Retail shopping analysis

COVID-19 Impacts
Overall trends

• **Shopping efficiency continues to improve**

• U.S. Clicks are **up 16 percentage points** to +44% due to COVID-19 changes

• U.S. cost-per-click (CPC) is **down 22 percentage points** to -21% due to COVID-19 changes

• All major markets showing similar trends except Canada

• Categories aligns with staying at home saw the biggest gains in clicks while almost all categories saw CPC decreases
Shopping is seeing more clicks for less money meaning better efficiency

• Overall U.S. 2020 shopping trend

Source: Microsoft Advertising; Bing Internal Data of Jan 2019 – Jun 2020
Shopping clicks have trended up in most categories while CPCs have fallen

- Pre/Post COVID-19 changes (Jan – March 13th vs. March 14th & after)

Source: Microsoft Advertising; Bing Internal Data of Jan 2019 – Jun 2020
COVID-19 has been rough on most Apparel categories

- Clicks & CPC post COVID-19 change to typical seasonality for the Apparel category

Source: Microsoft Advertising; Bing Internal Data of Jan 2020 – Jun 2020
Home & Garden increases due to being home & seasonality

- Clicks & CPC post COVID-19 change to typical seasonality for the Home & Garden category

Source: Microsoft Advertising; Bing Internal Data of Jan 2020 – Jun 2020
Takeaways

• Post COVID-19 has led to more shopping interaction

• **Keep budgets high** in categories including Home & Garden, Exercise & Fitness, Recreation, Hobbies & Leisure, and Home Goods

• Take advantage of top categories where it aligns with your product inventory

• CPC has lowered across most categories, **raise bids** to capture top product categories
Microsoft Audience Network

Retail update and Back-to-School approach
Expand your shopping reach through feed-based shopping native ads

Use your existing Shopping Campaigns feed from search
When combined with Microsoft AI intent signals, we’ll match searchers with the items in your feed that they’ve shown interest in
### Shopping on Microsoft Audience Network - 3 ways to buy

No images or text is required, assets are pulled directly from the feed

<table>
<thead>
<tr>
<th>Search Workflow Shopping (SWF) Campaigns</th>
<th>Audience Workflow (AFW) Shopping Campaigns</th>
<th>Shopping Campaigns with Product Audiences</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UET is not required</strong> – use this option only if client will not enable UET, but wants to expand their shopping performance.</td>
<td><strong>UET required</strong> across all pages – duplication for a new Audience campaign is easy and takes <strong>45 seconds to set-up</strong> since it uses the same feed.</td>
<td>Enhanced UET (updating current tag to UET++) required. Can be added as a Targeting type to both Search Workflow &amp; Audience Workflow campaigns.</td>
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**Tech setup**

- Clients **love the performance** of their Shopping campaigns in Search, can **expand into the Audience Network** to get more of it.
- **Not all Syndication partners have Product Ad capabilities**, so Native ads are a great way to expand.

**Sales positioning & value prop**

- Not our recommended option as you cannot control budget spend between Search and Microsoft Audience Network since all in one campaign. Available though for clients that need it and still works well to expand.

**Considerations**

- Clients have seen up to **33% Increase in Quarterly ROAS**

### Shopping Campaigns with Product Audiences

- Dynamically retarget product ads using the specific product that the user engaged with based on the following segments:
  - General Visitors
  - Product Viewers
  - Product Searchers
  - Our most powerful & best performing targeting reco which has proven to drive lower funnel performance like Search – it’s worth the effort!
  - If you can launch Product Audiences with AWF campaign do not target via SWF to avoid duplication.

<table>
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<tr>
<th>28% Lower CPA</th>
<th>18% Higher CVR</th>
<th>16% Higher CTR</th>
</tr>
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<tr>
<td><strong>Recommended for all clients that run Shopping in Search.</strong> Acts like Remarketing and has strong performance given the UET signal.</td>
<td><strong>38% Lower CPA</strong></td>
<td><strong>32% Higher CVR</strong></td>
</tr>
<tr>
<td><strong>33% Increase in Quarterly ROAS</strong></td>
<td><strong>30% Higher CTR</strong></td>
<td><strong>32% Lower CPA</strong></td>
</tr>
</tbody>
</table>

1. Microsoft Advertising Overstock Audience Ads Case Study 2018
2. Microsoft Internal Data • Holiday season 2019 • 17th November 2019 to 28th December 2019. Search Shopping performance compared to MSAN Shopping. **UET is required for Shopping Campaigns on MSAN, but is not required for Shopping Campaigns on Search.**
Microsoft Audience Network Back-to-School activation strategy | No UET

In addition to extending Shopping campaigns into the Audience Network, recommend still adding Image based Audience campaigns if possible, to drive awareness for the Brand which can drive increased engagement with Product Ads.

Search Shopping Campaigns Targeting Audience Network

Complimentary Image Based Campaign Setup

- **Campaign #1:** In-market Audiences
  - Education IMAs
  - Apparel IMAs
  - Consumer Electronic IMAs
  - School Supply IMAs

- **Campaign #2:** Advertiser Audience Descriptions
  - LinkedIn – Education
  - Age
  - Zip Code

Image Ads drive consumers to the retailer’s site, which grows the user base for product pages to be reached via Shopping Campaigns on Microsoft Audience Network.
Microsoft Audience Network Back-to-School activation strategy | UET option

In addition to setting up a new Shopping campaign for the Audience Network, recommend pitching Image based Audience campaigns to drive awareness which can drive increased engagement with Product Ads. Use Remarketing to continue to engage consumers with the Brand at multiple touch points.

**Shopping Campaign on MSAN Setup**

Image Ads drive consumers to the retailer’s site, which grows the user base for product pages to be reached via Shopping Campaigns on Microsoft Audience Network

- **Campaign #1: Remarketing**
  - Cart Abandoners
  - Visitors
  - Product Categories

- **Campaign #2: In-market Audiences**
  - Education IMAs
  - Apparel IMAs
  - Consumer Electronic IMAs
  - School Supply IMAs
Run a robust **Shopping Strategy utilizing Product Audiences** to add powerful retargeting capabilities for consumers utilize the products they were engaging with. Use this set up to get the best performance and maximize volume.

**Shopping Campaign on MSAN Setup**

- **Shopping Campaign #2** will act as Catch-all and retarget any Product IDs not captured by the 5 pre-determined Product Audience Segments.

**Shopping Campaign #1**

- Cart Abandoners Ad Group (highest bids)
- Past Purchasers Ad Group (competitive bids)
- Product Visitors Ad Group (mid-range bids)
- Product Searchers (mid-range bids)
- General Visitors (lower bid)

**Campaign #1: Remarketing**

- Cart Abandoners
- Visitors
- Product Categories

**Campaign #2: In-market Audiences**

- Education IMAs
- Apparel IMAs
- Consumer Electronic IMAs
- School Supply IMAs

**Image Based Campaign Setup**

- Image Ads drive consumers to the retailer’s site, which grows the user base for product pages to be reached via Shopping Campaigns on Microsoft Audience Network.
Shopping Campaigns on Microsoft Audience Network: Five steps to set up

Enhanced UET not required, campaign creation in two minutes or less!

1. Select Create New Campaign and select Sell Products From Catalog.

2. Select Audience Ads option.

3. Set Campaign Name, choose MSC store and select All Products filter. We recommend no product filters to maximize volume.

4. Set Audience Targets. Any audiences should be layered on as “bid only” to maximize volume.

5. Set Daily Budget and Default Bid. We recommend ~10% of search shopping spend as a starting point and a minimum of $1.50 bid to start. Click Save and LAUNCH.

Important tips to remember
- Customer must have an active shopping feed and be enabled in Microsoft Audience Network to launch
- Even though Enhanced UET is not needed, customer must have a UET tag in place to launch
- Allow 24-48 hours for delivery to begin ramping
Shopping + Product Audiences – Setup Steps (after UET++ implementation)

1. 
2. 
3. 
4. 
5. 
6. 

Same initial setup steps as Shopping Campaigns on Microsoft Audience Network...
Strategies and recommendations

Learn immediate and recovery-phase strategies, and how to approach new opportunities and optimize account health in the Digital Advertiser's Guide to COVID-19