Back-to-school: retail, tech, and audience online trends for 2022

May 2022

Microsoft Advertising. Great relationships start here.
## Back-to-school snapshot

### Consumer confidence

Open schools created a sense of normalcy in 2021 for the school year; thus, creating a sense of confidence and clarity for parents with 2021 spending projections expecting to rise 16% YoY. As we move into the 2nd year of open schools post pandemic consumer confidence will continue to rise.

### Non-store & Online Sales

In 2021 48% of consumers planned to conduct their back-to-school shopping online with department stores & discount stores as the top places. Expect to see a similar trend as inflation continues to drive up the cost of goods.

### Back-to-school spending per household

The average planned back-to-school spending per household in the United States has gradually increased year-on-year to reach 848.9 U.S. dollars in 2021. This is an increase of over 350 dollars since the beginning of the survey period in 2004. Expect consumers to spend more for less items this year due to inflation.

### Alternative schooling

As of February 2020, 26% of the parents who had not tried homeschooling before had considered having full-time homeschooling. During the same time, 33% were considering doing it partially.

### Expenditure by category

Together, computer and consumer electronics and apparel and accessories categories will make up more than 40% of all US ecommerce sales in 2022. A similar pattern can be applied for back-to-school spending.

### Sale events

In 2021, 60% of consumers planned purchases around key sales events. Notable major sale events include Prime Day, Fourth of July & Labor Day. This year as consumers remain cost conscious, they will look for additional discounts from retailers.

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Source: 2021, Deloitte Back-to-school survey, NRF A summer snapshot of back-to-school trends, Statista Average back-to-school spending per household in the U.S.
Buyers are usually spending more on Electronics & Clothing

Back-to-school: Top categories by spend

- **Electronics**: $274.44 (2020), $295.65 (2021)
- **Clothing**: $234.48 (2020), $253.46 (2021)
- **Shoes**: $149.20 (2020), $161.04 (2021)

Back-to-college: Top categories by spend

- **Electronics**: $261.52 (2020), $129.76 (2021)
- **Dorm/apartment furnishings**: $148.37 (2021)
- **Clothing**: $164.38 (2020), $158.98 (2021)

Source: NRF’s annual 2021 June survey, conducted by Prosper Insights & Analytics
Laptops, tablets & calculators are top purchased items

<table>
<thead>
<tr>
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<th>Percentage</th>
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<tbody>
<tr>
<td>Laptop</td>
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<td>Calculator</td>
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<tr>
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<tr>
<td>Tablet</td>
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<tr>
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<tr>
<td>Calculator</td>
<td>24.4%</td>
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<tr>
<td>Printer</td>
<td>19.7%</td>
</tr>
</tbody>
</table>

Source: NRF’s annual 2021 June survey, conducted by Prosper Insights & Analytics
Homeschooling is more popular after COVID-19

- 2020 had the highest number of homeschooling clicks, most likely as a result of the COVID-19 pandemic. 2021 was still higher than pre-pandemic levels, but not quite as high as 2020.
- Homeschooling clicks start rising in July. Plan campaign timing and spend accordingly to account for the heightened search interest from beginning of July through mid September.

Source: Microsoft Internal Data, Jun 2019 to Sep 2021
Plan your campaign timing for Consumer Electronics

2020 & 2021 Trends
From August 28th to September 18th, searches for 2020 and 2021 were both higher than average.

2021 NRF data
Shoppers are planning these purchases around major sale events. 61% of consumers typically plan their back-to-class shopping around retailer sale events.¹

Increase coverage
Native
When users are exposed to both a Native and Responsive Search Ads they are 3.6x more likely to visit your site and 9.4x more likely to convert vs Search ad only.²

Source: Microsoft Internal Data, Jun 2019 to Sep 2021. 1: NRF’s annual 2021 June survey, conducted by Prosper Insights & Analytics. 2: Microsoft internal data; results may vary for each advertiser based on campaign settings, targeted audiences, and other factors. Lift metrics represent an average of all advertisers with lift studies done during peak seasonal periods (thru Feb 2022). These advertisers may be a non-representative sample of all advertisers on the marketplace. Lift measured between exposed users and a control group of eligible unexposed users, with lift represented on a per-user basis. Average user count per advertiser study = 2.1M.
Reach people who are in-market for Laptops

• Between August 7\textsuperscript{th} and September 18\textsuperscript{th} of 2020 and 2021, Laptop searches were higher than average.

• With In-market Audiences, you can find curated lists of users who have been determined to be in-market for Laptops this school year.

• Additionally, consider adding Remarketing ads to reach users who have been searching for Laptops but haven't purchased yet.

Source: Microsoft Internal Data, Jun 2019 to Sep 2021.
Increase Smartphone coverage in early September

- In 2019 & 2021, Smartphone searches gradually increased and peaked around the same time period in early September.
- Use Filter Link Extensions, Action Extensions and Image Extensions to highlight your variety of Smartphones.

Source: Microsoft Internal Data, Jun 2019 to Sep 2021.
Send the right message at the right time for Tablet users

- In 2020 and 2021, Tablet clicks peaked around September 18th.
- Responsive Search Ads will automatically produce and serve many ad variations to show the most relevant ad to each potential customer, increasing conversions +7% on average.¹

Source: Microsoft Internal Data, Jun 2019 to Sep 2021. ¹: Internal Microsoft data from 2/9/21-4/10/21
Increase visibility, interest and sales for Graphic Design

- **Graphic Design Software**
  search interest has increased since 2019 and searches usually spike in the first week of September.

- Using machine learning technology, **Multimedia Ads** will serve multiple ad permutations using your ad assets to deliver the best performing combination, which in turn will increase clicks and conversions.

Source: Microsoft Internal Data, Jun 2019 to Sep 2021.
Increase keyword coverage for Calculators late summer

- While some back-to-school supplies saw a large dip in activity after the pandemic, Calculator clicks grew +3% from 2019 to 2021.
- Track new and emerging keyword terms in a hard-to-predict search landscape with Broad Match. Our algorithms evolve and improve all the time, and matching technology ensures accurate results to drive high ROI.
- Increase your search term coverage for Calculators by using customized ad experiences with Dynamic Search Ads.

Source: Microsoft Internal Data, Jun 2019 to Sep 2021
Target shoppers looking for Backpacks before August

- After a year of steep declines, 2021 searches were in-line with 2019.
- According to a recent survey, **45% of consumers** who intend to purchase back-to-school supplies this year will **buy a Backpack**.²
- Reach consumers on their retail journey with **Shopping Ads**. **Multimedia Ads** are also a great way to use rich imagery to showcase how your Backpacks differ from competitors' products. To effectively compete for user’s attention, a 40% bid modifier will be applied as the default setting.

Source: Microsoft Internal Data, Jun 2019 to Sep 2021
Expect School Uniform searches to slowly rise YoY

- Although YoY trends show similar search patterns, volume the last two years has been significantly down from 2019, likely due to hybrid school models with the onset of the COVID-19 pandemic.
- Bring shoppers into your store by implementing Location Targeting and showcase your clothing options to nearby shoppers with Local Inventory Ads.

Source: Microsoft Internal Data, Jun 2019 to Sep 2021
2022 Homeschooling search forecast

**Pro Tip:** Arts & Crafts supplies are particularly popular for homeschooling. Invest in coverage for terms including products such as paper, printers, index cards, markers, glue, and colored pencils.

Parents are choosing Homeschooling over in-person learning

“Homeschooling increased more where schools provided in-person instruction while private schooling increased more where instruction was remote, suggesting important differences across families in their concerns about children’s physical health and instructional quality.” – Homeschooling News 2022

Clicks are trending later than normal

Clicks are forecasted to spike a bit later than previous years, toward the end of August. However, overall patterns remain the same compared to previous years.

Source: Microsoft Internal Data, Jun 2022 – Sep 2022
2022 Consumer Electronics search volume forecast

In today’s backpack, tech takes over survey says
“Digital learning tools are replacing traditional school supplies, driving tech sales up 37% YoY. Even as schools open, more than half of respondents plan to spend on online resources.”¹

Meet consumer demand and plan accordingly
1. Searches are expected to rise by an average of 23%.
2. Forecast shows that searches will be high at the beginning of June, slow down throughout the summer and start to ramp up again around August 22nd.

Source: Microsoft Internal Data, Jun 2022 – Sep 2022. Dash line is the expected forecasted metric. The expected % changes by week are in reference to week 15 of the 2022 calendar year. 1: Deloitte, 2021 Deloitte back-to-school survey, (deloitte.com)
Laptops are essential for students
“For students, a Laptop is as essential as textbooks and a school ID—and not just for taking notes and doing homework. It should also be able to handle your big extracurricular activities.”

Forecast results follow trends from past three years
1. Searches are expected to ramp from the second week of July and are expected to peak around September 5th.
2. Clicks are expected to be above average from around August 1st to September 12th and are expected to peak around September 5th as well.
2022 Smartphone search volume forecast

Smartphones for students
“There are many reasons why both kids and parents will want to include a Smartphone in their back-to-school shopping. While security or peace of mind will undoubtedly be top-of-the-list for many parents, the kids’ focus will almost certainly be on social connectivity with friends.”

Forecasts show a gradual growth over the summer
1. Searches are expected to rise by an average of 14%.
2. Forecast shows that searches will start to gradually ramp up mid-July, and peak around the second week of September.

Source: Microsoft Internal Data, Jun 2022 – Sep 2022. Dash line is the expected forecasted metric. The expected % changes by week are in reference to week 18 of the 2022 calendar year. Queries sorted by SRPVs from Jun 2021 to Sep 2021. 1. Digital Turbine, Back to School With a New Smartphone, (digitalturbine.com)
2022 Organization Tools search forecast

Desk Organizer search forecast

Calendar & Planner search forecast

Get organized

Being organized makes everything easier! Tools for organization start ramping in July and keep building through September.

Source: Microsoft Internal Data, Jun 2022 – Sep 2022
2022 Writing Tools click forecast

Pens & Pencil click forecast

Paper click forecast

Writing tools ramp together
Pens, Pencils and Paper all have similar click forecast predictions, with slight peaks around Mid August.

Source: Microsoft Internal Data, Jun 2022 – Sep 2022
Backpacks are essential for in-person learning

*Backpacks are expected to be the #3 most purchased item this year for back-to-school, next to Clothing and Books.*

**Search and click patterns follow the same trend**

1. Both searches and clicks show clear growth during back-to-school season, peaking around July 30th. This is earlier than previous years.
2. Activity follows a clear bell-curve model, indicating timing is very important for capturing users’ attention.

Source: Microsoft Internal Data, Jun 2022 – Sep 2022
2022 Clothing search & click volume forecast

Interest in Clothing is high for the fall
According to a recent survey, out of all consumers who are intending to buy school supplies this year, more than two-thirds of the respondents (67%) said they plan to buy Clothing.²

Forecasts for Clothing grow over time
1. Searches and clicks are expected to follow similar search trends WoW, although clicks will start ramping slightly before searches.
2. All Clothing activity is forecasted to peak in September, possibly indicating that consumers will continue shopping after school starts (such as after signing up for after school sports and activities).

Source:
1. Microsoft Internal Data, Jun 2022 – Sep 2022
2. Civic Science Survey – 6,266 responses collected on 4/28
2022 Clothing search forecast: Women’s, Men’s, & Kid’s

Women’s Clothing forecast

Forecasts indicate that Women’s Clothing will be on a steady incline throughout the summer, peaking in early to mid September.

Children’s Clothing forecast

Children’s Clothing searches should remain relatively flat, with a slight peak in early August prior to school starting.

Men’s Clothing forecast

According to forecasts, Men’s Clothing will be most popular in June and then dip in July before rising again in August.

Source: Microsoft Internal Data, Jun 2022 – Sep 2022
Search (SEM) plays an integral role in the journey while other channels contribute from a multi-touch perspective.

Microsoft internal data; click based attribution (impression ad exposure not considered). N = 1000 users. Nov 2021 – April 2022. US and PC only. Analysis of paid media only. Inclusive of Display, Native, Partner, Referral (including affiliates), Social, Video, and Paid Search. Publisher and platform agnostic. Multiple paid media click touchpoints required for analysis inclusion.
Back-to-school shoppers are more likely to interact with both the Native and Search when their path is longer.

The average Retail journey on the Microsoft network lasts ~27 days.
Users are exposed to **Awareness tactics**

50 days before conversion

Users are exposed to **Consideration tactics**

28 days before conversion


Excluding single touchpoint paths.
Native drives users to Search

63% of users who do not convert on Native have a probability of engaging with a retailers Search ad in their next touchpoint.

Capture increased search demand driven by Native ads with strong coverage in Paid Search.
Reaching users across Native and Search leads to incremental lift in site visitation and conversion rate.

US Retail Ad Effectiveness Study Benchmarks

Native and Search +3.6x visitation rate vs. only search ad exposure +9.4x conversion rate vs. only search ad exposure

Source: Microsoft internal data; results may vary for each advertiser based on campaign settings, targeted audiences, and other factors. Lift metrics represent an average of all advertisers with lift studies done during peak seasonal periods (thru Feb 2022). These advertisers may be a non-representative sample of all advertisers on the marketplace. Lift measured between exposed users and a control group of eligible unexposed users, with lift represented on a per-user basis. Average user count per advertiser study = 2.1M.
Volume is growing & CPCs are decreasing for key back-to-school categories on the Microsoft Audience Network

Microsoft Audience Network
Clicks vs average cost per click (CPC)

Key audiences to reach during back to school

Teachers

Parents

Degree Students
Teachers
Defined by those users who visited teacherspayteachers.com

Back-to-School Interests
- Restocking classroom supplies
- Lesson planning & resources
- Supporting & motivating students
- Classroom safety & cleaning
- Virtual learning preparedness
- Personal mental health

Demographics
- 84% female
- 55% age 35-49
Where do Teachers over index vs US Gen Pop?

- 5.8x more likely to be exploring Bridal & Wedding content
- 3.7x more likely to be Job Hunting & visiting Career sites
- 4.1x more likely to visit online game sites
- 8.8x more likely to explore Health Service sites like Speech Therapy, Occupational Therapy & Physical Therapy
Parents

Defined by those users who are members of Childcare & Education and Primary & Secondary School (K-12) in-market audiences

Back-to-School Interests

- Purchasing school supplies
- Home buying & real estate
- Financial planning
- Children’s COVID safety
- Schooling options like homeschooling
- Personal mental health

Demographics

- 61% female
- 59% age 35-64
Parents

Defined by those users who are members of Childcare & Education and Primary & Secondary School (K-12) in-market audiences

Where do Parents over index vs US Gen Pop?

- **5.5x** more likely to be interested in Tech Services
- **1.3x** more likely to search for what they’re looking for on Bing.com
- **2.1x** more likely to research CDC guidelines
- **1.7x** more likely to be House Hunting & interested in Real Estate
Degree Students

Defined by those users who are members of Post-Secondary Education in-market audience lists.

Back-to-School Interests

- Homework/project clarification
- Career & financial planning
- Staying connected with loved ones
- Online dating
- COVID safety & testing
- Self care & mental health

Demographics

61% female
57% age 35-64
Degree Students
Defined by those users who are members of Post-Secondary Education in-market audience lists

Where do Degree Students over index vs US Gen Pop?

- 3.3x more likely to use Homework Help sites like Quizlet & Brainly
- 3.5x more likely to be using Online Dating sites
- 4.6x more likely to visit Health Insurance sites
- 2.1x more likely to be looking for Shopping Deals/Coupons

Microsoft
Meet the **Microsoft Audience Network**

- **Premium native placements**
  - Strict publisher standards and AI-powered curation

- **Brand-safe experiences**
  - Transparency and controls for advertisers

- **Highly contextual ad placements**
  - Based on Microsoft first-party intent data

- **Strong industry ad performance**
  - Driven by leading-edge AI technology

![Microsoft Edge](image1)

![Outlook.com](image2)

![MSN](image3)

![Select publisher partners](image4)
Scale your reach to an engaged and unique audience

**Scaled Audience**
- 260 million total unique visitors\(^1\)

**Engaged Audience**
- 1 in 3 users stay on MSN and Microsoft News to get the content they need\(^2\)
- 72 min is the average time spent by a visitor on Microsoft News per month\(^3\)

**Unique Audience**
- 47 million users on Microsoft News not on Facebook\(^4\)
- 21 million users on Microsoft News not on Google\(^4\)

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Leverage Microsoft’s Ad Effectiveness studies to show impact

US Retail Ad Effectiveness Study Benchmarks

Notes: Results may vary for each advertiser based on campaign settings, targeted audiences, and other factors. Lift metrics represent an average of all advertisers with completed lift studies to date (Feb. 2022). These advertisers may be a non-representative sample of all advertisers on the marketplace. Lift measured between exposed users and a control group of eligible unexposed users, with lift represented on a per-user basis. Average user count per advertiser study = 2.1M

- **Awareness**
  - Lift in brand awareness per user for US Retail, measured by post-exposure brand search rate
  - 3.0x

- **Consideration**
  - Lift in brand consideration per user for US Retail, measured by post-exposure domain visitation rate
  - 4.0x

- **Conversion**
  - Lift in brand purchase per user for US Retail, measured by post-exposure conversion page visit rate
  - 6.9x
Use Multi-touch Attribution to fully measure impact of Native ads

Last click models fail to represent true impact of Native on conversion

Using a multi-touch attribution view, +27% points of conversions were attributed, highlighting the importance of using the Audience Network along with your search campaigns.

Search takeaways

Rise of interest in Homeschooling

- Although 2020 had the highest number of Homeschooling clicks, 2021 was still higher than pre-pandemic levels. Forecasting predicts a strong year again for 2022 Homeschooling searches.
- Clicks tend to start rising in July. Plan campaign timing and spend accordingly to account for the heightened search interest from the beginning of July through mid September.

Plan your campaign for Consumer Electronics spikes

- While Consumer Electronics search interest varies, trends show increases happen near the start of a new school year.
- Increase coverage with **MSAN**: when users are exposed to both a Native and Search Ad, they are 3.6x more likely to visit your site and 9.4x more likely to convert (as opposed to using Search ads only).

Reach people who are in-market for Laptops and Tablets

- In 2020 and 2021, Laptop searches were higher than average between August 7th and September 18th.
- Clicks for Tablets tend to follow similar trends and usually peak around September 18th.
- Consider adding **Remarketing ads** to reach users who have been searching for Laptops or Tablets but haven’t purchased yet.

Target shoppers looking for new Backpacks and Clothing

- Backpack search and click forecasts show clear growth during back-to-school season, peaking in late July.
- All Clothing activity is forecasted to peak in September, possibly indicating that consumers will continue shopping for clothes after school starts.
- **Multimedia Ads** are a great way to use rich imagery to showcase how your clothes and/or backpacks differ from competition.
## Native & audience takeaways

<table>
<thead>
<tr>
<th>Cross-channel insights</th>
<th>Key audiences to reach</th>
<th>Activate for impact</th>
<th>Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Users are more likely to interact with a Native ad when conversion path is longer</td>
<td>- Reach key audiences using other relevant in-market audiences based on their interests &amp; speak to them with offers they care about</td>
<td>- Launch awareness tactics at least 50 days prior to peak back-to-school season, building remarketing lists</td>
<td>- Microsoft’s Native ads drive lift in brand awareness, consideration and conversion metrics</td>
</tr>
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</table>
| - Having a Native & Search ad on a user’s path drives incremental lift in site visitation and conversion rate | - This back-to-school season, prioritize:  
  - Teachers  
  - Parents  
  - Degree Students | - Target remarketing lists a month prior to drive conversion for interested users while heavying up Search & Shopping tactics to capture growing interest | - In-market audience targeting gives most opportunity to reach net new users & drive lift |
| - Users are exposed to awareness tactics ~50 days prior to converting | - Leverage in-market audience targeting options to reach the right audience | - Measurement is necessary to accurately attribute conversion contribution by channel |
To get actionable data, insights and best practices to help make decisions and grow your business, visit MicrosoftAdvertising.com/Insights