MICROSOFT ADVERTISING

Make the most of upcoming end of fiscal year (EOFY) Seasonality

Australia – May 27, 2020
Summary of findings

As lockdown starts to ease and Australians focus on the road to recovery, end-of-financial-year sales could act as an incentive for price-sensitive customers to shop beyond essential items. Success of Click-Frenzy Mayhem indicate a possible improvement in consumer spending intent.

EOFY seasonality kicks in from May and increased activity lasts until August giving a pocket of opportunity for retailers to move stocks.

Australians spent $82.2b in the retail sector during 2019 EOFY period* — ABS data

Consumer Electronics and Apparel witness highest growth in searches during EOFY seasonality.

*Source: Australian Bureau of Statistics | Retail Turnover | May – Jul 2019
Established sales events such as EOFY, Mother’s Day and Valentine’s Day drove strong growth for first half of 2019.

These events are becoming popular online, growing by 17.6% in the first half 2019, 3.6 percentage points above the average – *Auspost*
Household appliances were the most reviewed products in June 2018, indicating consumer interest in finding the best bargain for these big-ticket items.

EOFY top 5 products

1. Electric Heaters
2. Washing Machines
3. Televisions
4. Coffee Machines
5. Ovens

Source: Top 5 reflects traffic to product reviews on choice.com.au from June 2018

“Click Frenzy smashed records and created an uplift for retailers across the country” – Power Retail Australia

Click-Frenzy drove a very much needed revenue uplift for retailers

+70% YoY uplift in traffic (with a peak of 165,000 concurrent visitors on the site)

+173% Average revenue uplift YoY

Technology and Sports were the strongest performing categories

https://powerretail.com.au/in-focus/was-this-the-biggest-click-frenzy-ever/
Search Trends on MSA
EOFY seasonality kicks in from May and continues until August providing a long window of opportunity for retailers to move stocks.

Indexed Search Volume by Month

With Amazon postponing its Prime Day to September, we might see a slightly different pattern this year.
User engagement intensifies from mid June and continues until August.

**Weekly CTR Trends**

- **3-May** to **10-May**: Engagement starts to rise.
- **17-May** to **24-May**: plateau in engagement.
- **31-May** to **7-Jun**: steady decline.
- **14-Jun** to **21-Jun** and **28-Jun** to **5-Jul**: peak in engagement.
- **12-Jul** to **19-Jul** and **26-Jul** to **2-Aug**: slight decrease.

Key events:
- **Amazon Prime Week**: peak in CTR.
- **End-of-financial-year sales peak**: significant increase in CTR.

Microsoft internal data | Retail | May - Aug 2019 | CTR
Apparel and Consumer Electronics are most responsive categories to the EOFY seasonality

Microsoft internal data | Retail | Search Volume | Jan – Apr 2020
Most searched products in EOFY 2019

Not an exhaustive list per category. Only categories important for EOFY are included.
What are the most recognised brands in each category?

**Top department stores**
- kmart
- Bigw
- target
- Myer
- DJ

**Top electronic stores**
- JB HI-FI
- Officeworks
- Harvey Norman
- TGG
- Bing Lee

**Top home & garden stores**
- Bunnings
- Ikea
- Spotlight
- Fantastic furniture
- Amart

**Top Apparel stores**
- Iconic
- Cotton On
- Country Road
- Asos
- Best and Less

**Top Marketplaces**
- ebay
- Amazon
- catch
- Kogan
- Grays Online

Source: Microsoft internal data | Jan – Apr 2020
*brands ranked by search volume
Key Takeaways

With customers shopping increasingly online, Australian retail businesses have increased their eCommerce capability.

1. EOFY is a good opportunity for retailers to attract customers from the comfort of their homes.
2. While it will not make up for the losses suffered in past few months, it could offer the much-needed boost.
3. Brands should ensure there is strong keyword coverage, capturing increased demand for online retail products & services.