Microsoft

Banking, Credit & Investments in Germany on the Microsoft Search Network

Microsoft Advertising Insights

Content

- **Total traffic trends**

- **Key performance indicator (KPI) Analysis**

- **Audience profile**

- **Brand vs. generic term KPI analysis**

- **Bidding strategy performance**

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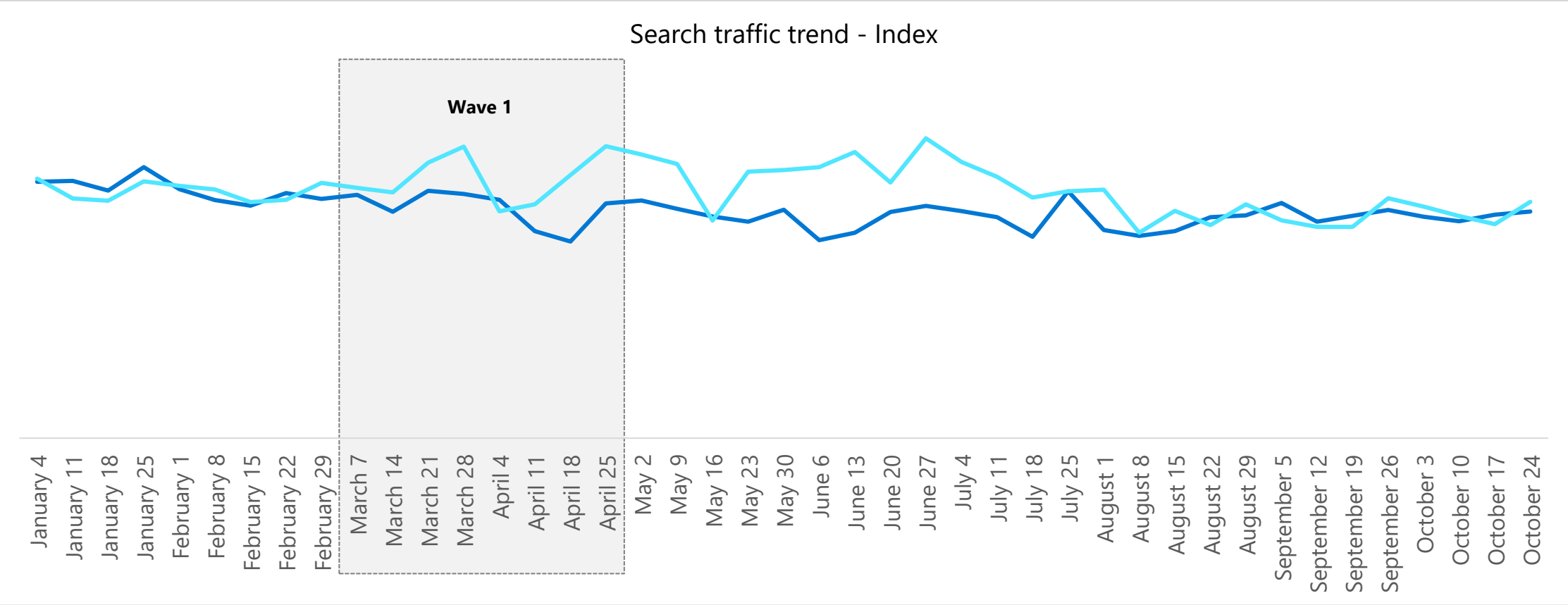
- **Recommended actions**

Methodology

- **Market**: Germany

- **Timeline**: 2020, January to October

- **Vertical**: Banking, Credit and Investing

- **Traffic**: Microsoft Network O&O, All devices

- **Analysis dimensions**
  - **Query set**:
    - Banking: searches related to 'bank', 'online banking', 'girokonto', sparkonto' etc.
    - Credits & Lending: searches related to 'kredit', 'darlehen', 'kreditvergleich' etc.
    - Investments: searches related to 'aktien', 'fonds', 'festgeld', 'tagesgeld' etc.
  - **Brand vs Generic**: Search traffic and performance metrics split between brand terms (search query including an advertiser brand name) and generic terms (no brand mentions)
  - **Traffic Sources**: total vertical traffic categorized by source into direct (all users going directly to relevant websites); organic (all users landing to relevant websites directly from search engines' organic results), paid (all users landing on relevant websites from paid ads, including search engine marketing (SEM), social and affiliate). Data sourced from Internet Explorer/Edge browser anonymized surfing data, in compliance to GDPR)
  - **Automated bidding strategy:** clicks seen on the network by bidding strategy origin, split between enhanced cost per click (eCPC), Target cost per action (CPA) and manual cost per click (CPC)

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Total search traffic trends
(Banking, Investing, Credit & Lending)

2019   2020
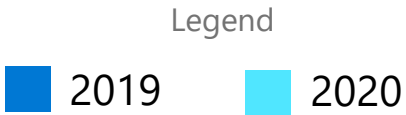
- With the outbreak of the pandemic, Microsoft Network users showed increases interest in finance-related topics
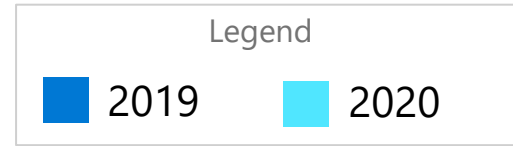- Searches exceeded 2019 volume starting at the onset of COVID-19 lasting into July

Search traffic trend - Index

Wave 1

January 4
January 11
January 18
January 25
February 1
February 8
February 15
February 22
February 29
March 7
March 14
March 21
March 28
April 4
April 11
April 18
April 25
May 2
May 9
May 16
May 23
May 30
June 6
June 13
June 20
June 27
July 4
July 11
July 18
July 25
August 1
August 8
August 15
August 22
August 29
September 5
September 12
September 19
September 26
October 3
October 10
October 17
October 24

Microsoft

I. BANKING

Search traffic trends (Banking)

- Interest in banking was not strongly influenced by COVID-19
- 2020 search volume was similar to 2019 and shows no major outliers

Search traffic trend - Index

Wave 1

Source: Microsoft Advertising Network O&O Internal Data, Jan 2019- Oct 2020, Banking, Credits & Investments, Germany, All devices

KPI trends (Banking)
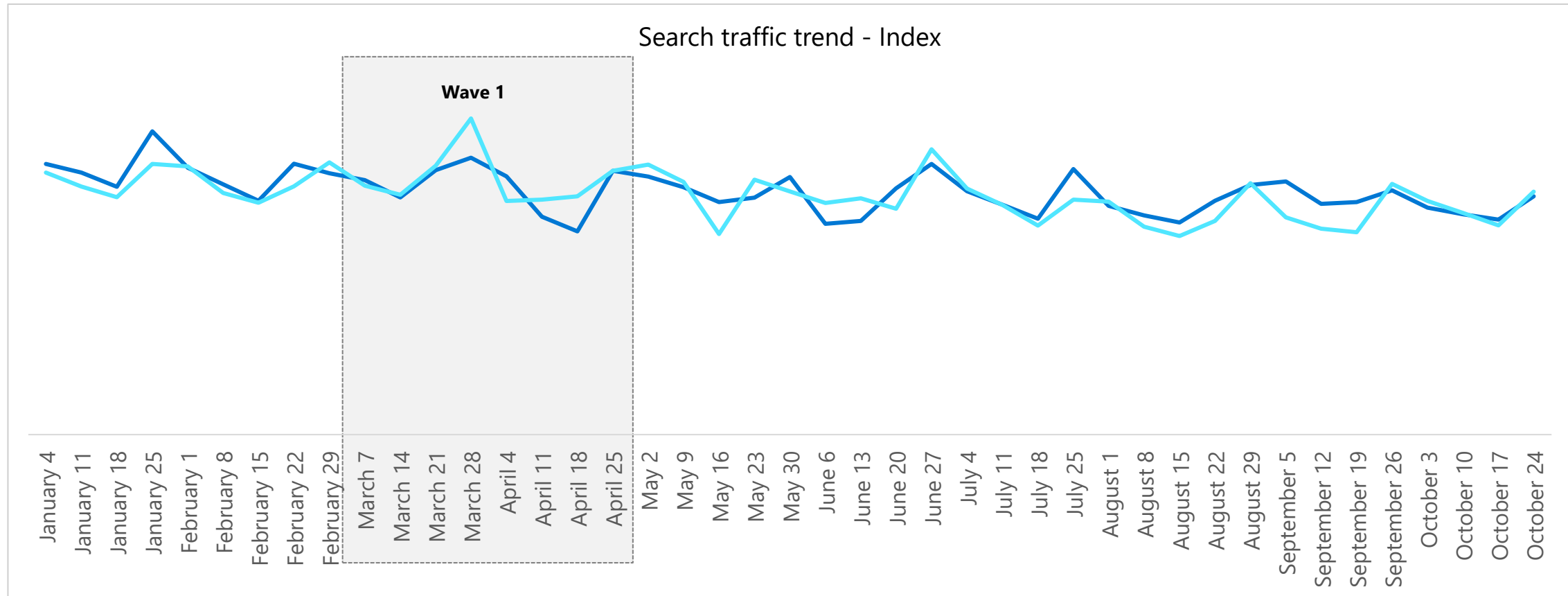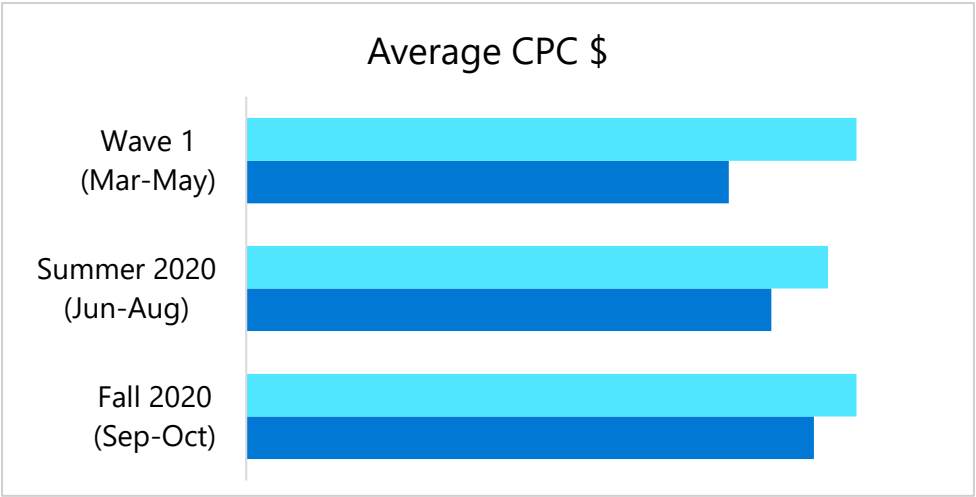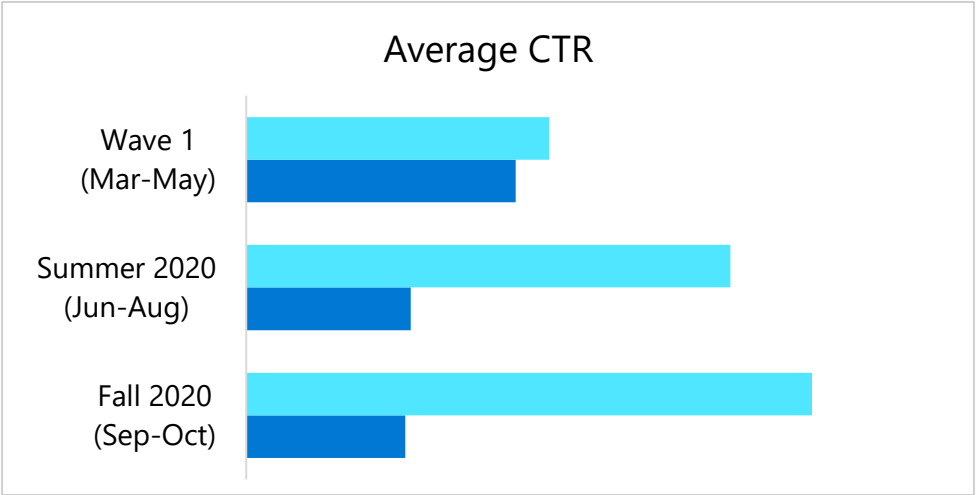
2019   2020

- The average click through rate (CTR) increased significantly starting in the summer compared to 2019

Search traffic YoY %

Wave 1 (Mar-May)	2%
Summer 2020 (Jun-Aug)	-1%
Fall 2020 (Sep-Oct)	-9%

Average CTR

Wave 1 (Mar-May)
Summer 2020 (Jun-Aug)
Fall 2020 (Sep-Oct)

Average CPC $

Wave 1 (Mar-May)
Summer 2020 (Jun-Aug)
Fall 2020 (Sep-Oct)

Microsoft
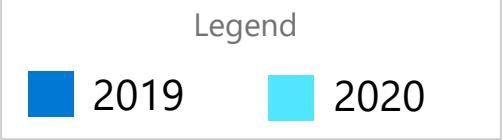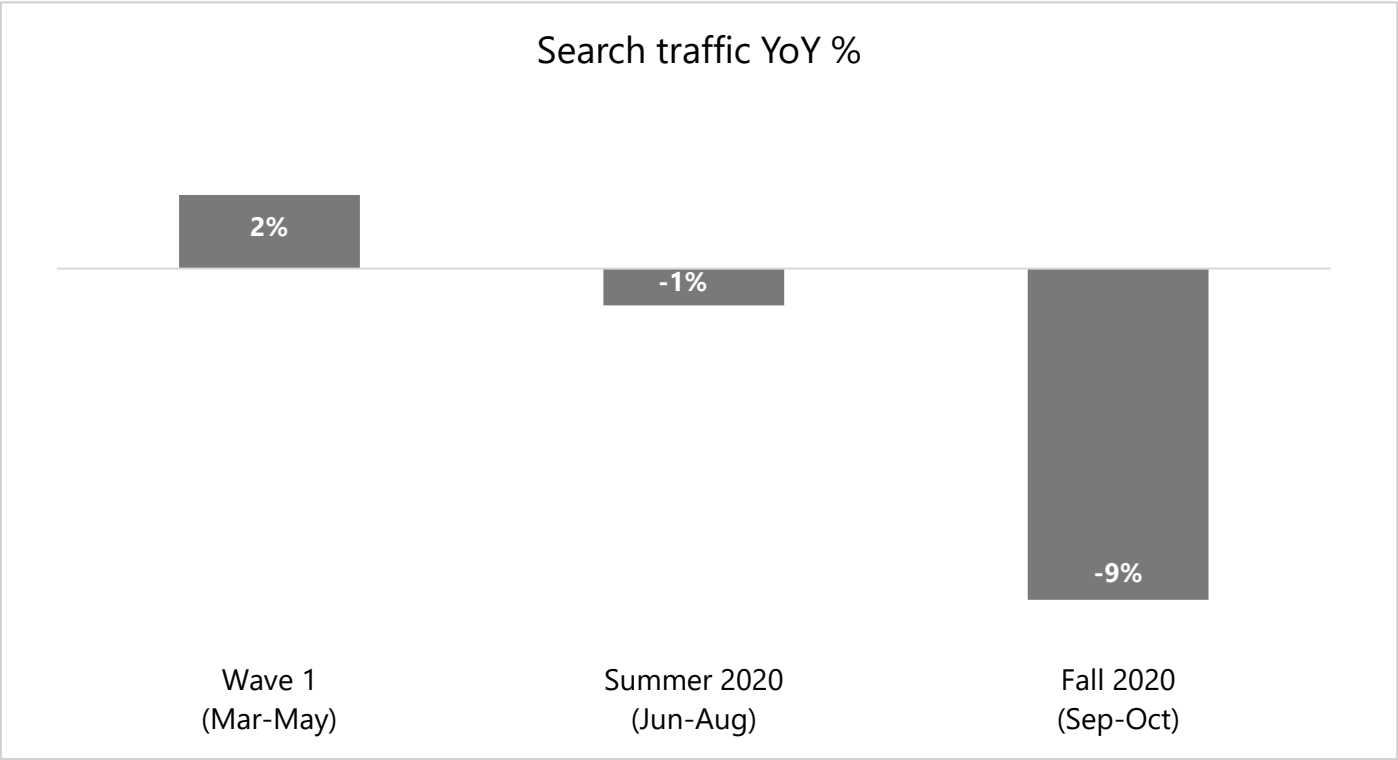
Audience demographic profile (Banking)

- During Wave 1 of COVID-19, we saw a larger share of more senior users on the network, with the age group 50-65+ accounting for 64% of total users
- People searching for bank related terms are mostly male

User Gender Profile
(Search Traffic %)

	Male	Female
Wave 1 (Mar-May)	70%	30%
Summer 2020 (Jun-Aug)	67%	33%
Fall 2020 (Jun-Aug)	65%	35%

User Age Profile
(Search Traffic %)

	13-17	18-24	25-34	35-49	50-64	65+
Wave 1 (Mar-May)	1%	6%	9%	21%	35%	29%
Summer 2020 (Jun-Aug)	1%	6%	10%	23%	35%	25%
Winter 2020 (Sep-Oct)	1%	7%	12%	24%	34%	24%

Legend: ■ 13-17 ■ 18-24 ■ 25-34 ■ 35-49 ■ 50-64 ■ 65+

Microsoft
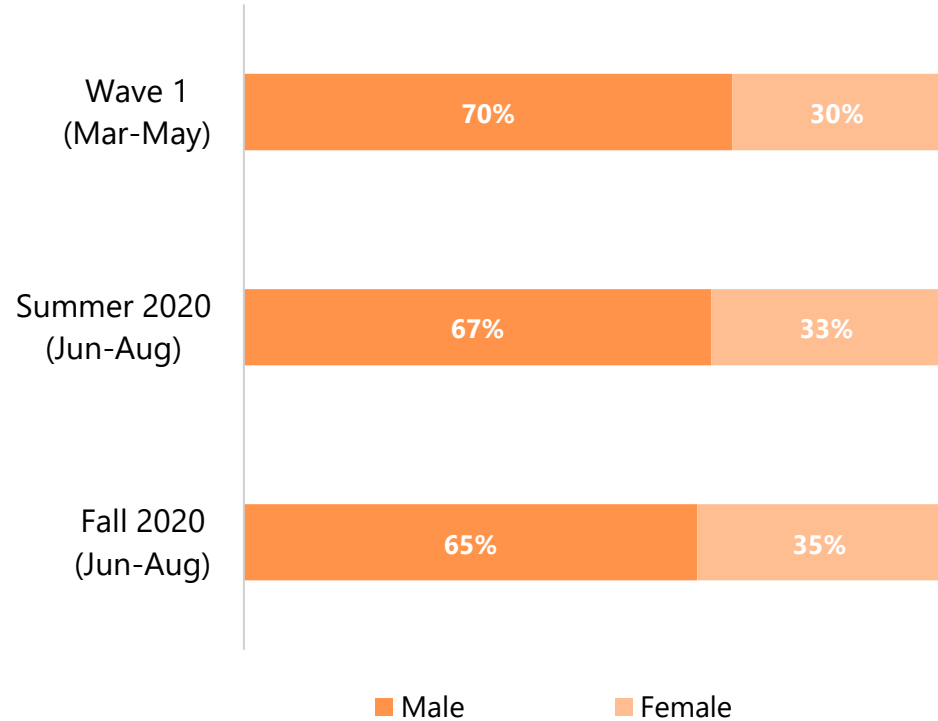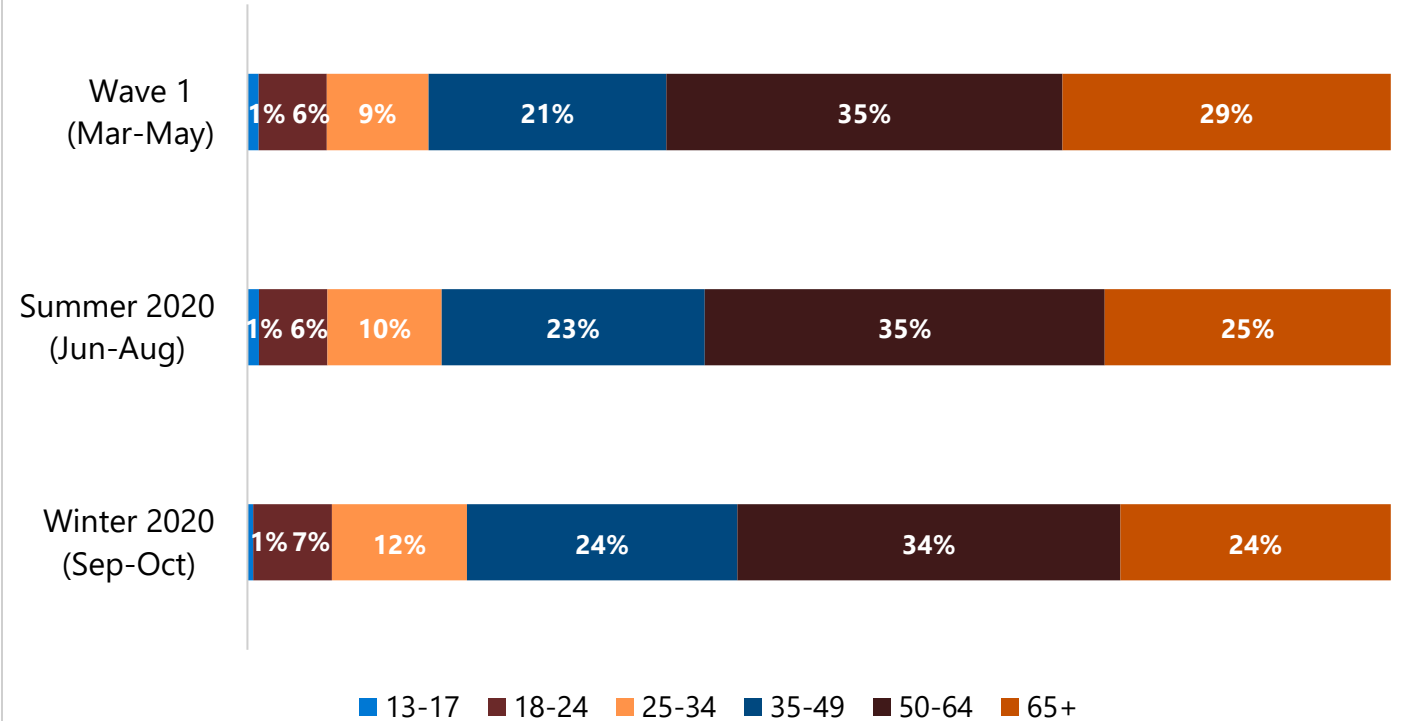
Brand versus generic performance (Banking)
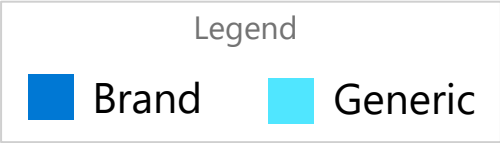

- Search traffic for 'banking' is mostly generic
- The share of clicks is proportionally higher for brand terms

Legend
Brand   Generic

Search traffic %

	Wave 1 (Mar-May)	Summer 2020 (Jun-Aug)	Fall 2020 (Sep-Oct)
Generic	80%	79%	80%
Brand	20%	21%	20%

Clicks %

	Wave 1 (Mar-May)	Summer 2020 (Jun-Aug)	Fall 2020 (Sep-Oct)
Generic	69%	66%	65%
Brand	31%	34%	35%

Average CTR

Average CPC $

Microsoft
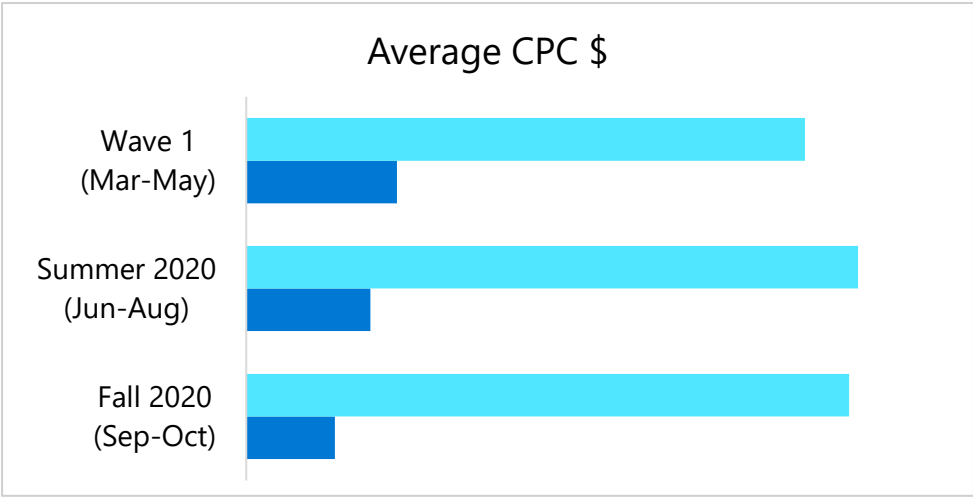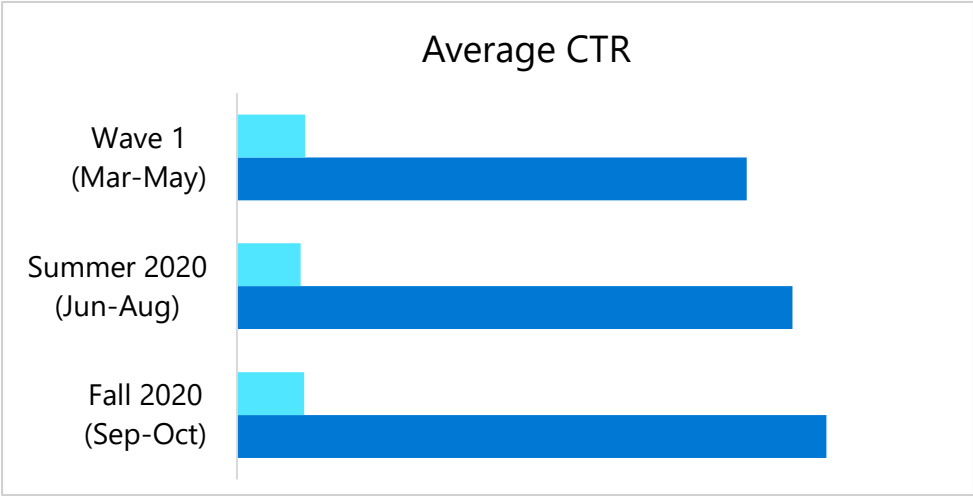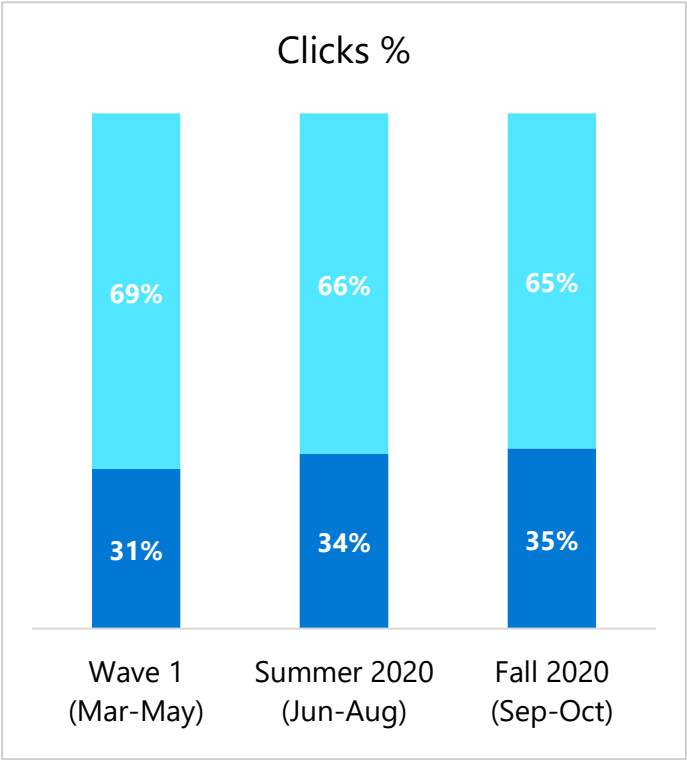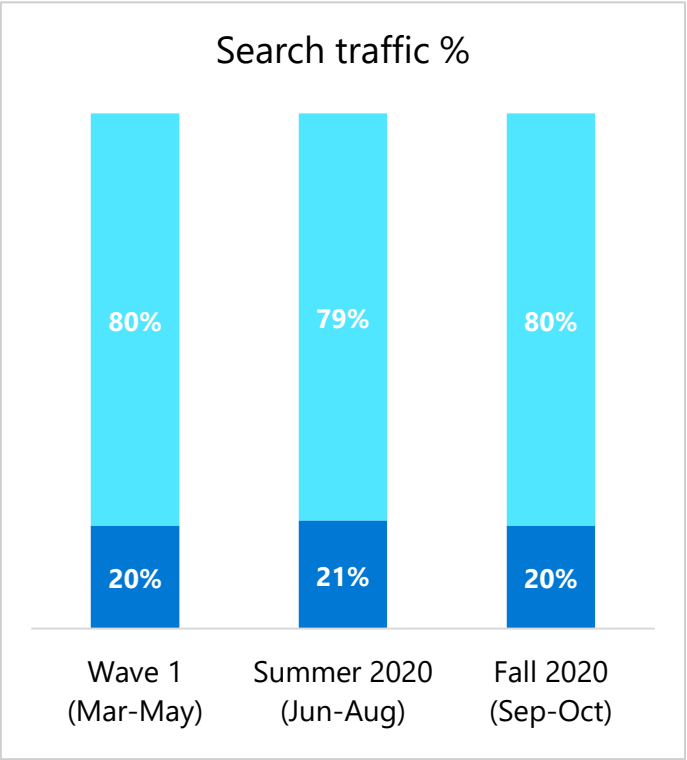
Digital traffic source analysis (Banking)

- Direct traffic from search engines accounted for most of the traffic to banking websites in Germany
- Paid traffic (including all channels) made up about 1/3 of traffic
- Organic traffic declined slightly over time
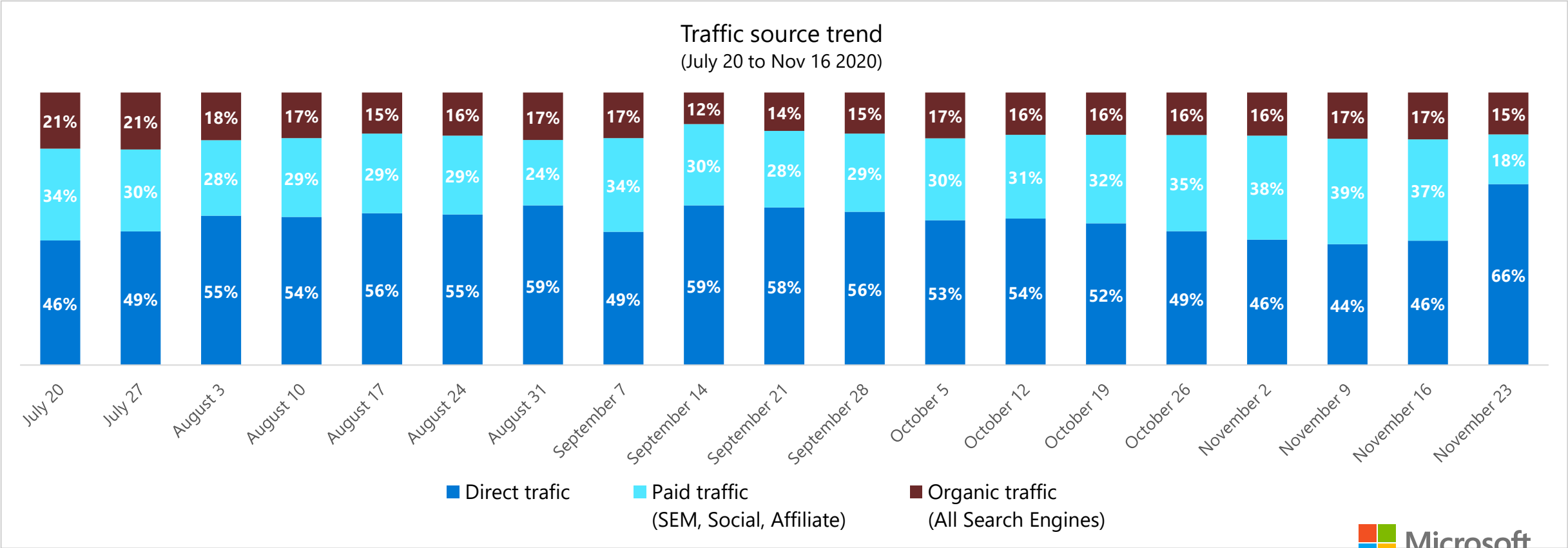
Traffic source trend
(July 20 to Nov 16 2020)

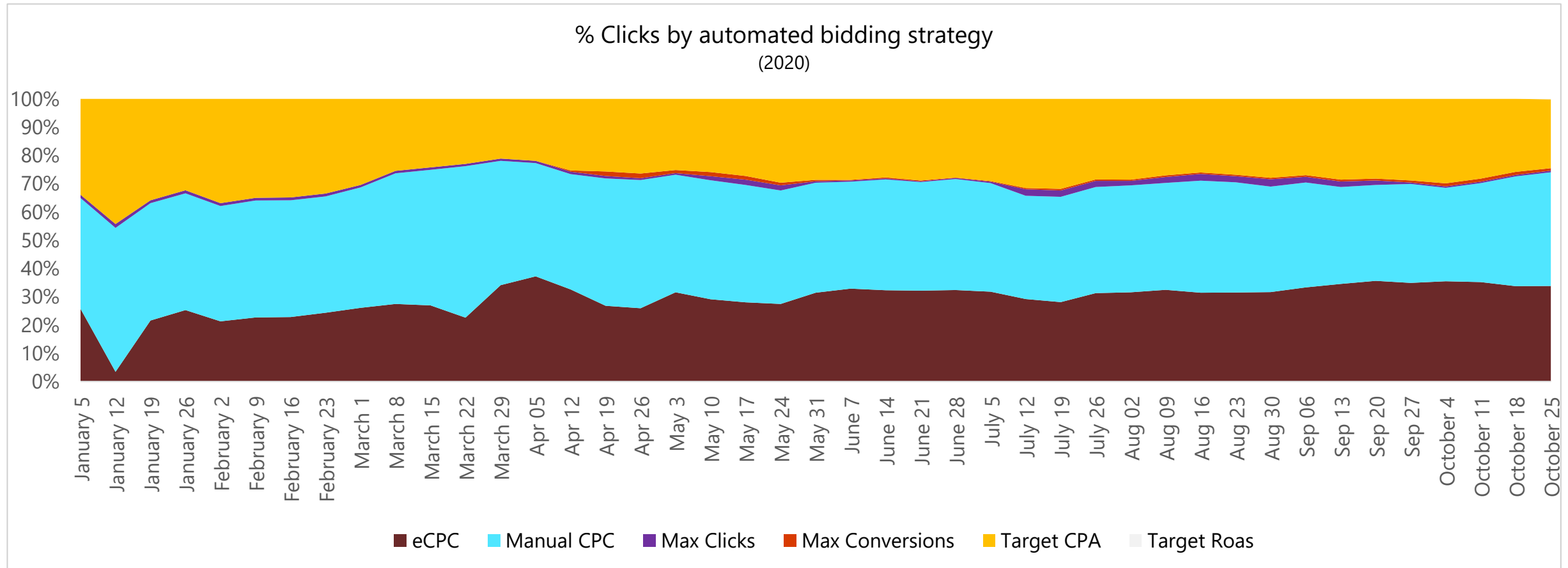|	July 20	July 27	August 3	August 10	August 17	August 24	August 31	September 7	September 14	September 21	September 28	October 5	October 12	October 19	October 26	November 2	November 9	November 16	November 23
Organic traffic	21%	21%	18%	17%	15%	16%	17%	17%	12%	14%	15%	17%	16%	16%	16%	16%	17%	17%	15%
Paid traffic	34%	30%	28%	29%	29%	29%	24%	34%	30%	28%	29%	30%	31%	32%	35%	38%	39%	37%	18%
Direct trafic	46%	49%	55%	54%	56%	55%	59%	49%	59%	58%	56%	53%	54%	52%	49%	46%	44%	46%	66%

■ Direct trafic   ■ Paid traffic (SEM, Social, Affiliate)   ■ Organic traffic (All Search Engines)
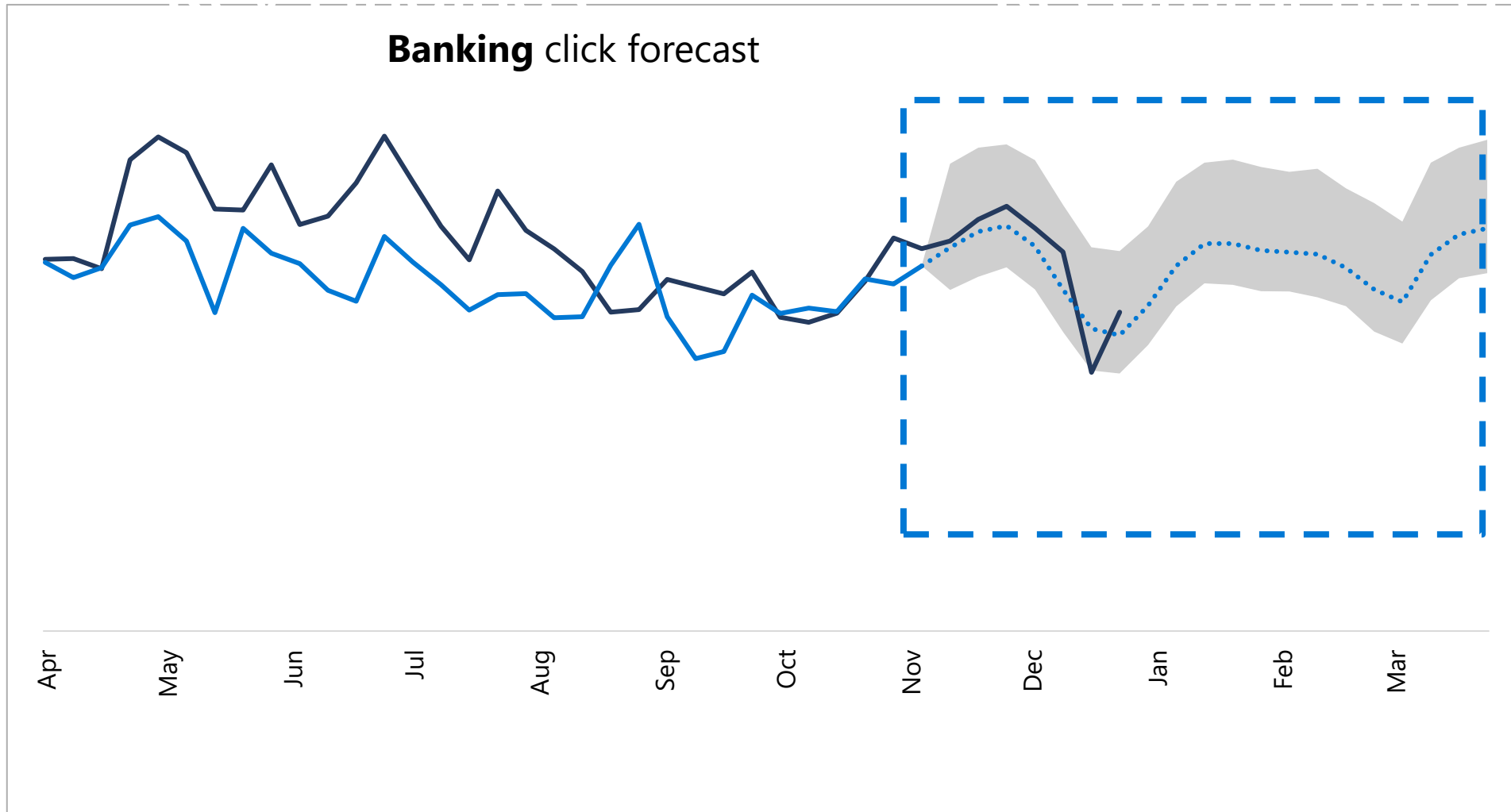
Microsoft

Source: Microsoft Advertising Internal Data, July 2020 - November 2020, Banking, Credits & Investments, Germany, website traffic analysis, IE/Edge data (GRDP compliant)

Automated bidding strategy analysis (Banking)

- eCPC and Target CPA are common automated bidding strategies used by banking advertisers
- About one out of three banking advertisers are now using eCPC to control their bids

% Clicks by automated bidding strategy
(2020)

Legend: eCPC, Manual CPC, Max Clicks, Max Conversions, Target CPA, Target Roas

Microsoft

Banking forecast

Banking click forecast

2020 Actuals
2019 Actuals
Forecast

- Our forecasting model predicts an increase in clicks in the first quarter of 2021

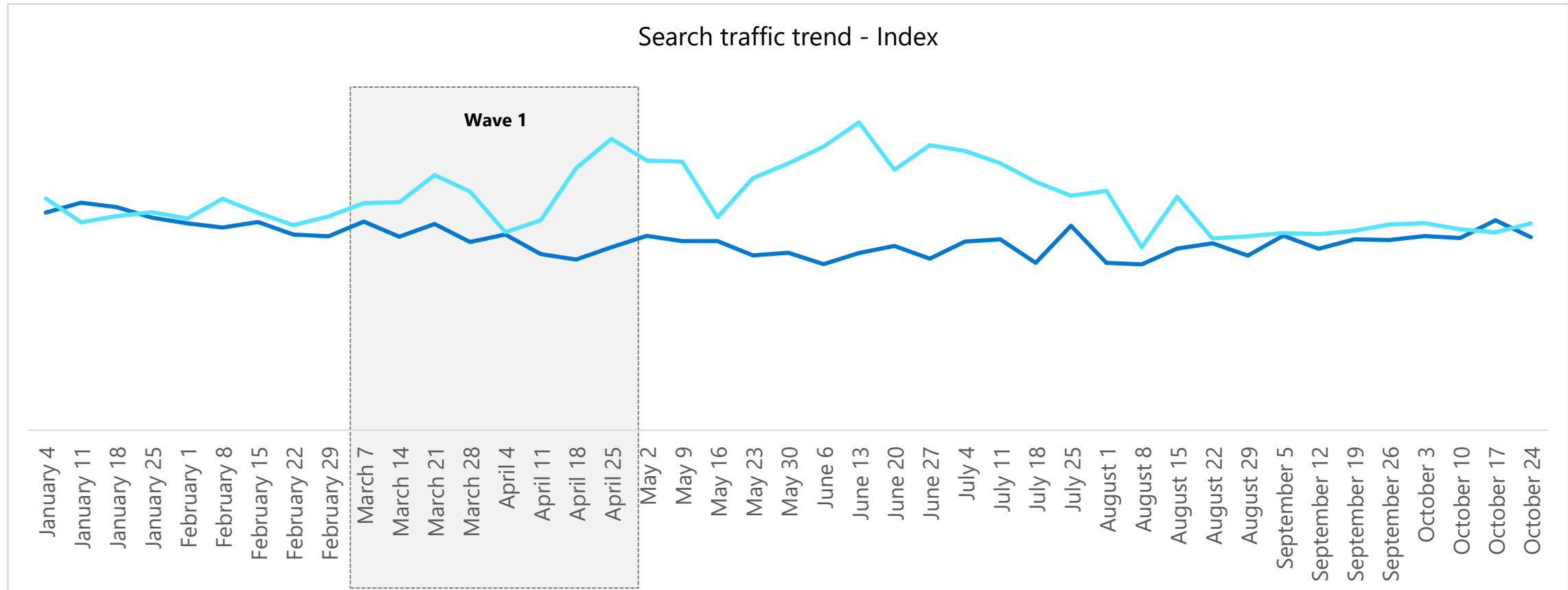Apr · May · Jun · Jul · Aug · Sep · Oct · Nov · Dec · Jan · Feb · Mar

Source: Microsoft Advertising Internal Data, Jan 2019-Oct 2020, Banking, Credits & Investments, Germany IT using adjusted PROPHET forecasting model

Microsoft

II. CREDITS & LENDING

Search traffic trends (Credits)
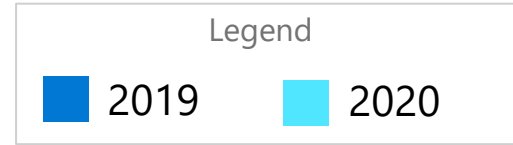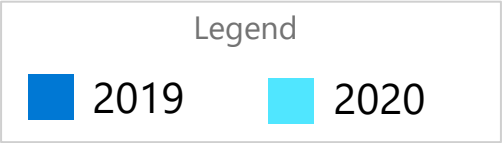
- Traffic grew significantly with the onset of the first wave of COVID-19 (Wave 1) lasting into August
- As COVID-19 affected businesses, interest in credits & lending increased

Search traffic trend - Index

Wave 1

Source: Microsoft Advertising Network O&O Internal Data, Jan 2019- Oct 2020, Banking, Credits & Investments, Germany, All devices

KPI trends (Credits)

- Searches spiked during Wave 1 and continued to grow during the summer months

- CTR increased compared to 2019 while CPC decreased

Search traffic YoY %

30%
38%
6%

Wave 1 (Mar-May)
Summer 2020 (Jun-Aug)
Fall 2020 (Sep-Oct)

Average CTR

Wave 1 (Mar-May)
Summer 2020 (Jun-Aug)
Fall 2020 (Sep-Oct)

Average CPC $

Wave 1 (Mar-May)
Summer 2020 (Jun-Aug)
Fall 2020 (Sep-Oct)

Microsoft

Source: Microsoft Advertising Network O&O Internal Data, Jan 2019- 2020, Banking, Credits & Investments, Germany, All devices
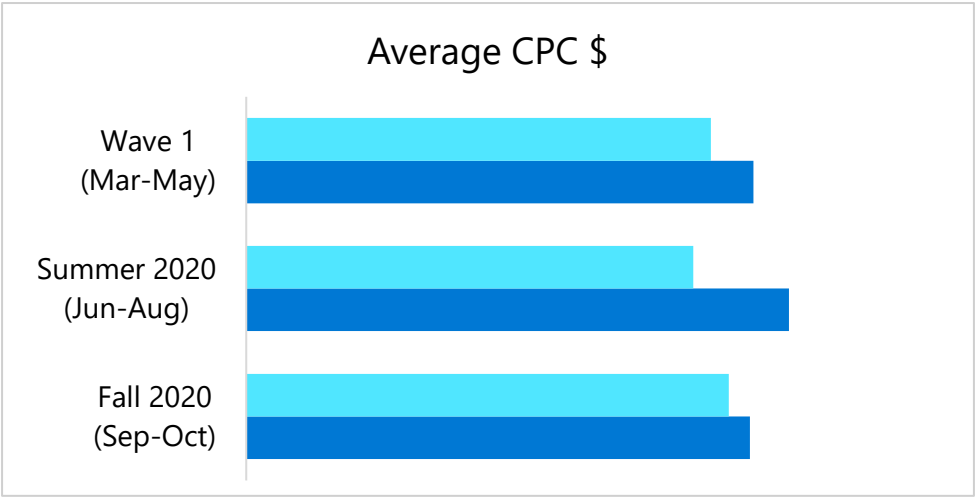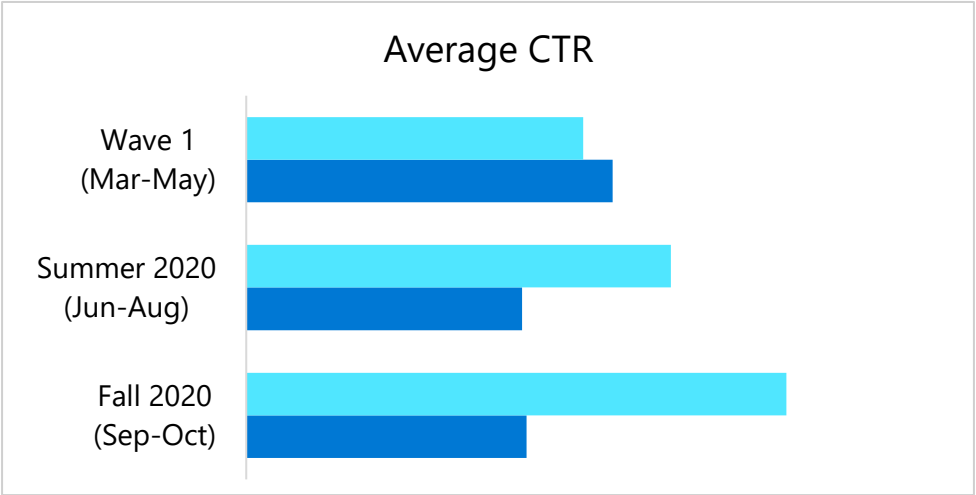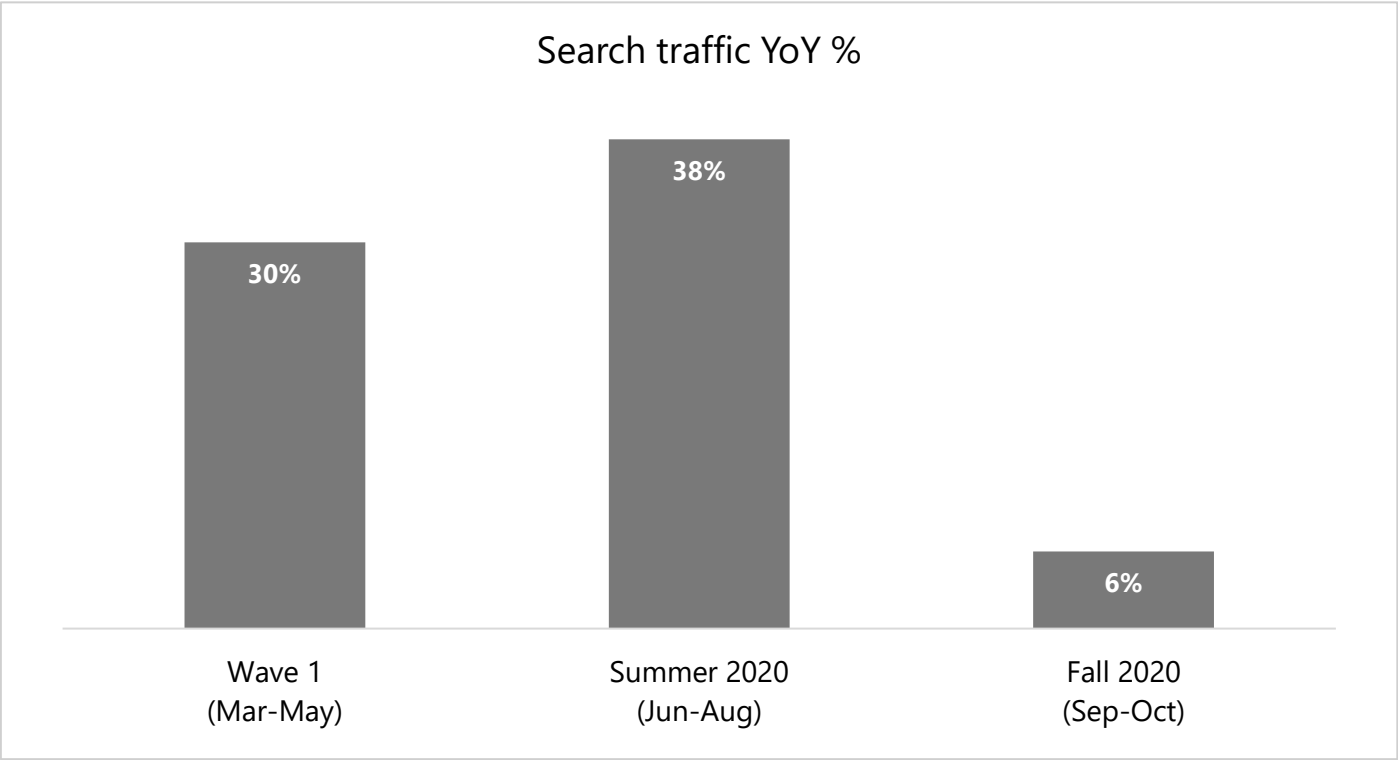
Audience demographic profile (Credits)

- In the fall of 2020, searches from a younger audience (25-34 and 35-49) increased
- Similar to banking, credit related searches are comprised of mostly males

User gender profile
(Search traffic %)

	Male	Female
Wave 1 (Mar-May)	71%	29%
Summer 2020 (Jun-Aug)	70%	30%
Fall 2020 (Sep-Oct)	70%	30%

User age profile
(Search traffic %)

	13-17	18-24	25-34	35-49	50-64	65+
Wave 1 (Mar-May)	2%	14%	11%	21%	28%	24%
Summer 2020 (Jun-Aug)	1%	12%	12%	21%	30%	24%
Fall 2020 (Sep-Oct)	1%	13%	14%	24%	27%	21%
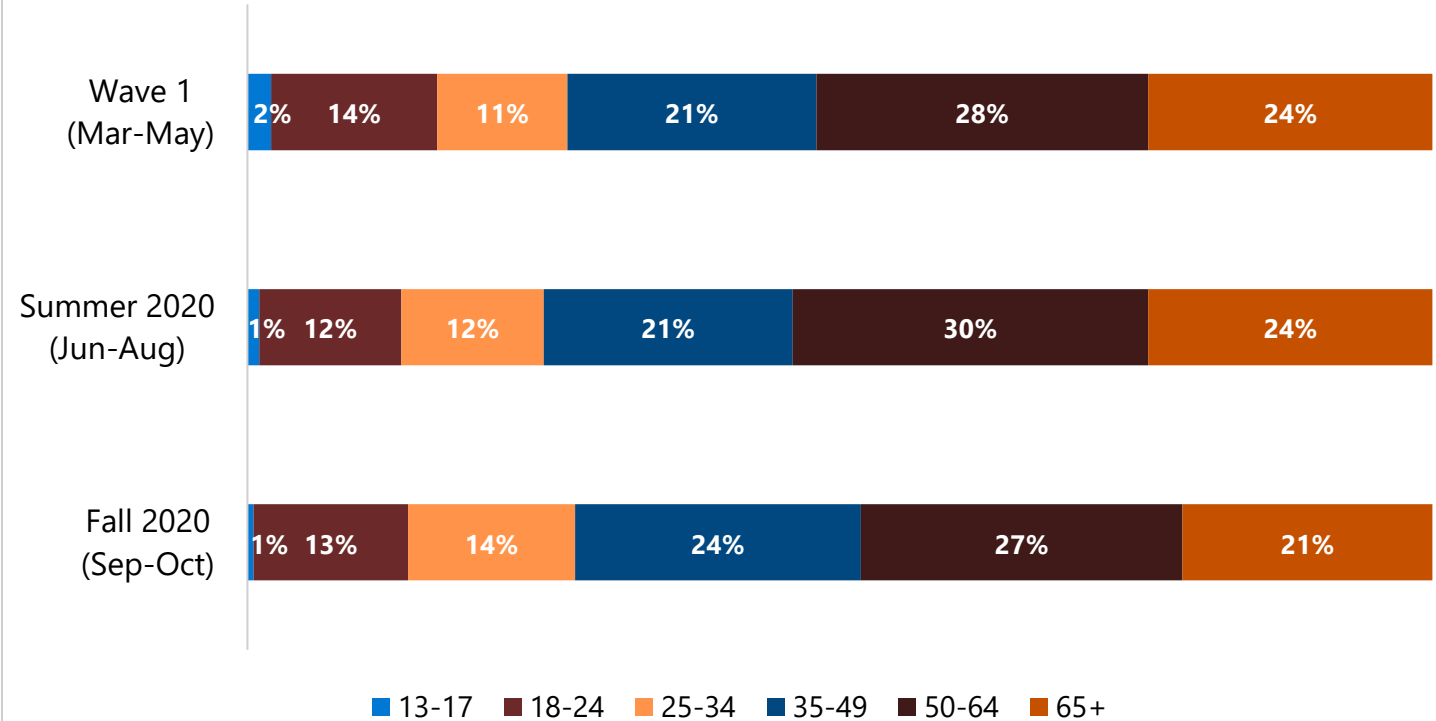
Microsoft

Brand versus generic performance (Credits)
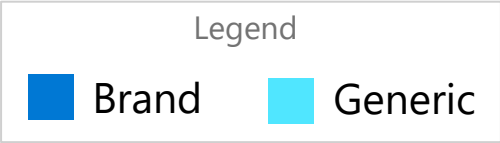
- Searches and clicks for credits are almost entirely coming from generic queries

Average CTR

Wave 1 (Mar-May)

Summer 2020 (Jun-Aug)

Fall 2020 (Sep-Oct)

Search traffic %

Wave 1 (Mar-May)	Summer 2020 (Jun-Aug)	Fall 2020 (Sep-Oct)
98%	98%	98%
2%	2%	2%

Clicks %

Wave 1 (Mar-May)	Summer 2020 (Jun-Aug)	Fall 2020 (Sep-Oct)
98%	98%	98%
2%	2%	2%

Average CPC $

Wave 1 (Mar-May)

Summer 2020 (Jun-Aug)

Fall 2020 (Sep-Oct)
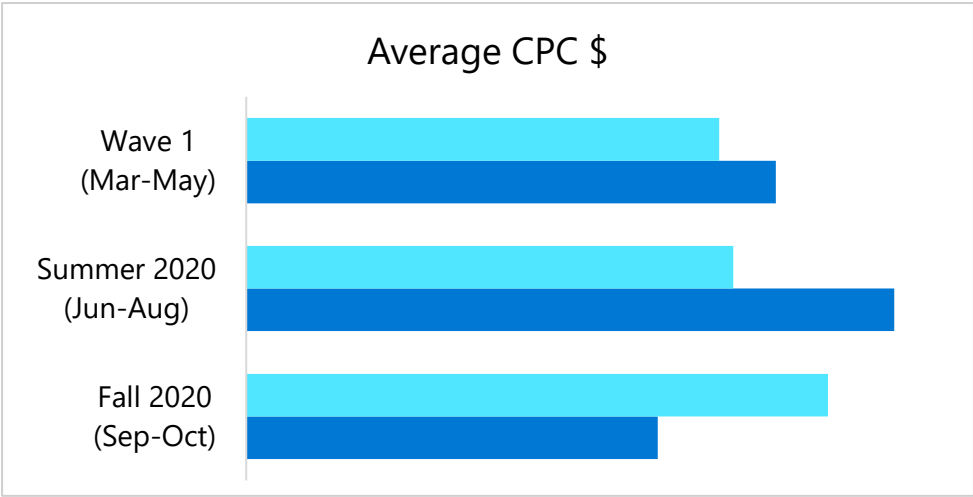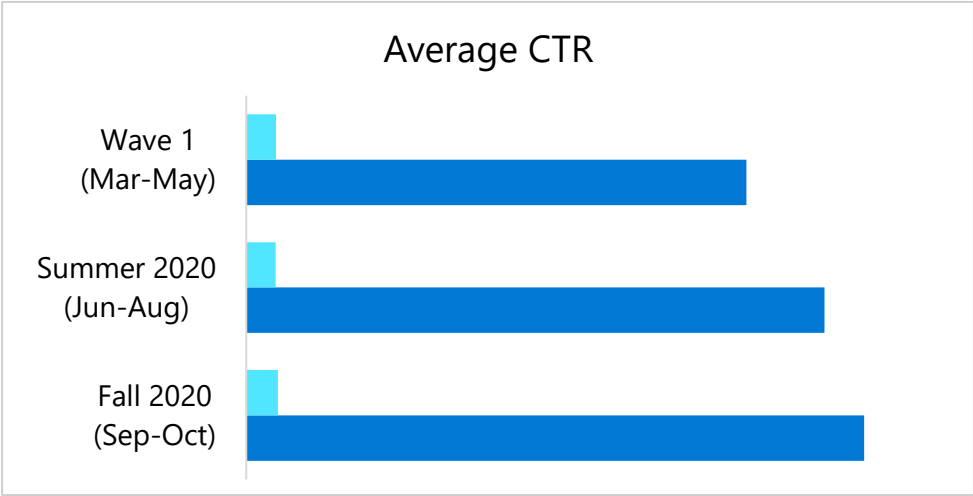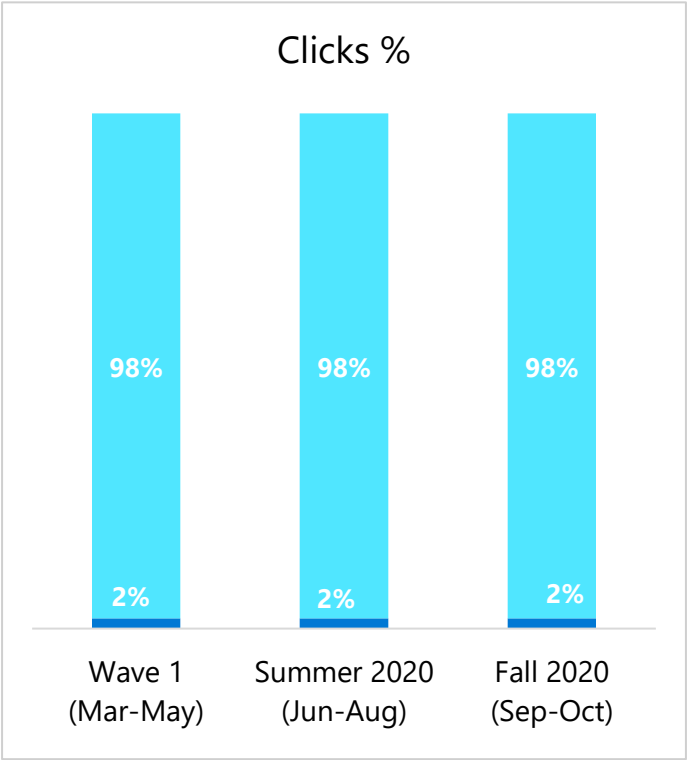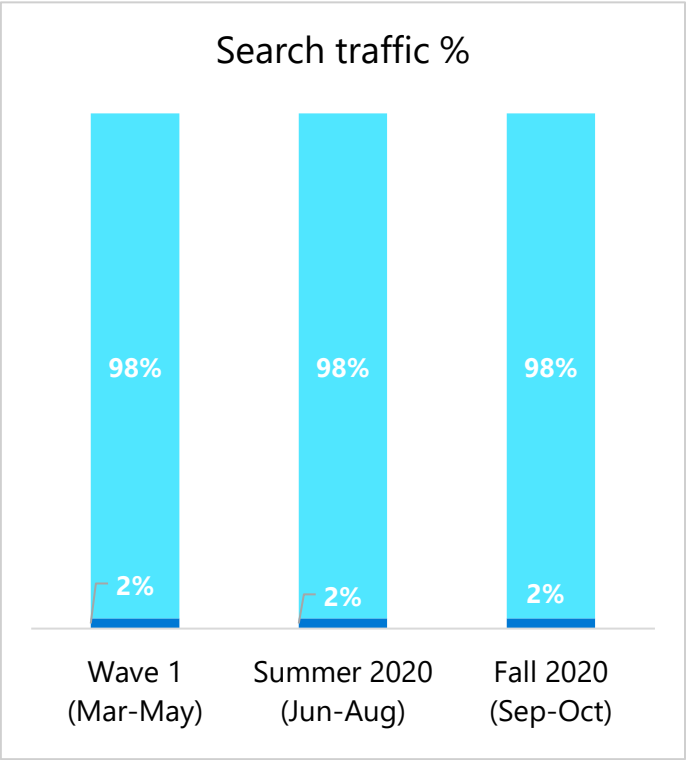
Microsoft

Digital traffic source analysis (Credits)

- Organic traffic has grown at the expense of paid traffic
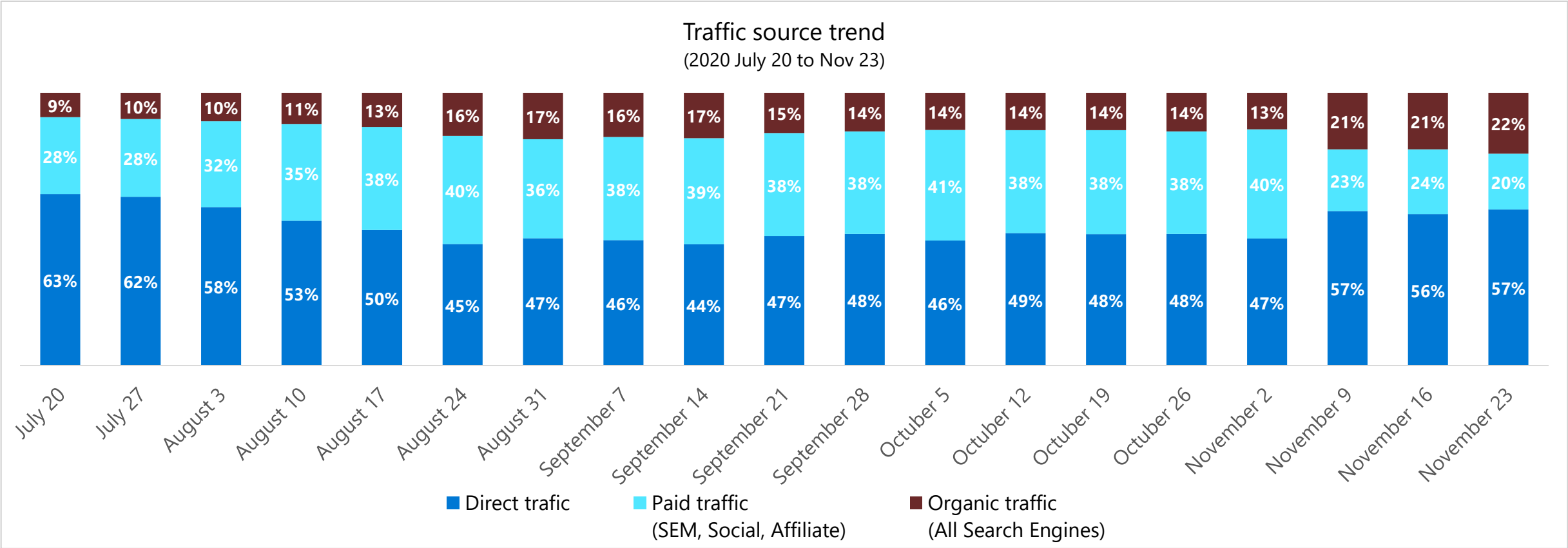
Traffic source trend
(2020 July 20 to Nov 23)

	July 20	July 27	August 3	August 10	August 17	August 24	August 31	September 7	September 14	September 21	September 28	October 5	October 12	October 19	October 26	November 2	November 9	November 16	November 23
Organic traffic	9%	10%	10%	11%	13%	16%	17%	16%	17%	15%	14%	14%	14%	14%	14%	13%	21%	21%	22%
Paid traffic	28%	28%	32%	35%	38%	40%	36%	38%	39%	38%	38%	41%	38%	38%	38%	40%	23%	24%	20%
Direct trafic	63%	62%	58%	53%	50%	45%	47%	46%	44%	47%	48%	46%	49%	48%	48%	47%	57%	56%	57%

Legend:
- Direct trafic
- Paid traffic (SEM, Social, Affiliate)
- Organic traffic (All Search Engines)

Microsoft

Automated bidding strategy analysis (Credits)

- More than 40% of clicks related to Credits are associated with eCPC bidding

% Clicks by automated bidding strategy
(2020)

Legend: ■ eCPC ■ Manual CPC ■ Max Clicks ■ Max Conversions ■ Target CPA ■ Target Roas

Source: Microsoft Advertising Network O&O Internal Data, Jan 2019- Oct 2020, Banking, Credits & Investments, Germany, All devices

Microsoft Bing
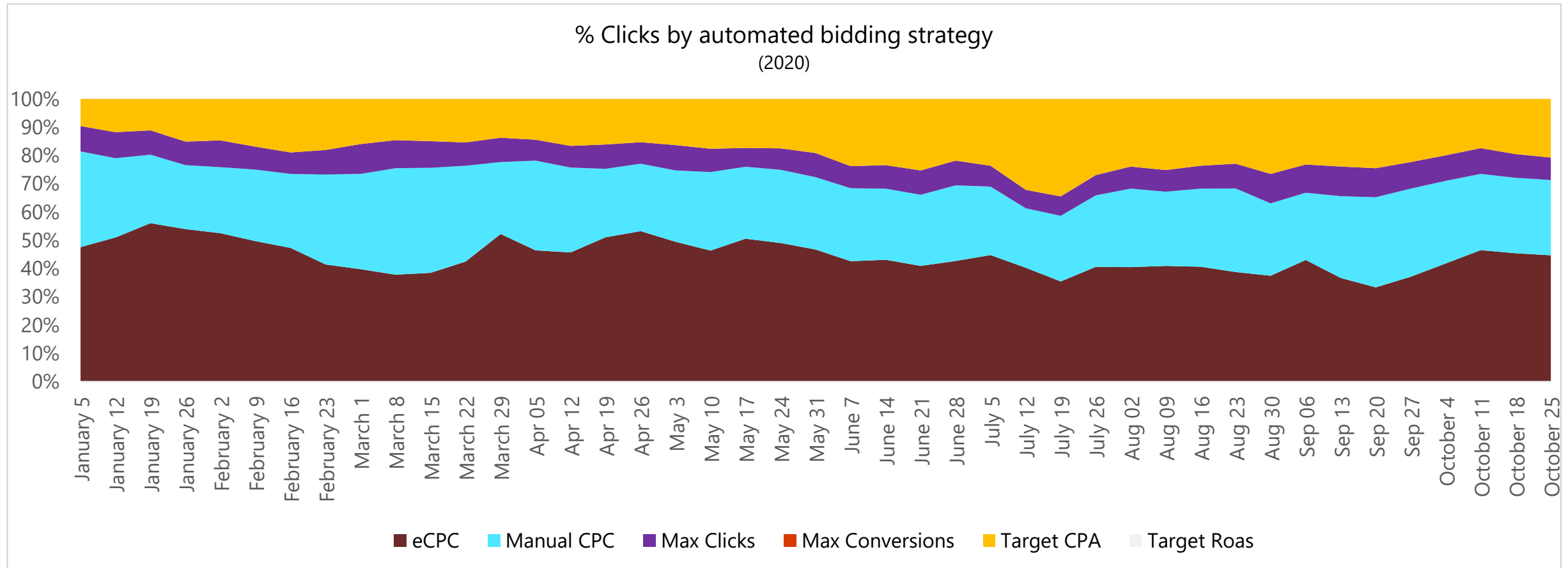
Credits & Lending forecast
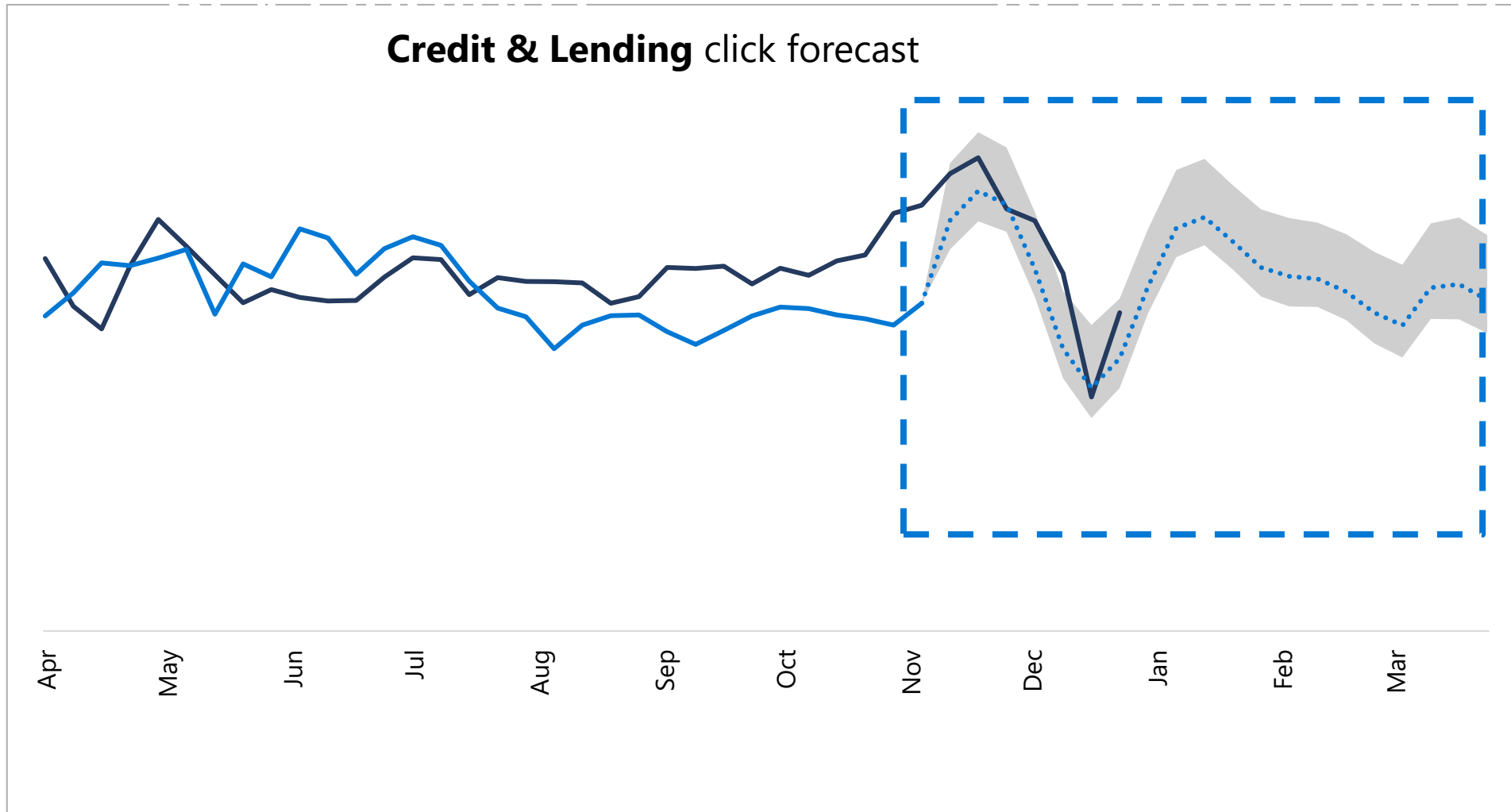
Credit & Lending click forecast

2020 Actuals
2019 Actuals
Forecast

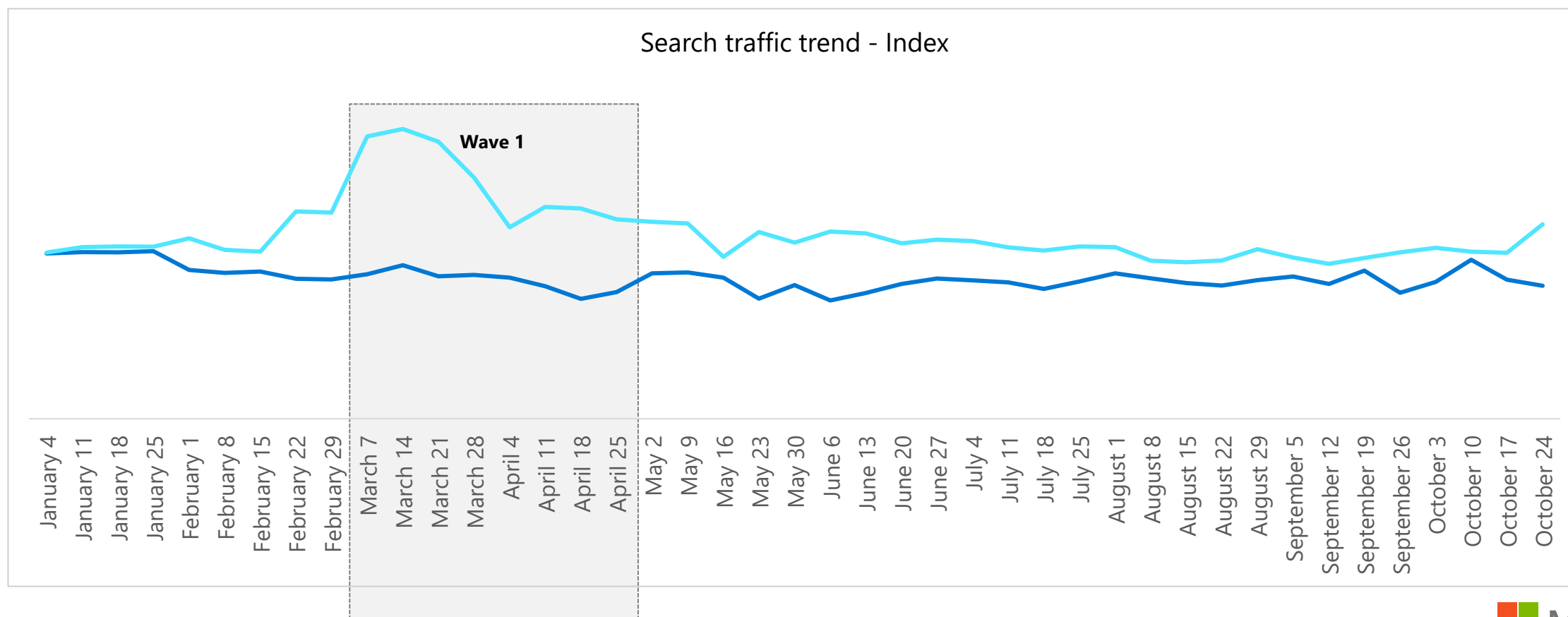▪ Our forecasting model predicts an increase in clicks in January, but the uncertainties associated with the second lockdown may additionally influence click volume

Source: Microsoft Advertising Internal Data, Jan 2019-Oct 2020 Banking, Credits & Investments, Germany using adjusted PROPHET forecasting model

Microsoft

III. INVESTMENTS

Search traffic trend (Investments)
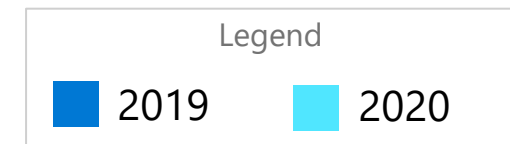
- At the outbreak of the pandemic, users showed high interest in investment opportunities like stocks, bonds, etc.
- Searches related to investing increased as the first lockdown began, and volume remained consistently above 2019 numbers

Search traffic trend - Index

Wave 1

January 4, January 11, January 18, January 25, February 1, February 8, February 15, February 22, February 29, March 7, March 14, March 21, March 28, April 4, April 11, April 18, April 25, May 2, May 9, May 16, May 23, May 30, June 6, June 13, June 20, June 27, July 4, July 11, July 18, July 25, August 1, August 8, August 15, August 22, August 29, September 5, September 12, September 19, September 26, October 3, October 10, October 17, October 24

Source: Microsoft Advertising Network O&O Internal Data, Jan 2019- Oct 2020, Banking, Credits & Investments, Germany, All devices

Microsoft

KPI trends (Investments)

- Searches spiked during Wave 1 and continued to grow (at a slower rate) into autumn
- CTR increased in the summer and fall, and CPCs grew due to increased competition

Search traffic YoY %

Wave 1 (Mar-May)	57%
Summer 2020 (Jun-Aug)	27%
Fall 2020 (Sep-Oct)	17%

Average CTR

Wave 1 (Mar-May)
Summer 2020 (Jun-Aug)
Fall 2020 (Sep-Oct)

Average CPC $

Wave 1 (Mar-May)
Summer 2020 (Jun-Aug)
Fall 2020 (Sep-Oct)

Microsoft

Source: Microsoft Advertising Network O&O Internal Data, Jan 2019- 2020, Banking, Credits & Investments, Germany, All devices
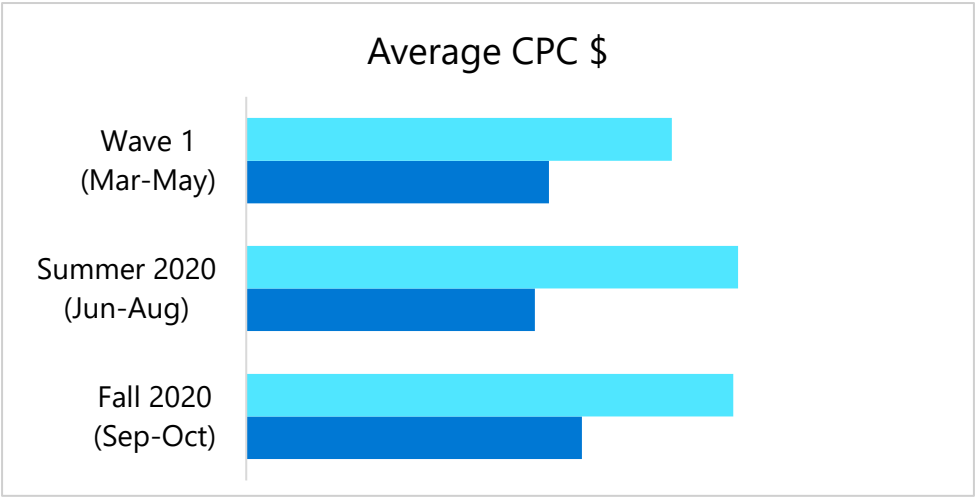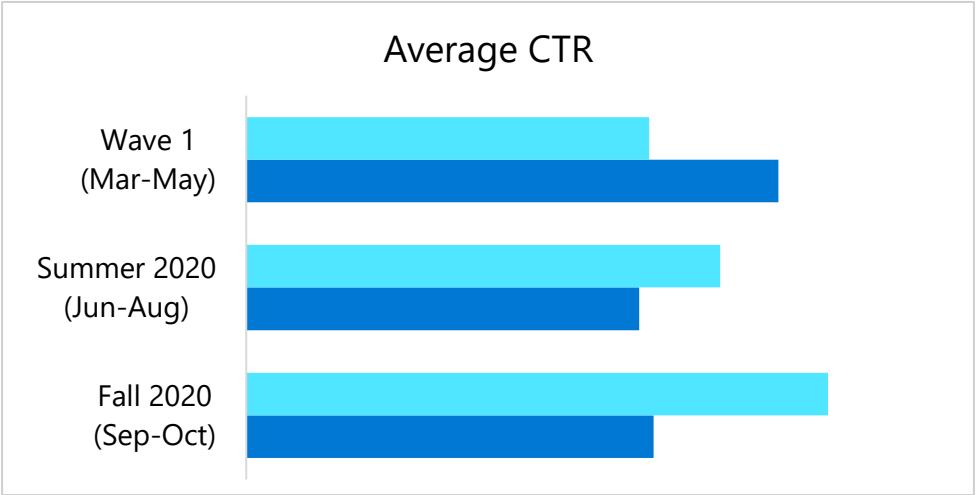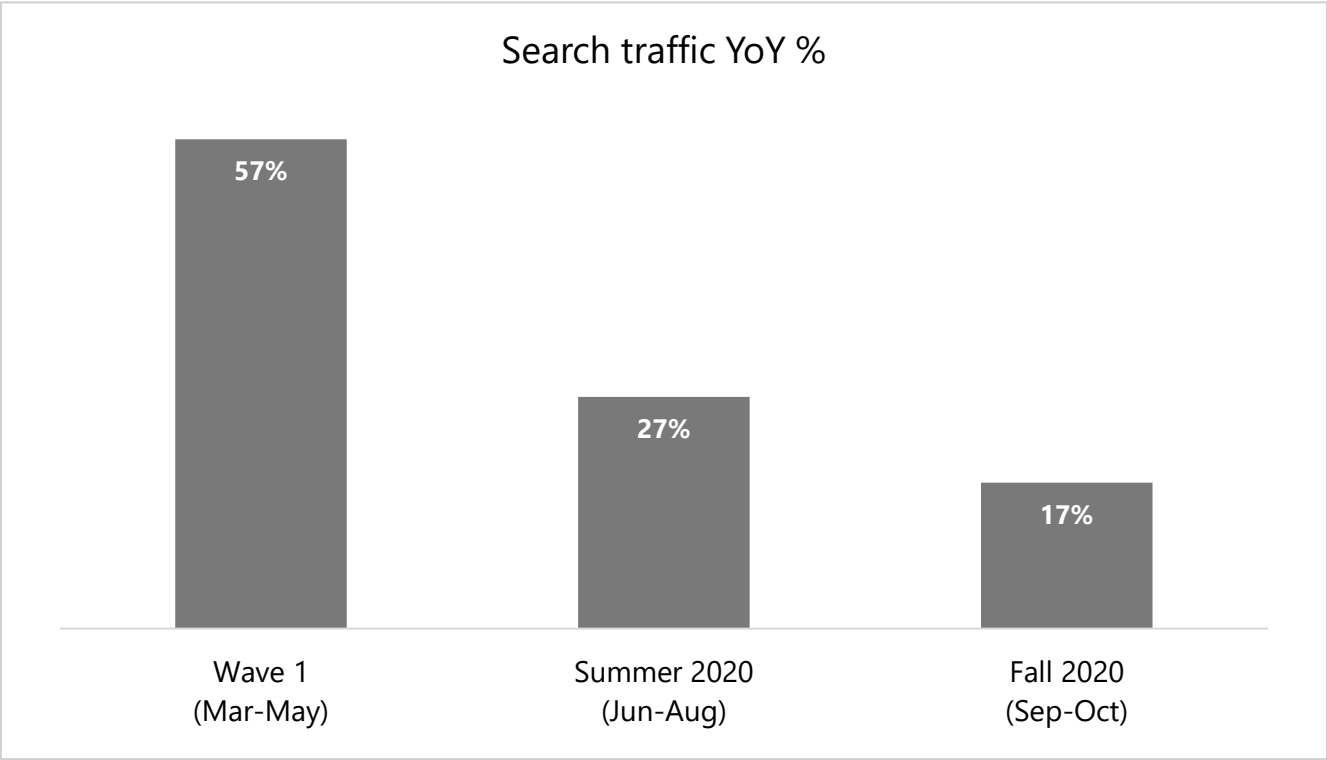
Audience demographic profile (Investments)

- For investment searches, similar to credits, the audience shifted slightly to a younger audience (25-34 and 35-49)
- Investment searchers are predominantly male

User gender profile
(Search traffic %)

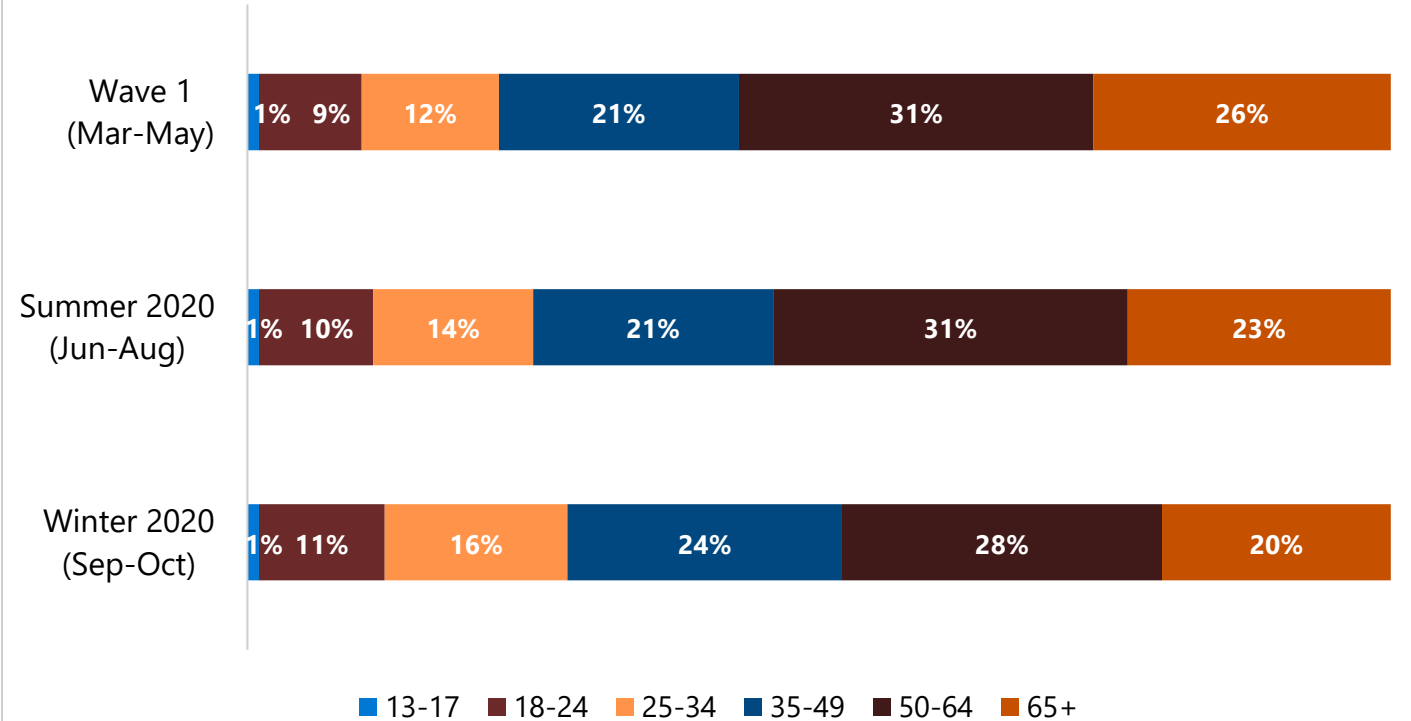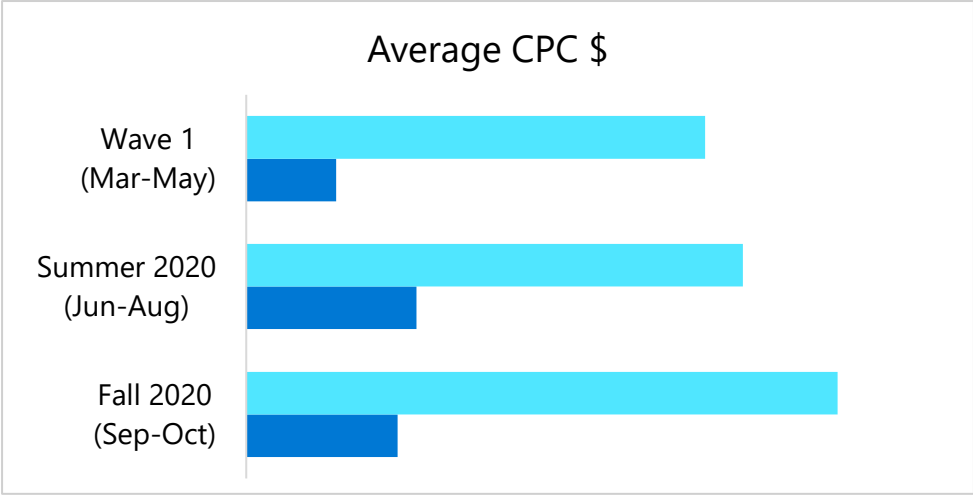|	Male	Female
Wave 1 (Mar-May)	80%	20%
Summer 2020 (Jun-Aug)	79%	21%
Winter 2020 (Sep-Oct)	78%	22%

User age profile
(Search traffic %)

	13-17	18-24	25-34	35-49	50-64	65+
Wave 1 (Mar-May)	1%	9%	12%	21%	31%	26%
Summer 2020 (Jun-Aug)	1%	10%	14%	21%	31%	23%
Winter 2020 (Sep-Oct)	1%	11%	16%	24%	28%	20%

Legend: ■ 13-17 ■ 18-24 ■ 25-34 ■ 35-49 ■ 50-64 ■ 65+

Microsoft
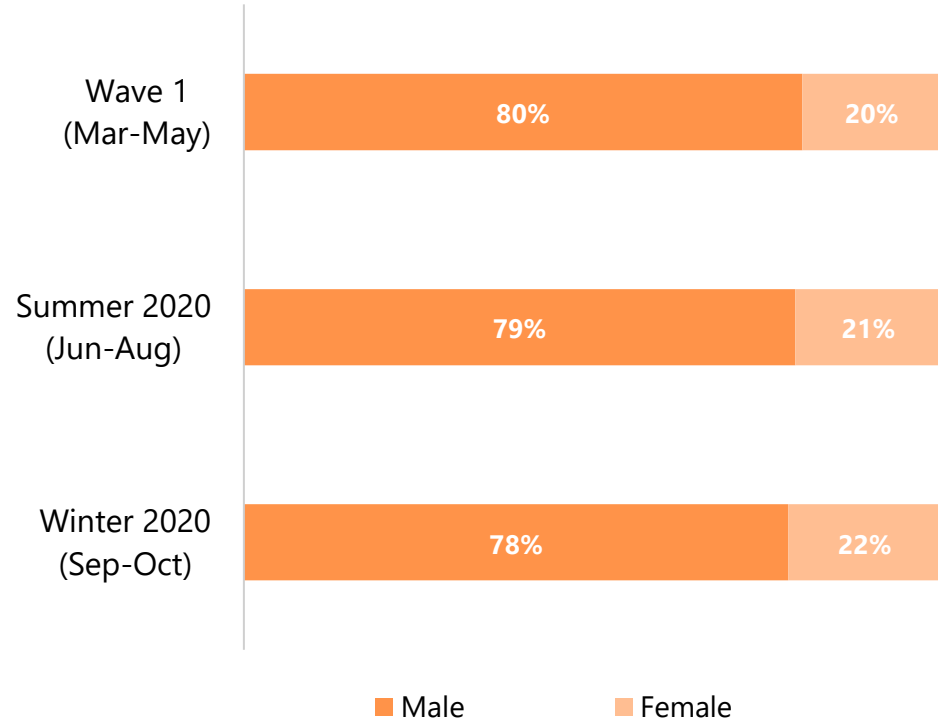
Brand versus generic performance (Investments)

- While brand searches increased over time, brand clicks decreased
- Generic CPCs rose

Legend
Brand Generic

Search traffic %

Wave 1 (Mar-May)	Summer 2020 (Jun-Aug)	Fall 2020 (Sep-Oct)
95%	96%	92%
5%	6%	8%

Clicks %

Wave 1 (Mar-May)	Summer 2020 (Jun-Aug)	Fall 2020 (Sep-Oct)
87%	95%	96%
13%	5%	4%

Average CTR

Wave 1 (Mar-May)
Summer 2020 (Jun-Aug)
Fall 2020 (Sep-Oct)

Average CPC $

Wave 1 (Mar-May)
Summer 2020 (Jun-Aug)
Fall 2020 (Sep-Oct)
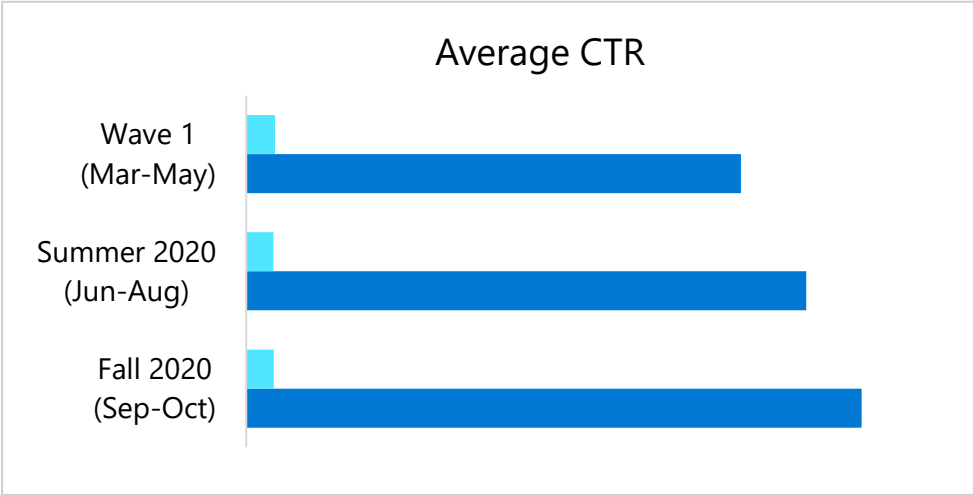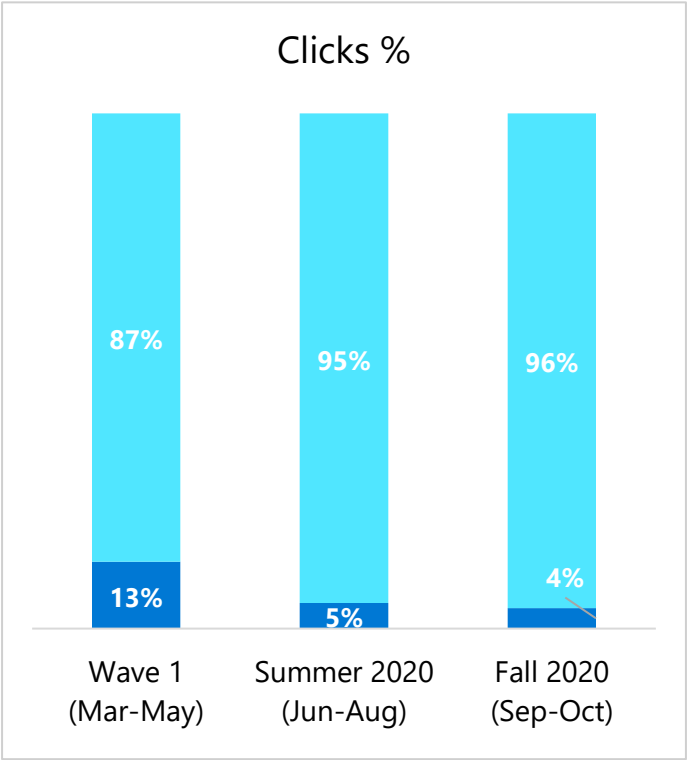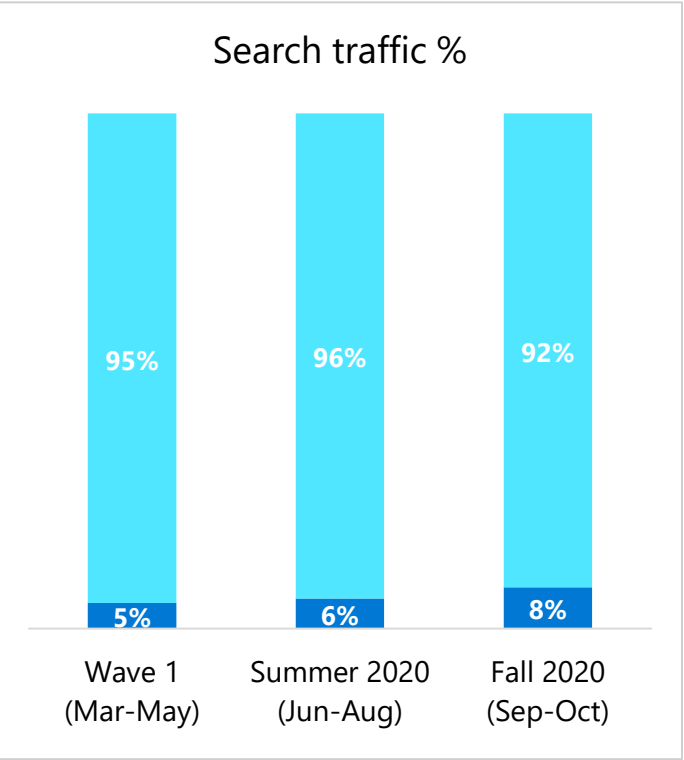
Microsoft

Digital traffic source analysis (Investments)

▪ Paid traffic grew from 30% in September to almost 40% by mid-November
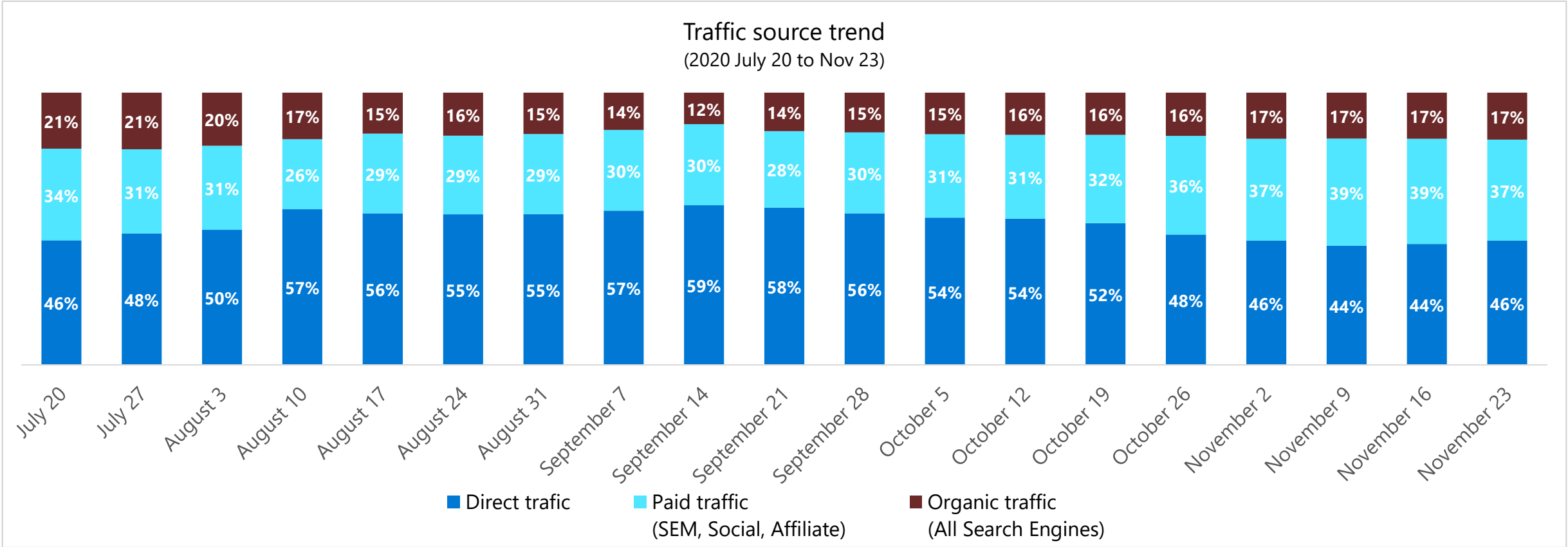
Traffic source trend
(2020 July 20 to Nov 23)

Date	Organic traffic	Paid traffic	Direct traffic
July 20	21%	34%	46%
July 27	21%	31%	48%
August 3	20%	31%	50%
August 10	17%	26%	57%
August 17	15%	29%	56%
August 24	16%	29%	55%
August 31	15%	29%	55%
September 7	14%	30%	57%
September 14	12%	30%	59%
September 21	14%	28%	58%
September 28	15%	30%	56%
October 5	15%	31%	54%
October 12	16%	31%	54%
October 19	16%	32%	52%
October 26	16%	36%	48%
November 2	17%	37%	46%
November 9	17%	39%	44%
November 16	17%	39%	44%
November 23	17%	37%	46%

■ Direct trafic   ■ Paid traffic (SEM, Social, Affiliate)   ■ Organic traffic (All Search Engines)
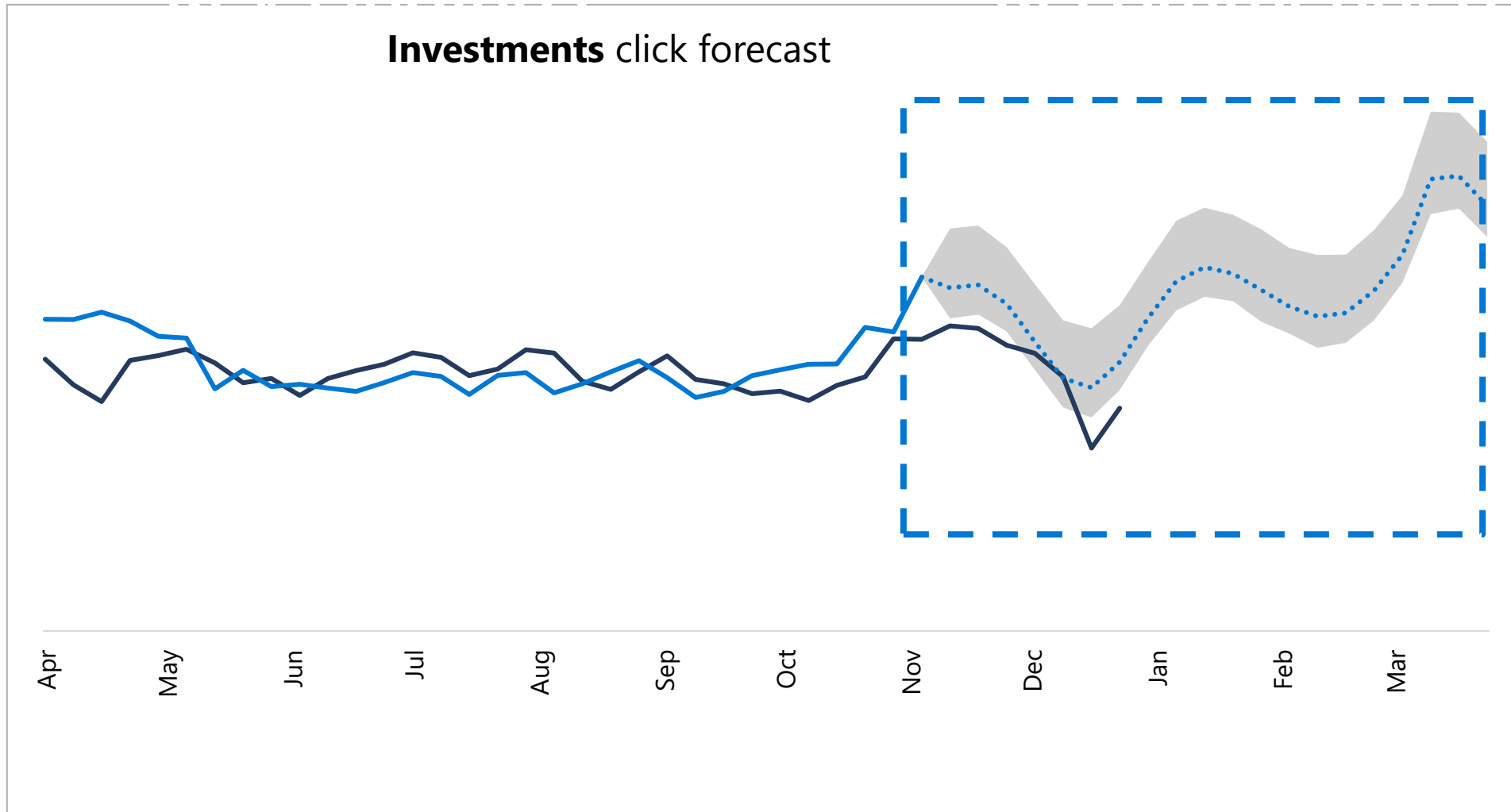
Microsoft

Source: Microsoft Advertising Internal Data, July 2020 - November 2020, Banking, Credits & Investments, Germany, website traffic analysis, IE/Edge data (GRDP compliant)

Automated bidding strategy analysis (Investments)

▪ Advertisers focused on investments keywords have not strongly adopted automated bidding strategies
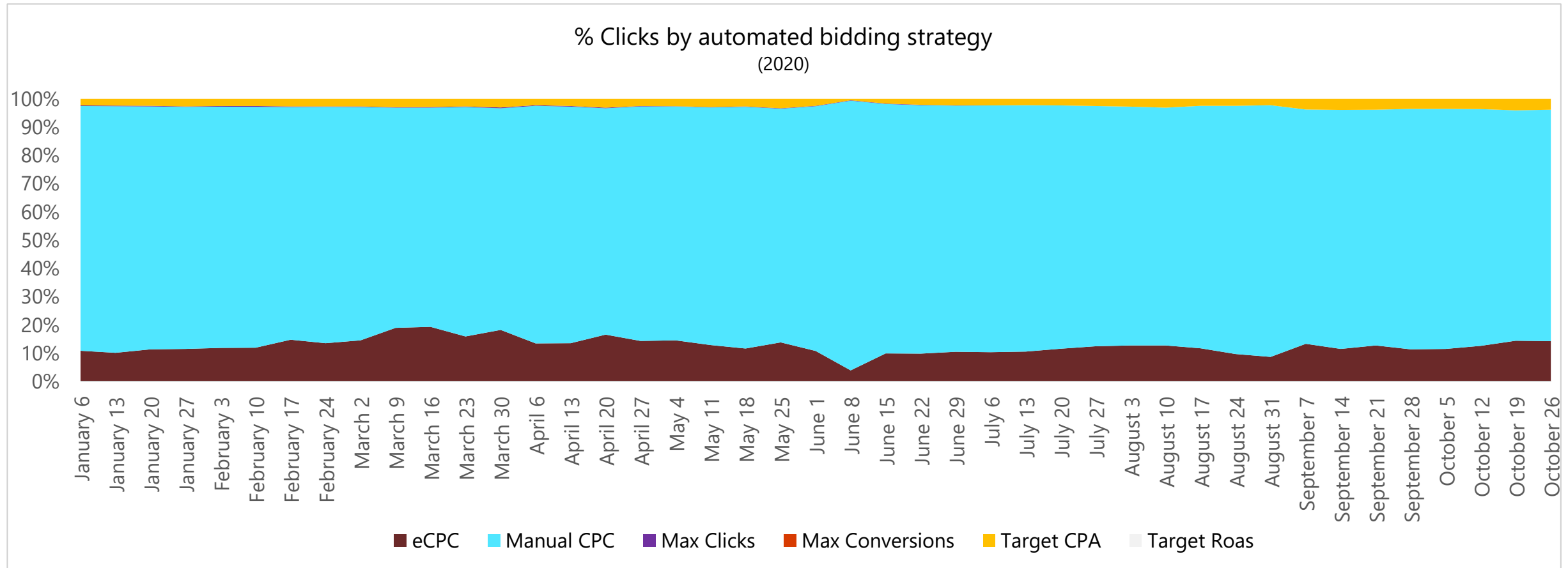
% Clicks by automated bidding strategy
(2020)

Legend: ■ eCPC ■ Manual CPC ■ Max Clicks ■ Max Conversions ■ Target CPA ■ Target Roas

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Investments forecast

Investments click forecast

2020 Actuals
2019 Actuals
Forecast

- Our forecasting model predicts a strong increase in clicks in the first quarter of 2021

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Key findings

- While searches for traditional banking showed no significant differences compared to 2019, interest in investments increased. COVID-19, in combination with a period of low interest rates, sparked additional research on our platform for more risky investment types.
- The economic hardship caused by the pandemic lead to an increase in searches for credits and lending.
- In 2020, we noticed a slight shift towards a younger audience searching in these categories.
- CTR for branded terms increased in all three categories.
- Banking and Credit advertisers largely adopted automated bidding strategies.

Recommended actions

- Financial consolidation is a typical element of peoples' New Year resolutions. Hence, we expect increased activity starting in January.
- Searches related to financial categories are mainly generic, we recommend you expand your generic keyword portfolio.
- Automated bidding strategies will help to maximize clicks and conversions, especially as the marketplace becomes more competitive.

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