully spent early during Black Friday

2. **CPC growth** towards the afternoon is line with what is seen on previous Friday

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

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

- Reserve *enough budget* to ensure visibility throughout the 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