Microsoft

MICROSOFT ADVERTISING

Consumer trends in at-home entertainment during COVID-19 (AU)

Microsoft Advertising. Intelligent connections.

Summary of findings

On March 23rd Australia introduced strict lockdown laws. As consumers spend more time at home with family, their need to invest in at-home entertainment options has taken priority over other categories.

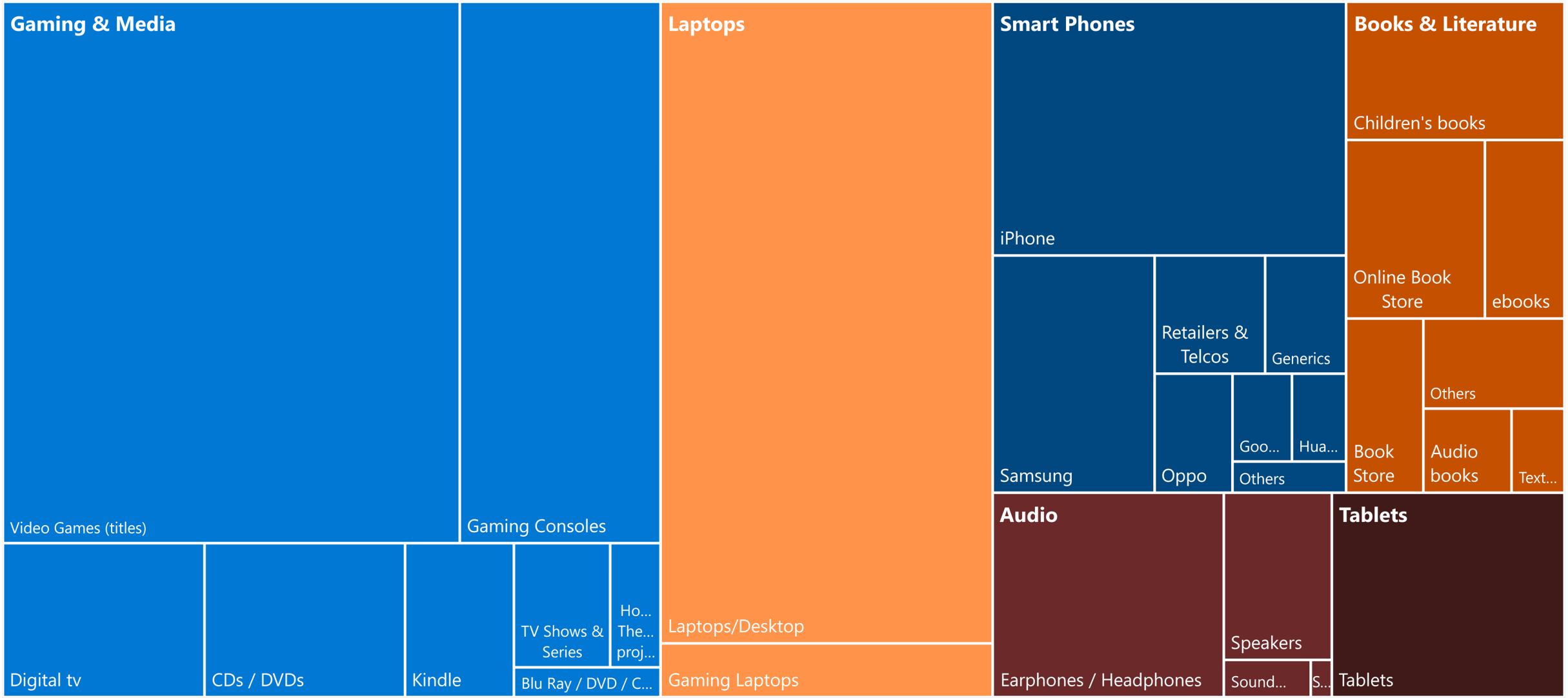
Weekly at-home entertainment searches and clicks have gained significant momentum when compared to start of this year

Australians intend to invest more on content and devices to keep themselves entertained during lockdown

With schools and day-cares shutting down, searches for children's content has increased

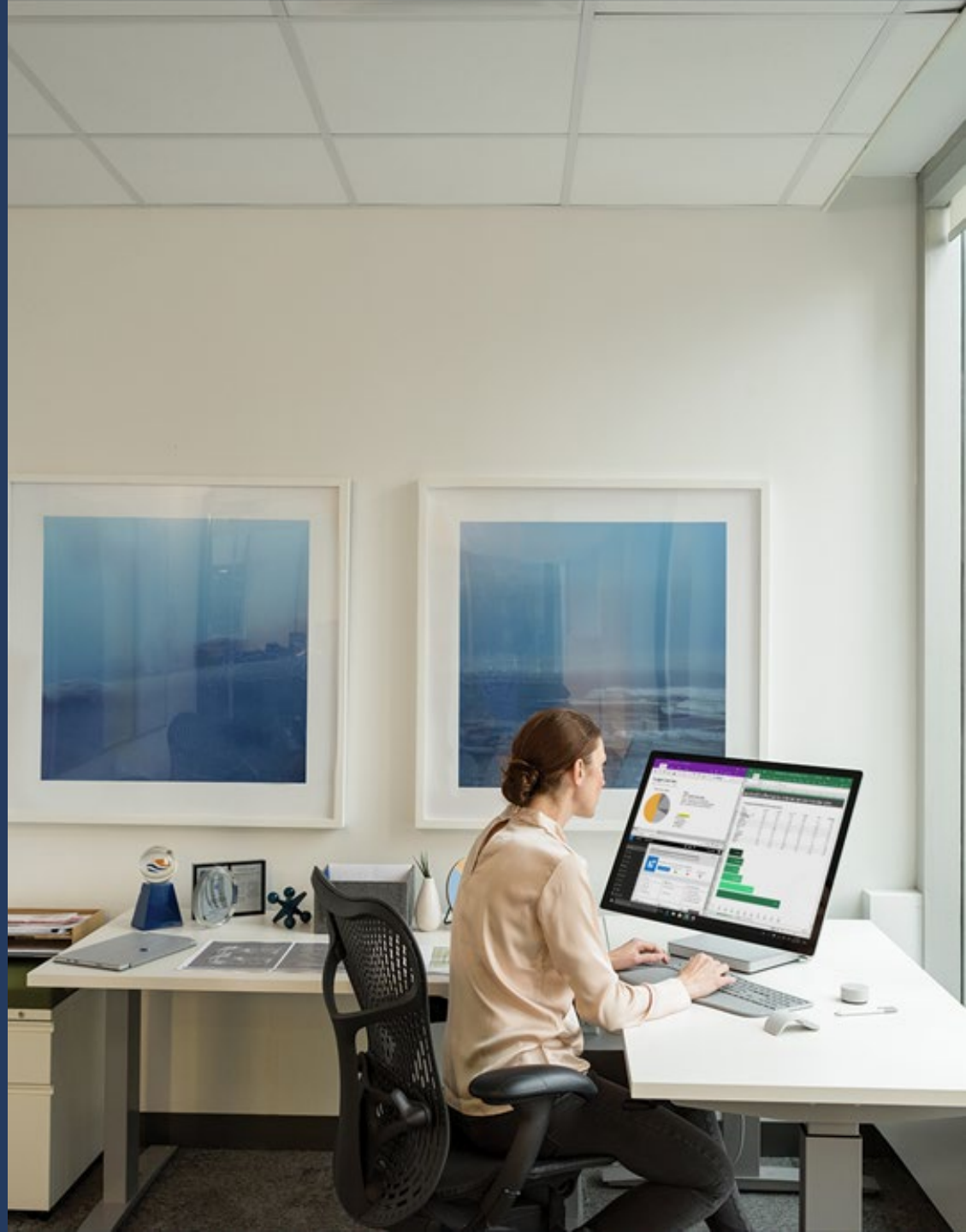
KEY SUB-CATEGORIES BY SEARCH VOLUME (MARCH-APRIL 2020)

Category composition

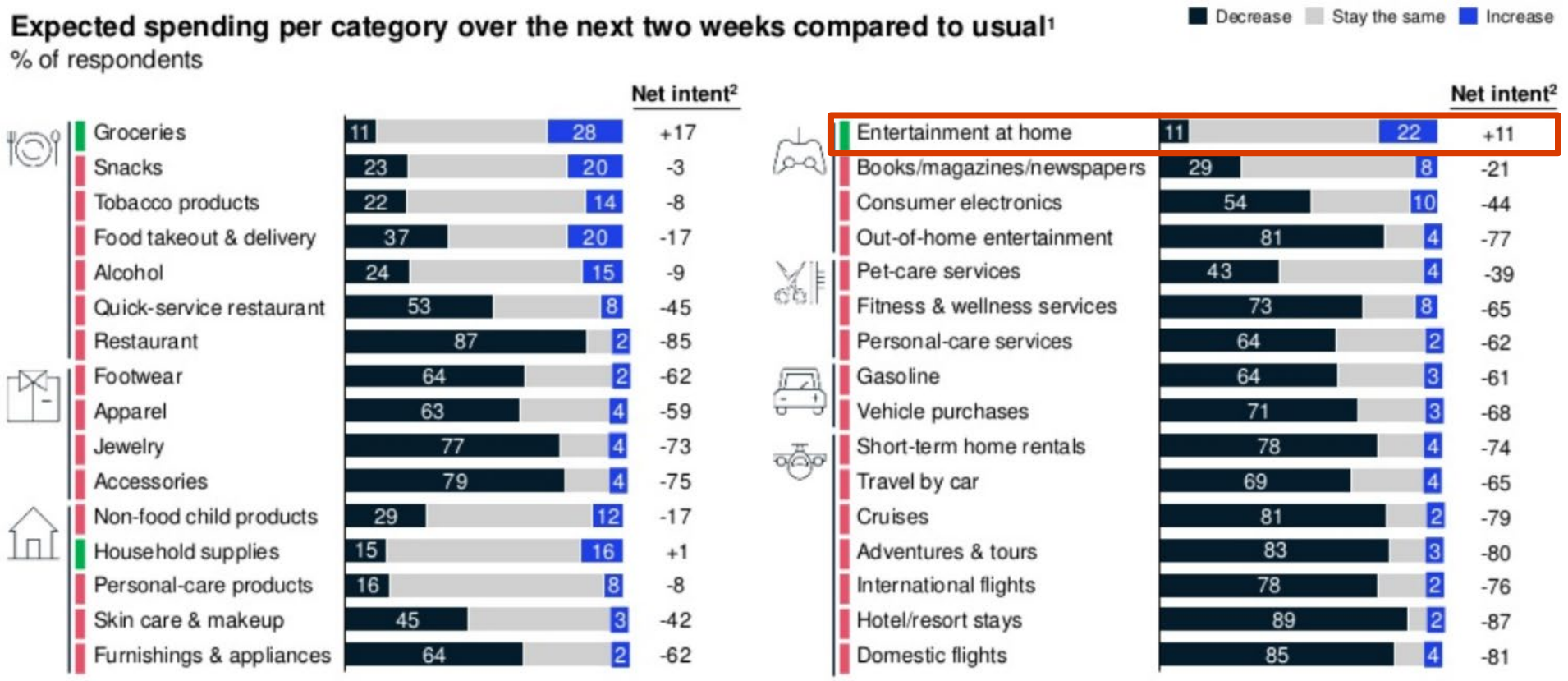


Microsoft

Market watch



Uncertain times have led to decreased spending intention across categories, except for groceries and at-home entertainment



Source: McKinsey & Company COVID-19 Australia Consumer Pulse Survey 4/10–4/13/2020, n = 640, sampled and weighted to match Australia's general population 18+ years

Category deep dive

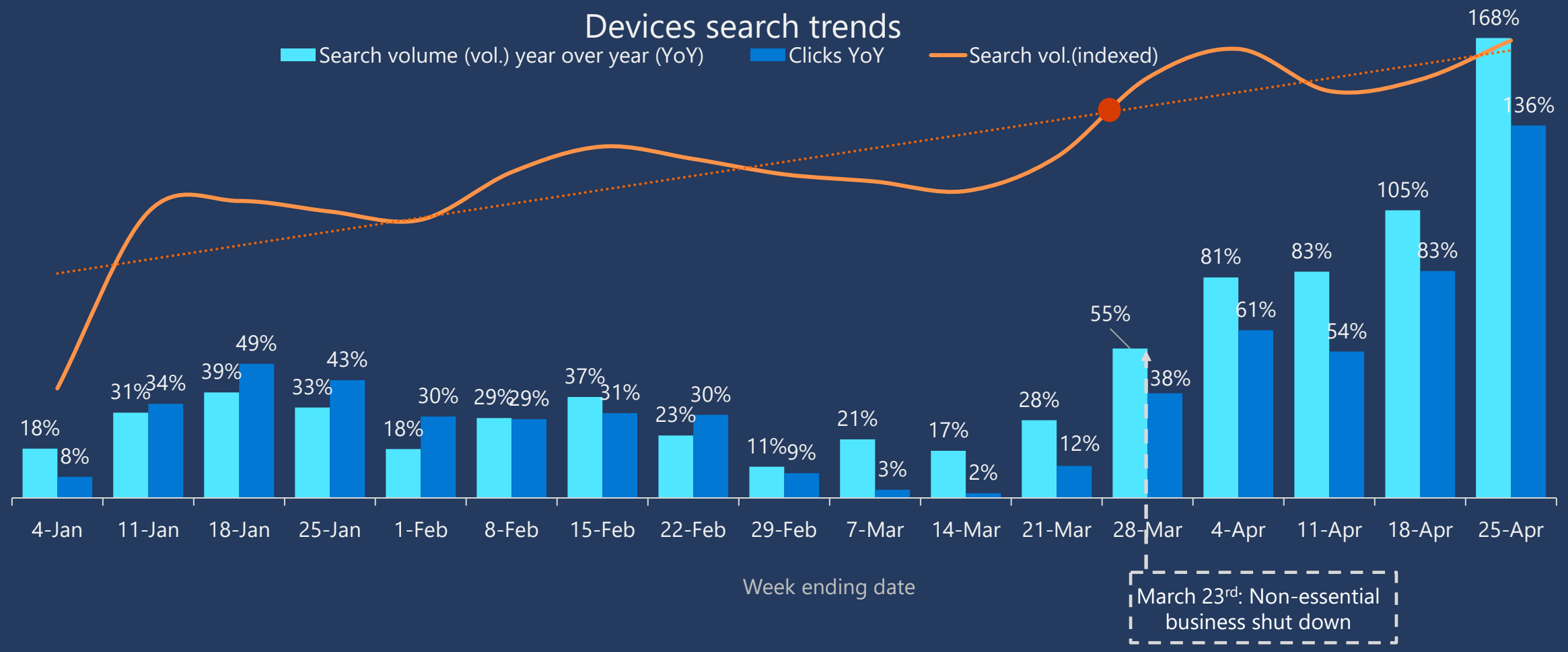
1. Devices
2. Books & Literature
3. Gaming & Media

1. Devices

Home schooling for kids coupled with their parents working-from-home has resulted in a significant increase in searches for various devices

Laptops, Tablets, Kindles, Smartphones, Audio, blue ray/mp3 players , home theatres / projectors

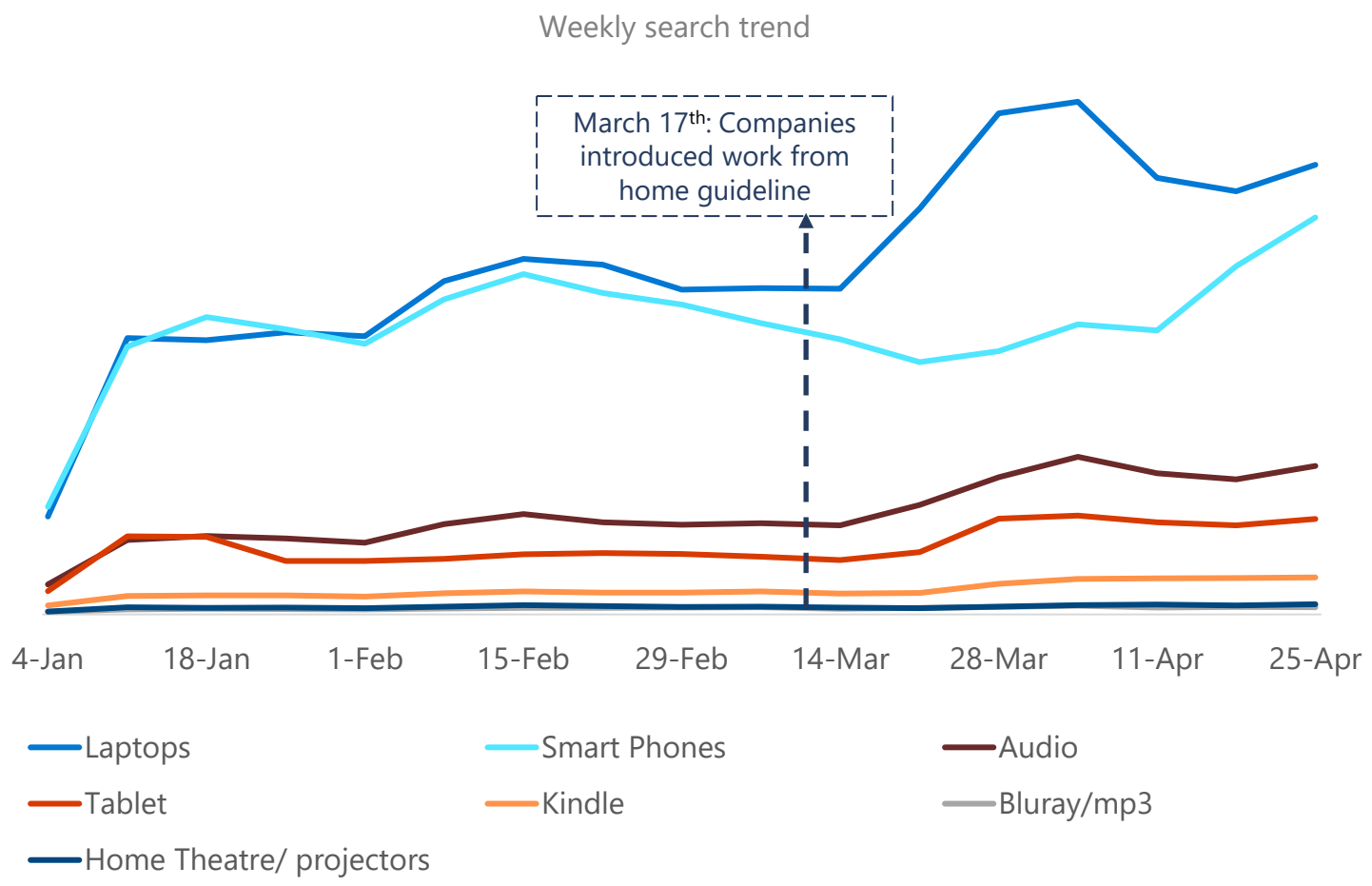
Searches & clicks for devices saw a sharp increase with the introduction of stricter precautionary measures



Microsoft internal data | Home & Garden | Jan - Apr 2020 | search volume
Laptops, Tablets, Kindles, Smartphones, Audio, blue ray/mp3 players , home theatres / projectors

Microsoft

Laptop searches saw a sharp uplift when companies introduced work-from-home guidelines



Microsoft internal data | Home & Garden | Jan - Apr 2020 | search volume

Queries with highest uplift *(compared to January)*

"iphone se" **+>1000%**

"iphone 11 pro max" **+978%**

"speakers" **+392+%**

"harvey norman computers" **+242%**

"headphones" **+183%**

"kindle/kindle Australia" **+200%**

"gaming pc" **+123%**

"ipad/ ipad pro" **+122%**

"laptop/laptops" **+100%**

"macbook" **+80%**

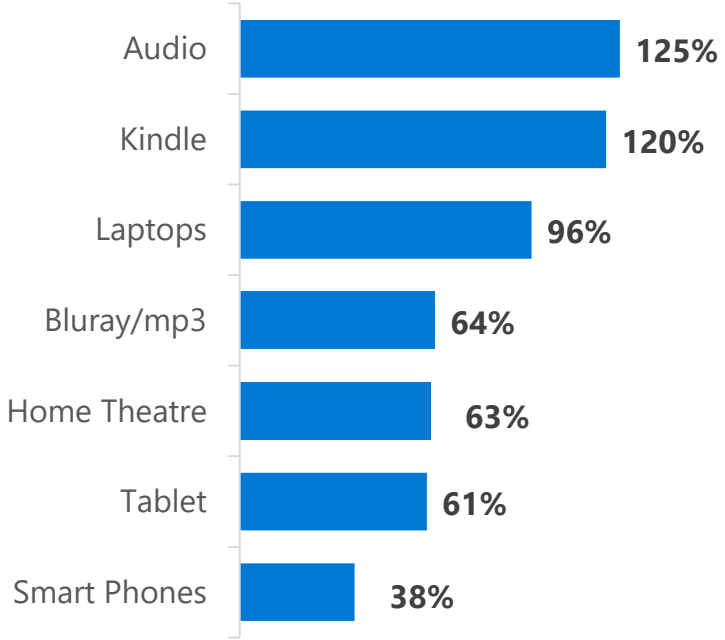
"lenovo" **+75%**

Microsoft internal data | Devices | Jan vs Apr 2020 | search volume | Top 200 queries

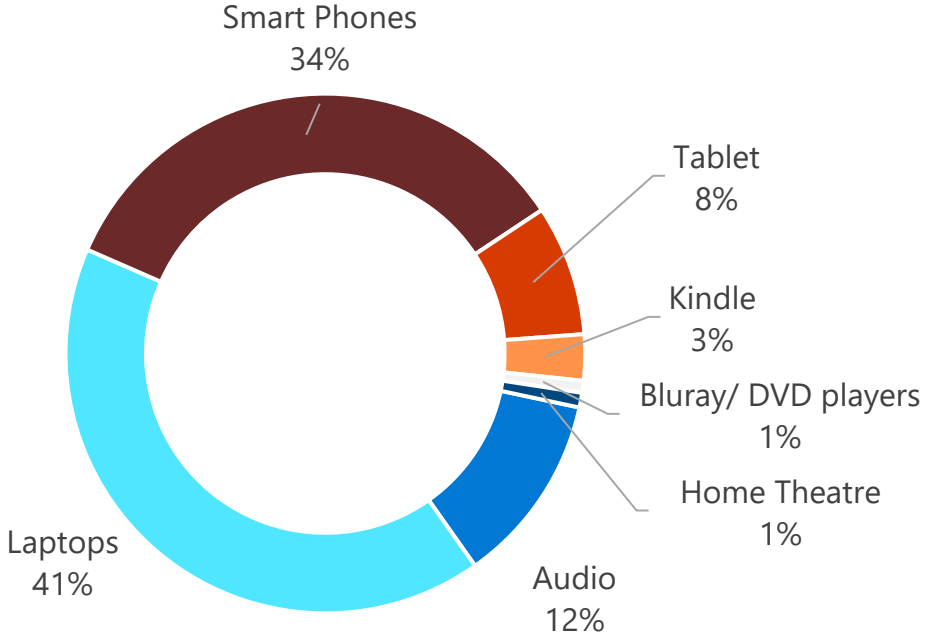
Microsoft

Strong spike across Devices indicates peoples' increased interest in various devices

Sub-category search growth compared to January

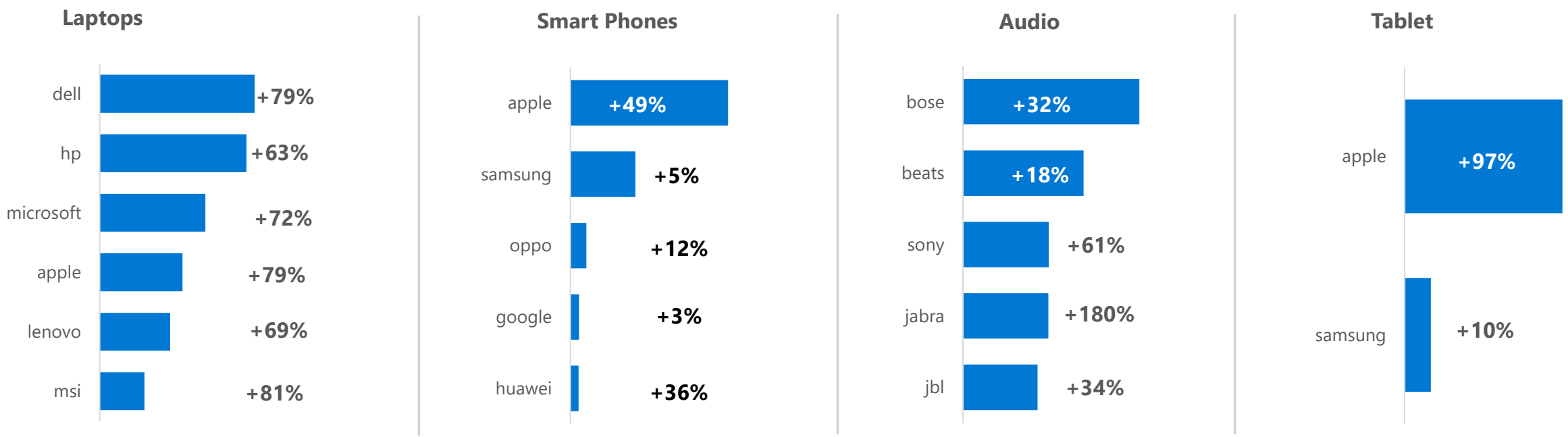


Sub-category split (March-April search volume)



Microsoft

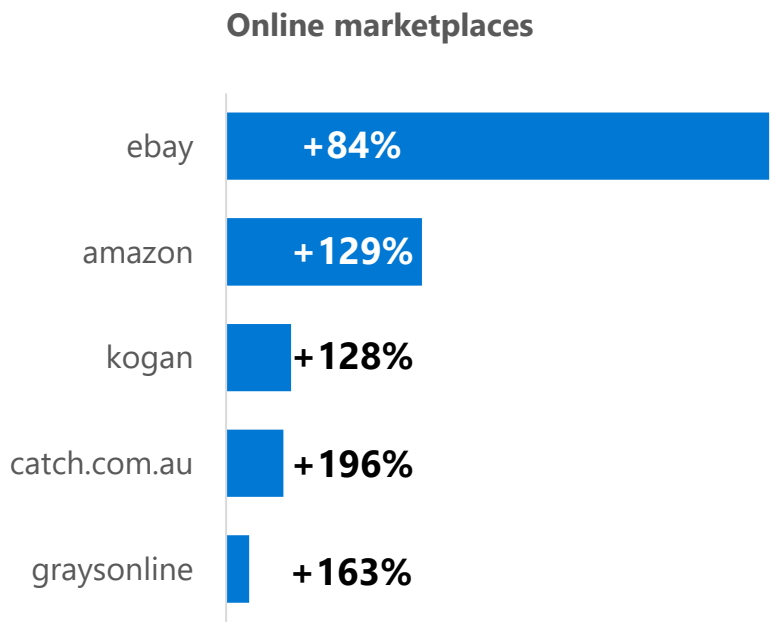
A strong uplift in brand searches across categories indicate increase in demand for these products



Top Brands (by search volume (March+April))
Uplift = January vs April search volume uplift

Microsoft

Online marketplaces and department stores have witnessed substantial growth in consumer demand



Top Brands (by search volume (March+April))
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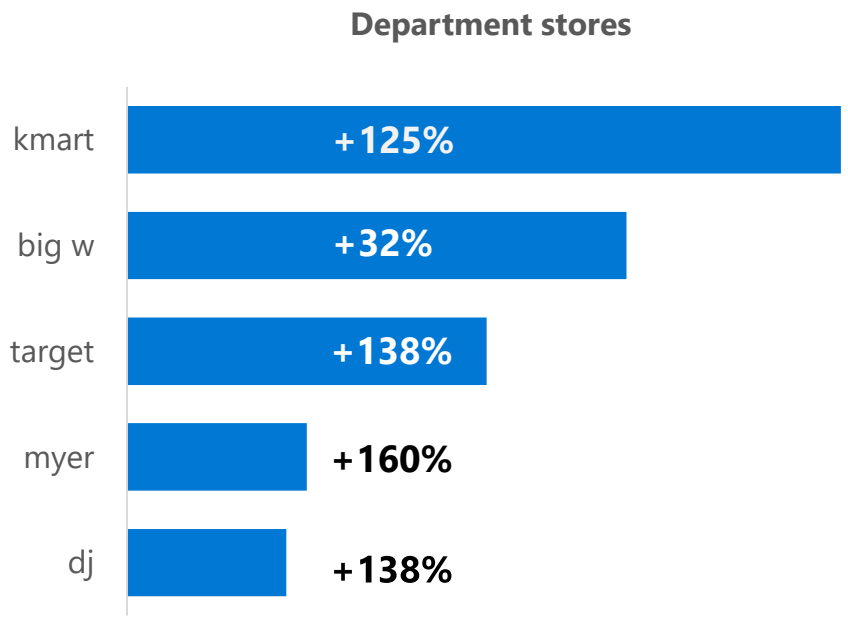


Top Brands (by search volume)
Uplift = January vs April search volume uplift

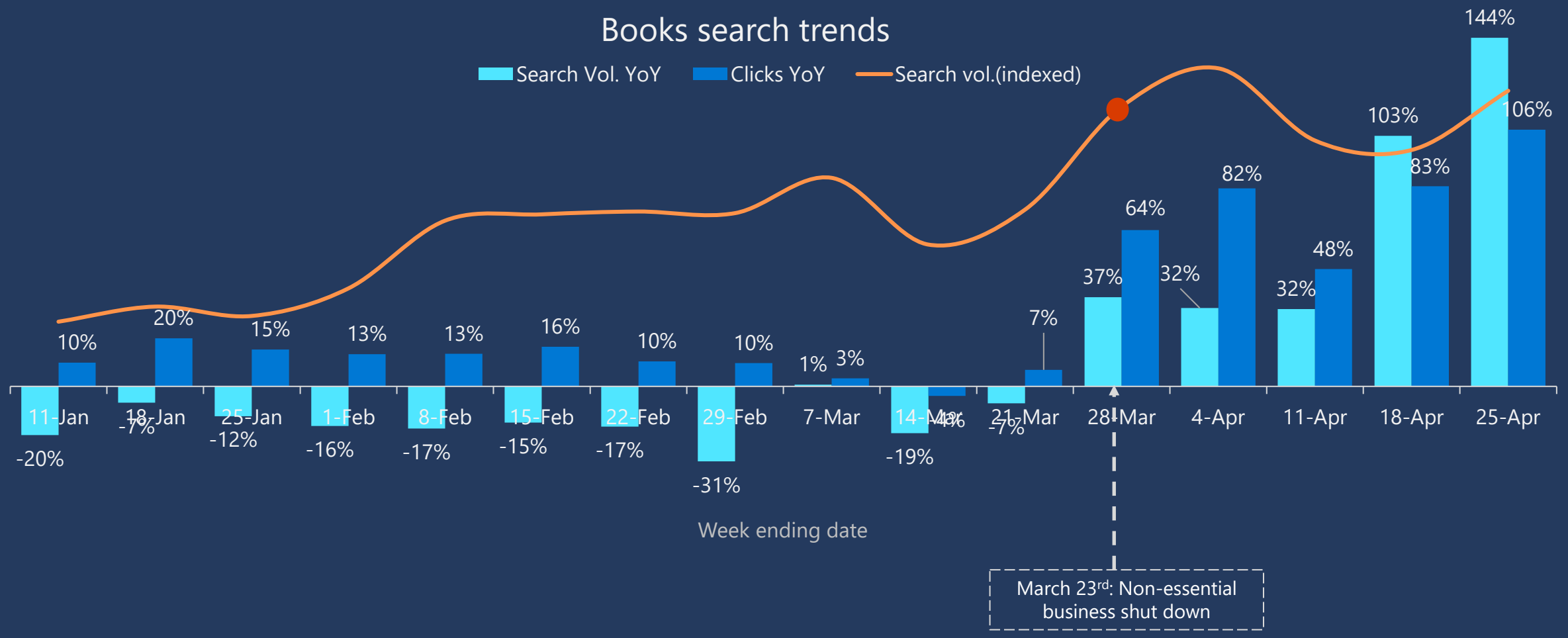
Microsoft

2. Books & Literature

We have seen in an increase in demand as individuals, couples and families increase interest in at-home leisure activities

Includes Audio & eBooks

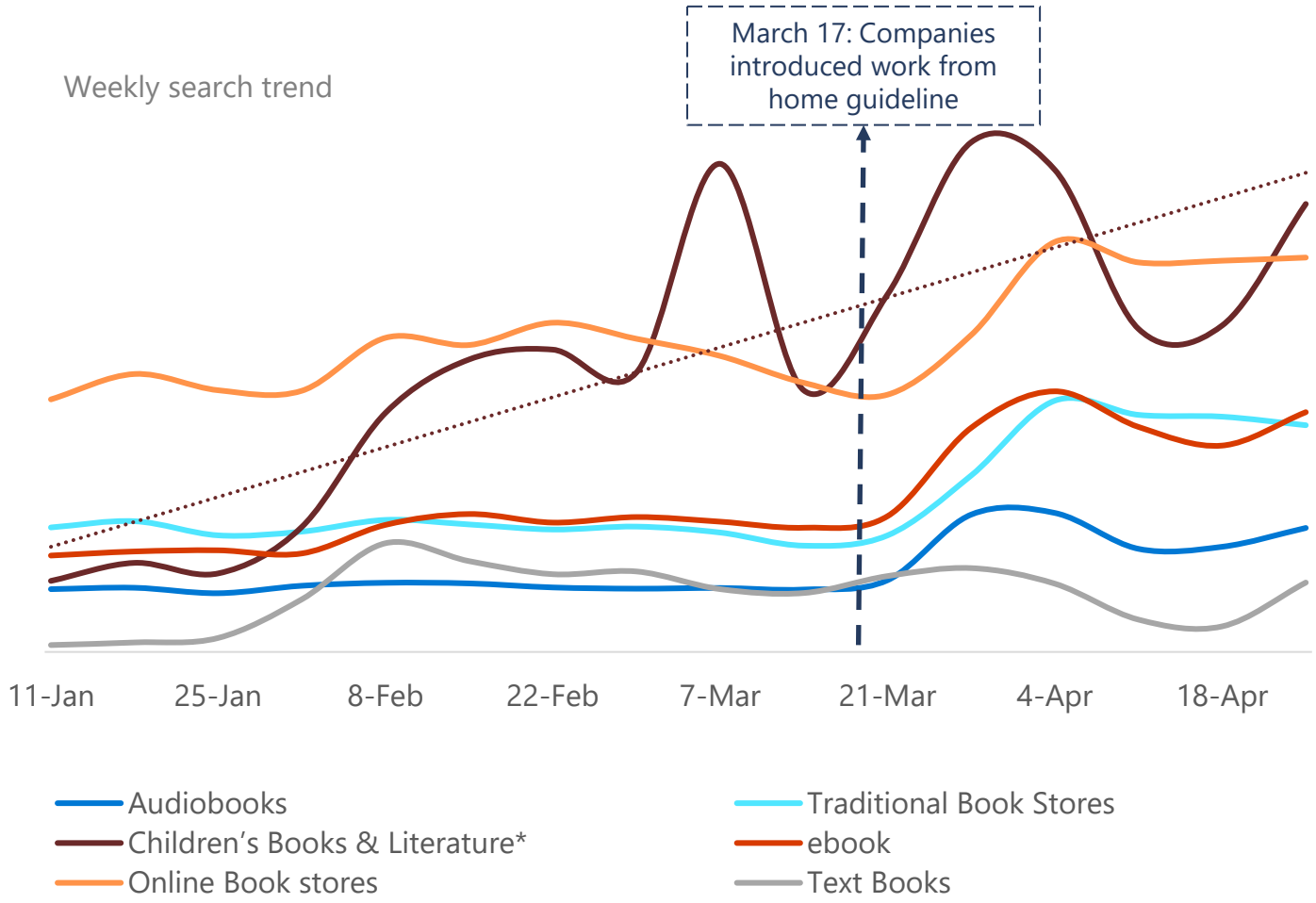
Introduction of stricter precautionary measures seems to have resulted in an increased interest in Books & Literature category



Microsoft internal data | Books & Literature | Jan - Apr 2020 | search volume

Microsoft

With schools and daycares shutting down, children's books & literature has witnessed the highest growth



Microsoft internal data | Books & Literature | Jan - Apr 2020 | search volume
* Children's Books & Literature includes searches for books, titles, authors & other learning resources

Queries with highest uplift *(compared to January)*

"epic books" **+>1000%**

"qbd bookshop online" **+977%**

"very hungry caterpillar" **+>800%**

"ebook/s" **+452%**

"scholastic" **+417%**

"pearson places" **+325%**

"kindle australia" **+197%**

"google books" **+151%**

"dymocks online" **+151%**

"booktopia australia" **+85%**

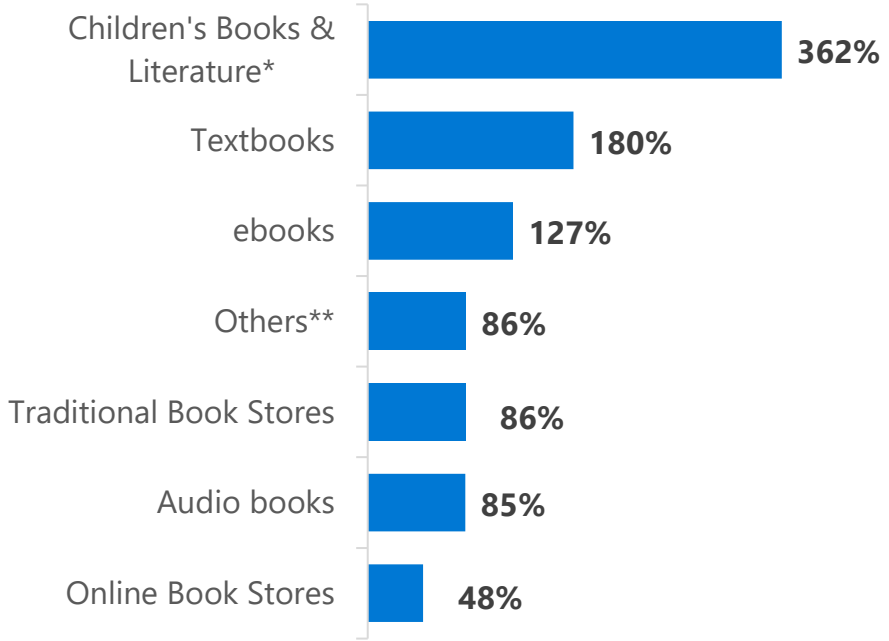
"audible" **+76%**

Microsoft internal data | Books | Jan vs Apr 2020 | search volume | Top 200 queries

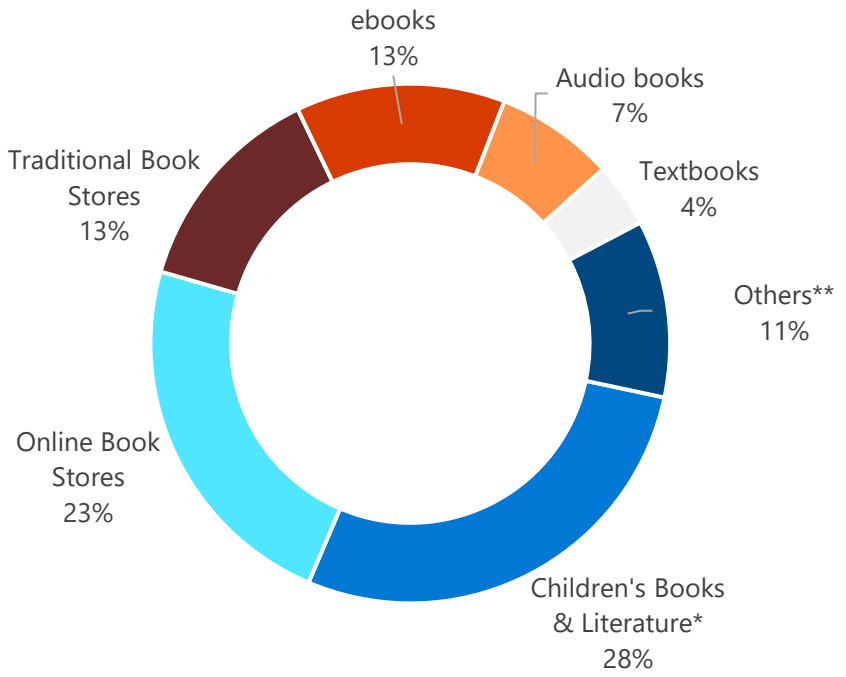
Microsoft

Strong spike across Books & Literature categories indicate people's need to consume this content has increased more than ever

Sub-category search growth compared to January



Sub-category split (March-April search volume)



Microsoft internal data | Books & Literature | Jan - Apr 2020 | search volume
*Children's Books & Literature includes searches for books, titles, authors & other learning resources
**Others = Titles, Authors, Topics and generics

Microsoft

A strong uplift in brand searches across categories indicate increase in demand for these products

Top Brands (by March-April search volume)
Uplift = January vs April search volume uplift

Microsoft internal data | Books & Literature | Jan - Apr 2020 | search volume
* Children's Books & Literature includes searches for books, titles, authors & other learning resources

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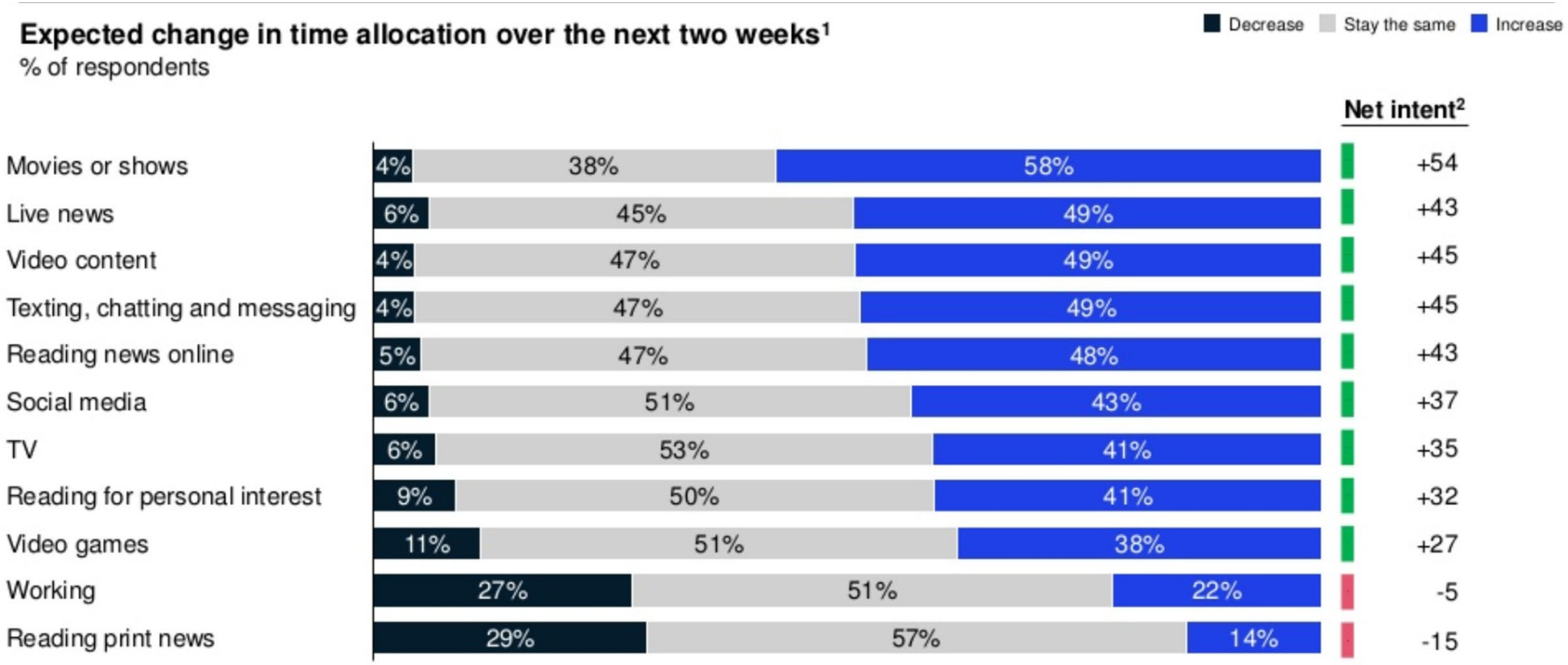
3. Gaming & Media

i. Streaming
ii. Console Gaming
iii. Puzzles, Lego and Board Games

i. Streaming

As the lockdown laws were introduced, our platform saw a large growth in search volume, with Amazon Prime Video, Disney Plus, and Netflix being the largest movers

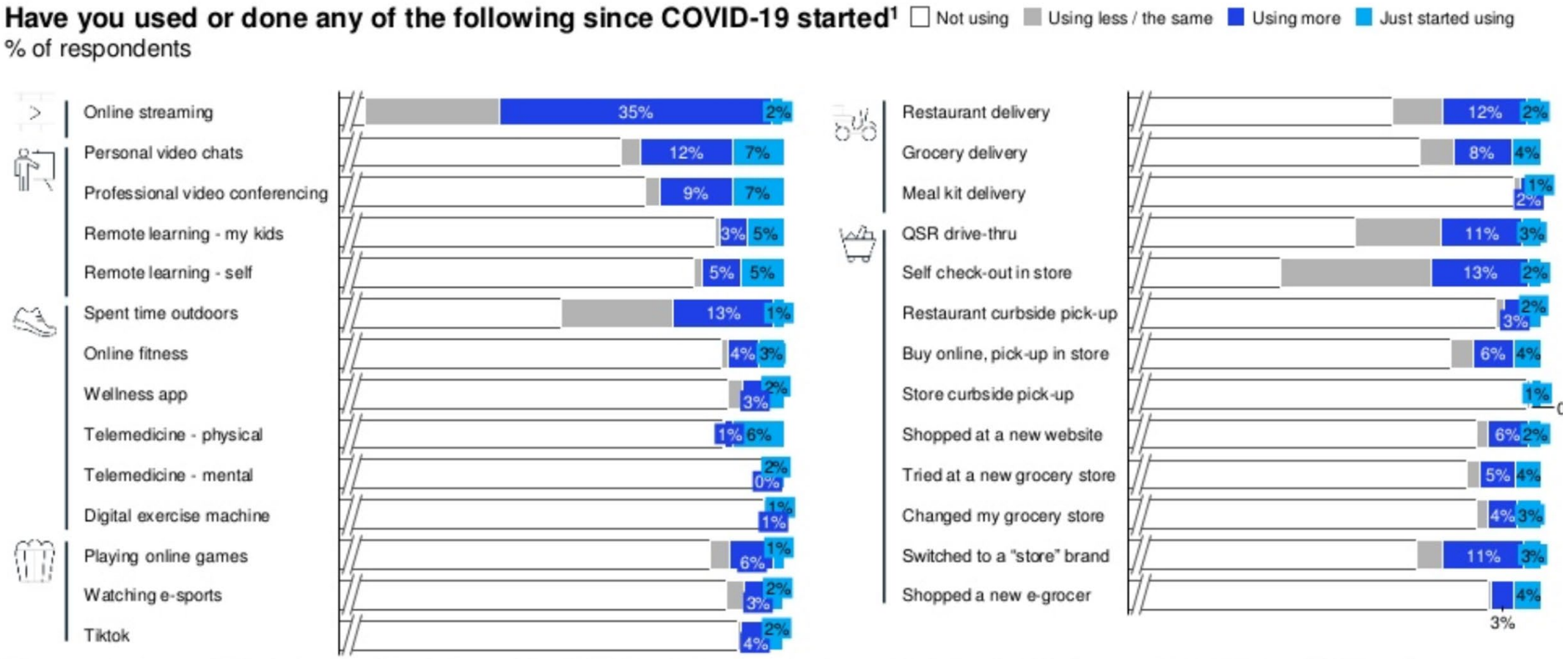
Isolation and the lock-down has led to increased intent to consume online digital media, especially movies and shows



[1] *Q: Over the next two weeks, how much time do you expect to spend on these activities compared to how much time you normally spend on them?* Figures may not sum to 100% because of rounding.
[2] Net intent is calculated by subtracting the % of respondents stating they expect to decrease time spent from the % of respondents stating they expect to increase time spent.

Source: McKinsey & Company COVID-19 Australia Consumer Pulse Survey 4/10–4/13/2020, n = 640, sampled and weighted to match Australia's general population 18+ years

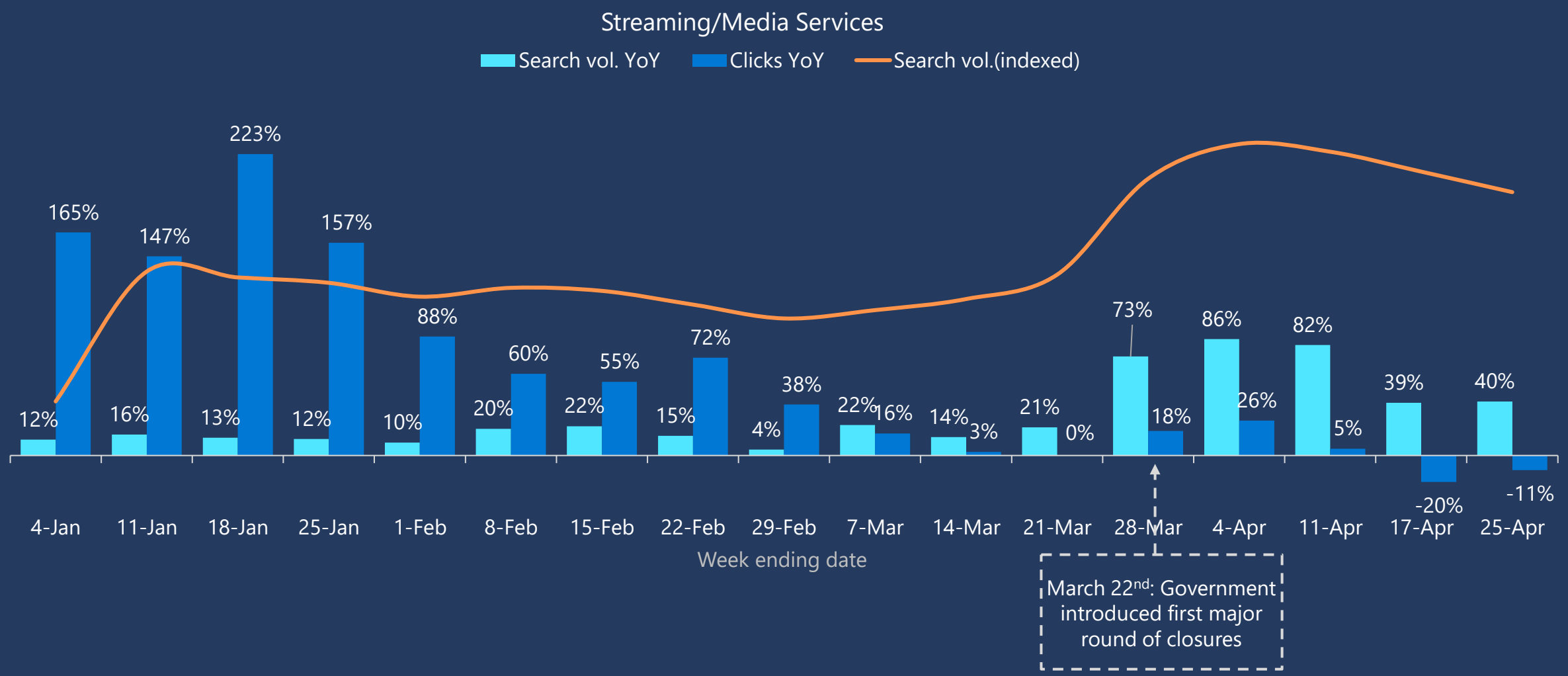
Online streaming is the biggest shift in increased user behaviour due to COVID-19



[1] *Q: Have you used or done any of the following since the COVID-19 situation started? If yes, Q: Which best describes when you have done or used each of these items?* Possible answers: "just started using since COVID-19 started"; "using more since COVID-19 started"; "using about the same since COVID-19 started"; "using less since COVID-19 started."

Source: McKinsey & Company COVID-19 Australia Consumer Pulse Survey 4/10–4/13/2020, n = 640, sampled and weighted to match Australia's general population 18+ years

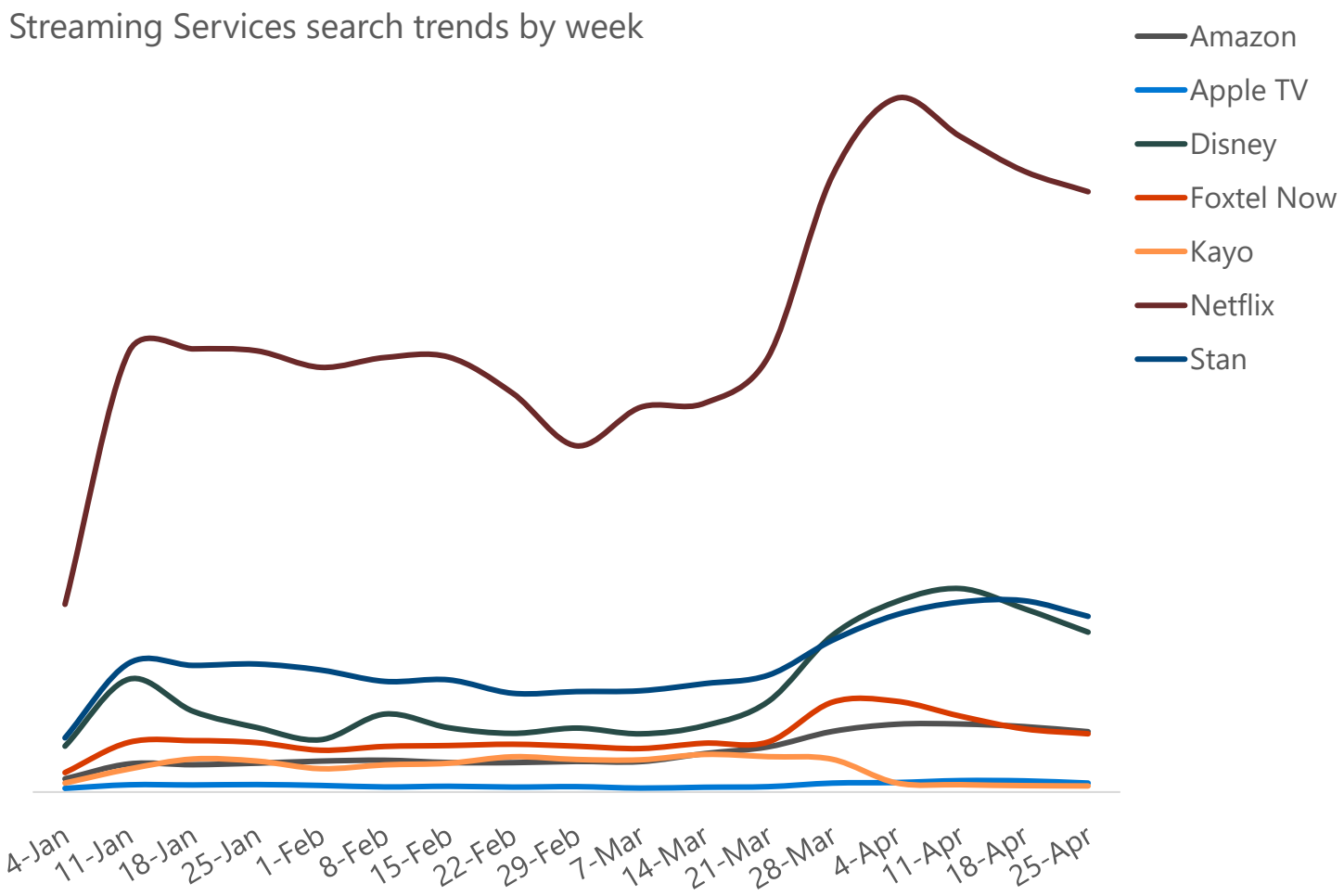
This behaviour is highlighted by the growth in streaming related searches and clicks on our platform



Microsoft internal data | Streaming Services | Jan - Apr 2020 | search and clicks volume

Microsoft

COVID-19 and lockdown laws have caused a large increase in online video streaming products & services



Microsoft internal data | Home & Garden | Jan - Apr 2020 | search volume

Queries with highest uplift *(compared to January)*

"amazon prime movies" +280%

"amazon prime video" +150%

"apple tv+" +^1000%

"apple tv plus" +96%

"netflix party" +220%

"netflix tv shows" +89%

"netflix movies" +23%

"disney+"+^1000%

"disney plus" +79%

"stan.com.au" +165%

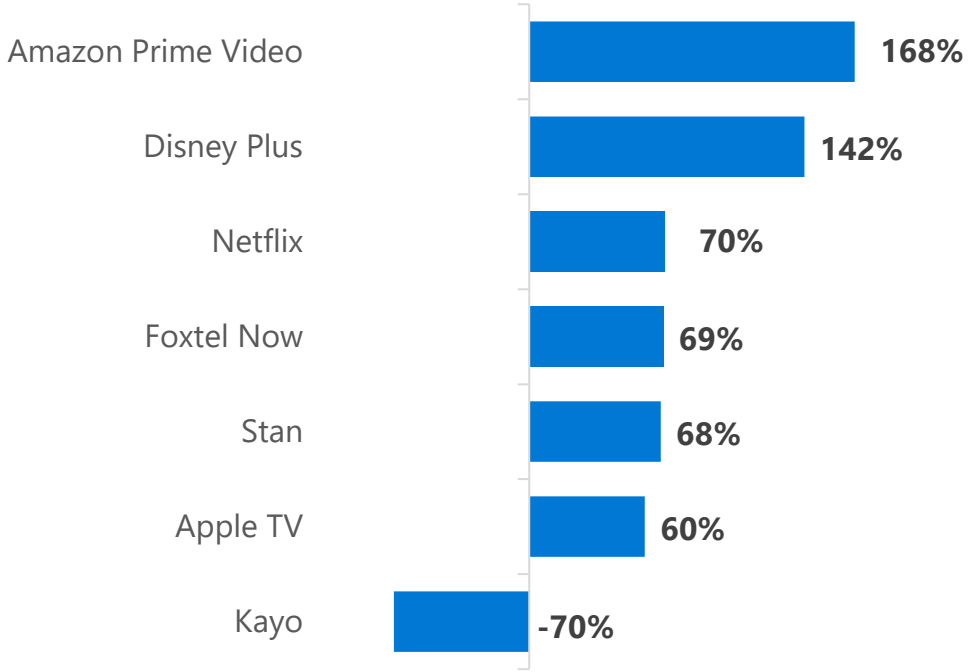
"foxtel australia" +116%

Microsoft internal data | Gaming & Media | Jan vs Apr 2020 | search volume | Top 200 queries

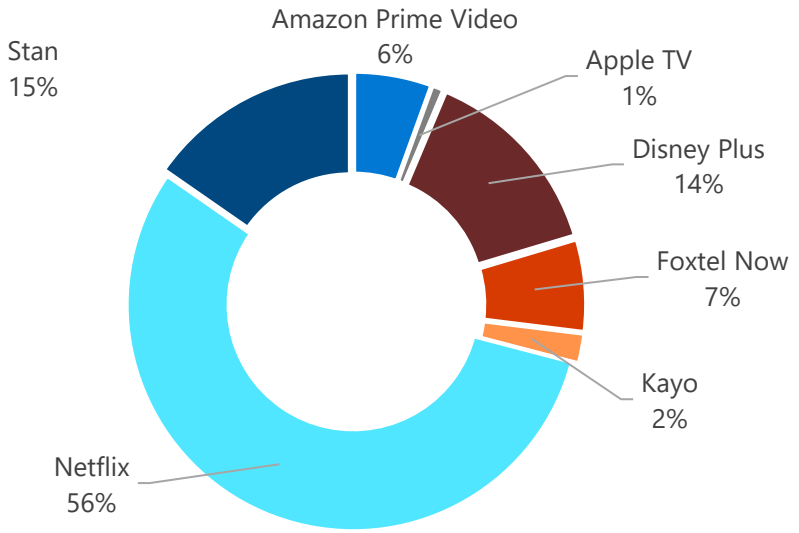
Microsoft

Growth is seen across all streaming services, with the exception of sports service Kayo – driven due to sporting events on-hold

Sub-category search growth compared to January



Streaming services split by search volume
March-April 2020



Netflix dominates our platform, followed by Stan and Disney Plus

Microsoft

ii. Console Gaming

Console gaming sales searches also grew significantly during lockdown, with game titles such as Animal Crossing generating the biggest shift and in turn creating great interest in the gaming consoles

Video game sales are spiking in many markets due to COVID-19

1. Global Web Index (GWI) in December 2019 showed that console gaming has remained a steady platform within the industry with **1 in 4** internet users, and **2 in 5** gamers, still using games consoles to play games[1]

2. From COVID-19, console gaming has seen a large increase in sales across majority of markets, seen by a peak of **111%** spend YoY within week ending April 19th in the U.S.[2]

Source:
1. Global Web Index report 2019
2. FIRST report from Facteus, April 29, 2020 https://first.facteus.com/

Microsoft

The same trend is found locally in Australia, as sales rise mid-March

+286%

week-over-week (WoW) uplift in physical console sales

(within the same week of social distancing measures first being announced in Australia (March 16 – 22))*

+279%

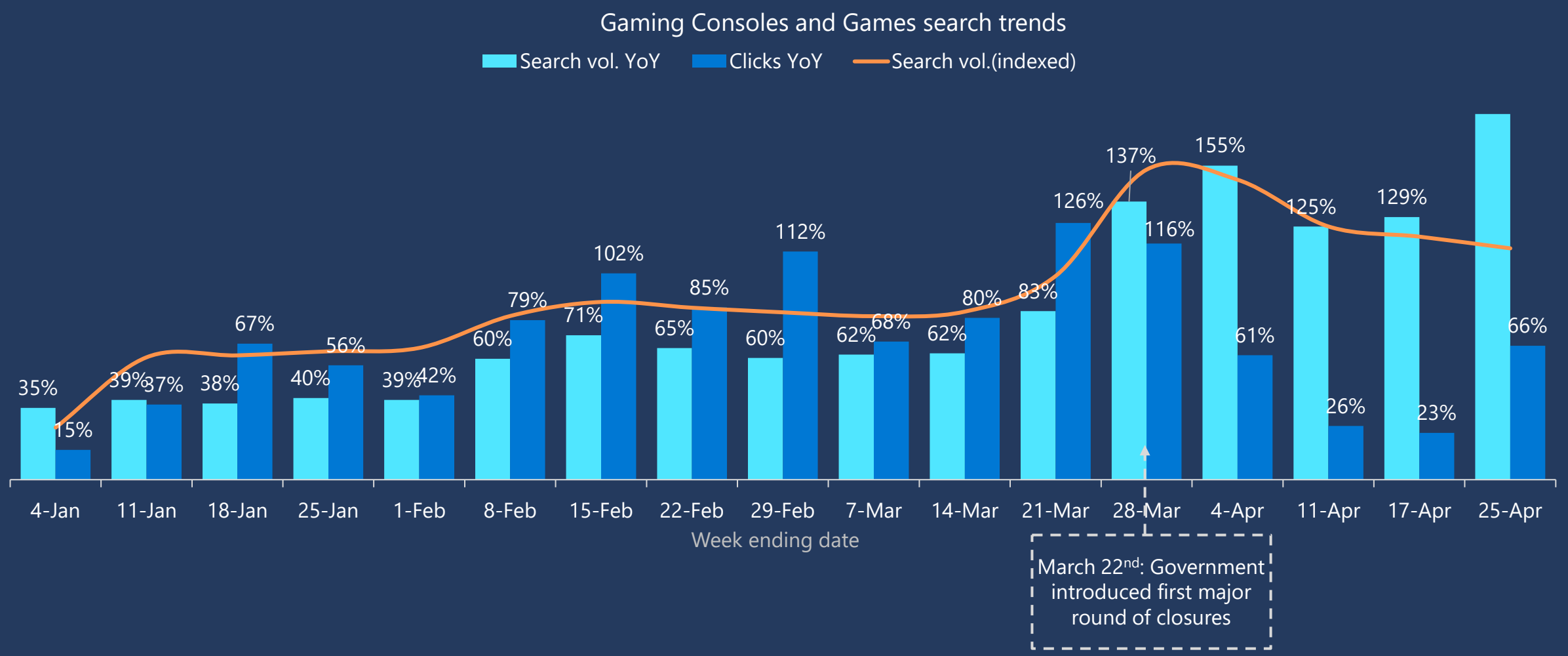
week-over-week uplift in physical video game sales in the same week

Doom: Eternal (Xbox, PS4, PC) and **Animal Crossing: New Horizons** (Switch) contributed to over **68%** towards this growth*

*Source: Sales figures pulled from Game Sales Data, ISFE. https://www.gamesindustry.biz/articles/2020-03-28-what-is-happening-with-video-game-sales-during-coronavirus

Microsoft

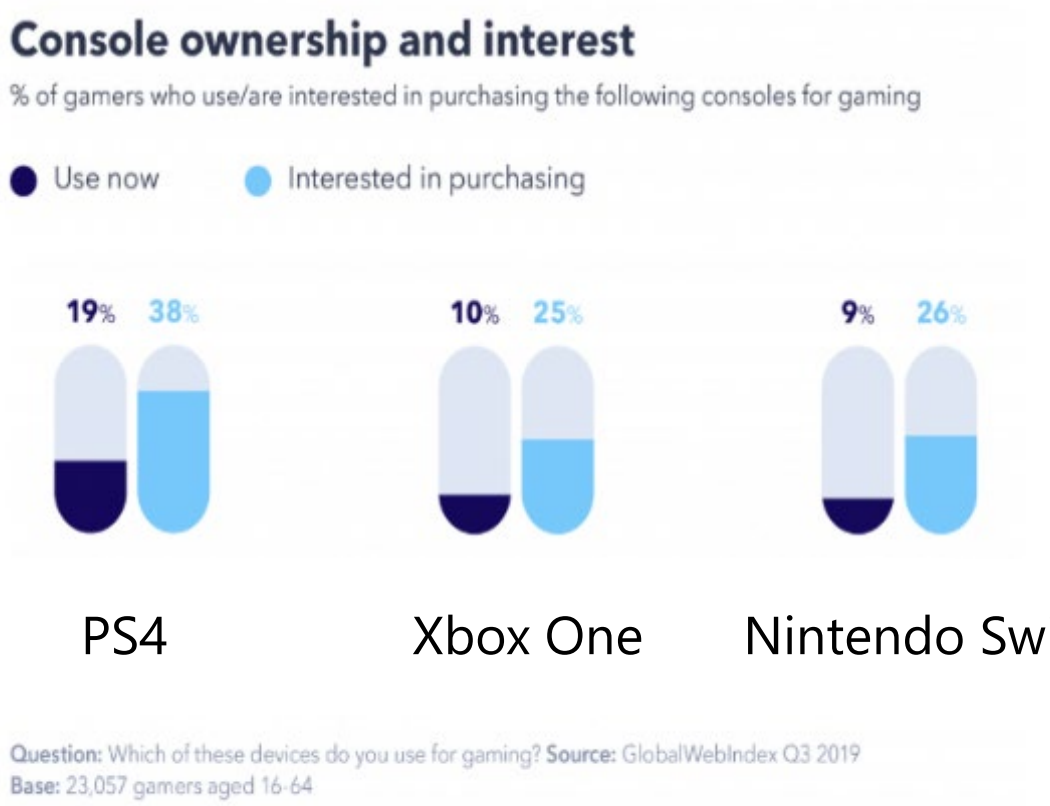
Lockdown laws coupled with the release of new games seems to have resulted in gaming traffic



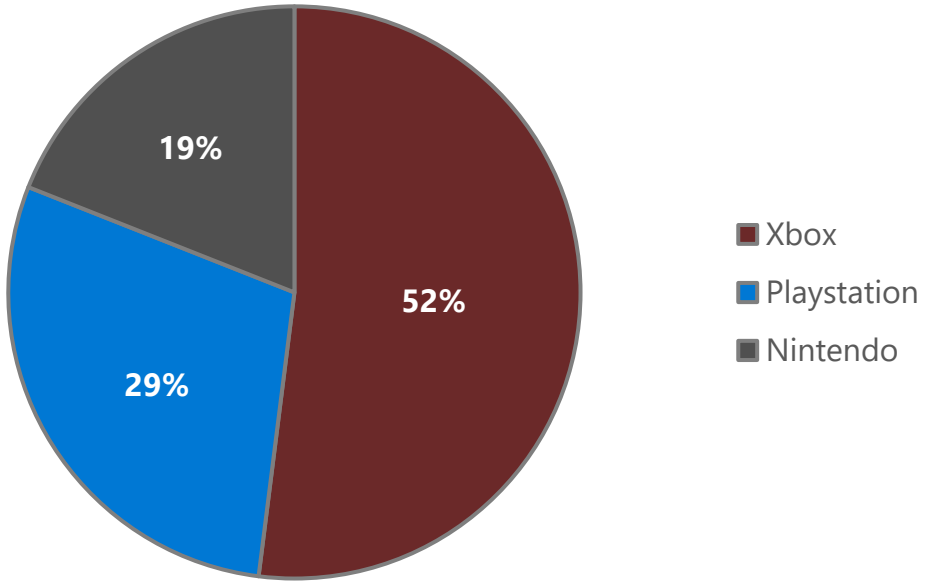
Microsoft internal data | Gaming & Media | Jan - Apr 2020 | search and clicks volume

Microsoft

Console interest within Microsoft Advertising platform favoured towards Xbox

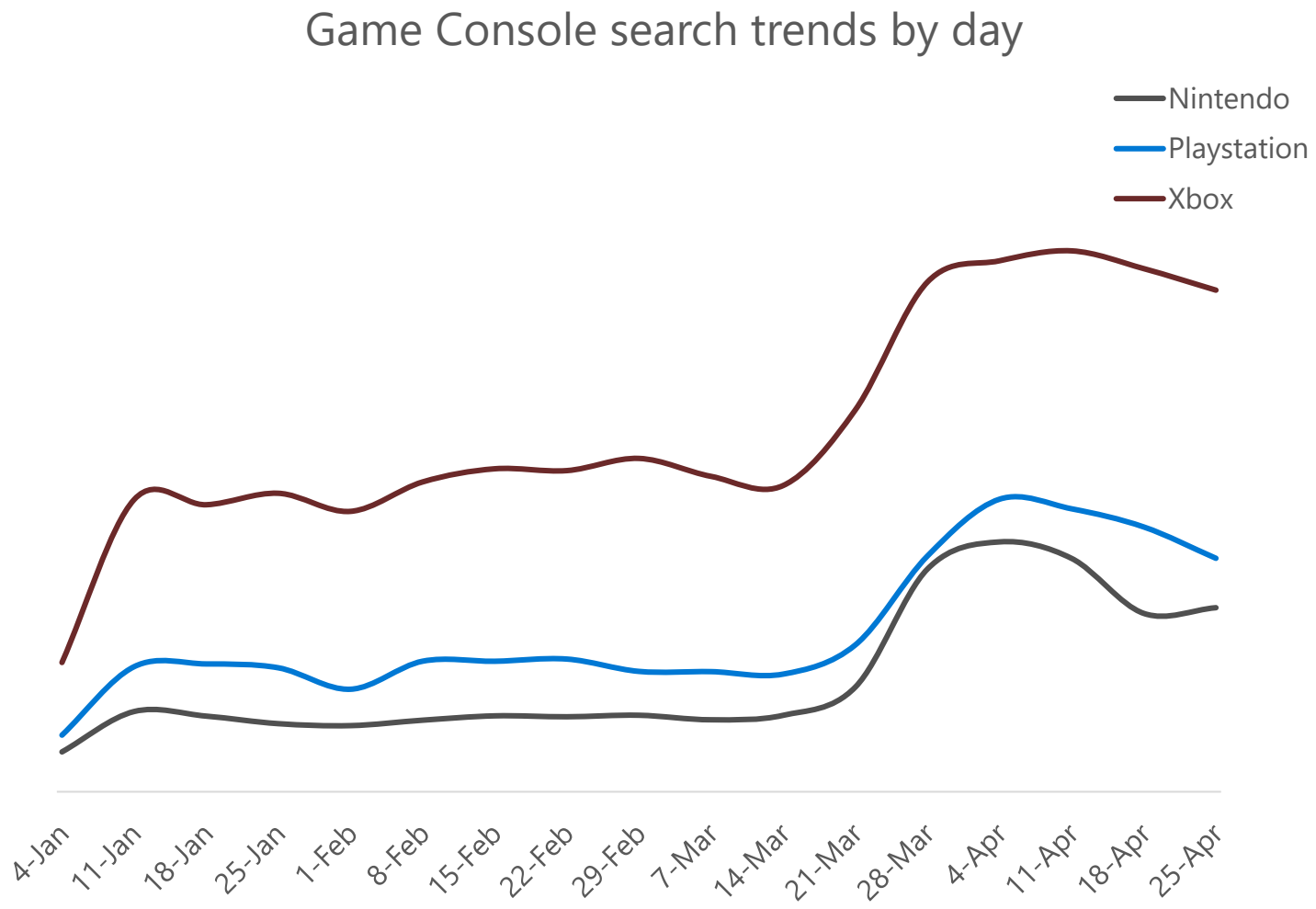


Consoles by search volume on Microsoft Advertising



Microsoft

Growth in searches seen across all major Gaming Consoles



Microsoft internal data | Home & Garden | Jan - Apr 2020 | search volume

Queries with highest uplift *(compared to January)*

"new [console] games" +220%

"new [console]" +89%

"[console] sales/deals" + 187%

"[brand] + [console]" +67%

"nintendo switch" +58%

"nintendo switch lite" +129%

"ps4" +56%

"ps4 pro" +43%

"xbox" +56%

"xbox one" +14%

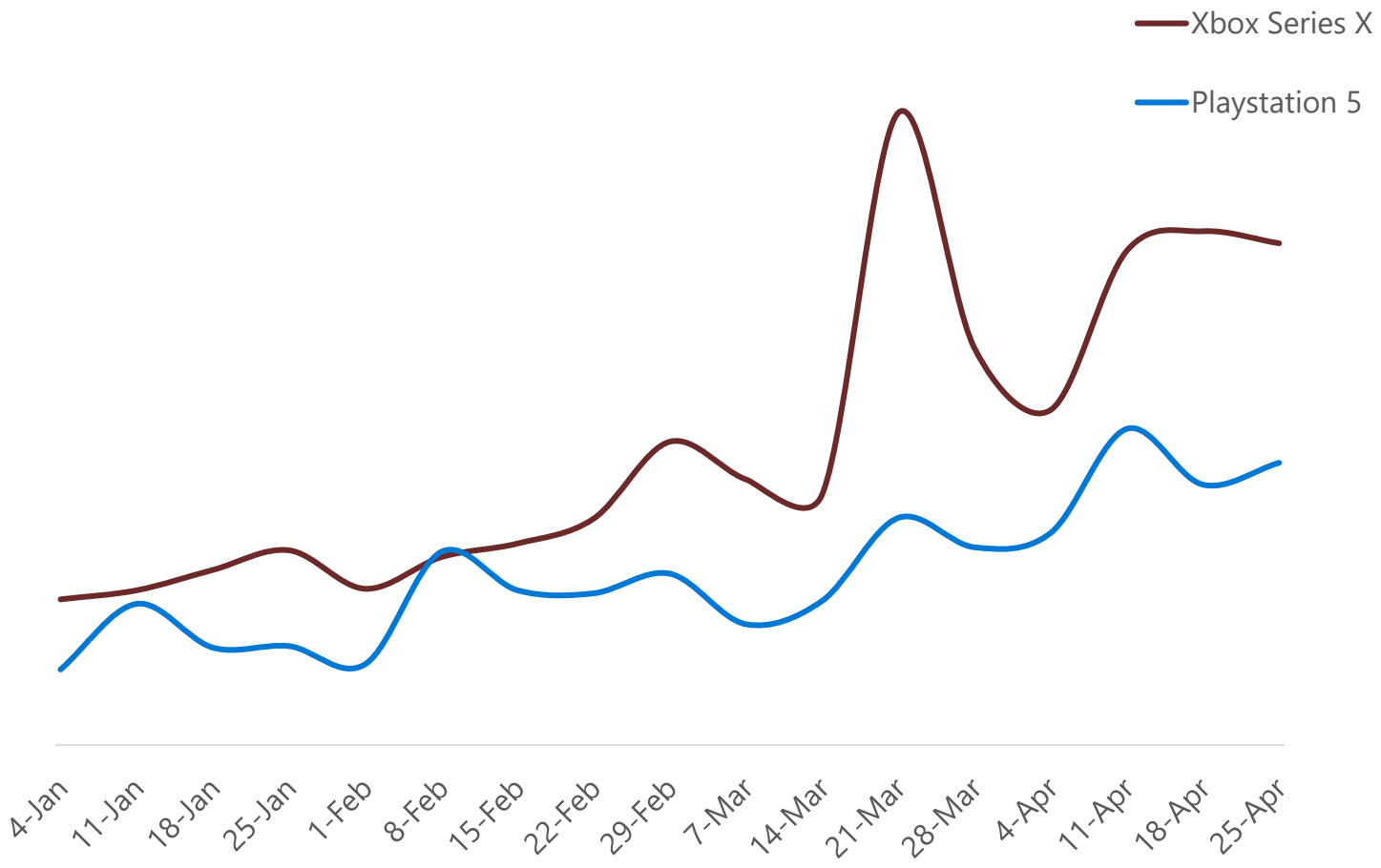
"xbox one s" +29%

Microsoft internal data | Gaming & Media | Jan vs Apr 2020 | search volume | Top 200 queries

Microsoft

Upcoming opportunity for advertising with the new console generation in late 2020

Upcoming console searches by week



Microsoft internal data | Gaming and Media | Jan - Apr 2020 | search volume

The arrival of a new console generation is a highly anticipated occasion in gaming with Sony's PlayStation 5 and Microsoft's Xbox Series X both scheduled for release in late 2020

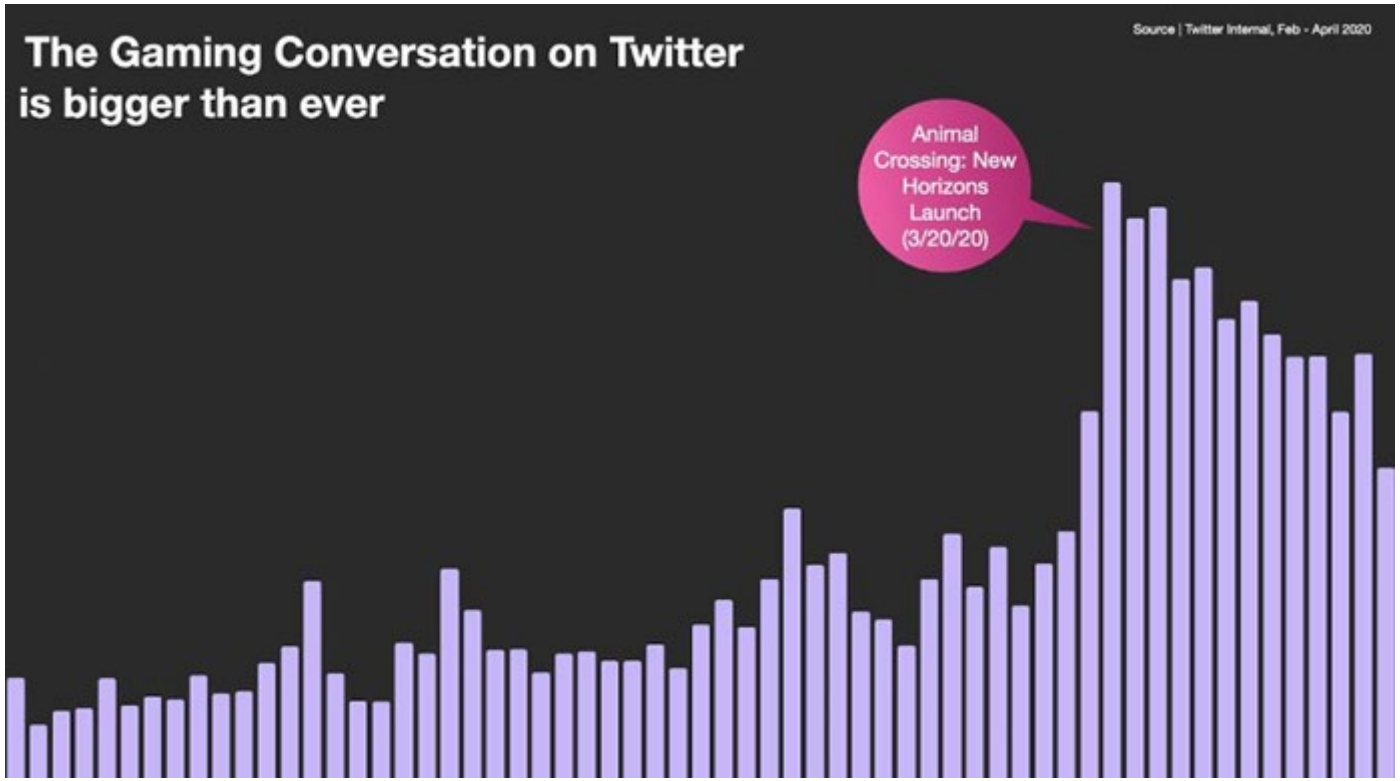
Comparing the week ending April 17th to the first week of January:

- "ps5" searches up **244%**
- "xbox series x" up **253%**

Steadily rising traffic highlights the opportunity these new consoles will provide later this year

Microsoft

New releases spurred gaming discussion on social media given lockdown



The chart shows strong correlation between rise in volume to the release of **Animal Crossing: New Horizons**, a Nintendo switch game with a heavy emphasis on fashion, interior design and landscaping with social features included.

Source: Twitter Internal data, Feb – April 2020.

Since lockdown people have been forced to stay at home and Twitter has seen a:

- +71% increase in gaming-related conversations
- +38% increase in new unique authors

Microsoft

Recent releases drove strong growth in search traffic on our platform

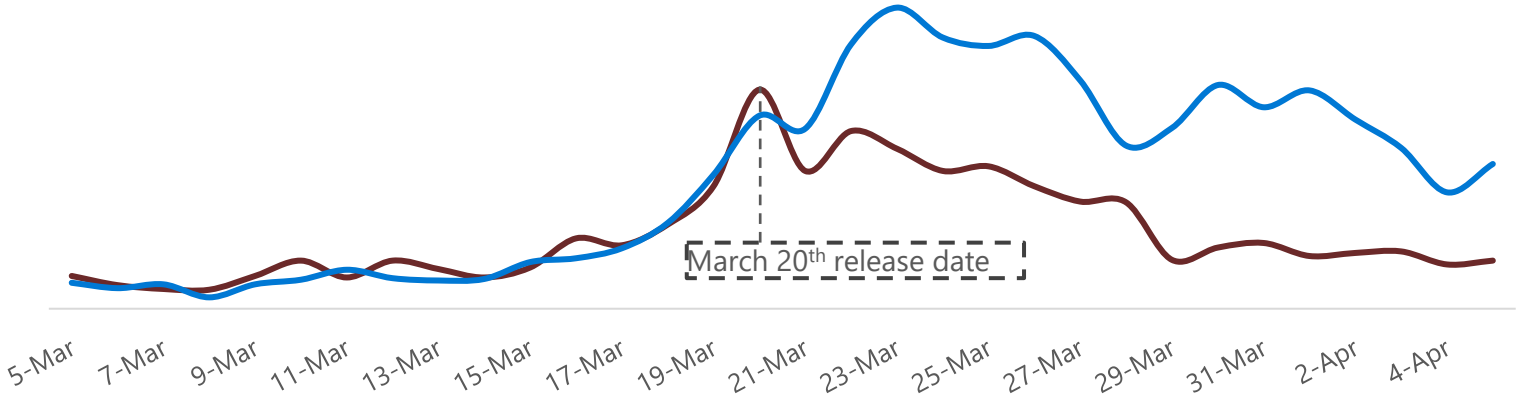
1. In Australia, both Doom and Animal Crossing were released in the same week as when social distancing measures began taking place

2. Search volumes post release have increased **+142%** WoW and **+300%** WoW for "doom" and "animal crossing" respectively

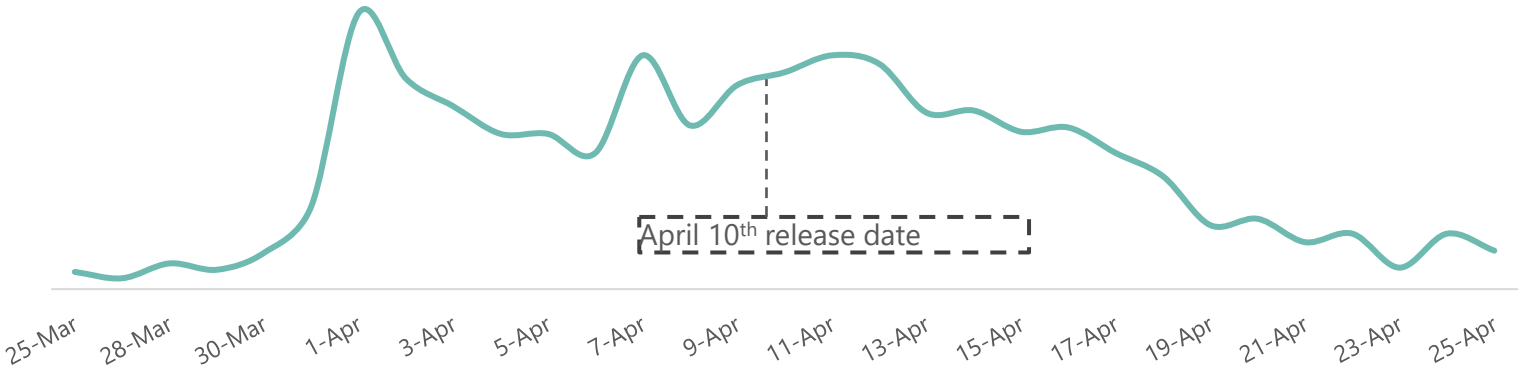
3. Final Fantasy VII Remake (PS4), released on April 10th, but began experiencing large volumes starting **10 days before release**, signalling strong user interest for pre-orders

4. Refer to appendix for more on expected upcoming video game releases

"doom" and "animal crossing" searches by day



"final fantasy 7 remake" searches by day



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iii. Puzzles, Lego, Board Games

Non-digital family activities also saw great interest, with search volumes for “puzzles”, “board games” and “lego” skyrocketing mid-March onwards

Puzzles, Lego and board games have seen a large rise in popularity due to isolation at home

"Jigsaw puzzles have been flying off the shelves for weeks"
- Jackson Heenan, stock controller at Mind Games Melbourne[1]

Sales of board games and jigsaw puzzles soared 240% during official week of coronavirus lockdown in the UK. – The Guardian[2]

"Lego sales have risen threefold in the past two weeks"
- Rachel Larkman, purchasing officer for John Lewis[2]

Number 7 in the top 10 items shoppers search for on Amazon were "Puzzles for adults" – Wall Street Journal[3]

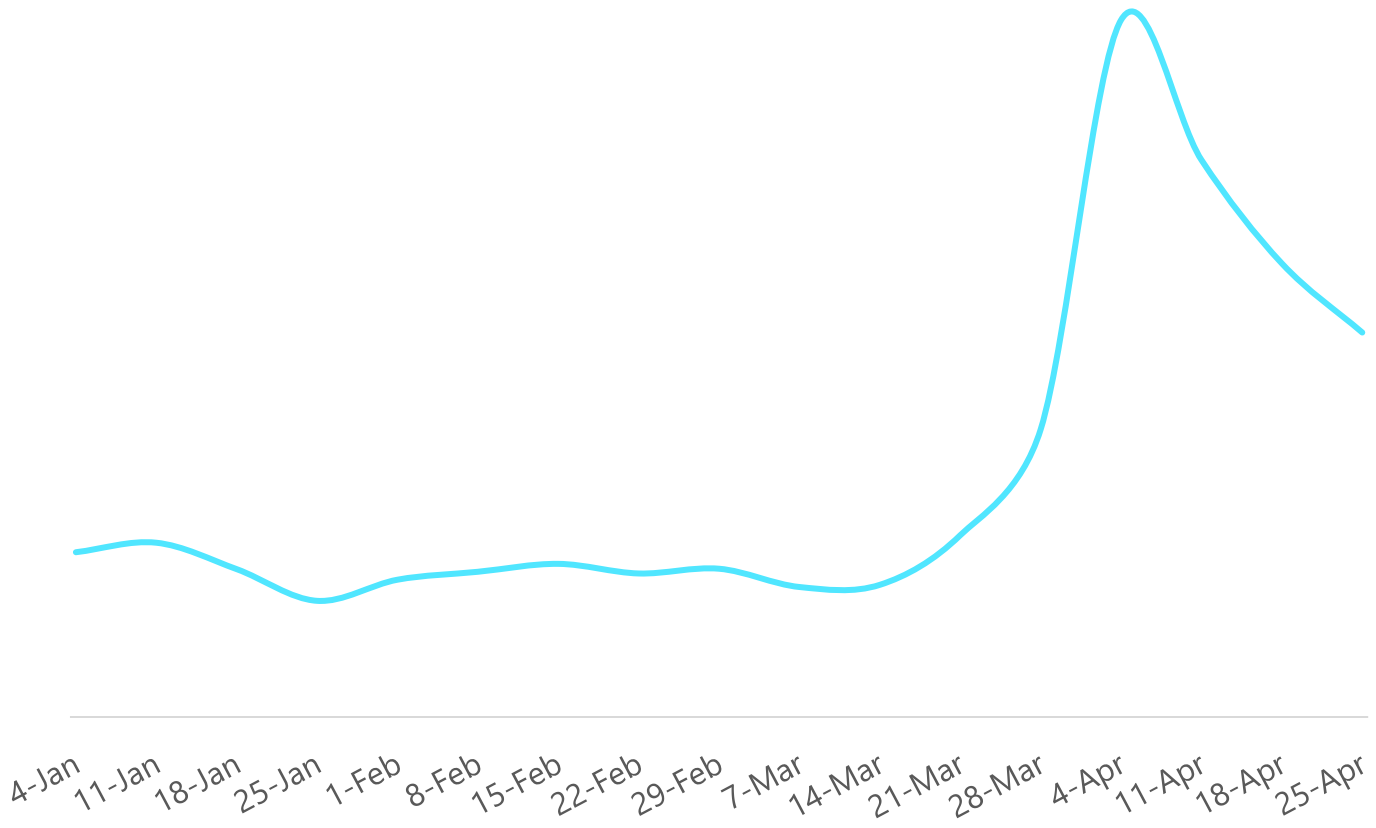
"I can assure you over the next few months we will consider those jigsaw puzzles absolutely essential." – Prime Minister Scott Morrison[4]

https://7news.com.au/lifestyle/health-wellbeing/pandemic-board-game-sells-out-as-coronavirus-sweeps-across-australia-c-901114
https://www.theguardian.com/business/2020/apr/01/sales-of-board-games-and-jigsaws-soar-during-coronavirus-lockdown
https://www.smh.com.au/national/jigsaw-puzzles-the-missing-piece-in-a-lockdown-20200331-p54fmy.html
https://www.news.com.au/lifestyle/health/health-problems/coronavirus-australia-scott-morrison-says-jigsaw-puzzle-sales-soaring/news-story/f3e152822d0cdf0a7ddbec139aaf16f4

Microsoft

Puzzles have surged in traffic as a result of COVID-19

"puzzles" search volume by week



Microsoft internal data | Toys and Games | Jan - Apr 2020 | search volume

Queries with highest uplift *(compared to January)*

"puzzle" +251%

"puzzles" +297%

"jigsaw puzzle" +>1000%

"jigsaw puzzle" +42%

"jigsaw puzzles australia" +>1000%

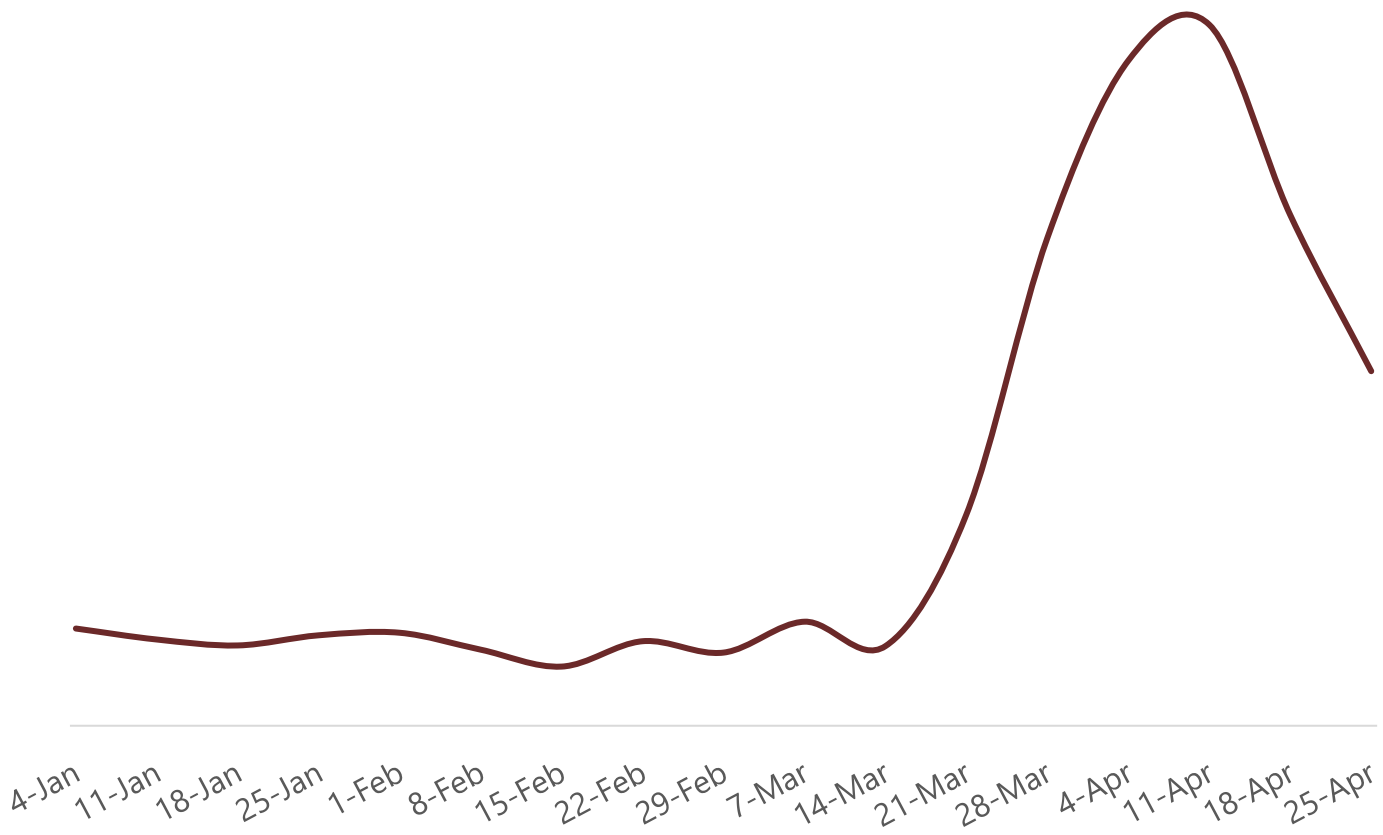
"ravensburger puzzles" +>1000%

Microsoft internal data | Puzzles, Lego, Board Games | Jan vs Apr 2020 | search volume | Top 200 queries

Microsoft

Board Games have also seen strong growth in traffic post lockdown

"board games" search volume by week



Microsoft internal data | Toys and Games | Jan - Apr 2020 | search volume

Queries with highest uplift *(compared to January)*

"board games" +641%

"board games Australia" +>1000%

"catan/settlers of catan" +785%

"ticket to ride" +702%

"scrabble" +432%

"monopoly" +298%

"uno" + 415%

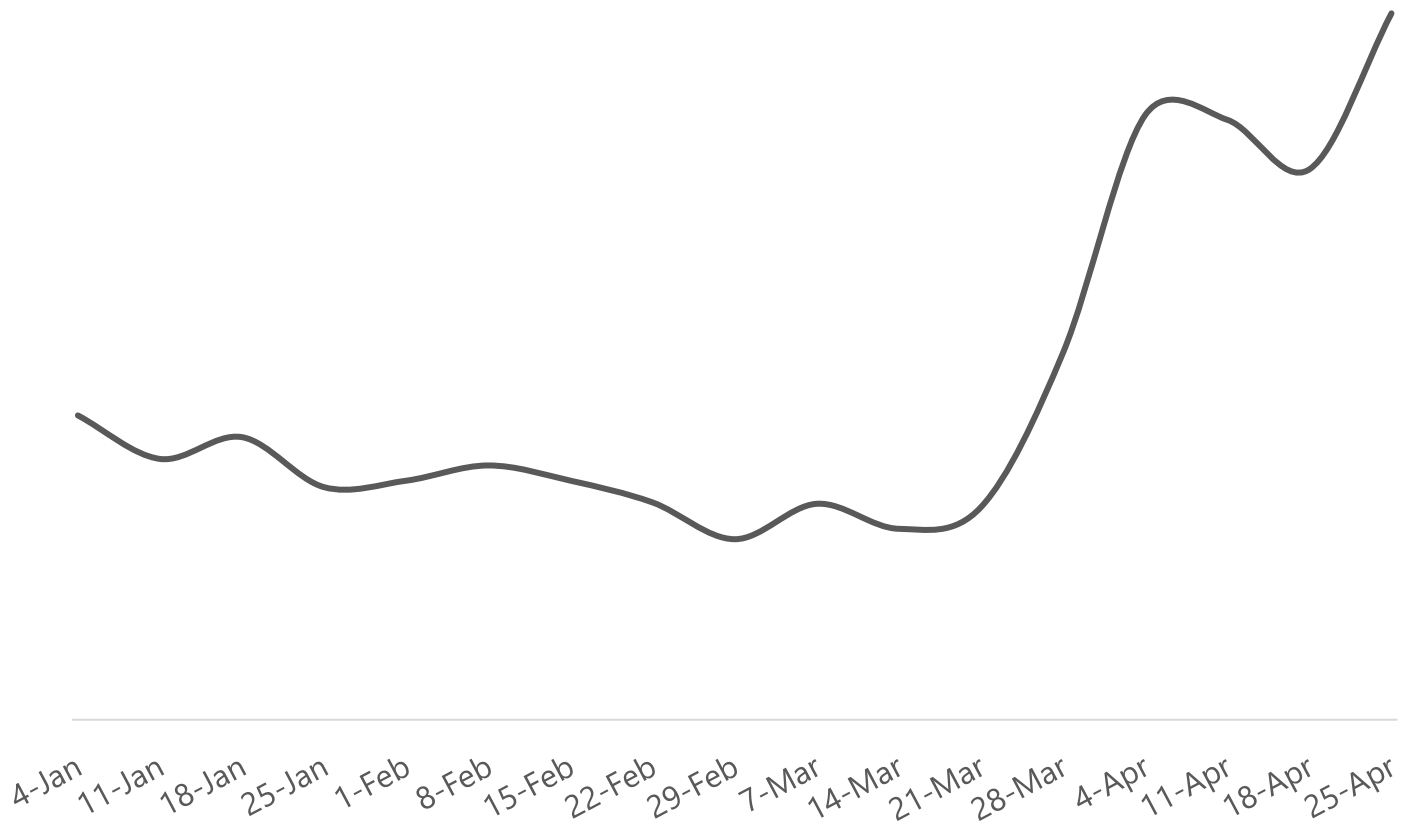
"cluedo" +560%

Microsoft internal data | Puzzles, Lego, Board Games | Jan vs Apr 2020 | search volume | Top 200 queries

Microsoft

Lego products have also seen strong growth in both generic and theme-specific sets

"lego" search volume by week



Microsoft internal data | Toys and Games | Jan - Apr 2020 | search volume

Queries with highest uplift *(compared to January)*

"lego" +128%

"lego australia" +154%

"big w/kmart/target/myer lego" +>1000%

"minecraft lego" +>1000%

"harry potter lego" +914%

"lego technic" +185%

"lego city" +>1000%

"star wars lego" +73%

Microsoft internal data | Puzzles, Lego, Board Games | Jan vs Apr 2020 | search volume | Top 200 queries

Microsoft

Key takeaways

1. As consumers spend more time at home with family, the need to invest in at-home entertainment options has taken priority over other categories

2. Businesses have an opportunity to tap into this increased demand and connect consumers with right products

3. Take advantage of your search campaigns to understand your customers better and plan your next steps

4. Connect your customers with the right products on the first click

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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

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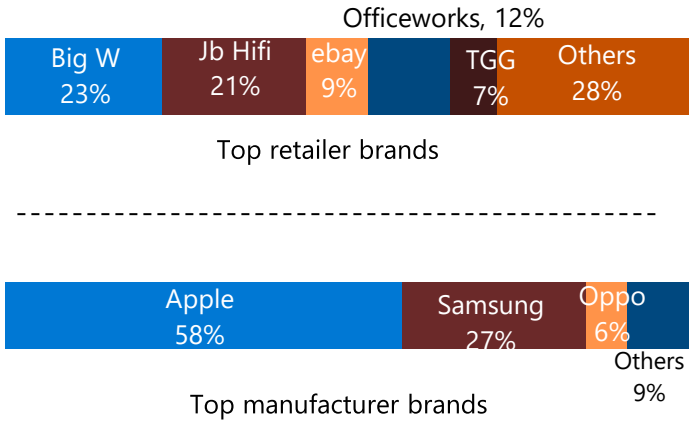
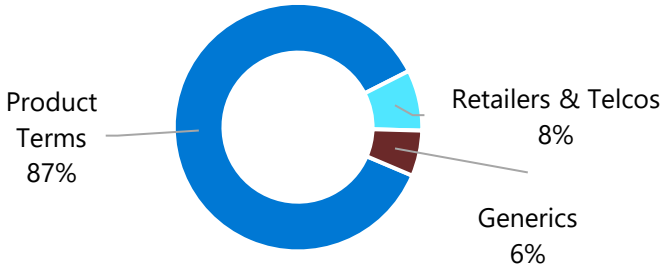
advertising.microsoft.com

Appendix

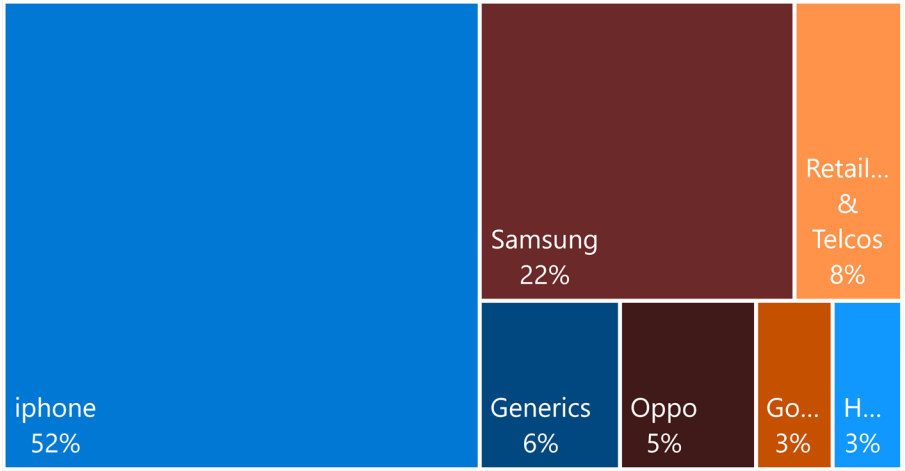
Smartphones



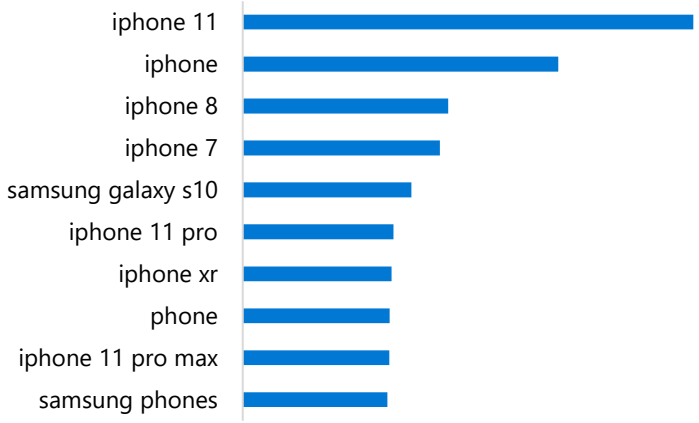
Query type



Query breakdown



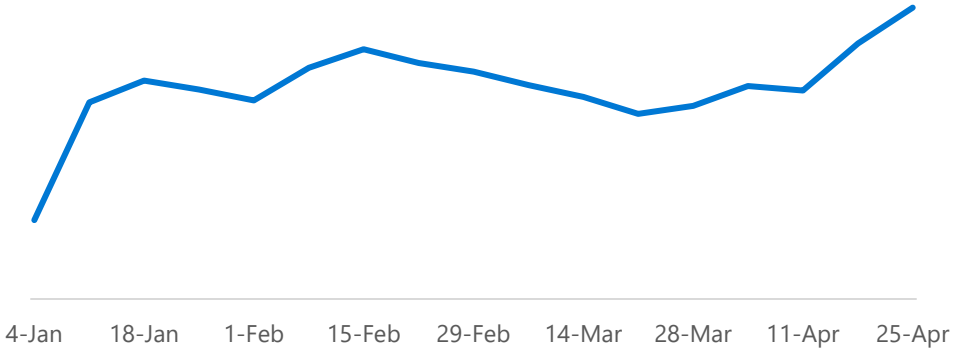
Top queries



Average CTR

2.56%

Weekly search trend



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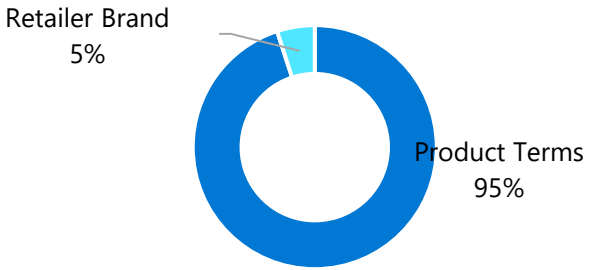
Microsoft

Tablets

Top Retailer Brands

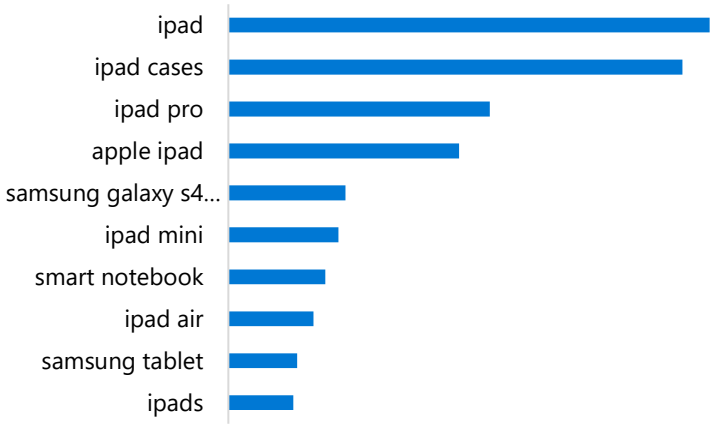
Top Manufacturer Brands

Query type



Query breakdown

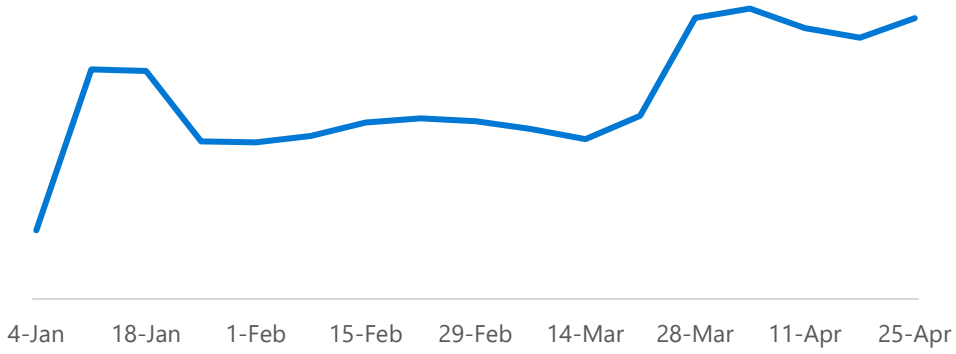
Top queries



Average CTR

2.69%

Weekly search trend



Microsoft

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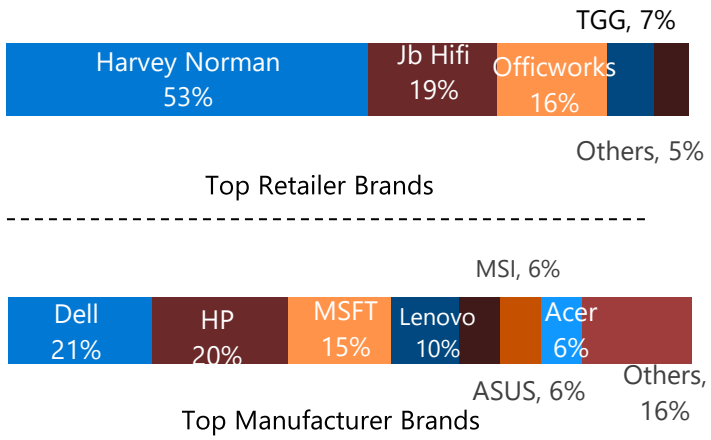
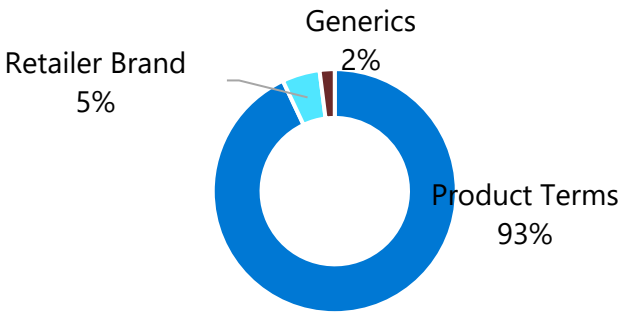
Laptops

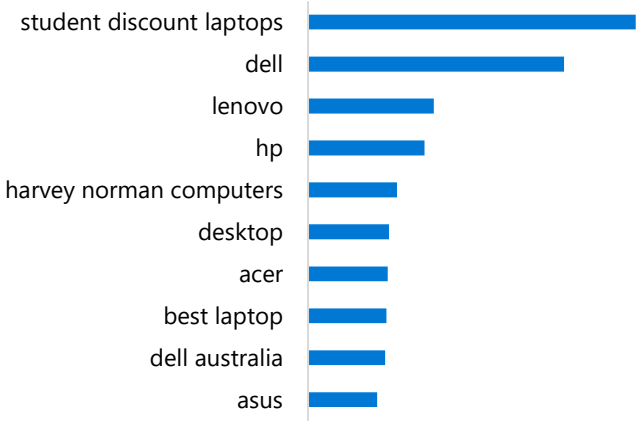


Query type



Query breakdown

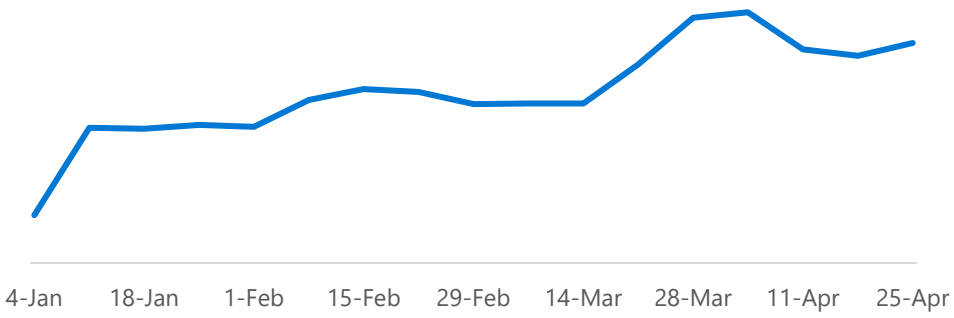
Top queries



Average CTR

2.57%

Weekly search trend



Microsoft

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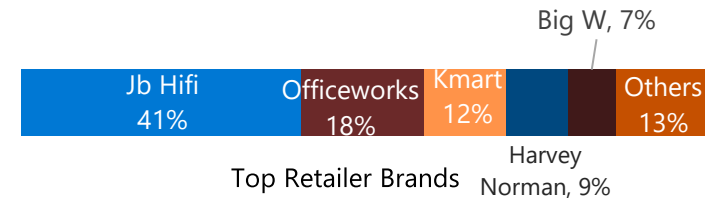
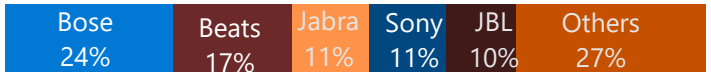
Audio

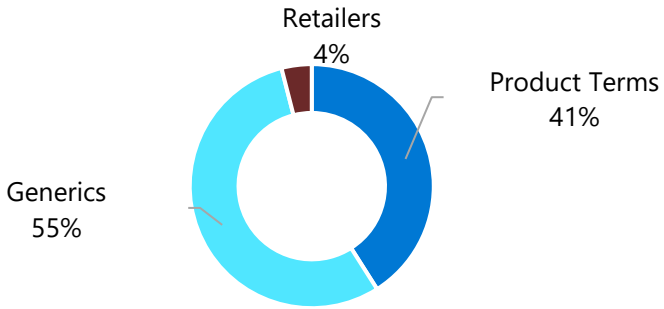


Top Retailer Brands

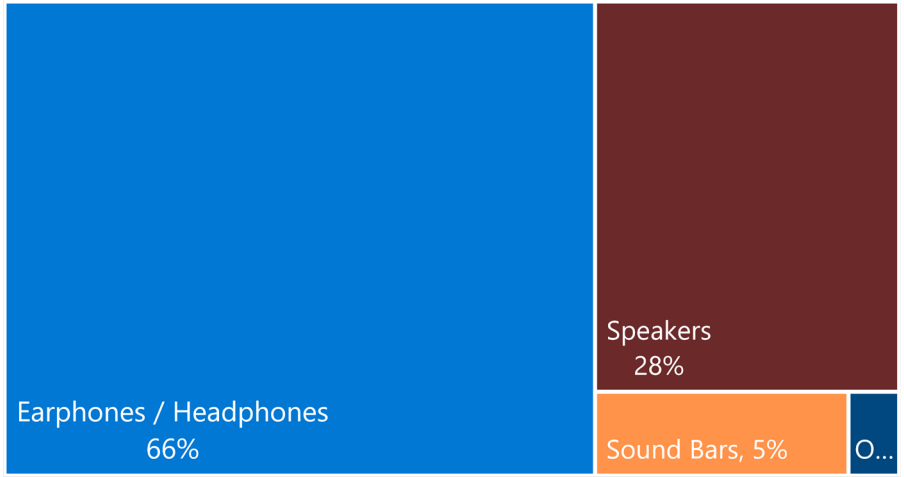


Top Manufacturer Brands

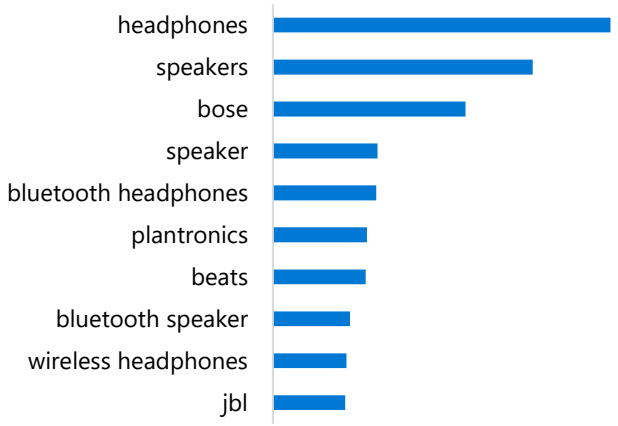
Query type



Query breakdown



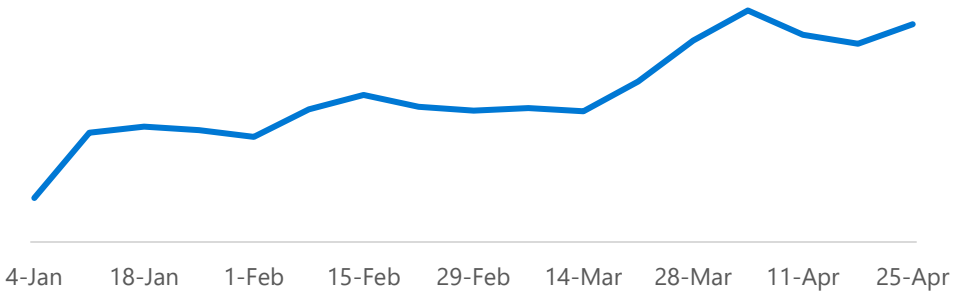
Top queries



Average CTR

2.28%

Weekly search trend



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