MICROSOFT ADVERTISING

Occasions & Gifts trends (U.S.)
+ 2019 Mother’s Day look-back
Analysis compares Pre vs. Post timeframes

Determined by the U.S. COVID-19 National Emergency Declaration date

Pre = January 1\text{st} – March 13\text{th}  
Post = March 14\text{th} onward
Mother's Day queries are starting to emerge with the first significant spike occurring on Sunday, March 22nd. Despite recent lockdown orders, consumers continue to celebrate their loved ones but are doing so “virtually.”

Weekly Occasions & Gifts searches and clicks are reporting an uptick in volume in the most recent reporting weeks. All subverticals reported significant WoW growth in this category.

Add terms like “virtual” or “video” when marketing holiday planning, gift giving, or party supplies.

Ensure Mother’s Day promotions, offers and campaigns are enabled as relevant searches begin 30 days prior to the event.
Searches regain momentum after a soft stretch in the most recent reporting week

Year-over-year (YoY) search trends with Pre forecast

Occasions & Gifts

+11%

to forecast Post

-7%

to 2019 Post

(-16% during baseline)

Microsoft Advertising Internal Data, Jan 4 – Apr 3, 2019 v. 2020
Occasions & Gifts has reported unseasonal week-over-week (WoW) growth with clicks outpacing searches.

**WoW searches and clicks (3/28 - 4/3 vs. 3/21 - 3/27)**

- **Cards & Greetings:** 35% WoW Searches, 36% WoW Clicks
- **Flower Arrangements:** 36% WoW Searches, 4% WoW Clicks
- **Gifts:** 19% WoW Searches, 38% WoW Clicks
- **Holidays & Seasonal Events:** 21% WoW Searches, 61% WoW Clicks
- **Parties & Party Supplies:** 19% WoW Searches, 30% WoW Clicks
- **Special Occasions:** 14% WoW Searches, 11% WoW Clicks
- **Unspecified:** 28% WoW Searches, 34% WoW Clicks

Microsoft Advertising Internal Data, Jan 4 – Apr 3, 2019 v. 2020
Nominal shifts Pre vs. Post across format, device and query type
Share of clicks Pre vs. Post

<table>
<thead>
<tr>
<th>Ad type</th>
<th>Pre</th>
<th>Post</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audience</td>
<td>17%</td>
<td>16%</td>
</tr>
<tr>
<td>Shopping</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>Text</td>
<td>80%</td>
<td>79%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Device type</th>
<th>Pre</th>
<th>Post</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile</td>
<td>23%</td>
<td>21%</td>
</tr>
<tr>
<td>PC</td>
<td>70%</td>
<td>72%</td>
</tr>
<tr>
<td>Tablet</td>
<td>7%</td>
<td>7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Brand/non-brand</th>
<th>Pre</th>
<th>Post</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand</td>
<td>86%</td>
<td>86%</td>
</tr>
<tr>
<td>Non-Brand</td>
<td>14%</td>
<td>14%</td>
</tr>
</tbody>
</table>
Consumers continue to celebrate special events “virtually”

Top searched Occasions & Gifts queries containing “virtual”

virtual baby shower
virtual easter egg hunt
virtual birthday card
virtual card
virtual baby shower games
virtual birthday party ideas
virtual graduation
virtual wedding
virtual birthday card group
virtual gifts
virtual seder
virtual passover

“virtual”
queries up by 25x YoY
(3/31/20–4/6/20 vs. 3/31/19–4/6/19)

Microsoft Advertising Internal Data, Mar 31 – Apr 6, 2019 v. 2020
Cards & Greetings: Recent click upticks have driven a 29% lift in click yield (clicks/searches) during the Post period 2020 weekly indexed searches and clicks

Microsoft Advertising Internal Data, Jan 4 – Apr 3, 2019 v. 2020
Flower Arrangement searches and click spikes are misaligned

2020 weekly indexed searches and clicks

1. Click and search lifts were seasonally aligned with Valentine’s Day
2. Spike was driven by searches asking what certain flowers symbolize
3. Bulb-related queries emerged as a trend aligning with the rise of Gardening and other DIY-focused searches across Retail

Top queries
- flower delivery
- roses
- [flower delivery brand] flowers
- sunflowers
- spring flowers
- lily
- tulip
- daisy
- [bulb delivery brand]
- easter flowers
- orchid

Microsoft Advertising Internal Data, Jan 4 – Apr 3, 2019 v. 2020
Gifts spiked Valentine’s week
2020 weekly indexed searches and clicks

Top queries
- [fruit basket brand]
- [gourmet food basket brand]
- boxed wholesale
- [mass merchant brand] baby registry
- [online baby store brand]
- [home & garden brand]
- gift baskets
- [specialty food brand]
- [wine brand] gift basket
- [home & garden brand]
- [online baby store brand]
- [mass merchant brand] registry
- [online mass merchant] gift card

Microsoft Advertising Internal Data, Jan 4 – Apr 3, 2019 v. 2020
Parties & Party Supplies click yield has softened
2020 weekly indexed searches and clicks

Top queries
[party store brand] evite balloons [party store brand] website helium pinata party supplies paper plates birthday balloons [party store brand] invitations confetti

Microsoft Advertising Internal Data, Jan 4 – Apr 3, 2019 v. 2020
Holiday & Seasonal Events: Volume aligned with Valentine’s Day; plan for a second uptick for Passover and Easter

2020 weekly indexed searches and clicks

Mother’s Day searches have begun to pick up traction, with the first significant spike occurring Sunday, March 22nd

Top queries

- palm sunday
- easter
- easter baskets
- when is easter
- easter coloring pages
- easter eggs
- easter bunny
- mother’s day 2020
- easter baskets for children
- easter gifts
- easter gift baskets delivered
- when is mother’s day
- mother’s day gift ideas
Mother’s Day 2019 look-back
What to expect this season
Jewelry continues as the top purchased gift
Mother's Day gift spend, by product category, April 2019 (billions)

Jewelry: $5.19
Special outings (e.g., dinner or brunch)
Gift cards: $2.18
Flowers
Clothing
Consumer electronics: $2.18
Personal services (e.g., spa day)
Housewares or gardening tools
Other
Greeting cards
Books or CDs: $0.54

Special outings will likely fall to the bottom of the ranking list this year in accordance with recent consumer buying behaviors.

Greeting cards will likely take a more virtual approach than ever before with consumers favoring eCards or group birthday videos to celebrate their loved ones.

National Retail Federation, "Mother's Day Spending Survey," April 25, 2019
Retail verticals reported strong YoY click growth driven by key subverticals
YoY total vertical click growth and YoY top subvertical click growth

Microsoft Internal Data, US Only, April 21, 2019 – May 17, 2019
Last year, searches started nearly 30 days out and peaked on Mother’s Day

Mother’s Day searches and CPC by week

Microsoft Internal Data, US Only, April 15, 2019 – May 12, 2019
Clicks grew steadily each day while click yield was strongest toward the weekend.

Mother’s Day **clicks** and **click yield (clicks/searches)** by week.
Microsoft Shopping Campaigns were most active at the start and close of the season. Percentage of Mother’s Day Microsoft Shopping Campaign **clicks** and **spend** by week.

**Higher Shopping Campaigns Demand**

Microsoft Internal Data, US Only, April 15, 2019 – May 12, 2019
## Immediate actions

### Ads
- Check the extensions you’re using. Use "delivery, curbside pickup, other services" that are unique and applicable to your business.
- Shopping: Adjust product group bidding strategy to align with your inventory dynamics.
- Shopping: Keep your product feed files up to date as product inventory and prices may change rapidly.
- Automatically test different messaging by adding Responsive Search Ads (RSA) to your ad groups. Add assets with "delivery options."
- Check your editorial rejections as COVID-19-related terms are disallowed.
- Check your text ads. Replace any standard text ads with Expanded Text Ads and RSA (standard text ad volume will begin to decline April 1).
- Search partners: Review publisher reports to optimize performance on the search partner network.

### Keywords
- Use “Broadience” (broad match + audience targeting) to help you efficiently expand reach and identify new opportunities.
- Add keywords with terms around delivery, curbside pickup, fees waived, etc. as fit for your business (note “COVID-19” terms are restricted).
- Review your search term reports for emerging queries to add as keywords or add negatives to avoid poor performance.
- To capture emerging queries, create or reactivate Dynamic Search Ads (DSA) as a “catchall” with a lower bid and use discoverability tools like Microsoft Advertising Intelligence and Keyword Planner.
- Revamp your branded strategy and consider broad match on your core brand terms to cover highly relevant emerging queries.

### Audience
- Create Remarketing lists with more recent frequencies (ex: 1, 3, 7, 14, 30 days) to target customers still looking to purchase.
- Use In-market Audiences to target customers who are in-market for your product (especially for areas of opportunity for you).
- If you’re using Shopping Campaigns, make sure you have Product Audiences (dynamic remarketing) set up to help increase performance.
- Optimize your Audience Ads campaign and reach people where they are today while navigating the web and news sites at home.
- Add images to your search campaign, so your ads can serve on the Microsoft Audience Network and get in front of more potential customers.
- Refine targeting settings to reflect consumer trends for your business around geographies, time of day, etc. Use the Bing COVID-19 Tracker to help.

### Bidding
- Balance between using automation and manual reviews. Monitor auto-bidding but keep a close eye to adapt to a fluctuating marketplace.
- Monitor SOV/click share and adjust bids, especially where you see opportunities with less competition in the marketplace during this time.
- Review your smart targets, adjusting as needed if your targets shift (ex: target conversion rates). Layer Enhanced CPC on top of manual bids.

### Budget
- Check budgets in the Microsoft Advertising Interface daily. Watch for budget pause notifications, which may not show up in bid management tools.
- Reallocate budget to your best-performing campaigns and products as performance fluctuates with emerging trends.
- Keep campaigns running at a lower CPCs and lower budget to capitalize on decreased marketplace competition, instead of pausing campaigns.
<table>
<thead>
<tr>
<th>Ads</th>
<th>Keywords</th>
<th>Audience</th>
<th>Bidding</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Ad rotation should be set to optimize.</td>
<td>- Monitor keyword recommendations specific to your account surfaced in Microsoft Advertising user interface.</td>
<td>- Reevaluate Remarketing list frequencies (ex: 1, 3, 7, 14, 30 days) to target customers still looking to purchase.</td>
<td>- Once the market has “leveled” out and fluctuations have lessened, begin moving back to automated bidding with adjusted targets.</td>
<td>- Begin planning for increases (or decreases) in campaign budgets as the markets shifts from greater volatility to a new normal.</td>
</tr>
<tr>
<td>- Check your editorial rejections as COVID-19-related terms are disallowed.</td>
<td>- Continue to use “Broadience” (broad match + audience targeting) to help you expand reach and identify new opportunities after the initial period of greater volatility has passed.</td>
<td>- Use In-market Audiences to target customers who are in-market for your product (especially for areas of opportunity for you).</td>
<td>- When using manual bids, monitor SOV to adjust bids and leverage ECPC.</td>
<td>- Monitor SOV to adjust budgets based on new trends, inventory, etc.</td>
</tr>
<tr>
<td>- Begin the (required) move to Expanded Text Ads and add Responsive Search Ads (RSA) to your ad groups as an efficient way to swiftly change your text ad messaging.</td>
<td>- Reevaluate strategy on keywords around delivery, curbside pickup, fees waived (COVID-19-terms are restricted).</td>
<td>- Use Product Audiences (dynamic remarketing) to maximize the performance of your shopping ads.</td>
<td>- Ensure you are setup for real-time success if you are re-entering the auction by leveraging first page bid recommendations in the UI.</td>
<td></td>
</tr>
<tr>
<td>- Use ad customizers and IF functions where applicable. Use audiences to land effective messaging.</td>
<td>- To capture newly emerged queries, create or reactivate Dynamic Search Ads (DSA) as a “catchall” with a lower bid and use tools like Microsoft Advertising Intelligence and Keyword Planner.</td>
<td>- Create a separate Audience Ads campaign to reconnect with your ideal audience in high-quality and brand-safe native placements.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Shopping: Use Local Inventory Ads to indicate availability of items and adjust product group bids based on inventory changes.</td>
<td></td>
<td>- Add images to your search campaigns to expand your audience reach and drive increased performance.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Shopping: As your inventory levels grow, re-evaluate your product group strategy and product prioritization to meet your campaign goals.</td>
<td></td>
<td>- Refine targeting settings to reflect consumer trends for your business around geographies, time of day, etc. Use the Bing COVID-19 Tracker to help.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Check the extensions you’re using. Use “delivery, curbside pickup, other services” that are unique and applicable to your business.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ads</td>
<td>Keywords</td>
<td>Audience</td>
<td>Bidding</td>
<td>Budget</td>
</tr>
<tr>
<td>---------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------</td>
</tr>
<tr>
<td>- Ad rotation should be set to optimize.</td>
<td>- Monitor keyword recommendations relevant to your business surfaced in the Microsoft Advertising user interface.</td>
<td>- Create Remarketing lists with more recent frequencies (ex: 1, 3, 7, 14, 30 days) to target customers still looking to purchase.</td>
<td>- Balance between using automation and manual reviews. Monitor auto-bidding but keep a close eye to adapt to a fluctuating marketplace.</td>
<td>- Plan budgets to meet the increased traffic demands by monitoring SOV.</td>
</tr>
<tr>
<td>- Check your editorial rejections as COVID-19-related terms are disallowed.</td>
<td>- Use “Breadience” (broad match + audience targeting) to help you expand reach and identify new opportunities once the volatility has settled.</td>
<td>- Use In-market Audiences to target customers who are in-market for your product (especially for areas of opportunity for you).</td>
<td>- Adding Enhanced CPC will leverage auction-time signals.</td>
<td>- Allocate additional budget to your current best-performing ads and products.</td>
</tr>
<tr>
<td>- Efficiently replicate your marketing messaging strategy changes in your text ads. Replace any standard text ads with Expanded Text Ads and RSA (standard text ad volume will begin to decline April 1).</td>
<td>- Monitor keywords and consider relevant terms around delivery, curbside pickup, fees waived (COVID-19-terms are restricted)</td>
<td>- Product Audiences (dynamic remarketing) can help you take your shopping ads to the next level with increased performance.</td>
<td>- Review your smart targets, adjusting as needed if your targets shift, for example target cost per conversion.</td>
<td>- Monitor your daily budgets and adjust as needed with the changing environment.</td>
</tr>
<tr>
<td>- Use ad customizers and IF functions where applicable. Use audiences to land effective messaging.</td>
<td>- To capture emerging queries, use Dynamic Search Ads (DSA) as a “catchall” and use tools like Microsoft Advertising Intelligence and Keyword Planner.</td>
<td>- Use Product Ads on the Microsoft Audience Network to expand your reach and get your products in front of customers where they are today.</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>- Search partners: Expand your reach to a wider audience across all devices on proven, reputable and tested sites.</td>
<td>- Use the Google Import tool to expand your reach by automatically mirroring your Google Ads campaigns and changes on Microsoft Advertising.</td>
<td>- Add images to your search campaigns to expand your reach and connect with customers in new places on the Microsoft Audience Network.</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>- Check the extensions you’re using. Use “delivery, curbside pickup, other services” that are unique and applicable to your business.</td>
<td>-</td>
<td>- Refine targeting settings to reflect consumer trends for your business around geographies, time of day, etc. Use the Bing COVID-19 Tracker to help.</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>