End of financial year Retail trends (AU)
“COVID-19, cemented the fundamental shift in the way we live, work and shop and further accelerated the growth in eCommerce in 2021”*

9.2M(81%)
Aussie households shopped online*

$62.3bn
Online goods spend
+23.4% year-over-year (YoY)*

19.2%
Online share of retail spend*

Source: *2022 Inside Australian Online Shopping (eCommerce Industry Report) - Australia Post
Retail continues to grow on Microsoft Search Advertising (MSA)

<table>
<thead>
<tr>
<th></th>
<th>All up eCommerce</th>
<th>Variety stores</th>
<th>Fashion and apparel</th>
<th>Home &amp; Garden</th>
<th>Health &amp; Beauty</th>
<th>Hobbies &amp; Recreational Goods</th>
<th>Specialty Food &amp; Liquor</th>
</tr>
</thead>
<tbody>
<tr>
<td>eCommerce growth YoY*</td>
<td>12%</td>
<td>16%</td>
<td>13%</td>
<td>13%</td>
<td>2%</td>
<td>8%</td>
<td>7%</td>
</tr>
<tr>
<td>Search growth on MSA</td>
<td>31%**</td>
<td>20%</td>
<td>26%</td>
<td>27%</td>
<td>43%</td>
<td>27%</td>
<td>44%#</td>
</tr>
<tr>
<td>Click growth on MSA</td>
<td>35%**</td>
<td>12%</td>
<td>40%</td>
<td>17%</td>
<td>84%</td>
<td>29%</td>
<td>60%#</td>
</tr>
</tbody>
</table>

Source:
** search and click growth for all up Retail on MSA
#Food and groceries category on MSA
Variety stores and Home & Garden had the highest share of online sales.*
Clicks on MSA suggest a similar category split

Variety stores’ breakdown
- Fashion & Apparel: 8.6%
- Hobbies & Recreational Goods: 6.4%
- Home & Garden: 9.5%
- Other: 6.9%

Share of all online purchases*
- Variety Stores: 34%
- Fashion & Apparel: 26%
- Hobbies & Recreational Goods: 7%
- Home & Garden: 15%
- Health & Beauty: 9%
- Speciality Food & Liquor: 5%

Share of clicks on MSA**
- Variety Stores: 48%
- Fashion & Apparel: 20%
- Home & Garden: 23%
- Hobbies & Recreational Goods: 4%
- Speciality Food & Liquor: 3%
- Health & Beauty: 2%

Source:
**Microsoft internal data | Retail Clicks 2021
Retail on MSA reflects market momentum

<table>
<thead>
<tr>
<th>Metric</th>
<th>Year Over Year (%)</th>
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<tbody>
<tr>
<td>Searches</td>
<td>22%</td>
</tr>
<tr>
<td>Clicks</td>
<td>35%</td>
</tr>
<tr>
<td>Conversions</td>
<td>33%</td>
</tr>
</tbody>
</table>

Source: Microsoft internal data | 2020 vs 2021
Retail searches continue to grow steadily on MSA, even after the easing of restrictions.

Covid-19 seems to have shifted the end of financial year (EOFY) seasonality for last couple of years.

Source: Microsoft Internal Data 2020, 2021

*January to April months of 2021, 2022 were considered to generate YoY% Panic Buying in Sydney during the month of May, 2021.
Several categories felt the effect of lockdown

However, Home & Garden searches soared the most during the lockdown period last year
“EOFY” related searches continued its growth across MSA in 2021
Searches grew 141% YoY, indicating persistent interest

Indexed daily search trend*

Source: Microsoft Internal Data
*Indexed search volume for queries containing "EOFY" and "End of Financial Year" | 7 day moving average
In 2019, EOFY seasonality drove an additional 28% average monthly clicks across 4 months.

Source: Microsoft Internal data
Key categories that benefit from the EOFY seasonality on MSA

2019 search trends

EOFY

+11% uplift in avg. monthly clicks

+20% uplift in avg. monthly clicks

+34% uplift in avg. monthly clicks

+80% uplift in avg. monthly clicks

+18% uplift in avg. monthly clicks

Jan  Feb  Mar  Apr  May  Jun  Jul  Aug  Sep  Oct  Nov  Dec

Apparel & Accessories  Dept. Store  Electronics & Office  Online Marketplace  Home & Garden

Dept. stores and Apparel witnessed the highest uplift in clicks in 2019
Online retail is here to stay. Retail clicks continue to see a strong momentum on Microsoft Advertising.

Retail clicks grew 35% YoY as consumers moved online due to restrictions and seeking a safe way to shop.

Even after easing of restrictions late 2021, retail conversions are up 2% YoY* (Yoy Conversions increased by 128%** last year)

Utilize Microsoft Shopping Campaigns, Dynamic Search Ads and Audiences to drive additional volume.

Source: Microsoft internal data 2021
*Jan-Mar 2021 vs Jan-Mar 2022
**Jan-Mar 2020 vs Jan-Mar 2021
To get actionable data, insights and best practices to help make decisions and grow your business, visit MicrosoftAdvertising.com/Insights