



Microsoft Advertising Insights Value of paid search

Non-brand bidding in Automotive
for third party advertisers

Microsoft Advertising. Intelligent connections.



Data methodology



01

USER BASE

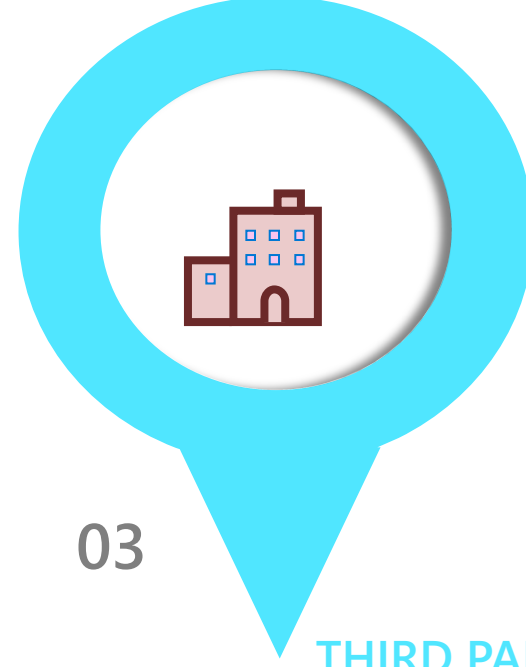
500,000 user paths that included at least one paid click to an automotive advertiser (Third Party or OEM)



02

PAID AD COMPETITIVE SET

All automotive advertisers



03

THIRD PARTY ADVERTISER

Individual paid performance based off the average of six top third party advertisers



04

TIMELINE

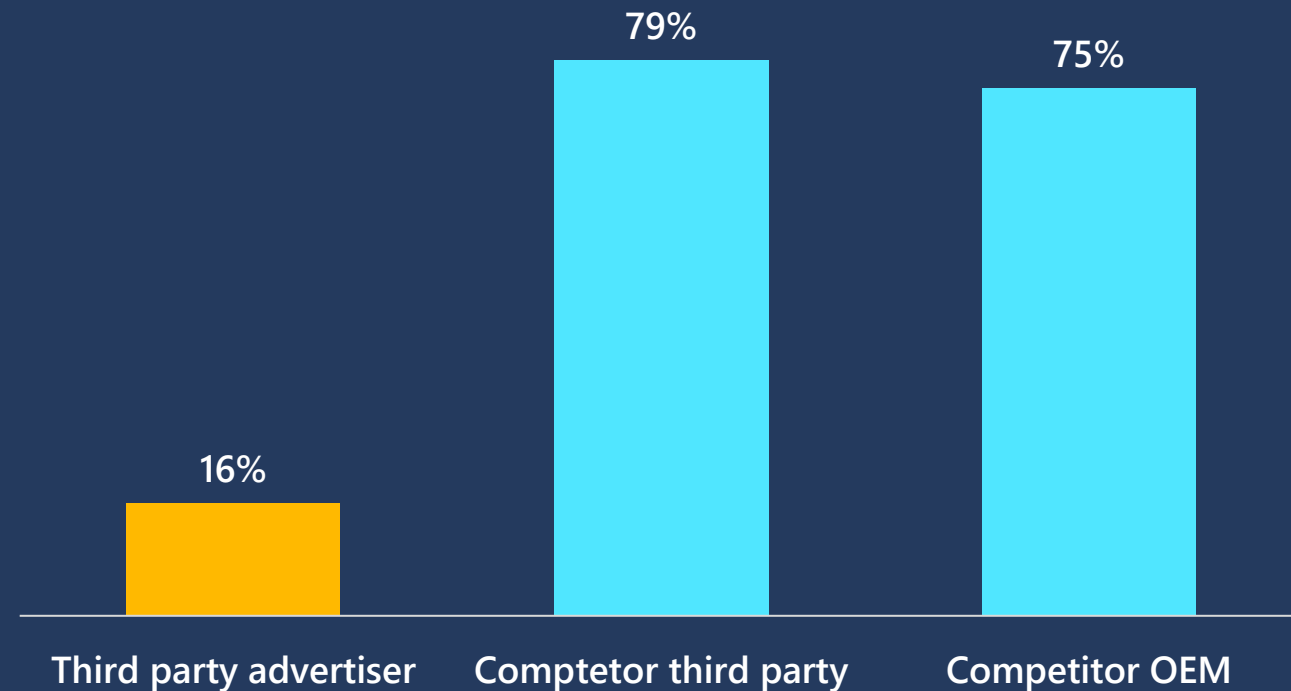
Data from August 2020 through October 2020

The typical third party advertiser had paid ad presence on 16% of all non-brand vehicle searches

79% of all non-brand auctions had at least one other third party advertiser and 75% had at least one competitor original equipment manufacturer (OEM) paid ad

Source: Microsoft Internal Data, August 2020 – October 2020, based on 500,000 users with at least one automotive paid click.
Nonbrand queries include used/cpo while excluding aftermarket/parts & service queries.

Paid ad presence on non-brand searches



Users trust top search engine result page listings to reflect the most relevant content

Consequently,

52% of all non-brand clicks go to paid ads

Source: Microsoft Internal Data, August 2020 – October 2020, based on 500,000 users with at least one automotive paid click. Nonbrand queries include used/cpo while excluding aftermarket/parts & service queries.



What happens when a third party advertiser ***does not*** serve a paid ad on non-brand terms?

1%

Your organic pages are ineffective in capturing non-brand clicks

When a third party advertiser does not serve a paid ad in a non-brand auction, their organic pages earn 1% of the clicks on average

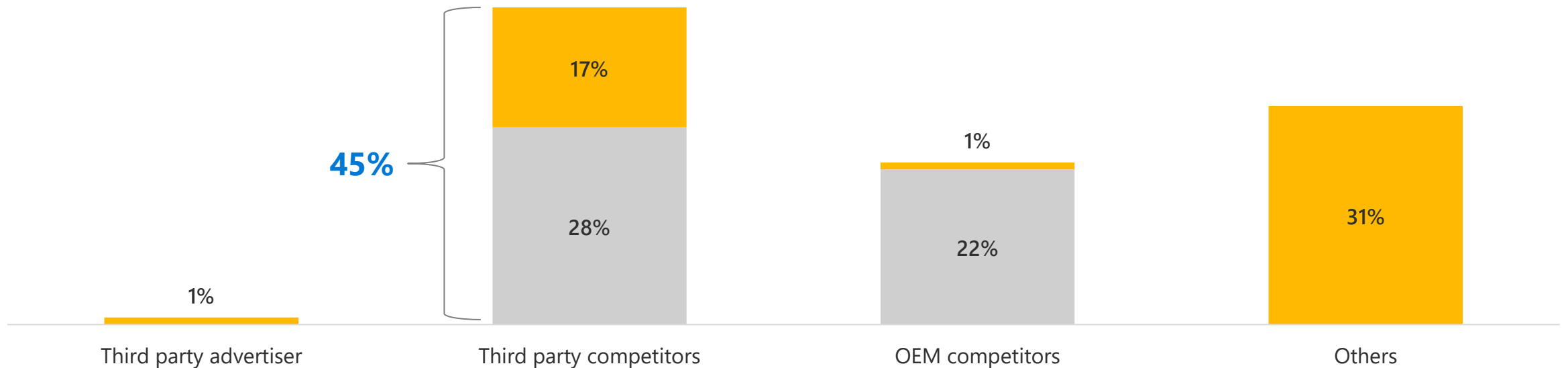
Source: Microsoft Internal Data, August 2020 – October 2020, based on 500,000 users with at least one automotive paid click.
Nonbrand queries include used/cpo while excluding aftermarket/parts & service queries.

Competitor third party advertisers win 45% of non-brand clicks when you do not serve a paid ad

% of clicks earned when a third party advertiser did **not** serve a paid ad

■ Paid ■ Organic

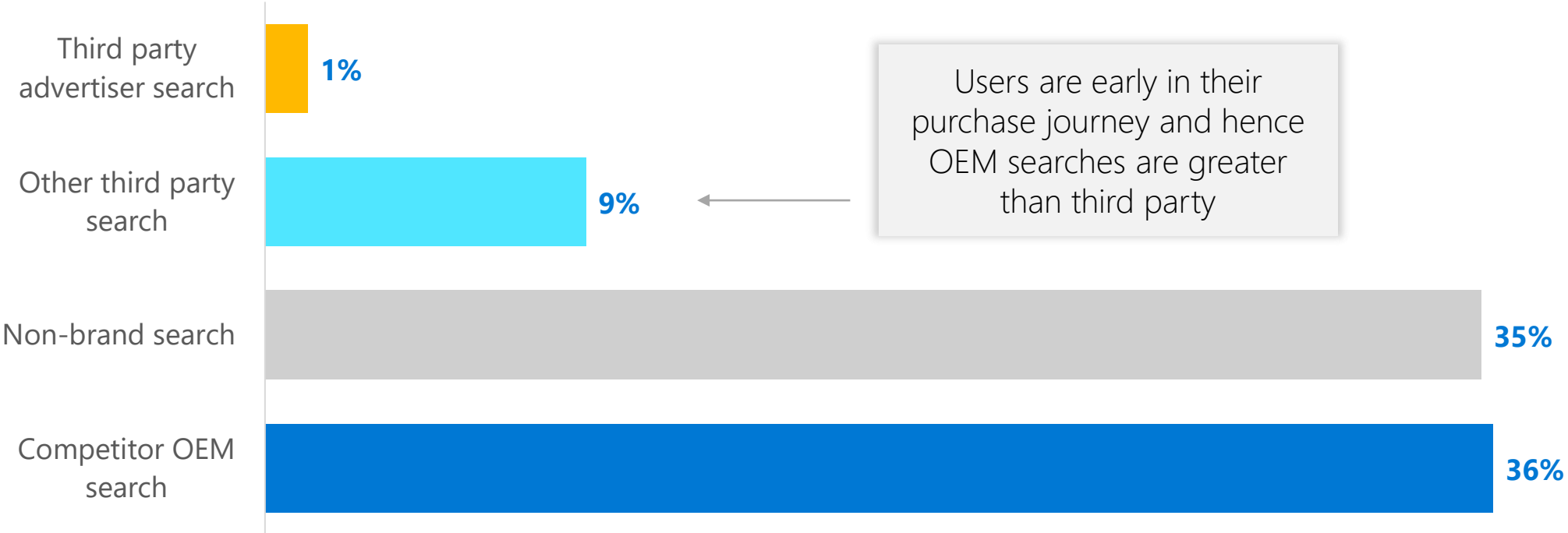
OEMs must serve ads to compete for non-brand clicks



Source: Microsoft Internal Data, August 2020 – October 2020, based on 500,000 users with at least one automotive paid click. Nonbrand queries include used/cpo while excluding aftermarket/parts & service queries.

When a third party advertiser does not serve an ad in a non-brand auction, users are most likely to next search for an OEM brand

% users by their **next search** when a third party advertiser did **not** serve a paid ad



Source: Microsoft Internal Data, August 2020 – October 2020, based on 500,000 users with at least one automotive paid click. Nonbrand queries include used/cpo while excluding aftermarket/parts & service queries.

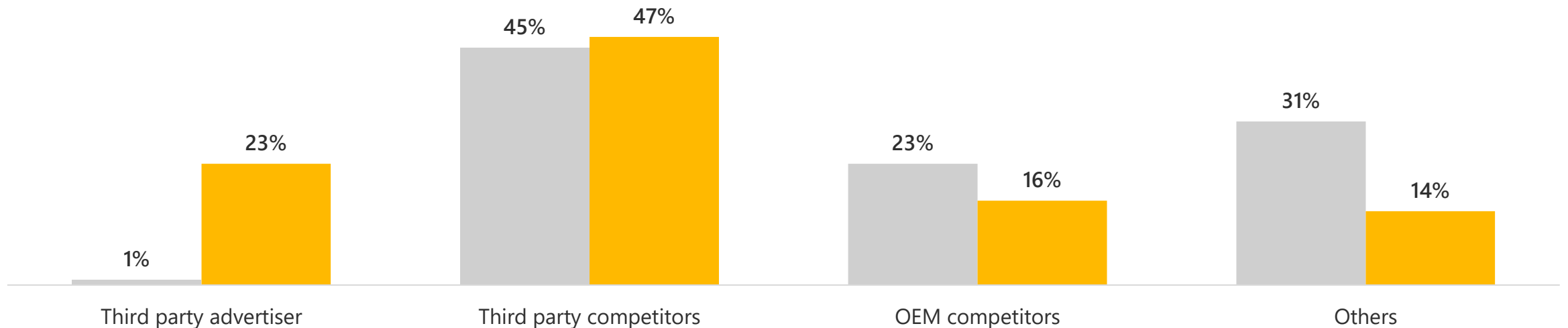


What happens when a third party advertiser ***does*** serve a paid ad on non-brand terms?

The average third party advertiser wins 23% of all non-brand clicks when serving a paid ad, 23x more than relying on organic alone

% of clicks won on non-brand searches

■ Top third party advertiser did NOT serve ad ■ Top third party advertiser did serve ad

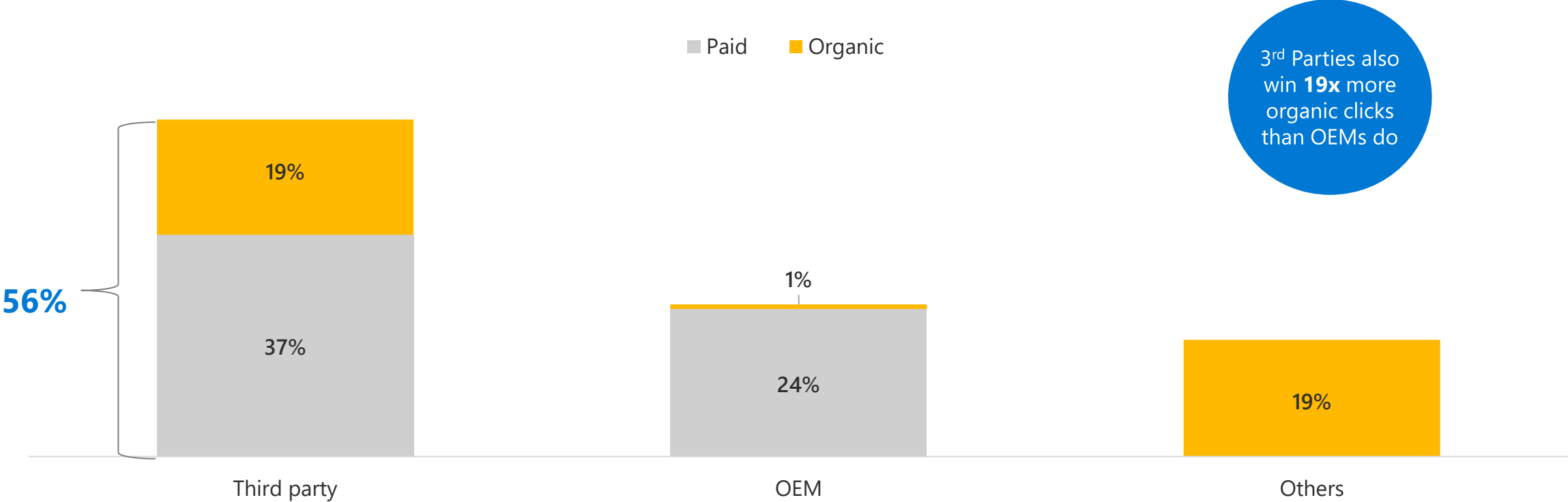


Serving ads on non-brand minimizes clicks to OEMs by 7%

Source: Microsoft Internal Data, August 2020 – October 2020, based on 500,000 users with at least one automotive paid click. Nonbrand queries include used/cpo while excluding aftermarket/parts & service queries.

When both third parties & OEMs are present in an auction, third parties are 1.5x more likely to win the paid click

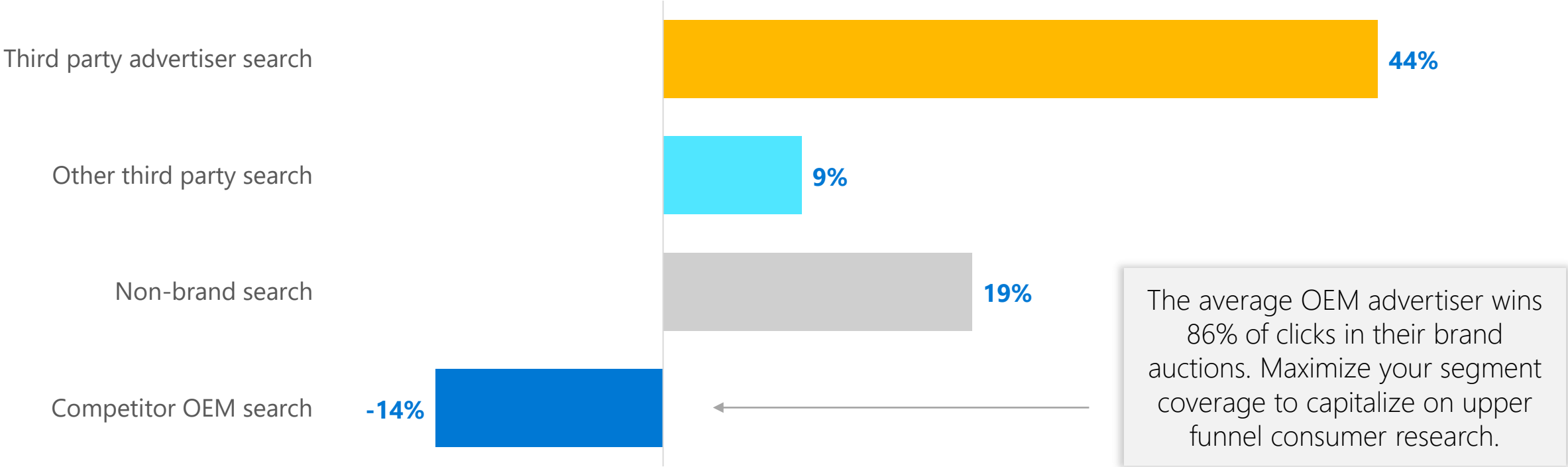
% of clicks earned when both third party & OEMs serve an ad



Source: Microsoft Internal Data, August 2020 – October 2020, based on 500,000 users with at least one automotive paid click. Nonbrand queries include used/cpo while excluding aftermarket/parts & service queries.

When a third party advertiser serves a paid ad in a non-brand auction, users are 44% more likely to search for that third party brand again

Lift in likelihood of the users' next search

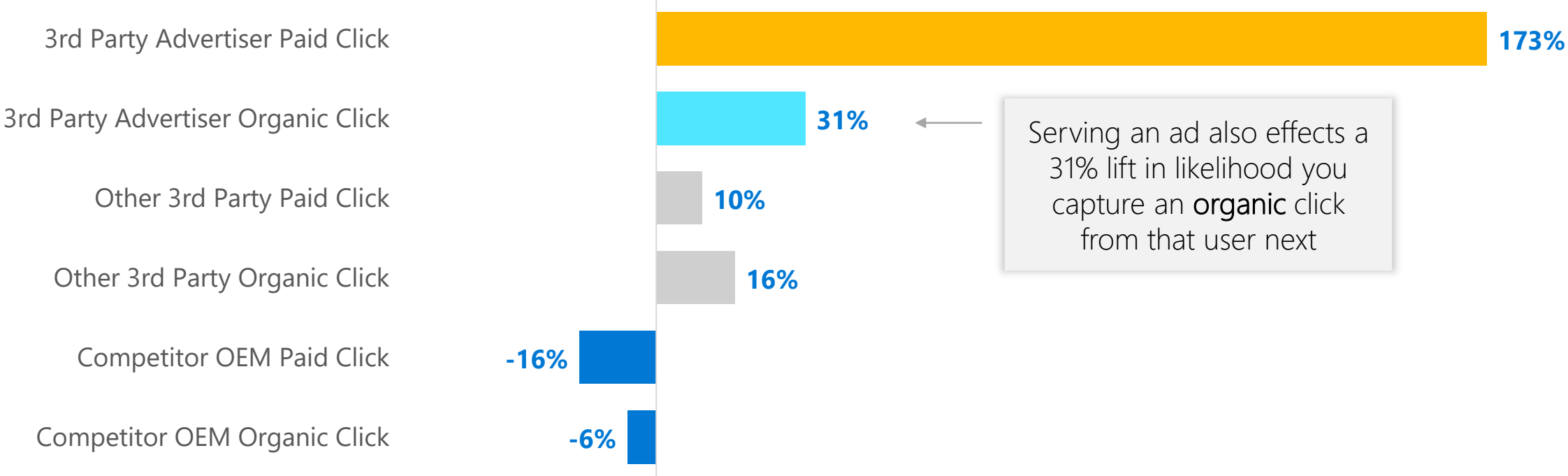


Source: Microsoft Internal Data, August 2020 – October 2020, based on 500,000 users with at least one automotive paid click.
Nonbrand queries include used/cpo while excluding aftermarket/parts & service queries.



When a 3rd Party advertiser serves a paid ad in a non-brand auction, users are 173% more likely to click on that advertiser's ad again next

Lift in likelihood of the users' **next click**



Source: Microsoft Internal Data, August 2020 – October 2020, based on 500,000 users with at least one automotive paid click. Nonbrand queries include used/cpo while excluding aftermarket/parts & service queries.

Inclusion of relevant non-brand keywords maximizes third party search efficacy

- 1** **52%** of all non-brand clicks are captured by paid ads, reflective of consumer trust in top search engine result page listings and of the opportunity non-brand ads present to influence a shopper's consideration set
- 2** The average third party advertiser wins **23%** of paid clicks when serving an ad on non-brand, **23x more** clicks than when relying on organic alone. Concurrently, OEM clicks decline by **7%**.
- 3** Users are **44%** more likely to search for your third party brand name after being exposed to your non-brand ad
- 4** Users are **174%** more likely to next click on your third party paid ad after being exposed to your non-brand ad, and **31%** more likely to next click on your third party organic listing.



"We've been really impressed with the results and now we find ourselves asking, what other untapped potential is there in the Microsoft Advertising platform."

— Louise McMahon, Marketing Manager, Honda



Incremental clicks

+11%



Microsoft Audience Network drove 11% incremental clicks for Honda and contributed to a massive 64% of their total impressions with Microsoft Advertising.

64%



Honda expands its digital footprint with the Microsoft Audience Network

Japanese automotive manufacturer [Honda](#) is one of the world's largest car producers. Working in collaboration with agency [Dentsu Aegis Network](#), Honda was looking for new ways to expand its digital footprint to reach new customers. When the [Microsoft Audience Network](#) was proposed, they jumped on the chance to increase their brand reach.

Increasing brand awareness in new digital spaces

Honda's digital strategy combines display advertising, social channels, paid and organic search to support its dealers across four main objectives. The conversion drivers they look to achieve are brochure downloads, car configurators, booking test drives and finding a dealer.

While social and display channels are primarily used for brand awareness, search is the primary channel to drive consideration and conversions. "We were looking to increase volume and the potential pool we could cover from," commented Jeff Bilson, Paid Search Manager at Dentsu Aegis Network. "When we saw we could expand our display campaigns across the Microsoft properties without the need to learn a completely new platform, it just made sense," said Oliver Kersey, Paid Search Manager at Dentsu Aegis Network.

Great results above expectations

Over a four-month period between September and December 2019, the Microsoft Audience Network drove 11% incremental clicks for Honda and contributed to a massive 64% of their total impressions with Microsoft Advertising. Not only was the campaign a success in terms of increased visibility for the Honda brand, but it also drove incremental leads and conversions. The benefit of the Microsoft Audience Network highly targeted matching algorithm meant that a brand awareness campaign was also delivering solid conversions.

Source: Honda Internal Data, 2019

Microsoft Advertising. Intelligent Connections.



**VIEW THE
CUSTOMER STORY**

To get actionable data, insights and best practices to help make decisions and grow your business, visit MicrosoftAdvertising.com/Insights



Microsoft Advertising. Intelligent connections.

© Copyright Microsoft Corporation. All rights reserved.