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.
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%.

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.

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.

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3. RBA payments data, C1: Credit and Charge Cards – Seasonally Adjusted Series updated till July 2020.
While searches have remained steady throughout lockdown, click volumes have begun recovery

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 25\(^{th}\) through September 12\(^{th}\)

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\(^1\) 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
MARKETPLACE TRENDS

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 vs. overall banking* CTR by 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.

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.

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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) and % of all credit card clicks by month

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
"no frills" queries have seen good recovery throughout September*, marking renewed interest in economic, low fee/rate offerings.

*Remaining September volumes were forecasted based on current September performance.

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.

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

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

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

Victoria has seen a surge in clicks, rising in state click share to 31% in August

<table>
<thead>
<tr>
<th>State</th>
<th>Searches June</th>
<th>Searches August</th>
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<tbody>
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<tr>
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<td>Western Australia</td>
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<tr>
<td>Western Australia</td>
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<td>12%</td>
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</tbody>
</table>

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

- **Female**
  - January: 47%
  - August: 53%
- **Male**
  - January: 50%
  - August: 50%

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

- **Female**
  - January: 49%
  - August: 47%
- **Male**
  - January: 51%
  - August: 53%

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

Query path analysis:

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.

2. Conversion data is based on Universal Event Tracking setup, and contains both paid and organic data.

Sample size

Time range:

Journeys that began and ended within:
May 1st – July 30th, 2020

Number of searchers: 6,200~
Number of search queries captured: 12,000~
Over 2 in 3 of conversions happen after just 1 search
High prevalence of short journeys makes it critical to be in the auction when customers enter the purchase funnel

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

Data Source: Microsoft internal data | Query Path Analysis output | Credit Cards | May – Jul 2020 | Conversion and Search data | All Devices | Paid & Organic
Users tend to stick to one distinct brand, but for those who consider more than 1 brand, 4 out of 5 times they convert on a different brand. Remarketing Audiences is crucial to ensure you don’t lose your customer.

Data Source: Microsoft internal data | Query Path Analysis output | Credit Cards | May – Jul 2020 | Conversion and Search data | All Devices | Paid & Organic
Generic searches play a key role towards the end of longer journeys

For the journeys that were longer than a single search, 3 in 10 conversions contained a generic query in the last 2 searches.

**Length of search path**

- 66% Single Touchpoint
- 34% 2+ Queries

**Last 2 searches for longer paths***

- Generic > Generic: 20%
- Generic > Brand: 8%
- Brand > Generic: 3%
- Brand > Brand: 69%

Data Source: Microsoft internal data | Query Path Analysis output | Credit Cards | May – Jul 2020 | Conversion and Search data | All Devices | Paid & Organic
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
To get actionable data, insights and best practices to help make decisions and grow your business, visit aka.ms/MicrosoftAdvertisingInsights