Office Supplies* trends (U.S.)

*Excludes Office Furniture

Microsoft Advertising. Intelligent connections.
Analysis compares Pre vs. Post timeframes

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

Pre = January 1\textsuperscript{st} – March 13\textsuperscript{th}   Post = March 14\textsuperscript{th} onward
Office Supplies searches are up 41% to forecast and 22% year over year (YoY) for the Post COVID-19 period of March 14th to April 10th.

Office Supplies that assist with work-related projects and homeschooling are seeing strong lift during the Post timeframe.

Click traffic is shifting to Shopping & Audience Ads and mobile.
Searches for Office Supplies significantly increased compared to forecast and 2019 performance

YoY search trends with Pre COVID-19 forecast

Office Supplies

+41% to forecast for YoY searches

+22% to 2019 searches within the Post period

(+15% during Pre period)

Source: Microsoft Advertising Internal Data (Jan – 2019 vs. 2020)
67% of Office Supplies categories saw increased searches during the Post period as demand for school/work-related project materials rose.

Pre vs. Post searches and clicks

- Calculators
- Calendars & Planners
- Drawing & Drafting Equipment
- Staples, Scissors & Punchers
- Labels & Labeling
- Glue & Paste
- Pens & Writing Instruments
- Business Cards, Stationery & Forms
- Lanyards & Badge Holders
- Desk Organizers
- Paper
- Binders, Binding & Laminating
- Paper Clips & Rubber Bands
- Microcassette Recorders
- Printer Accessories

Source: Microsoft Advertising Internal Data (Jan 1st – April 10th 2019 vs. 2020)
*Categories sorted by top searches prior week
**Categories in this color saw increased searches Post COVID-19
Office Supplies clicks have shifted towards Shopping and Audience Ads, and mobile

Share of clicks Pre vs. Post

Ad type

<table>
<thead>
<tr>
<th></th>
<th>Pre</th>
<th>Post</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audience</td>
<td>78%</td>
<td>74%</td>
</tr>
<tr>
<td>Shopping</td>
<td>20%</td>
<td>21%</td>
</tr>
<tr>
<td>Text</td>
<td>3%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Device type

<table>
<thead>
<tr>
<th></th>
<th>Pre</th>
<th>Post</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile</td>
<td>85%</td>
<td>84%</td>
</tr>
<tr>
<td>PC</td>
<td>12%</td>
<td>13%</td>
</tr>
<tr>
<td>Tablet</td>
<td>3%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: Microsoft Advertising Internal Data (Jan 1st – April 10th 2020)
Searches for ‘glue & paste’ and ‘desk organizers’ have climbed since the end of March

Category search rank by week 1/4/2020 – 4/10/2020

Source: Microsoft Advertising Internal Data, Jan – April 2020
<table>
<thead>
<tr>
<th>Checklist</th>
<th>Immediate actions</th>
</tr>
</thead>
</table>
| 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. |
Checklist

Restoration strategies

- Ad rotation should be set to optimize.
- Check your editorial rejections as COVID-19-related terms are disallowed.
- 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.
- Use ad customizers and IF functions where applicable. Use audiences to land effective messaging.
- Use Local Inventory Ads to indicate availability of items and adjust product group bids based on inventory changes.
- As your inventory levels grow, re-evaluate your product group strategy and product prioritization to meet your campaign goals.
- Check the extensions you’re using. Use “delivery, curbside pickup, other services” that are unique and applicable to your business.
- Monitor keyword recommendations specific to your account surfaced in Microsoft Advertising user interface.
- 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.
- Reevaluate strategy on keywords around delivery, curbside pickup, fees waived (COVID-19-terms are restricted).
- 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.
- Reevaluate Remarketing list 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).
- Use Product Audiences (dynamic remarketing) to maximize the performance of your shopping ads.
- Create a separate Audience Ads campaign to reconnect with your ideal audience in high-quality and brand-safe native placements.
- Add images to your search campaigns to expand your audience reach and drive increased performance.
- Refine targeting settings to reflect consumer trends for your business around geographies, time of day, etc. Use the Bing COVID-19 Tracker to help.
- Once the market has “leveled” out and fluctuations have lessened, begin moving back to automated bidding with adjusted targets.
- When using manual bids, monitor SOV to adjust bids and leverage ECPC.
- Ensure you are setup for real-time success if you are re-entering the auction by leveraging first page bid recommendations in the UI.
- Begin planning for increases (or decreases) in campaign budgets as the markets shifts from greater volatility to a new normal.
- Monitor SOV to adjust budgets based on new trends, inventory, etc.
Checklist

New opportunities

Ads

- Ad rotation should be set to optimize.
- Check your editorial rejections as COVID-19-related terms are disallowed.
- 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).
- Use ad customizers and IF functions where applicable. Use audiences to land effective messaging.
- Search partners: Expand your reach to a wider audience across all devices on proven, reputable and tested sites.
- Check the extensions you’re using. Use “delivery, curbside pickup, other services” that are unique and applicable to your business.

Keywords

- Monitor keyword recommendations relevant to your business surfaced in the Microsoft Advertising user interface.
- Use “Broadience” (broad match + audience targeting) to help you expand reach and identify new opportunities once the volatility has settled.
- Monitor keywords and consider relevant terms around delivery, curbside pickup, fees waived (COVID-19-terms are restricted)
- To capture emerging queries, use Dynamic Search Ads (DSA) as a “catchall” and use tools like Microsoft Advertising Intelligence and Keyword Planner.
- Use the Google Import tool to expand your reach by automatically mirroring your Google Ads campaigns and changes on Microsoft Advertising.

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).
- Product Audiences (dynamic remarketing) can help you take your shopping ads to the next level with increased performance.
- Use Product Ads on the Microsoft Audience Network to expand your reach and get your products in front of customers where they are today.
- Add images to your search campaigns to expand your reach and connect with customers in new places on the Microsoft Audience Network.
- 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.
- Adding Enhanced CPC will leverage auction-time signals.
- Review your smart targets, adjusting as needed if your targets shift, for example target cost per conversion.

Budget

- Plan budgets to meet the increased traffic demands by monitoring SOV.
- Allocate additional budget to your current best-performing ads and products.
- Monitor your daily budgets and adjust as needed with the changing environment.