Luxury Shopping Insights 2021

Key takeaways from online luxury shoppers

Microsoft Advertising. Great relationships start here.
Microsoft Advertising conducted a survey of people who shop for luxury items across the following categories:

- Jewelry and Watches,
- Handbags and Leather Goods,
- Apparel, Cosmetics, and Wine.

The survey uncovered some very interesting and valuable findings for luxury brands and advertisers.

1. Persons using more than one search platform for luxury item shopping are more valuable than those who use only one search engine. They spend 32% to 105% more on an annual basis, and they make purchases roughly 30% more frequently across the board.

2. On average, these luxury shoppers using multiple search engines report using Bing and/or Yahoo 42% of the time. This means that if you don’t advertise with Microsoft Advertising, you will be missing these valuable customers on nearly half of their searches.

3. The very first thing luxury shoppers do when motivated to take action by any type of TV/Print/Other advertising is a web search. Therefore, for all advertisers, be sure to launch an audience targeted search ad campaign to accompany any other kind of ad campaign.

People using more than one search platform for shopping of luxury items spend 32% to 105% more on an annual basis.

People using more than one search platform for shopping of luxury items make purchases roughly 30% more frequently.

Nearly 90% of respondents agree that they do some browsing, shopping, or researching online before purchasing.
Online luxury shopping and purchasing will continue to increase at a rapid rate.
Online luxury shopping is growing quickly

% saying they will be doing more researching, browsing, or shopping for luxury goods online in 2021 than in 2020

- All Luxury Shoppers: 65%
- Single Search Engine Users: 53%
- Multiple Search Engine Users: 72%

2021 Luxury Shopping Study, Microsoft Advertising, J. Randolph
Online luxury purchasing is also growing quickly

% saying they will be doing more purchasing of luxury goods online in 2021 than in 2020

- All Luxury Shoppers: 53%
- Single Search Engine Users: 44%
- Multiple Search Engine Users: 59%

2021 Luxury Shopping Study, Microsoft Advertising, J. Randolph
80% of shoppers agree that online provides a greater variety and choice for luxury items.
Most feel comfortable buying luxury items online

“I feel comfortable buying luxury items online.”

- **Strongly Agree**: 23% (All Luxury Shoppers), 25% (Single Search Engine Users), 25% (Multiple Search Engine Users)
- **Somewhat Agree**: 22% (All Luxury Shoppers), 27% (Single Search Engine Users), 28% (Multiple Search Engine Users)
- **Neither Agree Nor Disagree**: 21% (All Luxury Shoppers), 21% (Single Search Engine Users), 21% (Multiple Search Engine Users)
- **Somewhat Disagree**: 17% (All Luxury Shoppers), 19% (Single Search Engine Users), 19% (Multiple Search Engine Users)
- **Strongly Disagree**: 10% (All Luxury Shoppers), 9% (Single Search Engine Users), 12% (Multiple Search Engine Users)

2021 Luxury Shopping Study, Microsoft Advertising, J. Randolph
Nearly 90% of luxury purchasers online browse, shop, or research before purchasing.
Any type of luxury product ad campaign should have a complementary search campaign.

The first thing a customer will do is search.
Jewelry and Watch Luxury shoppers go to search most after seeing an ad

Action taken after seeing a TV ad for Jewelry & Watches

- Online Search: 60%
- Direct to Brand Website: 28%
- Go to Store: 12%

Action taken after seeing a Print/other ad for Jewelry & Watches

- Online Search: 58%
- Direct to Brand Website: 31%
- Go to Store: 12%
Luxury shoppers looking for Handbags, Leather Accessories, etc go to search after seeing an ad

Action taken after seeing a TV ad for Handbags/Leather
- Online Search: 55%
- Direct to Brand Website: 30%
- Go to Store: 15%

Action taken after seeing a Print/other ad for Handbags/Leather
- Online Search: 58%
- Direct to Brand Website: 28%
- Go to Store: 14%
Luxury Apparel shoppers go to search twice as often as other actions after seeing an ad.

- Action taken after seeing a TV ad for Apparel:
  - Online Search: 56%
  - Direct to Brand Website: 26%
  - Go to Store: 15%

- Action taken after seeing a Print/other ad for Apparel:
  - Online Search: 59%
  - Direct to Brand Website: 29%
  - Go to Store: 12%

2021 Luxury Shopping Study, Microsoft Advertising, J. Randolph
Shoppers looking for luxury cosmetics search after seeing an ad the most out of any type of luxury shopper.

Action taken after seeing a TV ad for Cosmetics:
- Online Search: 69%
- Direct to Brand Website: 19%
- Go to Store: 12%

Action taken after seeing a Print/other ad for Cosmetics:
- Online Search: 69%
- Direct to Brand Website: 21%
- Go to Store: 10%
Shoppers looking for luxury wine brands search after seeing an ad the least and go in-store the most out of luxury shoppers.

**Action taken after seeing a TV ad for Cosmetics**
- Online Search: 51%
- Direct to Brand Website: 20%
- Go to Store: 29%

**Action taken after seeing a Print/other ad for Cosmetics**
- Online Search: 56%
- Direct to Brand Website: 20%
- Go to Store: 24%
Luxury shoppers who use multiple search engines spend more.

And half of their shopping is conducted on the Microsoft Advertising Network.
If you advertise only on Google, you will miss reaching luxury shoppers nearly half the time.
Microsoft Advertising reaches nearly 52 million luxury shoppers in the US.
The Luxury Shoppers on the Microsoft Advertising Network are highly valuable

49/51 men and women are under the age of 45

71% graduated from college

50% have a household income of $85K+

Global Web Index, Chart Builder, U.S., June 2020-June 2021; Microsoft Advertising is inclusive of: MSN, Outlook, Bing, Yahoo, AOL and luxury shopping includes users who engage with or advocate for luxury brands.
Why it matters to your business

People using more than one search platform for shopping of luxury items make purchases about 30% more frequently. And they spend 32% to 105% more on an annual basis.

Microsoft Advertising’s massive reach and valuable audience will help Luxury Brands succeed in their campaigns.

Source: Microsoft Internal Data, Microsoft by the numbers
The Microsoft ecosystem connects you with over 1 billion people through digital sites that people engage with every day and across work and life. Whether people are searching, shopping, getting news, checking email, and or seeking entertainment, we deliver services they rely on to stay informed and connected. As an advertiser looking for scale, you no longer need to compromise quality and brand safety. You can be sure that your advertising will reach a large audience in trusted and brand-safe Microsoft experiences.

Sources: 1. Microsoft Internal Data; 2. comScore, March 2021.
Two networks, one powerful result

Search is a part of your customers' lives, on the devices, apps and sites they use every day and in the moments that matter most. It is an increasingly important part of a media mix when you consider that search influences more and more steps of the decision journey, not only the end of the funnel.

Microsoft Search Network + Microsoft Audience Network
Combine search and native to **maximize performance** across the customer decision journey

Users exposed to a brand’s ad in both search AND native are:

- **2.6x** more likely to visit the brand’s site
- **3.5x** more likely to convert

Leveraging Microsoft Advertising audience intelligence and a multi-channel approach yields increased performance across each stage of the funnel—awareness, consideration, and purchase.

Data represents U.S. only.
Microsoft Search Network

- **140 million** unique monthly searchers
- **8.5 billion** monthly searches
- **37%** PC market share in the U.S.
- **47%** share of searches on Windows devices

comScore qSearch, Explicit Core Search (custom), U.S., March 2021. 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.
Microsoft Audience Network

253 million unique monthly users

Premium native placements

Brand-safe experiences

Highly contextual ad placements

Source: 1.comScore Microsoft Audience Platform Report, May 2021. Numbers are rounded to the nearest percentage point.
Microsoft Advertising.

Great relationships start here.
Microsoft Advertising 2021 Online Luxury Shopping Study
Parameters

**Country:** United States

**Data Collection** April and May 2021

**Total Sample Size** of 1,354

Respondents browsed, researched, or shopped for items online in at least one of five luxury categories:

1. Handbags, Leather Goods & Accessories
2. Clothing & Apparel
3. Watches & Jewelry
4. Cosmetics, Makeup and Perfumes
5. Wine & Spirits