Microsoft Advertising Insights:
Banking - Accelerate your journey to the new normal
Agenda

- Navigate now
- Plan the comeback
- Shape the new normal
Navigate the now

The changing environment and habits

Historical models don’t guide

Banks re-examine current strategy and priorities

Government stimulus support

Less spending from consumers

High unemployment rate

Shifting financial needs and interests
Methodology

Query path analysis:
Trace back search behaviour from the users’ last click conversions from 20 major US banks and aggregators on the Bing Platform

Sample size

Time range:
Pre-COVID-19: February 2020
Early in-COVID-19: March 2020
Recent: July 2020

Number of searchers:
2.3 Million

Number of search queries captured:
15 Million

Microsoft internal data. Query pathing analysis based on last click conversion in top 20 clients in FinServ industry (Tax and insurance are excluded), US. Date Frame defined as: Pre-Covid: Feb. 2020, Early In-Covid: Mar 2020, Recent: July. 2020
Consumers action and convert quicker

Conversion duration (in days)

- February-20 (Pre): 13.7 days
- March-20 (In): 13.0 days
- July-20 (Now): 11.8 days

Microsoft internal data. Query pathing analysis based on last click conversion in top 20 clients in FinServ industry (Tax and insurance are excluded), US. Date Frame defined as: Pre-Covid: Feb. 2020, Early In-Covid: Mar 2020, Recent: July 2020.
Conversions for Credit Cards pick up again, though Savings was extremely popular when COVID-19 just hit

Microsoft internal data. Query pathing analysis based on last click conversion in top 20 clients in FinServ industry (Insurance and Tax are excluded), US.

Date Frame defined as: Pre-Covid: Feb. 2020, In-Covid: Mar 2020, Now: July. 2020

Conversions by products in banks

<table>
<thead>
<tr>
<th></th>
<th>February 2020 (Pre)</th>
<th>March 2020 (In)</th>
<th>July 2020 (Now)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit Card</td>
<td>58%</td>
<td>31%</td>
<td>39%</td>
</tr>
<tr>
<td>Home Loan</td>
<td>5%</td>
<td>6%</td>
<td>9%</td>
</tr>
<tr>
<td>Savings</td>
<td>23%</td>
<td>40%</td>
<td>29%</td>
</tr>
<tr>
<td>Investment</td>
<td>5%</td>
<td>8%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Checking
Investment
Home Loan
Savings
Credit Card
Converters now have less reliance on aggregators

Percentage of converters who clicked aggregator ads

- **Home Loan 92%**
- **Personal Loan 33%**
- **Checking 30%**
- **Credit Card 25%**
- **Saving 8%**

- **February 2020 (Pre)**: 93%
- **Mar 2020 (In)**: 58%
- **July 2020 (Now)**: 23%

Microsoft internal data. Query pathing analysis based on last click conversion in top 20 clients in FinServ industry (Insurance and Tax are excluded), US, Date Frame defined as: Pre-Covid: Feb. 2020, In-Covid: Mar 2020, Now: July 2020.
Consumers didn’t become more loyal, they clicked an average of three brands in the decision-making process.
Plan the comeback

Companies need to adapt to fundamentally different consumer preferences and behaviors
Finding 1: The comeback is slow but steady, Banks outperform in general

**Relative spending by Retail Banking products**

- **Banking**
  - Aggregators: 82% (In) vs 114% (Now)
  - Banks: 94% (In) vs 124% (Now)
- **Credit Cards**
  - Aggregators: 141% (In) vs 135% (Now)
  - Banks: 100% (In) vs 100% (Now)
- **Loans**
  - Aggregators: 141% (In) vs 135% (Now)
  - Banks: 100% (In) vs 100% (Now)

Microsoft internal data. Investment analysis in FinServ industry, US. Date Frame defined as: Pre-Covid: Jan-Feb. 2020, In-Covid: Mar-Jun 2020, Now: July-Aug. 2020. Spending is relative to “In-covid” period.
Rewards and Cash Back cards bounce back quickly while Balance Transfer trends lower in demand

Weekly Credit Card search volume index

- **Cash Back**: Upward trend
- **Balance Transfer**: Downward trend
- **Business**: Stable trend
- **Building Credit/Secured**: Upward trend
- **Rewards**: Upward trend
- **0 APR**: Upward trend

Source: Microsoft internal, FinServ credit card search volume index with forecasting - US, 2020
**Finding 2: Half of Financial Services converters are coming from In-market Audiences after COVID-19**

<table>
<thead>
<tr>
<th>Financial Services by audience type</th>
<th>Custom Audience</th>
<th>In-market Audience</th>
<th>Remarketing Audience</th>
<th>Non-audience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb-20 (Pre)</td>
<td>11%</td>
<td>38%</td>
<td>6%</td>
<td>45%</td>
</tr>
<tr>
<td>Mar-20 (In)</td>
<td>18%</td>
<td>43%</td>
<td>6%</td>
<td>34%</td>
</tr>
<tr>
<td>Jul-20 (Now)</td>
<td>14%</td>
<td>49%</td>
<td>4%</td>
<td>33%</td>
</tr>
</tbody>
</table>

Microsoft internal data. Query pathing analysis based on last click conversion in top 20 clients in FinServ industry (Insurance and Tax are excluded), US, Date Frame defined as: Pre-Covid: Feb. 2020, In-Covid: Mar 2020, Now: July 2020
Financial Services, Travel, and Auto & Vehicles are the top 3 in-market categories for Financial Services converters.
Credit cards and Hotels segments start to grow from Financial Service converters

Financial Service In-market Audience converting size analysis – Pre-COVID-19 vs. now, in percentage points

<table>
<thead>
<tr>
<th>In-market segments</th>
<th>Credit Cards</th>
<th>Hotels</th>
<th>Auto Loans</th>
<th>Student Loans</th>
<th>Saving account</th>
<th>Travel Insurance</th>
<th>Mortgages</th>
<th>Health Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>+16.3 ppt</td>
<td>+3.9 ppt</td>
<td>+3.9 ppt</td>
<td>+0.5 ppt</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-1.6 ppt</td>
<td>-2.2 ppt</td>
<td>-2.7 ppt</td>
<td>-3.1 ppt</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Microsoft internal data. Query pathing analysis based on last click conversion in top 20 clients in FinServ industry (Insurance and tax are excluded), in-market audience analysis, US, 2020 July
Date Frame defined as: Pre-Covid: Feb. 2020, In-Covid: Mar 2020, Now: July 2020
Finding 3: Cross shopping and brand loyalty can be influenced in consumers’ decision journey

Aggregator sites bring more options for consumers to cross shop

Microsoft internal data. Query pathing analysis based on last click conversion in top 20 clients in FinServ industry (insurance and tax are excluded), US, 2020 July,
Brand loyal is defined when 1st click brand is the conversion brand
Converters without exposure to aggregator sites tend to be more brand loyal.

Bank converters

Aggregator sites

Brand A
Brand B
Brand C

Conversion

Brand A
Brand B
Brand A

Brand loyal

15%

Brand A

Brand loyal

65%

Microsoft internal data. Query pathing analysis based on last click conversion in top 20 clients in FinServ industry (insurance and tax are excluded), US, 2020 July.


Brand loyal is defined when 1st click brand is the conversion brand.
Users are more likely to convert at the first clicked brand when they see more ads come from that brand.

**Brand loyalty** (1st clicked brand = converting brand)

Average number of ads seen

<table>
<thead>
<tr>
<th>Brand loyal</th>
<th>Not brand loyal</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td>Ads from first clicked (converting) brand</td>
<td>11</td>
</tr>
</tbody>
</table>

Microsoft internal data. Query pathing analysis based on last click conversion in top 20 clients in FinServ industry (insurance and tax are excluded), US, 2020 July. Date Frame defined as: Pre-Covid: Feb. 2020, In-Covid: Mar 2020, Now: July. 2020. Brand loyal is defined when 1st click brand is the conversion brand.
Finding 1: The comeback is slow but steady, Banks outperform in general

Follow the comeback trend and be there to capture the growing In-market users

Finding 2: Half of Financial Service converters are coming from In-market Audiences after COVID-19

Try In-market Audiences for your campaigns as it helps efficacy significantly after COVID-19

Finding 3: Cross shopping and brand loyalty can be influenced in consumers’ decision journey

Use remarketing to reengage and influence consumers’ brand choice and decision
To get actionable data, insights and best practices to help make decisions and grow your business, visit aka.ms/MicrosoftAdvertisingInsights
Shape the new normal with Microsoft Advertising Solutions
Targeting and tactical solutions across Microsoft Advertising's networks

**Microsoft Search Network solutions**
- Dynamic Search Ads, broad match and search partners
- Similar Audiences to prospect
- Exact match and phrase match
- Remarketing to convert
- In-market Audiences
- Similar Audiences
- Sponsored Products
- Branded keywords
- Shopping Campaigns
- Remarketing to convert
- Sponsored Products
- Remarketing to enforce
- Shopping upsells and add-ons
- Similar Audiences
- Product Audiences (dynamic remarketing)

**Microsoft Audience Network solutions**
- Broad audience reach on the Microsoft Audience Network
- Similar Audiences to prospect
- In-market Audiences
- LinkedIn Profile Targeting
- Shopping feeds
- Custom Audiences
- Shopping Campaigns
- Remarketing to convert
- Product Audiences (dynamic remarketing)
- Remarketing to enforce
- Shopping upsells and add-ons
- Custom Audiences
- Product Audiences (dynamic remarketing)

Note: This is a non-exhaustive list of available solutions. Many additional features are available for both the Microsoft Search Network and Microsoft Audience Network.
More **Checking converters** are also in market for **Credit Cards and Auto Loans**

Microsoft internal data. Query pathing analysis based on last click conversion in top 20 clients in FinServ industry, in-market audience analysis, US, 2020 July
Date Frame defined as: Pre-Covid: Feb. 2020, In-Covid: Mar 2020, Now: July. 2020
Credit Card converters are in market for Credit Cards, Travel and Checking.
1 in 3 Home Loan converters are in market for non-Financial Services segments.

Credit Cards segment shows greater readiness for home loan converters.
In addition to Savings Accounts, Saving converters are also in market for Credit Cards, Retirement Planning and Travel.

Microsoft internal data. Query pathing analysis based on last click conversion in top 20 clients in FinServ industry, in-market audience analysis, US, 2020 July
Date Frame defined as: Pre-Covid: Feb. 2020, In-Covid: Mar 2020, Now: July 2020
Investment converters are more in market for Credit and Lending and hold less interest in Insurance now.