

Your festive season marketing playbook

Create holiday ad campaigns that convert with Microsoft Advertising's insights and tips



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01

Introduction

Synopsis

Synopsis



October is the month consumers are making lists and checking brand websites twice, lighting up advertiser's analytic dashboards with the bounty of increased traffic.



Holiday green starts flowing in **November** when deal-seeking audiences begin to convert—specifically online.



December is the time to spend time with family and friends—and celebrate your ad strategy success.

From all of us at
Microsoft Advertising,
happy festive season.



02

Insight

**Launch your
holiday
campaigns now**

Launch your holiday ad campaigns now

It's peak ramp up time. Reach shoppers making lists for holiday gifts.

October is the month consumers are making lists and checking brand websites twice, lighting up advertiser's analytic dashboards with the good cheer of increased traffic.

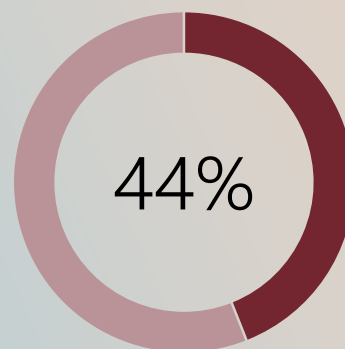
Autumn welcomes new colors, sights, and sounds. Changing leaves. Pumpkin pie. And the sound of tap, tap, tap. Indeed, that's not Santa's reindeers arriving early. It's your consumer typing in favorite brand names and products, searching for curated lists and one-of-a-kind holiday finds—right now.



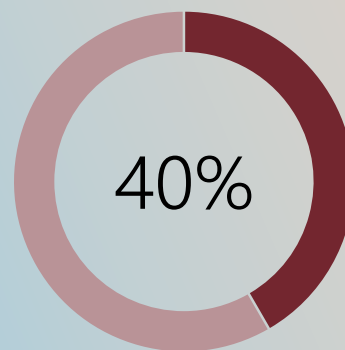
Amplify your ad strategy by...

launching your ad campaigns immediately to connect with your audience while the moment is hot with increased web traffic.

Across both the US and EMEA, brands report a spike in website visits and purchases



of clicks in September.



of conversions in October at 5% lower.¹

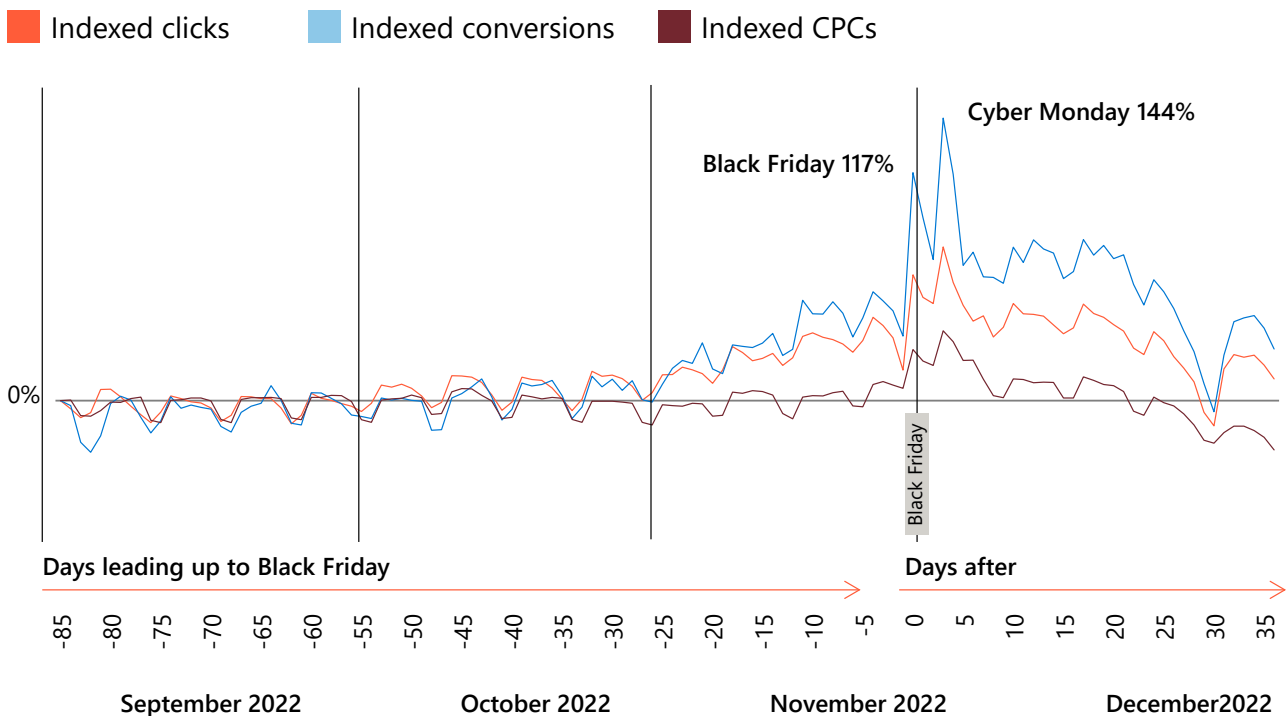
Australian shoppers plan to start their shopping around the beginning of November.

1. Microsoft Gifting Survey 2023.

Ready, set, ramp up

Ramp kicks off in October.

Although November and December are peak volume months, clicks begin to accelerate at the start of October, roughly **55 days** prior to Black Friday, with conversions following **10 days** behind.²



TIP

Budget and flight for the full holiday season.²

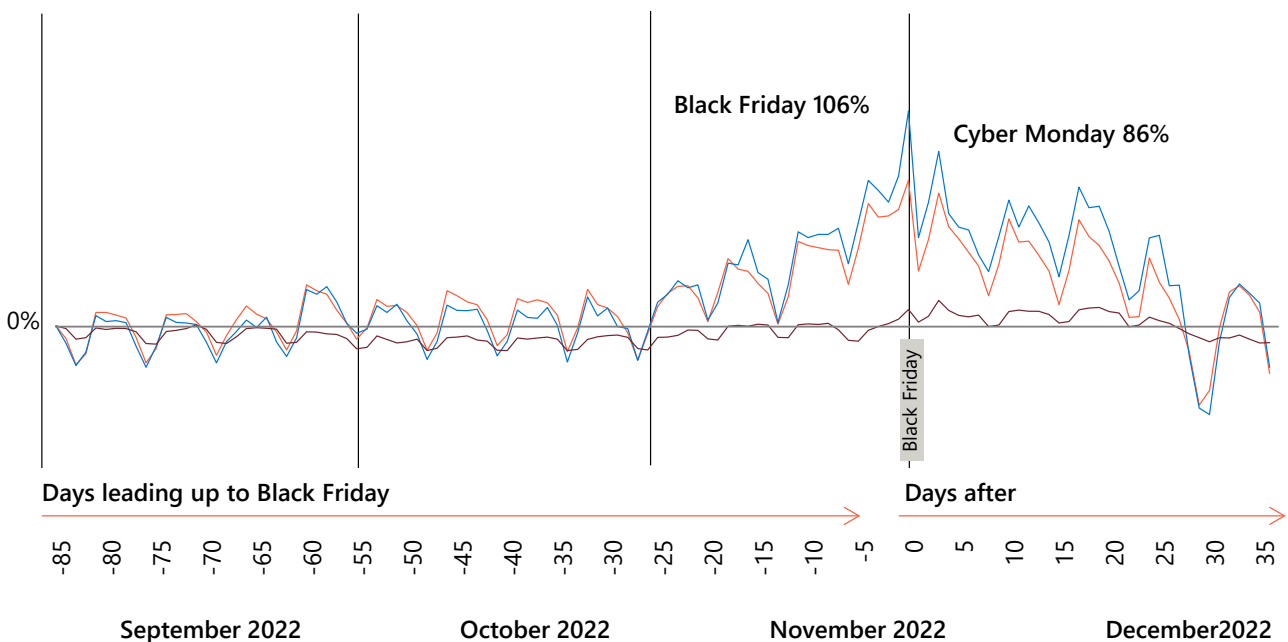
2. Microsoft Internal. Demand: Retail & CPG, All Networks, Billable, US Only. Search & Audience Network.
 1. Values indexed based on respective starting value, i.e., all lines start at 0%.

Ramp kicks off early Fall

Similarly, in EMEA, November and December are higher volume months. Here volume begins to accelerate a bit sooner toward the tail of September.

Roughly, **65 days** prior to Black Friday.³

■ Indexed clicks
 ■ Indexed conversions
 ■ Indexed CPCs



TIP

Budget and flight for the full holiday season.³

3. Microsoft Internal. Demand: Retail & CPG, All Networks, Billable, US Only. Search & Audience Network.
 1. Values indexed based on respective starting value, i.e., all lines start at 0%.

Holiday conversions come from October clicks

US data insight

67%

of November purchases, and

50%

of December purchases were directly attributed to consumer clicks in October.⁴

EMEA data insight

3%

increase in clicks is predicted in October for Home and Garden, Apparel, Customer Electronics, and Beauty.⁵



TIP

To be a part of your deal seekers' journey made up of multiple searches, use remarketing, in-market audiences, and Microsoft Advertising's automated bidding strategies.⁶

4. Microsoft Internal. Retail Holiday 2022 Click to Conversion Query Path. October–Dec 2022. US Only. Search and Audience Network.
5. 1. Survey conducted for Microsoft in UK on May 2023.
2. Microsoft internal data.
6. Microsoft internal data–Network all; Devices:all; April–June 2022; Category: Home and Garden; Country: UK



Unique audience intelligence that's only possible with Microsoft

When someone searches for something online, it means they're interested. It is one of the most powerful signals to inform marketing decisions.

With Microsoft audience intelligence, a customer searching on Bing for 'Christmas gift running shoes' can, for example, be re-targeted on MSN with the same content. By creating ads on the Microsoft Audience Network, search intent signals get your ads in front of a valuable audience, in the moment when it matters.

AMPLIFY YOUR AD STRATEGY BY...

01 Targeting your consumer with Audience Ads, Dynamic Search Ads and Product Ads, because deal seekers tend to use more non-brand terms.

02 The Microsoft Advertising Network reaches over one billion consumers on Microsoft properties like Bing and premium publishers including Yahoo! and the New York Times. Create native ad formats and search ads within the Microsoft Advertising ecosystem to help you engage your customers across the funnel.

03 With Microsoft's powerful audience intelligence, advertisers like you can reach highly qualified audiences.

Together, Audience Network ad and Search ad exposure drives maximum performance.

Amplify your ad strategy by creating upper and lower funnel ads. This strategy boosts the likelihood of your customer converting by 11.5x.

Users who saw both Audience Network and Search ads vs. users who saw only a Retail advertisers Search ad.

11.5x more likely to convert

3.2x more likely to visit site



TIPS

1

Implement a full funnel strategy throughout the entire holiday season therein Search and Audience Ads are live in tandem.⁷

2

Prepare for Search ramp by activating Audience Network **45 days** prior to the expected October uplift.⁷

7. Microsoft Internal. Retail Holiday 2022 Click to Conversion Query Path. Oct-Dec 2022. US Only. Search & Audience Network.



03

Insight

Center your strategy: online shoppers and deal days

Center your strategy: online shoppers and deal days

Black Friday is big. Online shopping is epic.

Expect holiday green to flow in November when audiences start to convert—specifically online.

A recent Microsoft first-party survey shows that most shoppers prefer to exclusively shop online for festive season gifts. Across all markets, the percentage of customers that only shop in-store is just in the single digits.⁸

Contrary to what we see in Europe and the US,

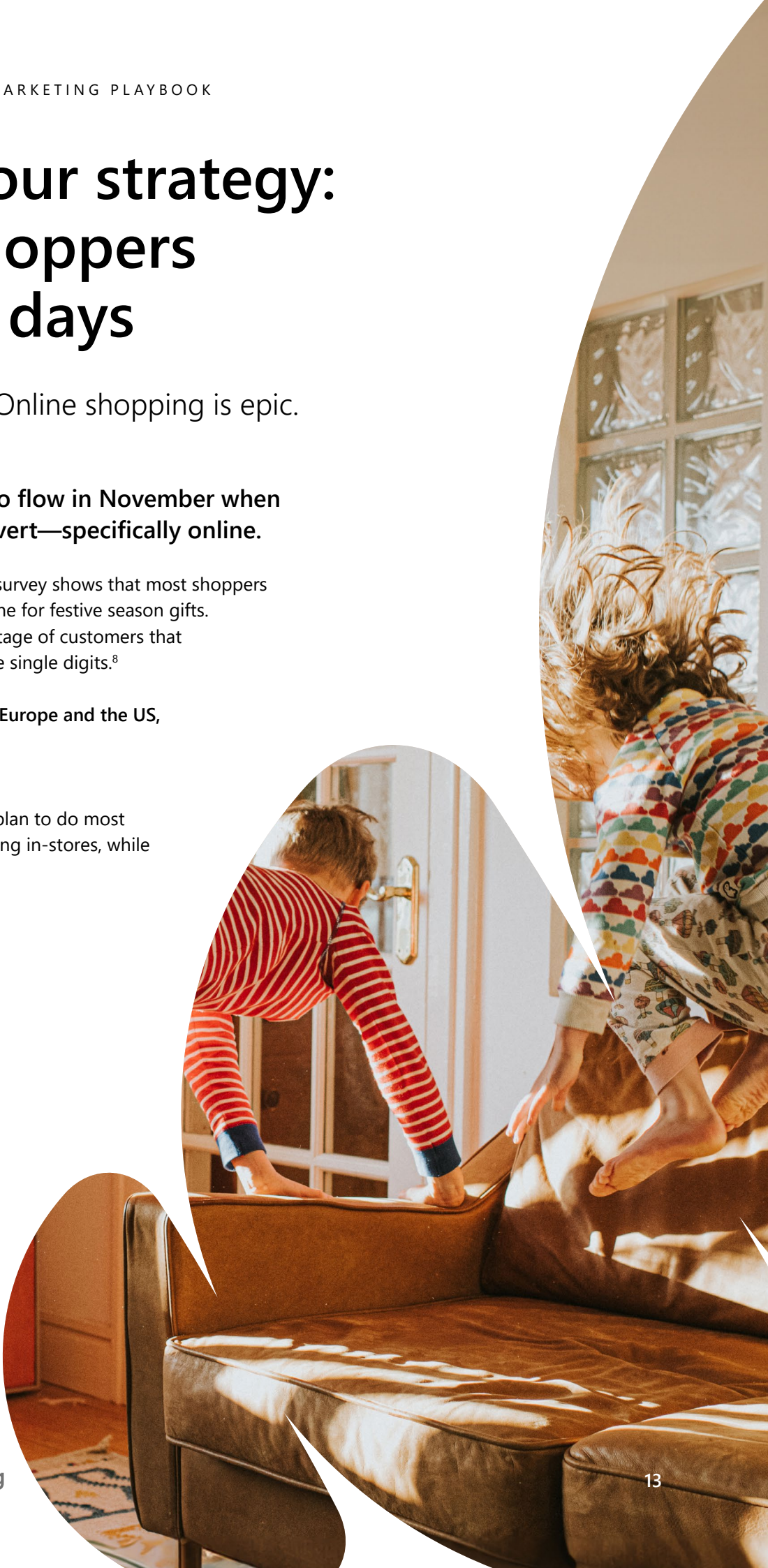
40%

of respondents in Australia plan to do most or all of their holiday shopping in-stores, while

26%

plan to do so online.

8. Microsoft Gifting Survey 2023.



Top conversion days

People start their search early in October but most of the conversions happen later. November and December are the months that consumers make most of their purchases.



US insight

DAYS

The top converting days last season: **Black Friday** through Tuesday.⁹



US data

MONTHS

Daily conversions were at least **25%** higher than the daily average starting on **Black Friday** in November through most of December.¹⁰



AU data

Most respondents are planning to shop during **Black Friday** and **Boxing Day**.

1 in four

shoppers plan to wake up early to shop on **Black Friday**.



TIP

Ensure strong coverage and remove budget constraints where possible on peak converting days.

9. Microsoft Internal. Demand: Retail & CPG, All Networks, Billable, US Only. Search & Audience Network.

10. Microsoft Internal. Demand: Retail & CPG, All Networks, Billable, US Only. Search & Audience Network; Daily Average based on data from 9/1/22–12/31/22

04

Insight

**It's the moment
of deal-obsessed
shopping**

It's the moment of deal-obsessed shopping

Retail is picking up and shoppers are looking to save.

Great news—total retail growth is going back to normal. The 2023 holiday season is likely to resume more typical growth patterns of double-digit growth for e-commerce and low single-digit growth for in-store.¹¹ It's a smart strategy for advertisers to build campaigns knowing shoppers are intentional spenders in 2023. They are splurging on lower priced gifts, not expensive items.¹² Last year saw more deal seekers and price consciousness—this will continue.¹³ Overall, people are spending conservatively and looking for deals.

11. US Holiday 2022 Review and Holiday 2023 Preview—Insider Intelligence Trends, Forecasts & Statistics (emarketer.com)
12. Microsoft Gifting Survey 2023, Total Respondents in 2022, n=1019; 2023, n=1015 Slide 5; Data: Bureau of Labor Statistics (bls.gov): Core CPI
13. Data: Bureau of Labor Statistics (bls.gov): Core CPI.



Deal seeking is the new 'shopping fever'

Looking for deals takes time and multiple searches, including generics. We analyzed¹⁴ the searches of people looking for deals before converting. And we measured that, within this group, a bigger proportion of users make multiple searches before converting. The search length in days is longer for 'deal seekers' (**+33% on average**). And we found out that deal seekers use more generics (**+2% on average**).

US data insights

Over **2/3** of US shoppers spending the most time looking for coupons and deals.¹⁵

TIPS

- 1 Connect with your Microsoft Advertising Account Team for shopping campaign optimizations—because holiday 2023 is clearly all about prices and deals.
- 2 Audit your feed to ensure that you have no untargeted offers and prepare to be flexible with the Microsoft Advertising campaign budget tool.

EMEA data insights

EMEA deals-seekers spend **+33%** more time searching, compared to the average shopper.¹⁶ Deal seeking is the new 'shopping fever'.

TIPS

- 1 The Customer Decision Journey (CDJ) is longer, so leverage in-market audiences to reach customers early in their journey: don't miss the start of the run.
- 2 To adjust to deal seeking, focus efforts on audiences (remarketing and in-market audiences), and generics (keywords and Dynamic Search Ads).
- 3 Allocate budget early in the peak season, using generics and DSA, Audience Campaigns and audiences in Search, but also Microsoft's automated bidding strategies, leveraging people's purchase intent signals.

14. Microsoft internal data—Network all; Devices: all; April-June 2022. Figures are median values, "average" is a text simplification.

15. Microsoft Gifting Survey 2023, Total Respondents in 2022, n=1019; 2023, n=1015 Slide 5. 21 Microsoft internal data EMEA

16. Microsoft internal data EMEA

According to a Microsoft first party survey...¹⁷

...apart from Apparel, more than half of respondents prefer to shop online across various surveyed categories. This is a growing trend YoY, with the highest increases on toys and games and gift cards, up seven and six percentage points (pp), respectively.¹⁸

What verticals have a spike in shoppers this holiday in the United States?

US insights

Highest vertical increases

Toys and games, up¹⁸ **7%**

Gift cards, up¹⁸ **6%**

How do you use search when shopping online?



17. Microsoft Gifting Survey 2023, Total Respondents in 2022, n=1019; 2023, n=1015

18. Microsoft Gifting Survey 2023, Total Respondents in 2022, n=1019; 2023, n=1015;

Those planning to purchase "mostly in store" reported a significant drop, down 6 percentage points, 95% CI.

From BOPIS to returns

Here are the words conscious-spenders use.

Amplify your ad strategy by **leveraging search terms deal seeking shoppers use.**



US data insights

With consumers spending wisely, there has been an increase in searches for the following words:

- 01 BOPIS
- 02 Free shipping
- 03 Free return, return and exchange policy
- 04 Carrier pick-up
- 05 Freebies¹⁹

19. Microsoft Internal. Supply SRPVs. US Only. Query Phrases related to listed categories. 9/3/22–12/30/22.

Industry trends and consumer expectations.

YoY search % growth during Holiday Season

+12% BOPIS

Buy online, pick-up in store.

+21% FREE SHIPPING

Note: expedited options, such as overnight and two-day shipping, up 5% YoY, accounting for 97% fewer searches when compared to free shipping.

+27% FREE RETURN, RETURN AND EXCHANGE POLICY




The new default for online purchasing.

+31% CARRIER PICK-UP

Consumers seeking frictionless returns.

+31% FREEBIES

Emerge as a growing incentive.

-  Across these key query phrases: ensure keyword coverage, incorporate within ad copy, and layer on applicable site links.
-  Utilize the Merchant Center 'free shipping' setting for your Shopping Ads.
-  Leverage RSA asset recommendations to modify your ads; suggested outputs from this will simplify and speed the editing process!



TIPS

- 1 Ensure Microsoft Audience Network offerings are central to your holiday campaign strategy.
- 2 Integrate key query phrases and keywords in ad copy and site URLs.
- 3 Utilize the Merchant Center 'free shipping' setting for your Shopping campaigns.
- 4 Leverage Responsive Search Ads asset recommendations to modify your ads; suggested outputs from this will simplify and speed the editing process.



05

Insight

Diversify your ad strategy

Diversify your ad strategy

From mobile to desktop, Audience ads to Search ads, building holistic holiday campaigns is a gift to your ad team and clients

Suprising fact

While a leader in the PC space, the Microsoft Advertising Network also has substantial volume on mobile.²⁰ So, think broadly and out-of-the-box when developing your holiday ad campaigns. By using multiple platforms and ad formats you are even more empowered to maximize volume at an effective conversion rate.



20. Microsoft Internal. Demand: Retail and CPG, All Networks, Billable, US Only. Search and Audience Network. 9/3/22–12/30/22

Mobile platforms. CTV ads and online video ads.

Try new ad strategies, connect in new ways with your audience.

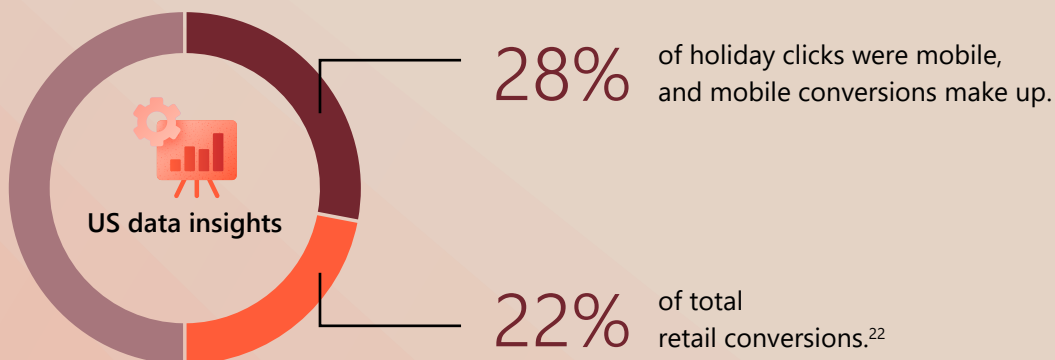
People are streaming video and are on mobile devices now more than ever. Whether your consumer is streaming their favorite episodes on CTV or emailing a friend on their phone—advertisers have the incredible opportunity to reach audiences wherever they are consuming or creating media.

Last season, advertisers that drove the top clicks and CVRs in the **United States** invested more to Shopping than Overall Retail. CVR performers used Dynamic Search Ads to fill gaps in campaign strategy with qualified converting clicks, in addition to the Audience Network boosting conversions across channels.²¹

Add to
your toolkit

Launch ads on mobile

On the Microsoft Advertising Network...



New from Microsoft Advertising, now you can create Connected TV (CTV) ads and Online video ads within the Microsoft Advertising platform. Video and Connected TV ads help you reach your audience wherever they're spending time.

21. Microsoft Internal 9/3/22–12/30/22; US only; Benchmark Demand Vertical L1 = CPG & Retail; Top CTR and CVR performers filtered for >3,000,000 clicks during holiday season.

22. Microsoft Internal. Demand: Retail & CPG, All Networks, Billable, US Only. Search & Audience Network. 9/3/22–12/30/22

Add to your toolkit

CTV and online video ads.

Millennials have more purchasing power and are influenced by TV and search.

Connected TV ads

Reach people on smart TVs and connected devices while they are streaming media on platforms like Max, Hulu, and Bloomberg.

Online Video ads

Connect with your audience across desktop, tablet, and mobile while they are browsing the web and watching online videos on sites like Microsoft Edge, Huffington Post, People, the Wall Street Journal, and many more.



TIPS

- 1 Connect with Millennials through CTV ads, online video ads, and Search.
- 2 Activate across CTV inventory and maintain strong presence in Search throughout the holiday season.



Next steps

Time your media plan to power full funnel synergies

October

Grabbing traffic that will convert

2.7x

Consumers exposed to Audience Ads search **2.7x** more.²³

Checklist

- ✓ Shopping campaigns: review feeds, check your setup and focus on optimization.
- ✓ Ramp as Search demand begins to pick up.
- ✓ Ensure page feeds are live for DSAs and increase budgets where possible to boost future conversions.

November and December

Amplify your ad strategy by...making the sale

11.5x

Consumers exposed to both Shopping Campaigns and Search convert **11.5x** more.²³

Checklist

- ✓ Re-engage users who have shown interest and guide them toward conversion.
- ✓ Leverage dynamic remarketing and remarketing lists.

23. Microsoft Internal: 1. Compared to users who were not exposed to an advertiser's Audience Network ad
2. Compared to users who saw only an advertiser's Search ad

Time your media plan to activate on full funnel synergies

GENERATE AWARENESS AND NURTURE SEARCH

Users exposed to Audience Ads search 2.7x more²⁴

- Launch Audience ads targeting broad audiences 1.5 months before Search accelerates for holiday.
- Create Remarketing Lists for cart abandoners, specific category shopper and other key audiences with an extended lookback window (~55 days) and allow lists to grow before peak season.
- Use Multimedia Ads to capture consumer's attention to increase visibility and interest for your products.

In-market audiences and predictive targeting

Start of October

GRAB TRAFFIC THAT WILL CONVERT

Users exposed to Audience Ads search 2.7x more²⁴

- Shopping Campaigns: review feeds, check your setup and focus on optimization.
- Ramp as Search demand begins to pick up.
- Ensure page feeds are live for DSAs and increase budgets where possible to boost future conversions.

Similar, seasonal in-market and custom aud.

October

CLOSE THE DEAL

Users exposed to both convert 11.5x more²⁵

- Re-engage users who have shown interest and guide them toward conversion.

Dynamic remarketing and remarketing lists

November and December

24. Compared to users who were not exposed to an advertiser's Audience Network ad.

25. Compared to users who saw only an advertiser's Search ad

The holiday countdown checklist

<p>Be there ahead of time</p>	<ul style="list-style-type: none"> • Bring over your Shopping Campaigns from Google Ads using Google Import and schedule for automatic sync with Microsoft Advertising. • Engage your customers using our Connected TV (CTV) ads and Video ads for awareness and consideration. • Double-check to make sure all relevant accounts and campaigns are active. 	<ul style="list-style-type: none"> • Use our automated solution using scripts to easily discover disapproved ads and rejected keywords. • Add new, relevant and emerging keywords. • Make sure that you are including mobile inventory to capture more holiday clicks and conversions.
<p>Find approaches for a better ROI</p>	<ul style="list-style-type: none"> • Adopt In-market Audiences across your search and audience campaigns. • Use remarketing, dynamic remarketing and similar audiences to boost your ad performance. • Use the right combination of ad extensions (Action, Promotion, Filter Link (new) and others). 	<ul style="list-style-type: none"> • Utilize our auto bidding strategies like Target ROAS or Target CPA to drive the ROI metrics you care about most and apply seasonality adjustments. • Increase visibility and capture attention for your brand with rich image ads: Multimedia Ads, Multi-Image Extensions, and Audience Ads.
<p>Optimize keywords, ads and bids</p>	<ul style="list-style-type: none"> • Use long-tail brand terms and have Dynamic Search Ads to discover gaps in your keyword lists. • Easily create Responsive Search Ads using our AI driven asset recommendations and auto-generated assets. • Apply auto-bidding to maximize profitability. 	<ul style="list-style-type: none"> • Plan your budgets for periods of high CPC and increase in traffic and consider shared budgets for collections of smaller campaigns to efficiently spend budget where there is demand. • Set up Automated Rules to schedule and automate your top campaign management tasks on a weekly, or even daily, basis for invaluable time savings and efficiency gains.
<p>Optimize shopping campaigns</p>	<ul style="list-style-type: none"> • Automate part of your product offerings with Smart Shopping Campaigns to target customers who are more likely to convert at higher revenue values • Add Merchant Promotions to make the most of your seasonal deals. • Refresh your product feed daily. • Go beyond the required feed attributes and populate your feed with as many recommended attributes as possible for each product offer. 	<ul style="list-style-type: none"> • Use the SKU column and unique identifiers to help differentiate product titles and descriptions that may only differ in size, color, etc. • Include specific brands, product types or individual products that align with your business goals.

Create winning holiday ad campaigns—and celebrate the season

Feeling inspired? That's great. We hope our holiday insights empower you and your team to achieve more than you thought possible this holiday season. Reach out to your Microsoft Advertising representative with questions or ideas. If you're new to Microsoft Advertising and don't have anyone representing you, please [contact us](#).

If you're looking for more (festive) holiday tips, we can also recommend our [on-demand webcast](#) Get Festive Season Ready with Microsoft Advertising.

Happy holidays and a merry festive season to everyone on earth.



