Retail Microsoft Audience
Network trends by category

May, 2020
Click volume and key performance indicators (KPIs) are improving for the Microsoft Audience Network across the Retail vertical.

Sub-categories seeing the most Audience Network growth are consistent with Shopping categories on the Search Network.

Retail advertisers running on the Audience Network see improvements in their Paid Search campaigns.
Audience Network click volume has been trending upward for Retail
All-up Microsoft Audience Network Retail performance

Clicks have been relatively steady month-over-month (MoM) but are up 37% when compared to pre-COVID-19 (April ‘20 vs. February ‘20)
Click-through rate (CTR) and cost-per click (CPC) KPIs continue to improve due to marketplace improvements and increase in user engagement

All-up Microsoft Audience Network Retail performance

Microsoft Advertising, 2020

KPIs = Key Performance Indicators
CTR = Click Through Rate
CPC = Cost Per Click
Retail categories seeing the most Audience Network growth include Home & Garden, Apparel, and Consumer Electronics

All-up Daily Microsoft Audience Network Retail clicks
Leverage Product Audiences to target sub-categories seeing growth across the Audience Network and Shopping campaigns

Top 20 post-COVID-19 Microsoft Audience Network Retail sub-categories by clicks and % increase in clicks

Microsoft Advertising; January – April 2020 (pre = January – February; post = March – April)

1. MSC = Microsoft Shopping Campaigns
The Microsoft Audience Network performs well for Retail
During a 3-month study, Retail advertisers running on the Microsoft Audience Network saw improvements in their Paid Search campaigns.
Users searched more on Bing for Retail queries post Microsoft Audience Network exposure

Average search lift for Retail

- +61% Lift in impressions post-exposure
- +77% Lift in clicks post-exposure

1. Jan 2019 – Feb 2020; Exposed vs. Control lifts for both clicks and searches per user. Searches based on ad flag for selected advertiser and other advertisers in that vertical. On average, those clients saw the reported lift in Search Impressions per user and reported lift in Search Clicks per user for exposed users compared to those who were not exposed to an ad on the Microsoft Audience Network.

- This is based on a sample of our pilot advertisers and is not a marketplace lift.
- The experienced lift is on a per-user basis for the exposed users, not the advertisers' full search program.
Advertisers running **Product Audiences**\(^1\) saw a 19% higher lift in clicks compared to the average for Retail.

Average Search lift for Retail

**IMAGE ADS**
- Retail average:
  - Impression lift: 62%
  - Click lift: 80%

**PRODUCT ADS**
- With Product Ads live\(^1\):
  - Impression lift: 83%
  - Click lift: 95%

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Microsoft internal data, user clusters collected Sept 2019, MSAN Exposure and Search performance tracked Oct-Dec 2019

1. Based on advertisers running Audience campaigns & Product Audiences; lift metrics are not exclusive to Product Audiences
Three ways to leverage the Microsoft Audience Network today

Corporate responsibility messaging for wide reach

Highlight products with increased demand

Maintaining brand awareness and future-proofing
Takeaways

- Post-COVID-19 has led to more shopping interaction and increased Microsoft Audience Network engagement for Retail.

- Search lift post-Audience Network exposure is high for Retail, and even higher for advertisers also running Product Audiences.

- Keep budgets high in categories including Home & Garden, Home Goods, Apparel, and Consumer Electronics.

- Leverage Product Audiences to target sub-categories that are also seeing MSC\(^1\) growth.
Strategies and recommendations

These are the top 20 Shopping categories driving COVID-19 increases

Top post COVID-19 categories – click growth to pre-COVID-19 trend

Source: Microsoft Advertising; Bing Internal Data of Jan 2019 – Apr 2020
Top Shopping products can be separated into 5 categories
Top 100 products by clicks post March 14th looking at top 10 shopping retailers

Source: Microsoft Advertising; Bing Internal Data of Jan 2019 – Apr 2020

Top Product categories

<table>
<thead>
<tr>
<th>Exercise &amp; Recreation</th>
<th>Goods</th>
<th>Hobbies &amp; Entertainment</th>
<th>Inside the Home</th>
<th>Outside the Home</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weight Set - 8</td>
<td>Cleaning Supplies - 4</td>
<td>Nintendo Switch - 4</td>
<td>Furniture - 14</td>
<td>Lawn Mower - 8</td>
</tr>
<tr>
<td>Bicycle - 5</td>
<td>Clothing - 4</td>
<td>Sewing Machine - 2</td>
<td>Refrigerator - 9</td>
<td>Shed - 4</td>
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<tr>
<td>Cardio Equipment - 3</td>
<td>Paper Products - 3</td>
<td>Sony Playstation - 1</td>
<td>Freezer - 7</td>
<td>Grill - 3</td>
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<tr>
<td>Pool - 3</td>
<td>Pet Products - 1</td>
<td>Air Conditioner - 1</td>
<td>Air Conditioner - 1</td>
<td>Pressure Washer - 3</td>
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<tr>
<td>Trampoline - 3</td>
<td></td>
<td>Décor - 1</td>
<td>Décor - 1</td>
<td>Lawn Care - 1</td>
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<tr>
<td>Sports Equipment - 2</td>
<td></td>
<td>Washing Machine - 1</td>
<td>Washing Machine - 1</td>
<td>Patio Furniture - 1</td>
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<tr>
<td>Accessories - 1</td>
<td></td>
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