Microsoft Advertising Insights

Navigating the new reality of the credit card industry
COVID-19 has changed the way users shop and search for financial products

Consumers now:

- Make decisions faster
- Use less aggregator sites
- Are more open to considering different brands
Credit card customers are converting faster post COVID-19

Conversion duration and average searches

Pre COVID-19: 13.4 days  
Now: 13.1 days

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
Credit card converters also have less reliance on aggregators

Percentage of converters who clicked aggregator ads

<table>
<thead>
<tr>
<th></th>
<th>Pre COVID-19</th>
<th>Now</th>
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<tbody>
<tr>
<td>Percentage</td>
<td>45%</td>
<td>25%</td>
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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
Users are converting less on their first searched brand

Percentage of users who convert after first searched brand

<table>
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<tr>
<th>Pre COVID-19</th>
<th>Now</th>
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<tbody>
<tr>
<td>49%</td>
<td>46%</td>
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Navigating the new reality of opportunities

The K-shaped Recovery

The Changing Competition Mix

Performance Drivers
The credit cards industry shows a K-shaped recovery: some categories outperform, some stagnate
Outperforming categories

Credit card volume index –SRPVs

Type of credit cards and outperformance growth:

- Business: +204%
- Student: +136%
- Secured: 108%
- Cash Back: +101%

Microsoft internal data. Credit card query performance, US, 2019-2020
Underperforming categories

Type of credit cards and underperformance growth:

- Travel: 36%
- Balance Transfer: 45%
- Rewards: 53%
- Low/0% Interest: 49%
Credit card comparison searches are on the rise

4 points growth in comparison searches indicates that customers are re-evaluating and mapping their needs to the right type of credit cards.
COVID-19 has also accelerated credit card business from Travel and Retail advertisers

Credit card click share from Non-Financial Services advertisers

Microsoft internal data. Credit card query performance, US, 2019-2020
Click share for generic queries is highly correlated with click share for the overall credit card business.

Credit card performance correlation by type of advertisers

Click Share Correlation Analysis: overall vs. query category

Microsoft internal data. Credit card query performance, US, 2020
Ads on generic queries also influence Brand Awareness and Consideration in addition to Conversions.
Behavioral study methodology

Goal: Determine generics incremental impact on the Brands

Measurement: Control vs. exposed comparison of millions of searchers with a similar set of nonbrand credit card queries

Scope of research

We looked at the impact of generic ads on:

• Brand searches
• Banks’ website visitations
Observation: 77% of the Bank credit card ad clicks come from brand searches

Source: Microsoft internal, credit card accounts from top 5 banks, Oct 27-Dec 31, 2020.
Reality: 62% of the ad clicks are influenced by non-brand searches

Credit Card Accounts

% of total ad clicks

Non-brand searches: 23%
Brand Searches: 38%
Non-brand Search: 39%

% of total ad clicks

Source: Microsoft internal, credit card accounts from top 5 banks, Oct 27-Dec 31, 2020.
Nonbrand ads drive incremental searches for your brand

Brand searches as a % of all related credit card searches

Source: Microsoft internal, credit card accounts from top 5 banks, Oct 27-Dec 31, 2020, analysis based on Bank credit card ad clickers.
Non-brand ads drive incremental website visits, particularly from those who did not click.

% OF USERS WHO VISITED BANK WEBSITES

NOT EXPOSED TO NB ADS

EXPOSED TO NB ADS

+97%

Total visits: 5.9%

2.3% Visited (ad-clickers)

3.6% Visited (non-clickers)

2.9%

Source: Microsoft internal, credit card accounts from top 5 banks, Oct 27-Dec 31, 2020.
How Microsoft Advertising can help you reach credit card searchers
Microsoft Advertising categorical solutions have expanded to Financial Services

Take advantage of our newly added solution to streamline customer comparison experience and promote advertisers’ credit card features and offers

Past success in Travel and Auto categories led to expansion into Financial Services category

- UX Flight in US and CA markets currently
- Target to flight in late March 2021
Search and Native strategies are better together to maximize performance

Financial Services ad effectiveness study

Notes: Results may vary for each advertiser based on campaign settings, targeted audiences, and other factors. Lift metrics represent an average of all advertisers with completed lift studies to date (Feb. 2021). These advertisers may be a non-representative sample of all advertisers on the marketplace. Lift measured between exposed users and a control group of eligible unexposed users, with lift represented on a per-user basis. Average user count per advertiser study = 1.55M
Leverage In-market Audiences and Remarketing to help expand customer reach and influence customer decisions

Financial Services ad effectiveness study

**Awareness**
Users are more likely to search for an advertiser’s brand

- **In-market Audiences**: 2.8x

**Consideration**
Users are more likely to visit the advertiser’s website

- **Remarketing**: 4.2x
- **In-market Audiences**: 6.8x

**Conversion**
Users are more likely to convert on the advertiser’s website

- **Remarketing**: 5.6x

Notes: Results may vary for each advertiser based on campaign settings, targeted audiences, and other factors. Lift metrics represent an average of all advertisers with completed lift studies to date (Feb. 2021). These advertisers may be a non-representative sample of all advertisers on the marketplace. Lift measured between exposed users and a control group of eligible unexposed users, with lift represented on a per-user basis. Average user count per advertiser study = 1.55M
Key takeaways

The K-shaped recovery
Prioritize your campaigns towards these types of cards: business, secured, student and cash-back

The changing competition mix
Non-FinServ advertisers are a new threat for the credit card industry

Performance drivers
Nonbrand ads not only help influence brand awareness and consideration, but also drive overall click share in the credit card industry
To get actionable data, insights and best practices to help make decisions and grow your business, visit MicrosoftAdvertising.com/Insights