Retail insights to succeed in uncertain times

France
September 2020
Retail grow online and customers change
Shopping online speeds-up in France

2020 forecast

Retail non-eCommerce sales

Retail eCommerce sales

Microsoft Search Network clicks grew a lot in March-July 2020 vs. 2019

- Food & Groceries: +31%
- Apparel & Accessories: +52%
- Home & Garden: +60%
- Beauty: +93%
- Computer & Electronics: +171%

Source: Microsoft Internal Data, March-July 2020 vs 2019
Age groups evolved differently

Conversion rate per age group

Conversion rate 1.3X

Source: Microsoft Internal Data, May-July 2020 vs 2019; France
French consumers have changed

4/10

French people have switched brands or retailer

(1) 38% rounded as almost 4/10. Question: "During the last 2 months, when shopping for a specific category or product, have you switched from brands or retailers where you previously shopped?" 512 respondents for France
Looking back
+7.95 € increase in the average basket for top French retail accounts

Clicks volume peak around Black Friday

Source: Microsoft Internal Data, Oct-Dec; Top 500 retail accounts of the marketplace with conversion tracking.
But cost per acquisition (CPA) is better before and after Black Friday on 29 Nov 2019. The chart shows the consumer journey with performance and volume peaks. Source: Microsoft Internal Data, Oct-Dec; Top 500 retail accounts of the marketplace with conversion tracking.
Forecast
Click growth is forecasted in France for October-December 2020

Retail all up
+42% year over year (YoY)

- Home & Garden: +56%
- Apparel & Accessories: +42%
- Beauty: +48%
- Food & Groceries: +23%

Strategies to succeed
A growing % of conversions in France are driven by Microsoft automated bidding strategies.

Source: Microsoft Internal Data, March-July 2020; France; Top retail accounts (>top 500 list).

Retail conversions by bid strategies:
- March 2020: 20%
- April 2020: 21%
- May 2020: 25%
- June 2020: 28%
- July 2020: 30%

Enhanced CPC (eCPC) +10pts
Dynamic Search Ads: a growing conversion rate

Source: Microsoft Internal Data, March-July 2020; France; Retail advertisers using DSA and tracking conversions; DSA and Non-Exact Match Type. Shopping not included
A growing % of conversions in France are driven by Microsoft Responsive Search Ads (RSA)

Retail conversions by format:

- March 2020: 6%
- April 2020: 8%
- May 2020: 10%
- June 2020: 13%
- July 2020: 12%

RSA +6pts

Source: Microsoft Internal Data, March-July 2020; France; Top retail accounts (>top 500 list)
Product Ads: cost per acquisition in France almost divided by 2 for Retail

Cost per acquisition of Product Ads

Source: Microsoft Internal Data, March-July 2020; France; Retail advertisers using DSA and tracking conversions; DSA and Non-Exact Match Type. Shopping not included
In-market Audiences, brings better conversion rates (CVR) in France for Retail

Period : June 2020

CVR uplift with In-market Audiences

<table>
<thead>
<tr>
<th>Category</th>
<th>CVR uplift</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home &amp; Garden</td>
<td>CVR +11%</td>
</tr>
<tr>
<td></td>
<td>CVR +6%</td>
</tr>
</tbody>
</table>

CVR +11% means x1.1
CVR +6% means x1.06

Source: Microsoft Internal Data; June 2020; FR
Take advantage of our data

Brand preferences  
Domain preferences
Service categories
Product categories
Conversion history
Purchase history
Job Function
Industry
Demographic
Company
Education

Sources:
1. Microsoft internal data - (Windows September 2019; Bing March 2020).
Native solution Microsoft Audience Network: US users exposed to both Microsoft Audience Network and Search ads for Retail\(^{(1)}\) are more likely to visit and purchase vs. one exposure.

**Post-exposure conversion rate\(^{1}\)**

- **X3.8** conversion rate lift\(^{2}\)
  - Search Only
  - MSAN Only
  - MSAN + Search

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\(^{1}\) Based off performance for multiple top retailers; +10.6M study users

\(^{2}\) Lift represents the difference between percent of users in the treatment (exposed) vs. control (eligible, not exposed)
**Key rakeways**

**GROWTH & CHANGES**
- eCommerce is growing
- Consumers are changing

**LOOKBACK**
- Start early and spread your budgets between volume and performance times

**FORECAST**
- +42% YoY clicks
- Oct-Dec 2020

**AUTOMATION**
- Growing performance
- Microsoft has many network signals
- Agility

**AUDIENCE**
- Performance proved
- Our network to identify consumer intent

**SEARCH + NATIVE**
- Multiple touchpoints for performance