Microsoft

Microsoft Advertising Insights:
Credit Card insights
September 2020

Microsoft Advertising. Intelligent connections.

Summary of findings

Despite numerous external factors impacting the credit cards industry in Australia, activity on our marketplace are showing signs of recovery as we approach the Holiday season

Interest for point reward programs remain for our users, despite the immediate restrictions on air travel. Query volumes focusing around low cost credit cards are also rising.


Users researching within the Microsoft Search Network make decisions fast, highlighting the importance of maintaining high presence in the auction

Microsoft

Given disruptions to the Australian Credit Card industry, we can observe a gradual recovery in spending habits
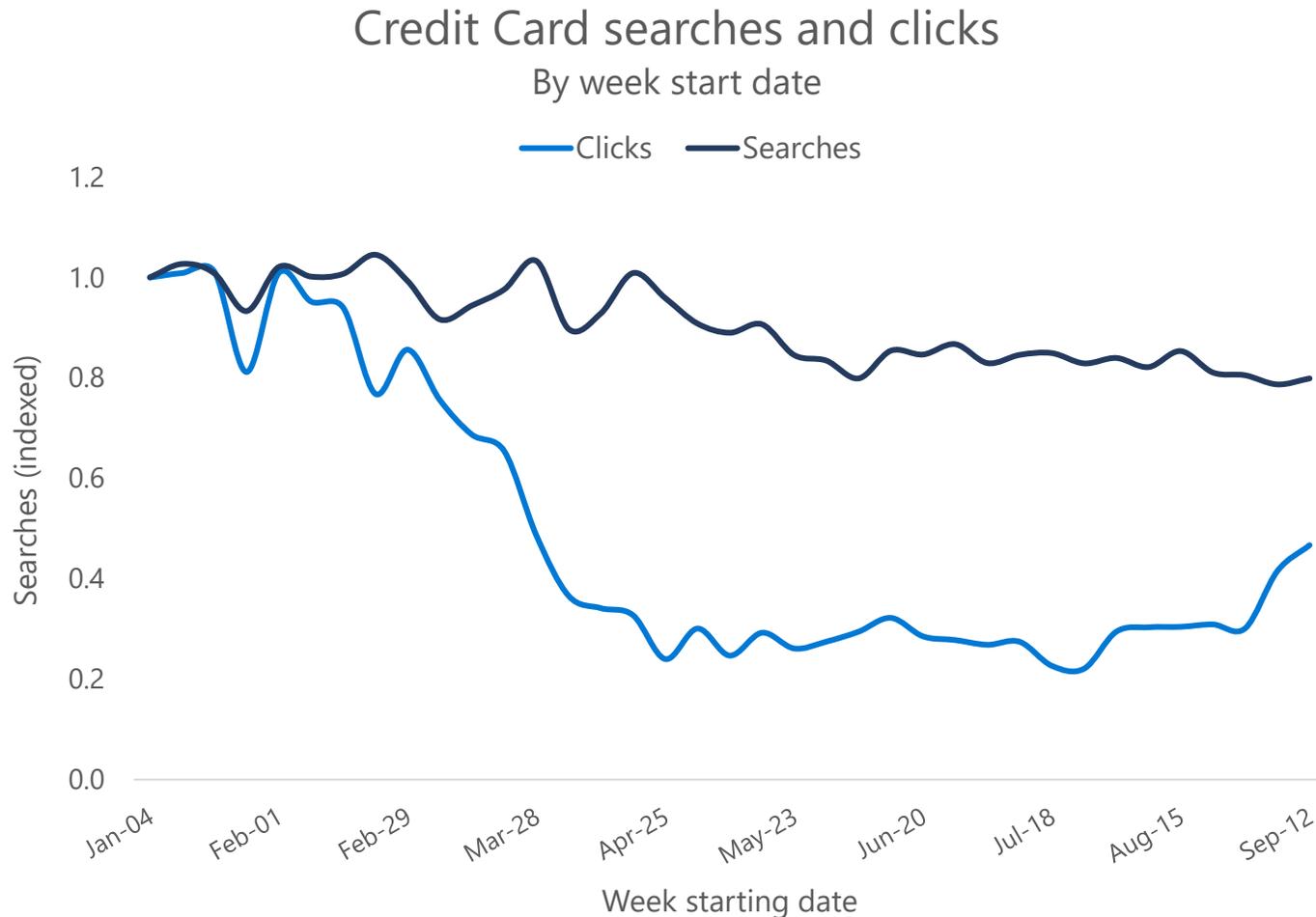
1. There has been a huge reduction in amount of personal debt, down 16% on an annualized basis, with Credit Card debt down 8%[1]

2. Existence of Buy Now Pay Later (BNPL) models is shifting consumer behaviours. The impact would be quite low, however, given the difference in volume of sales and transactions and is skewed towards consumers under 30.[2]

3. The value of credit card transactions in Australia have shown strong recovery since the month of April and looks on track to rise into the Christmas spending season, given the historical seasonality of months October to December[3]

Value of credit card transactions in Australia
by year and month
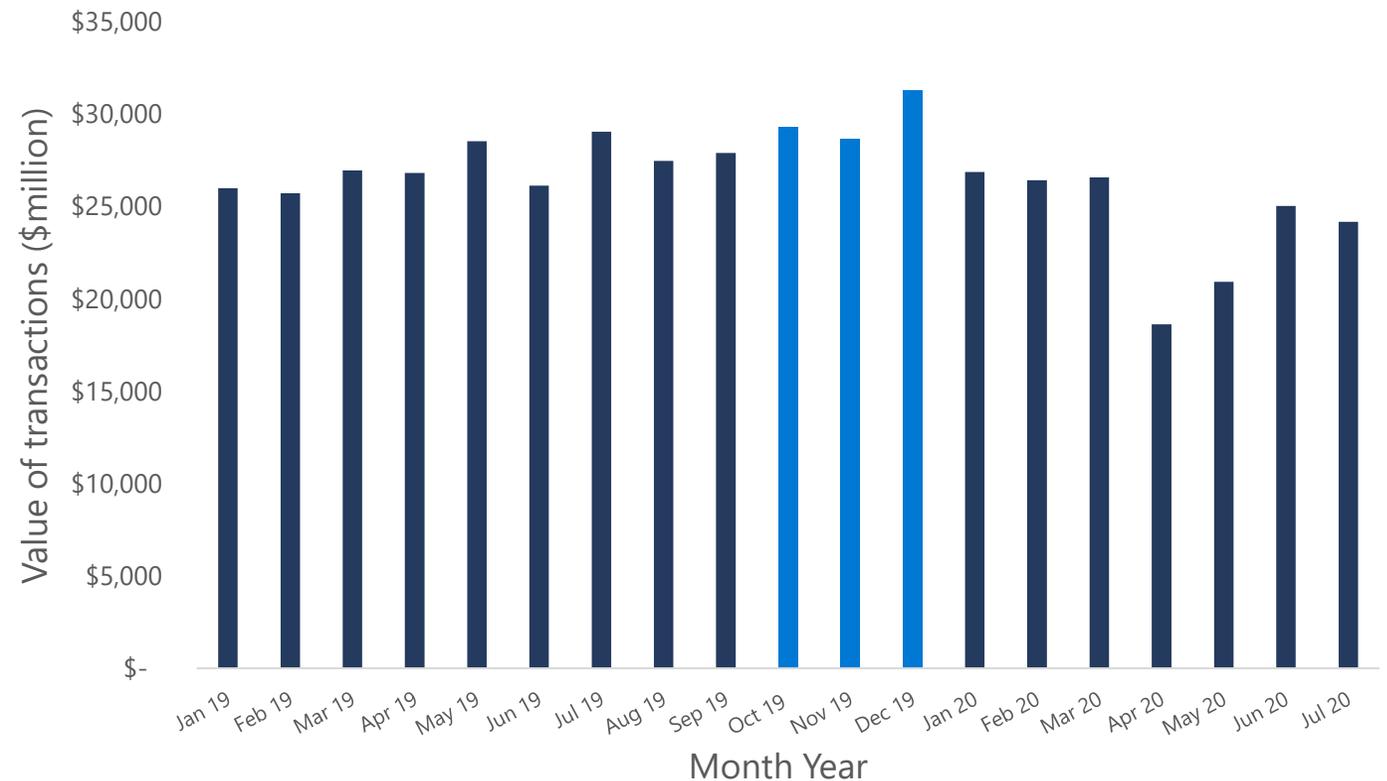
1. SMH, "COVID killing credit cards and cheques as cash hangs on". Sep 7, 2020.
2. AFR, "Afterpay shows Millennials the new force in markets". Jan 18, 2019.
3. RBA payments data, C1: Credit and Charge Cards – Seasonally Adjusted Series updated till July 2020.

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While searches have remained steady throughout lockdown, click volumes have begun recovery

Credit Card searches and clicks
By week start date

—— Clicks   —— Searches

Searches (indexed)

1.2
1.0
0.8
0.6
0.4
0.2
0.0

Jan-04 Feb-01 Feb-29 Mar-28 Apr-25 May-23 Jun-20 Jul-18 Aug-15 Sep-12

Week starting date

Key observations

1. Searches within the Microsoft Search Network have remained relatively steady throughout the period, despite external disruptions such as rising unemployment, buy now pay later models, reduced spending habits due to lockdown[1]

2. Click volumes have recently shown healthy recovery growing +84% over 8 weeks from July 25th through September 12th
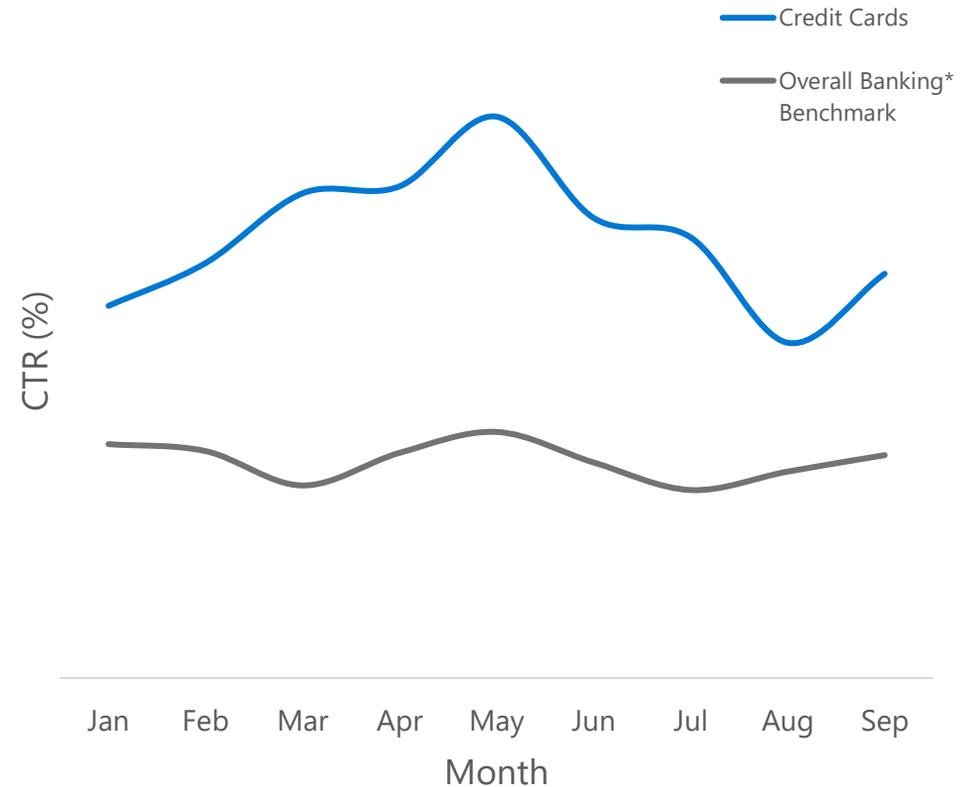
1.   SMH, "COVID killing credit cards and cheques as cash hangs on". Sep 7, 2020.
Data Source: Microsoft internal data | Credit Cards | Jan – Sep 2020 | Searches and Clicks | All Devices | O&O Core

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Low cost per clicks (CPCs) year-to-date coupled with a high click through rate (CTR) marks potential for increased return on investment
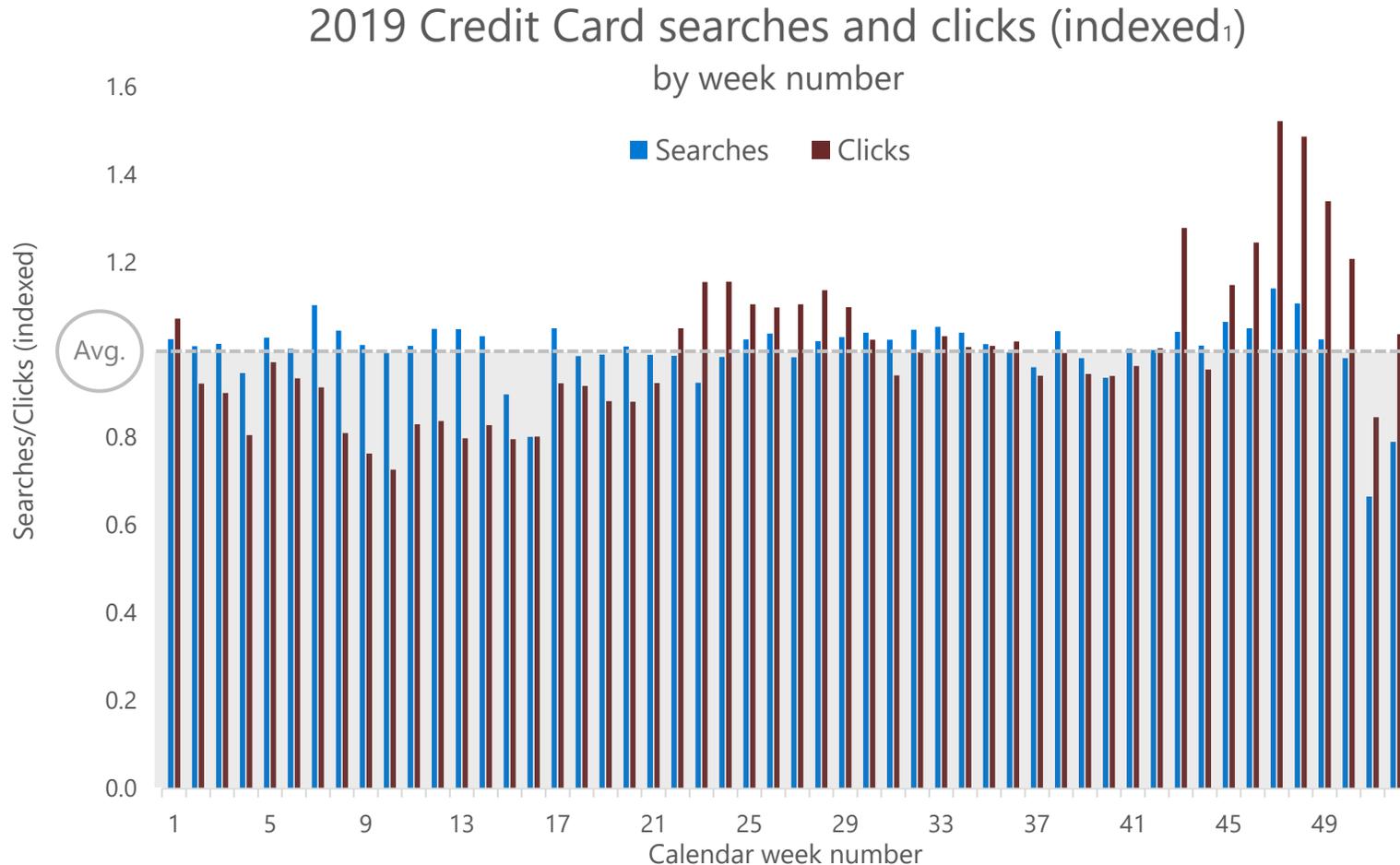
Credit Cards vs. overall banking* CPCs
by month

— Credit Cards
— Overall Banking* Benchmark

CPC ($)

Jan   Feb   Mar   Apr   May   Jun   Jul   Aug   Sep
Month
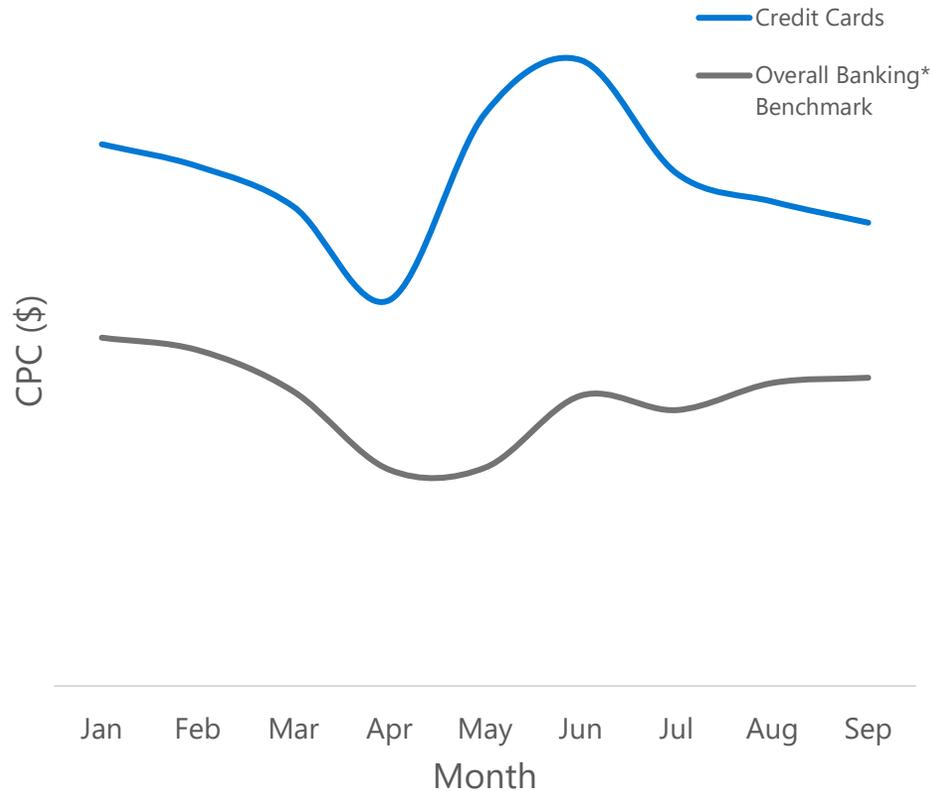
Credit Cards vs. overall banking* CTR
by month

— Credit Cards
— Overall Banking* Benchmark

CTR (%)

Jan   Feb   Mar   Apr   May   Jun   Jul   Aug   Sep
Month

*Overall banking refers to the categories within our Microsoft Search Network including Loans, Banking Services, Financial Planning Services, Credit Cards, Debit Cards, Bank Accounts, etc and excludes the Insurance categories.
Data Source: Microsoft internal data | Credit Cards | Jan – Sep 2020 | CPC and CTR | All Devices | O&O Core

The heightened level of activity in the weeks approaching Christmas highlights key opportunities for brands to capture customer intent


2019 Credit Card searches and clicks (indexed[1])
by week number

■ Searches ■ Clicks

Searches/Clicks (indexed)

Calendar week number

November is fast approaching and historically searches and clicks begin to pick up with clicks peaking at **~50%** higher than the year-round weekly average

Go-do: Ensure adequate investment to take advantage of this high-volume period, as users research to find the most value amongst the various offerings

1. Searches and clicks individually indexed to their year-round weekly average and placed on the same axis.
Data Source: Microsoft internal data | Health Insurance | Feb – Aug 2020 | Search volume | All Devices | O&O Core

Despite the current restrictions on flights within Australia, our users have maintained steady growth in interest towards "rewards"

"rewards" clicks (indexed)$_2$ and % of all credit card clicks
by month

■ % of all clicks ── Clicks (indexed)
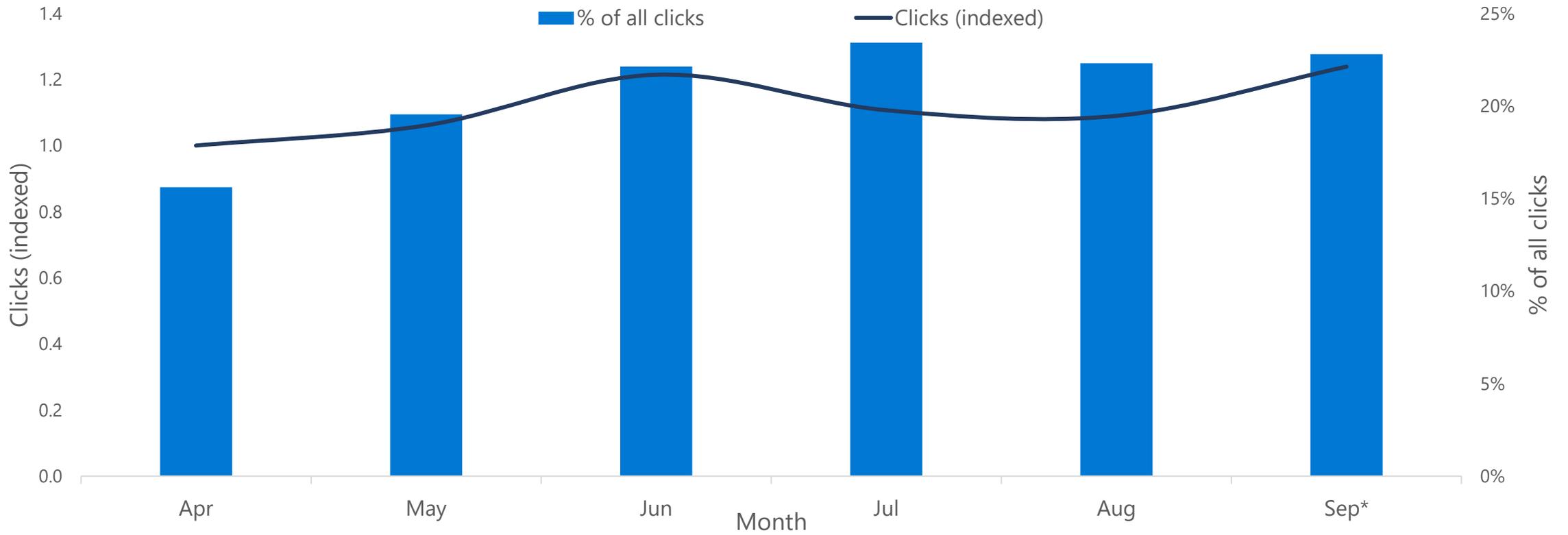
1. "Rewards" refers to queries containing "reward/s", "point/s", "redeem", "program", "frequent flyer", "ff", "qff", "qantas", "velocity", "virgin", etc.
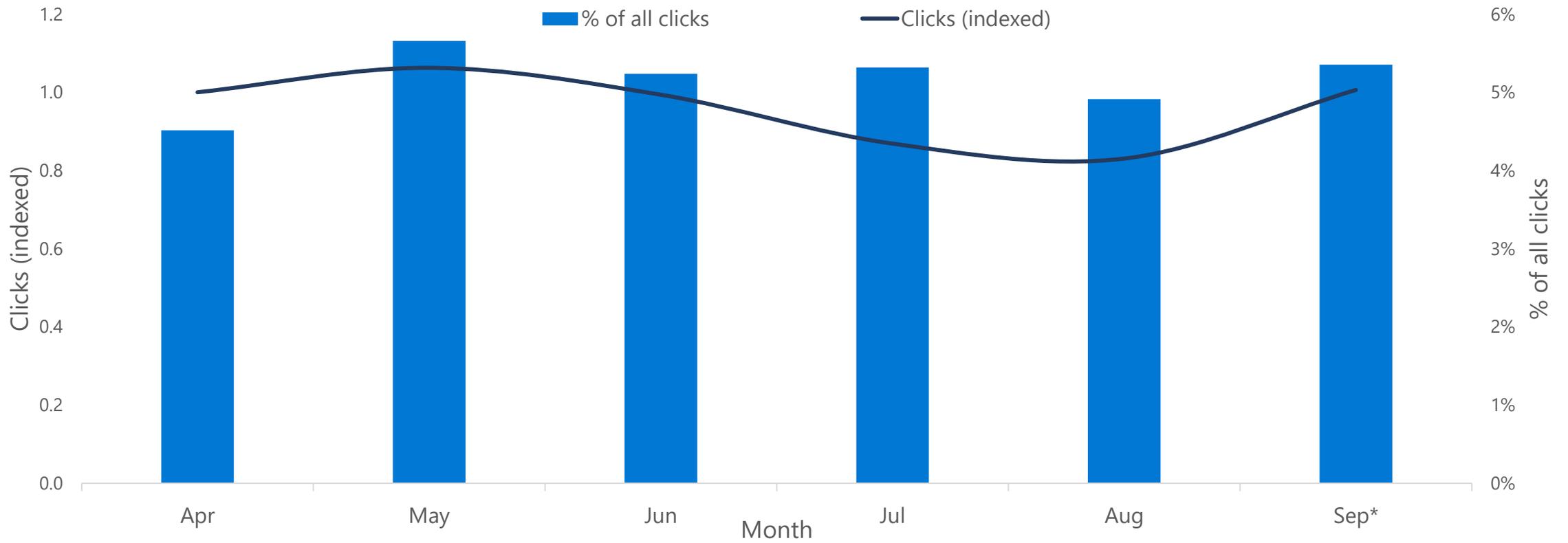2. Clicks indexed to volumes in April.
*Remaining September volumes were forecasted based on current September performance.
Data Source: Microsoft internal data | Credit Cards | Apr – Sep 2020 | Search volume | All Devices | O&O Core

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"no frills"[1] queries has seen good recovery throughout September*, marking renewed interest in economic, low fee/rate offerings

"no frills" clicks (indexed)[2] and % of all Credit Card clicks
by month

■ % of all clicks   — Clicks (indexed)

Clicks (indexed)

% of all clicks

Apr   May   Jun   Jul   Aug   Sep*

Month

1. "No frills" refers to queries containing "interest free", "low interest rate", "no annual fee", "cheap", "no interest/fee", "low fee", etc.
2. Clicks indexed to volumes in April.
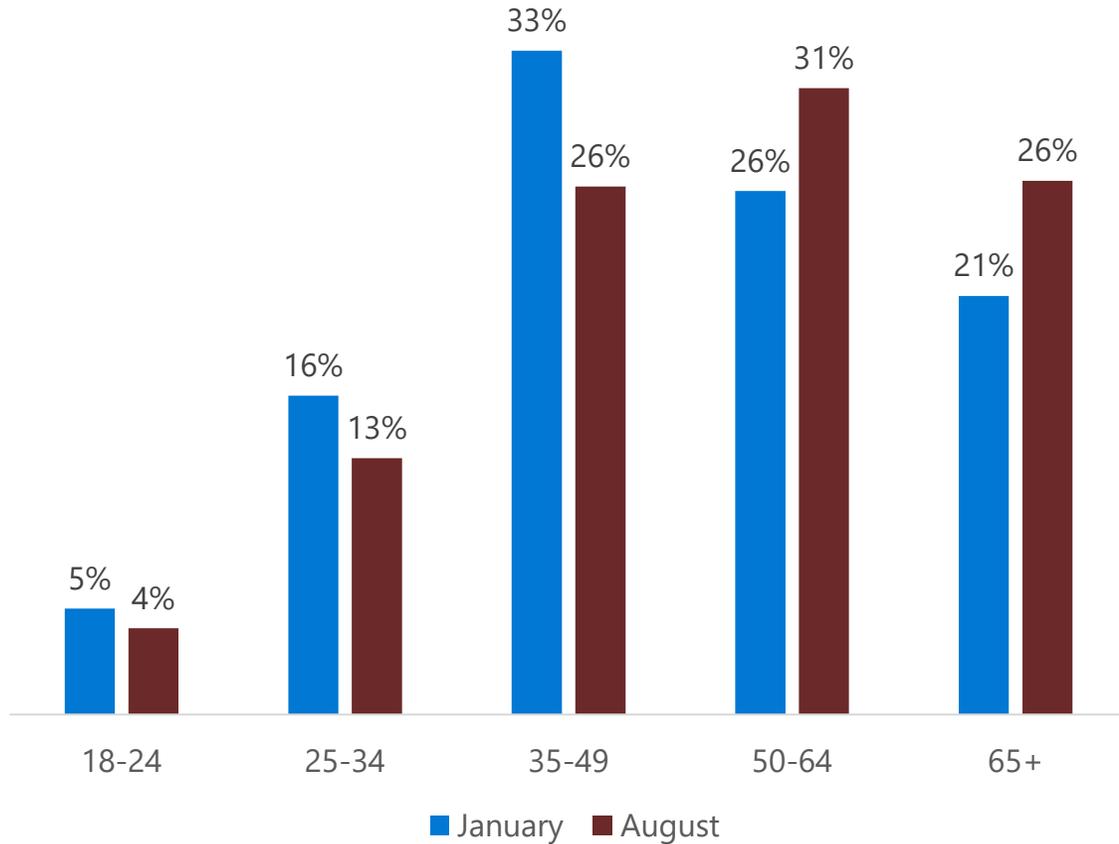*Remaining September volumes were forecasted based on current September performance.
Data Source: Microsoft internal data | Credit Cards | Apr – Sep 2020 | Search volume | All Devices | O&O Core

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As a result of COVID-19 and lockdown, we have seen a shift in interest towards the older age groups, particularly for ages 50+
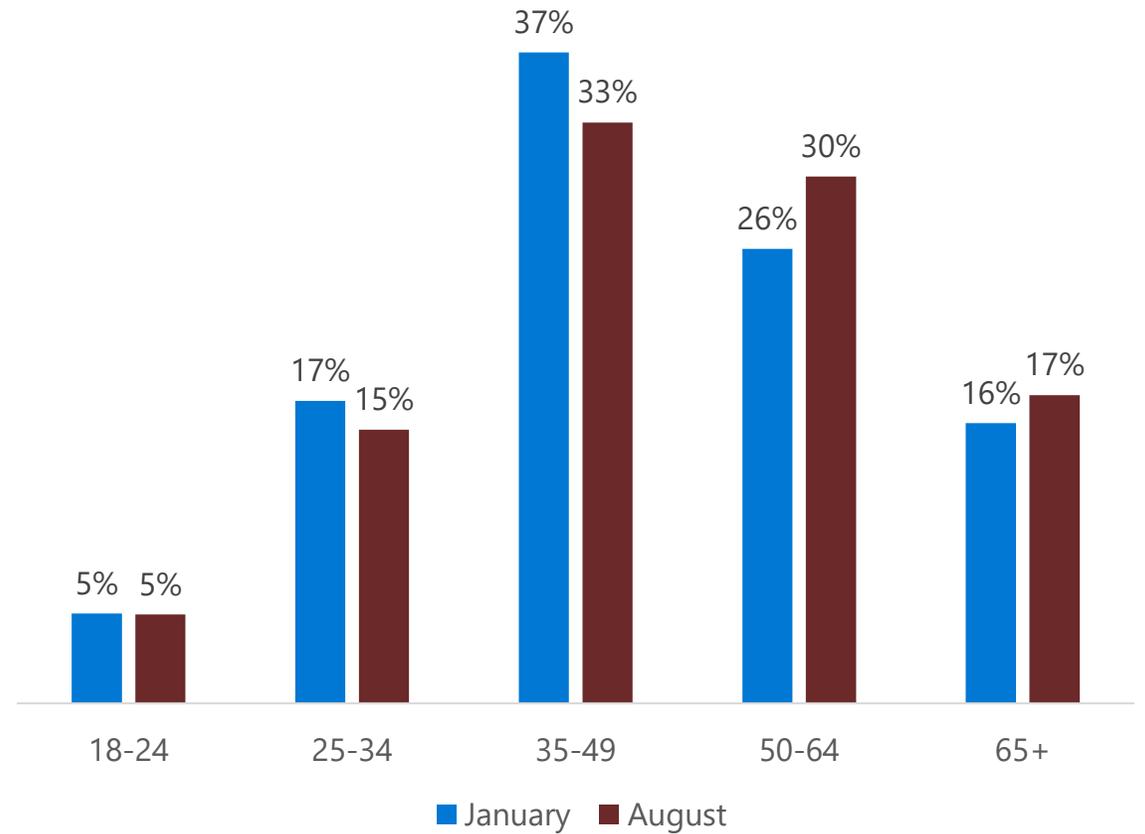
Searches breakdown
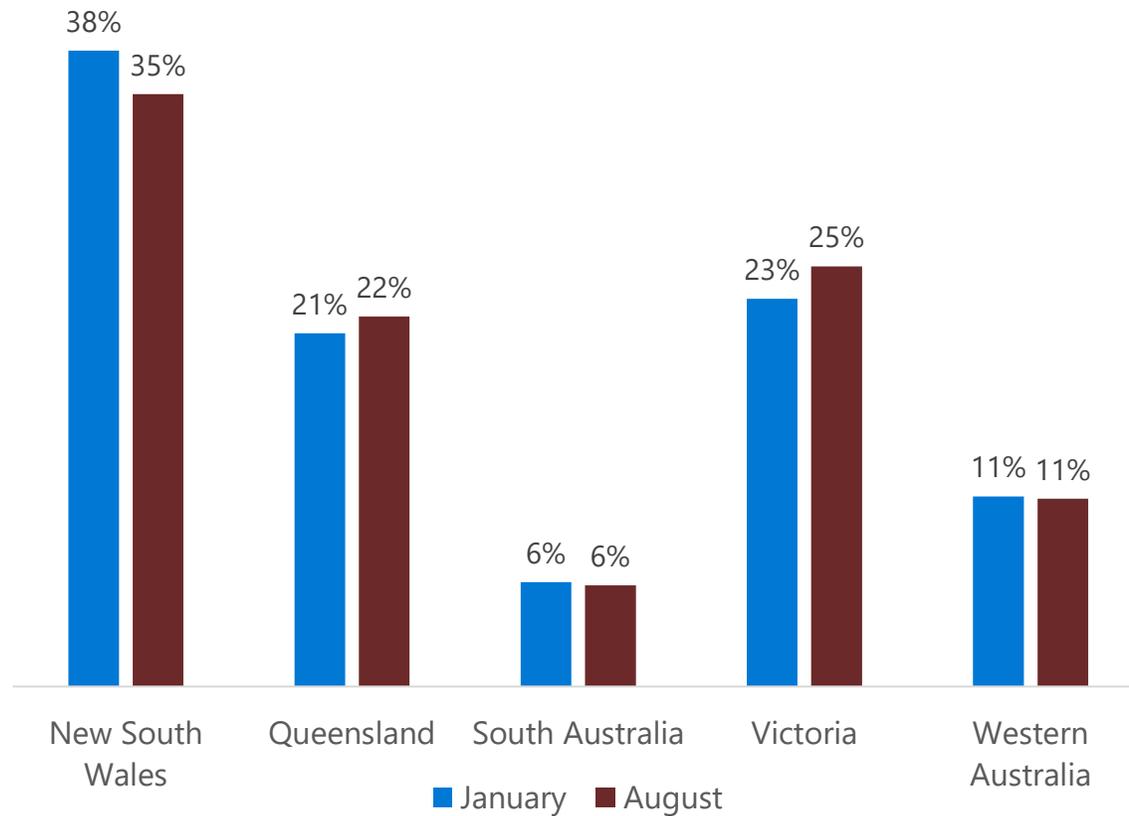by age group as % of all ages, pre vs. post lockdown

Age group	January	August
18-24	5%	4%
25-34	16%	13%
35-49	33%	26%
50-64	26%	31%
65+	21%	26%

Clicks breakdown
by age group as % of all ages, pre vs. post lockdown

Age group	January	August
18-24	5%	5%
25-34	17%	15%
35-49	37%	33%
50-64	26%	30%
65+	16%	17%

■ January ■ August

Data Source: Microsoft internal data | Credit Cards | Jan – Aug 2020 | Search volume | All Devices | O&O Core
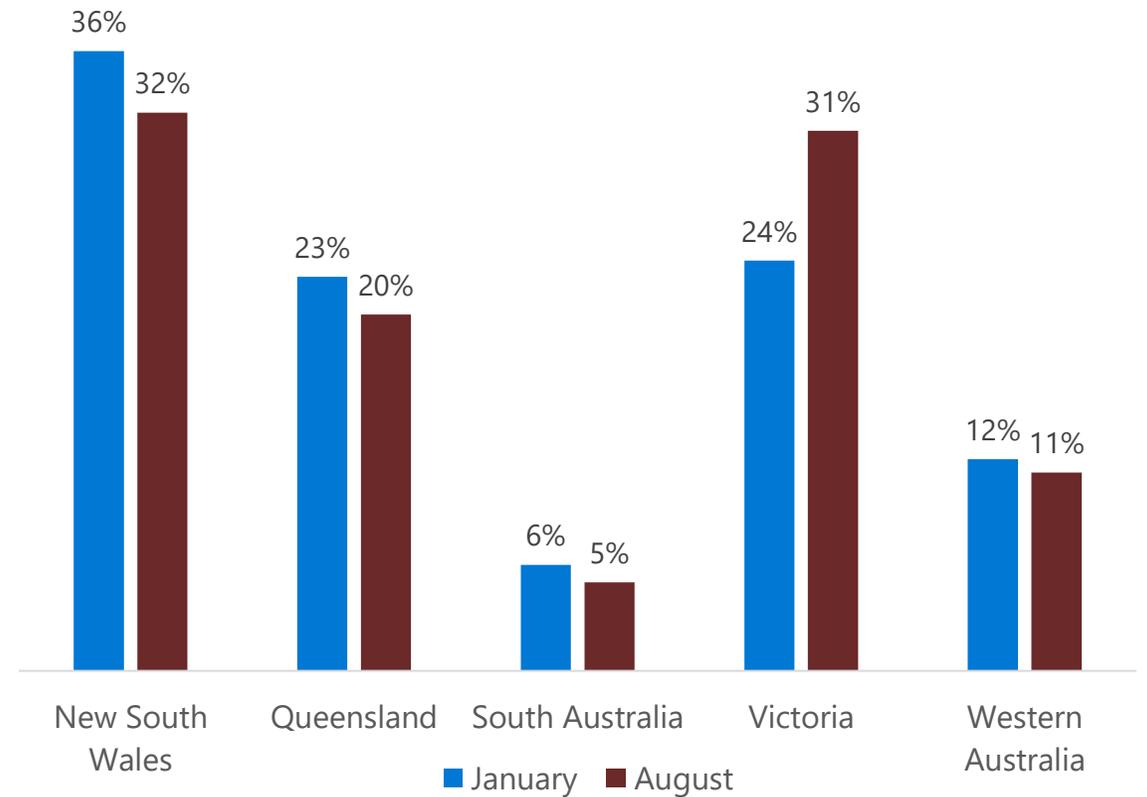
Victoria has seen a surge in clicks, rising in state click share to 31% in August

Searches breakdown
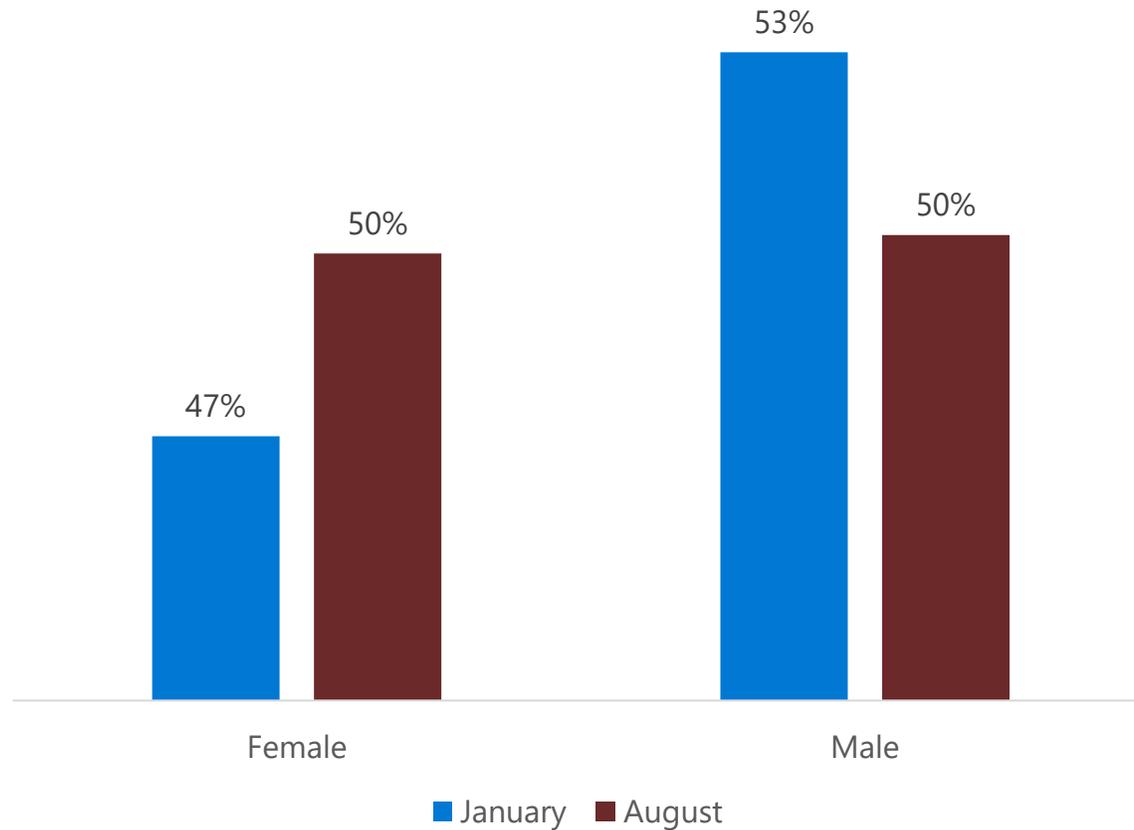by state as % of Australia, pre vs. post lockdown

Clicks breakdown
by state as % of Australia, pre vs. post lockdown

Searches breakdown (New South Wales: January 38%, August 35%; Queensland: January 21%, August 22%; South Australia: January 6%, August 6%; Victoria: January 23%, August 25%; Western Australia: January 11%, August 11%)

Clicks breakdown (New South Wales: January 36%, August 32%; Queensland: January 23%, August 20%; South Australia: January 6%, August 5%; Victoria: January 24%, August 31%; Western Australia: January 12%, August 11%)

■ January ■ August

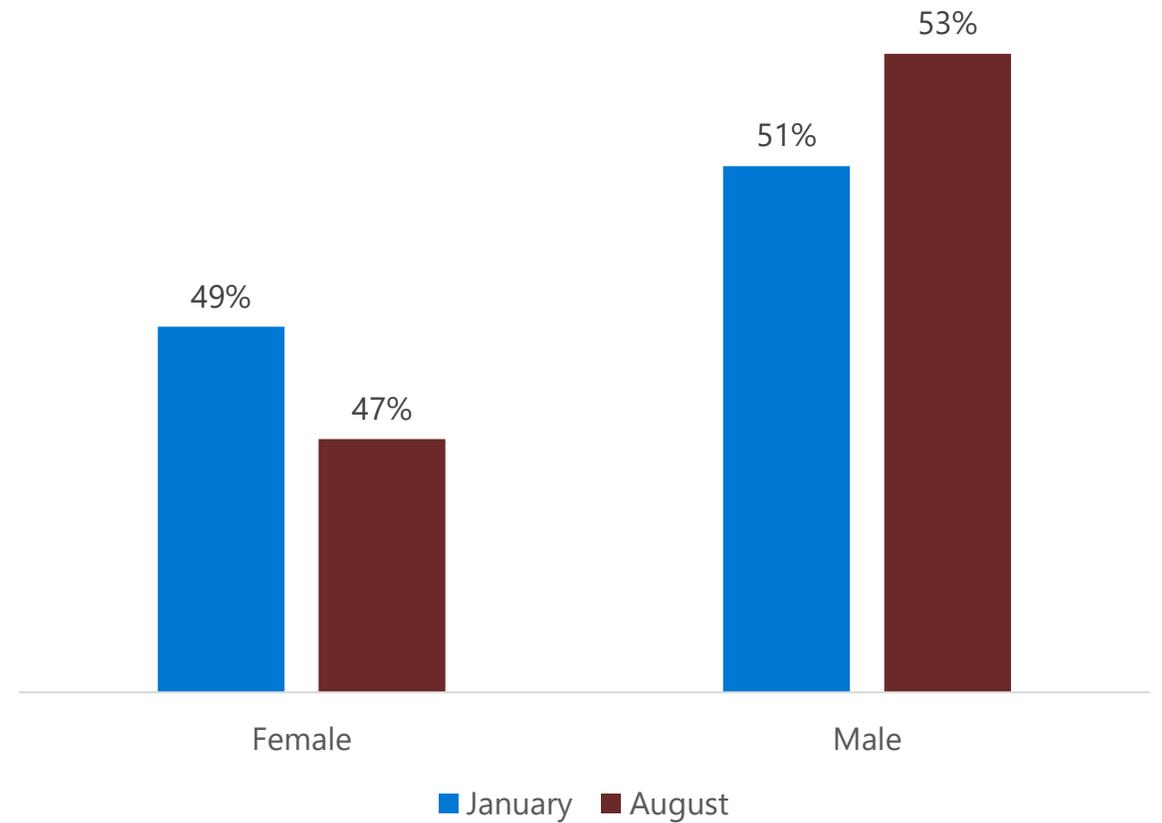Data Source: Microsoft internal data | Credit Cards | Jan – Sep 2020 | Search volume | All Devices | O&O Core

On Credit Card searches, females have risen to an equal split with males, though clicks have skewed more towards males

Searches breakdown
by gender as % of total, pre vs. post lockdown

Clicks breakdown
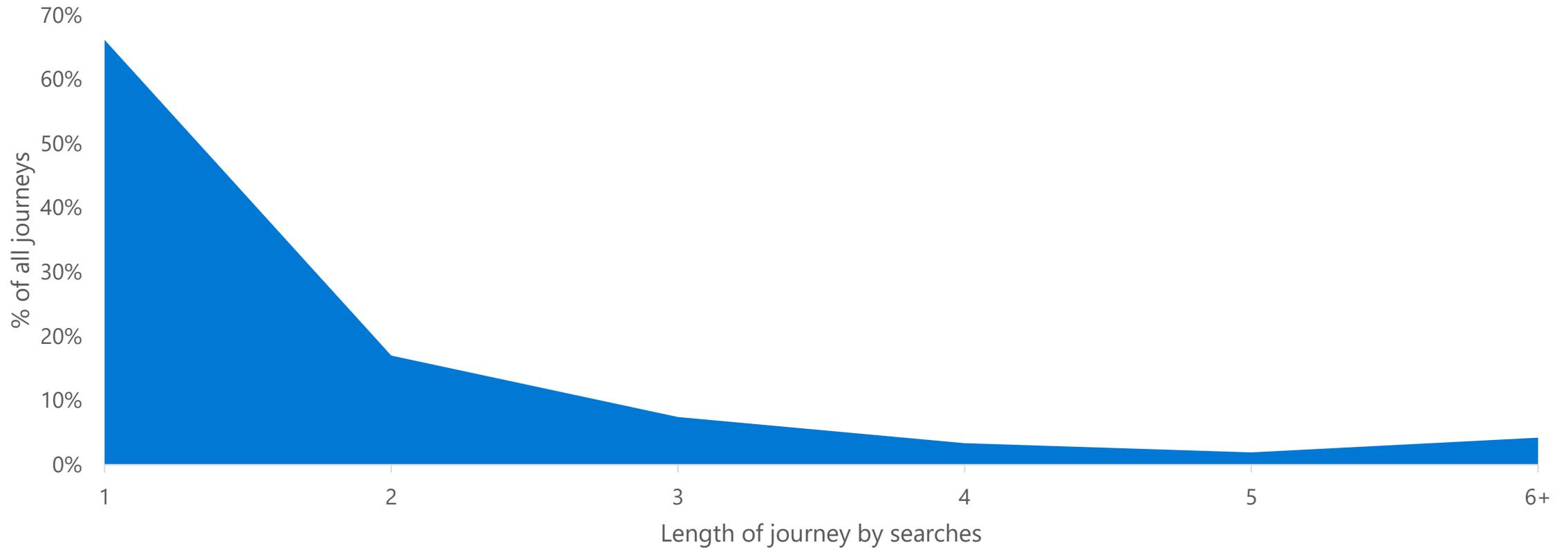by gender as % of total, pre vs. post lockdown

Searches breakdown:
- Female: January 47%, August 50%
- Male: January 53%, August 50%

Clicks breakdown:
- Female: January 49%, August 47%
- Male: January 51%, August 53%

■ January ■ August

Data Source: Microsoft internal data | Auto Insurance | Jan – Aug 2020 | Search volume | All Devices | O&O Core

The user
search journey

Introducing methodology and sample size

Methodology	Sample size
Query path analysis:	**Time range:**
1. Trace back the search journey from the users' conversions on Microsoft Search Network. A journey is defined by the searches performed by a user before reaching a conversion.	Journeys that began and ended within: May 1st – July 30th, 2020
	Number of searchers: 6,200~
2. Conversion data is based on Universal Event Tracking setup, and contains both paid and organic data	**Number of search queries captured:** 12,000~

1st Search   Middle stage   Conversions

Research   Decision

Microsoft

USER JOURNEY INSIGHTS

For single touchpoints, 4 out of 5 are brand queries, 2 in 5 users are within ages 35-49, and almost 3 in 5 users are male

Brand/generic breakdown
as % of total

81% Brand
19% Generics

Query Type
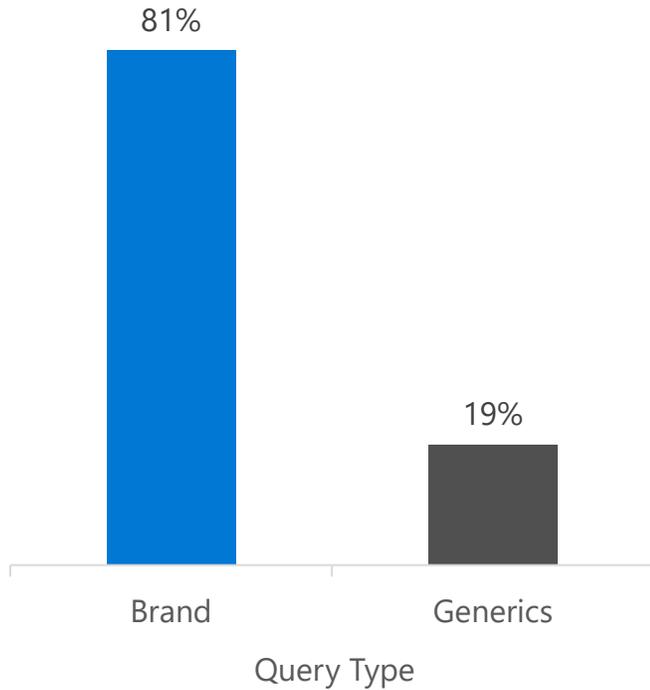
Age group breakdown
as % of all single touchpoint users

4% 18-24 Years
17% 25-34 Years
40% 35-49 Years
26% 50-64 Years
13% 65+ Years

Age Group
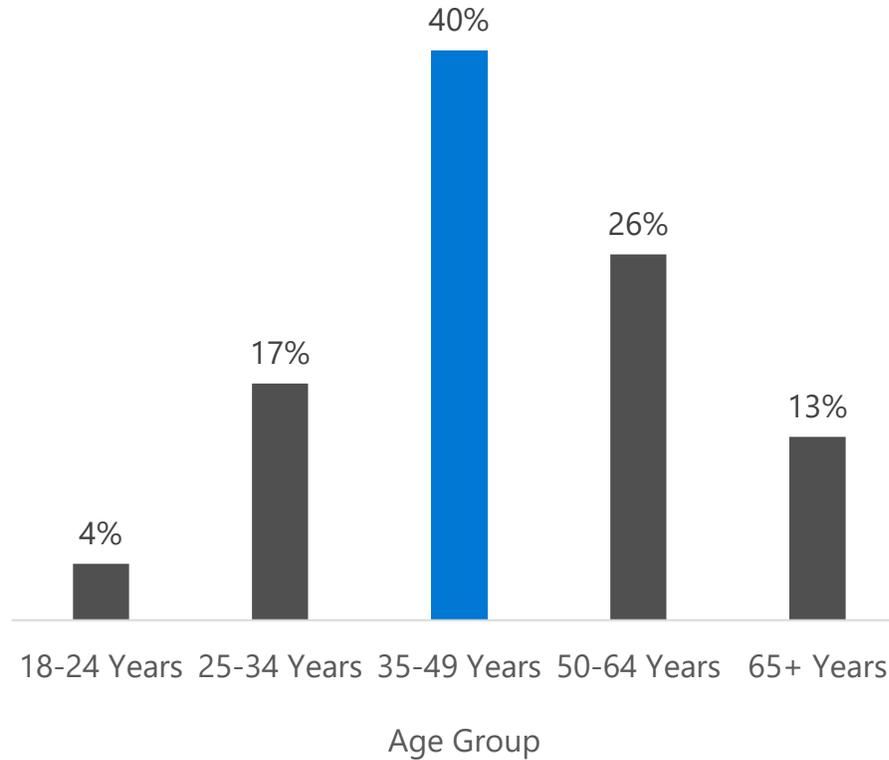
Gender breakdown
as % of all single touchpoint users
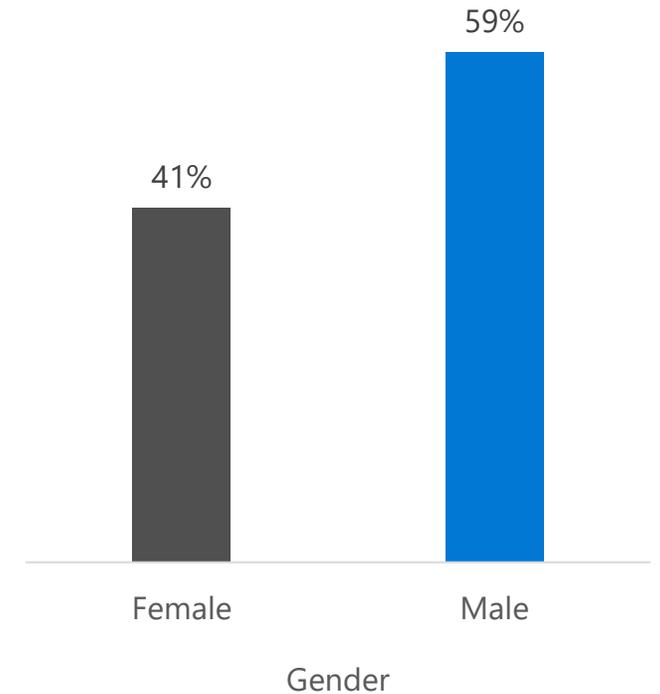
41% Female
59% Male

Gender

Data Source: Microsoft internal data | Query Path Analysis output | Credit Cards | May – Jul 2020 | Conversion and Search data | All Devices | Paid & Organic

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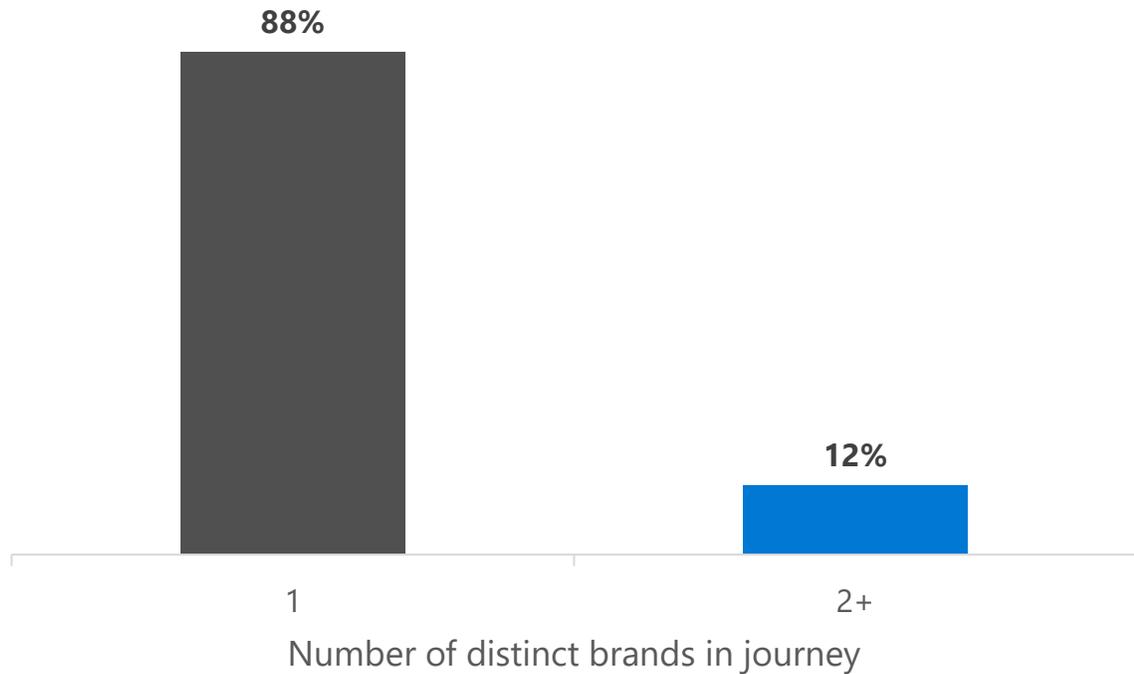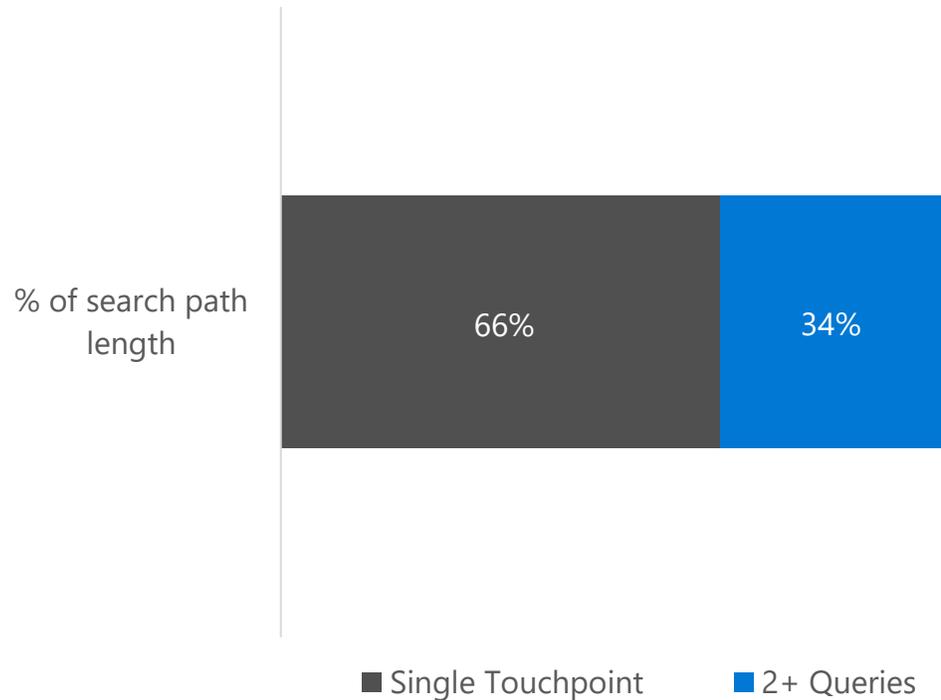
Key takeaways

1. Ensure adequate investment as we approach the high volumes in the holiday shopping season

2. Where possible, tailor your ad copy to promote and highlight low fees and rewards programs

3. Fight for presence in the auction, as over 66% of user journeys convert within a single touchpoint

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To get actionable data, insights and best practices to help make decisions and grow your business, visit aka.ms/MicrosoftAdvertisingInsights

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