



MICROSOFT ADVERTISING

# Auto vertical weekly click trends (U.S.)

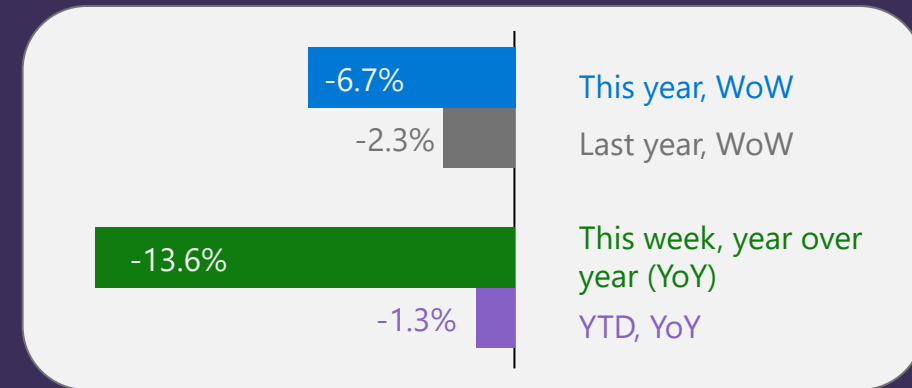
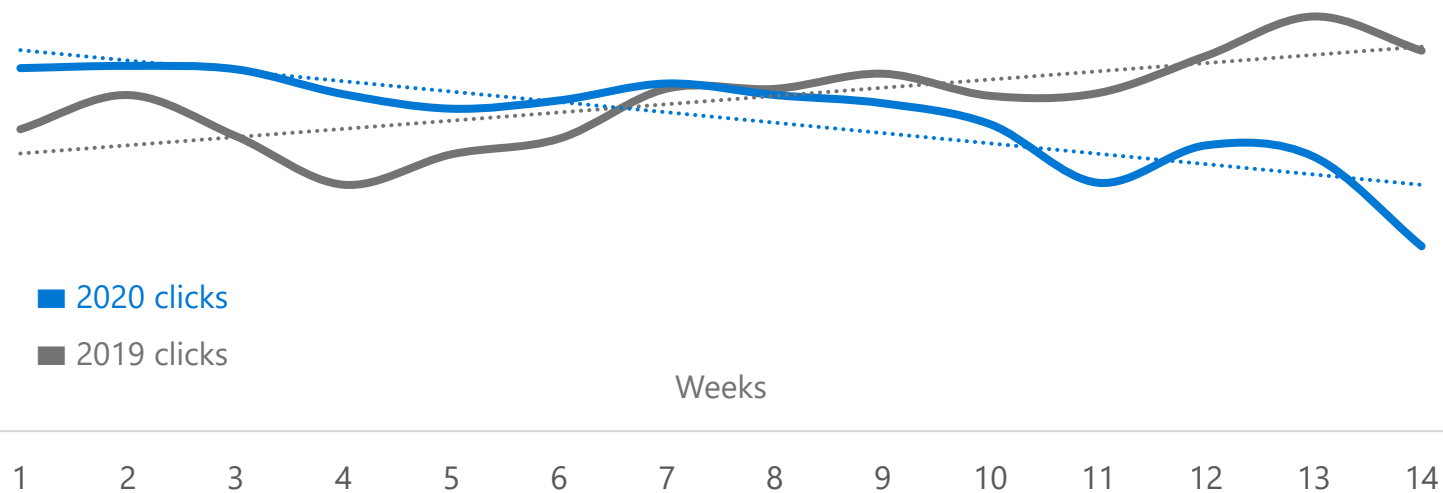
April 13, 2020

Microsoft Advertising. Intelligent connections.



# Vertical clicks declined 6.7% week over week (WoW), the sharpest drop so far this year

Auto vertical clicks, year to date (YTD)

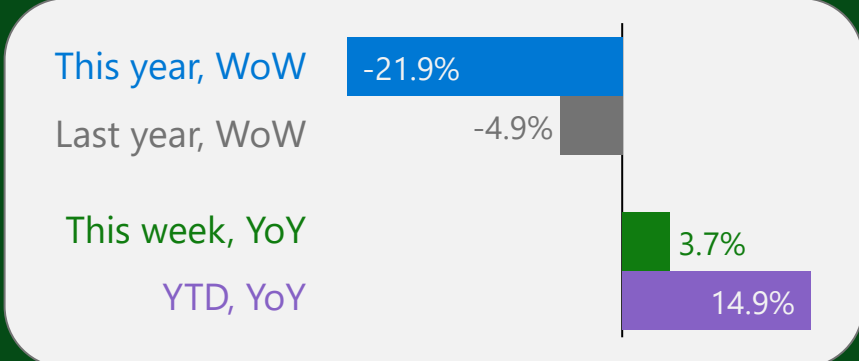
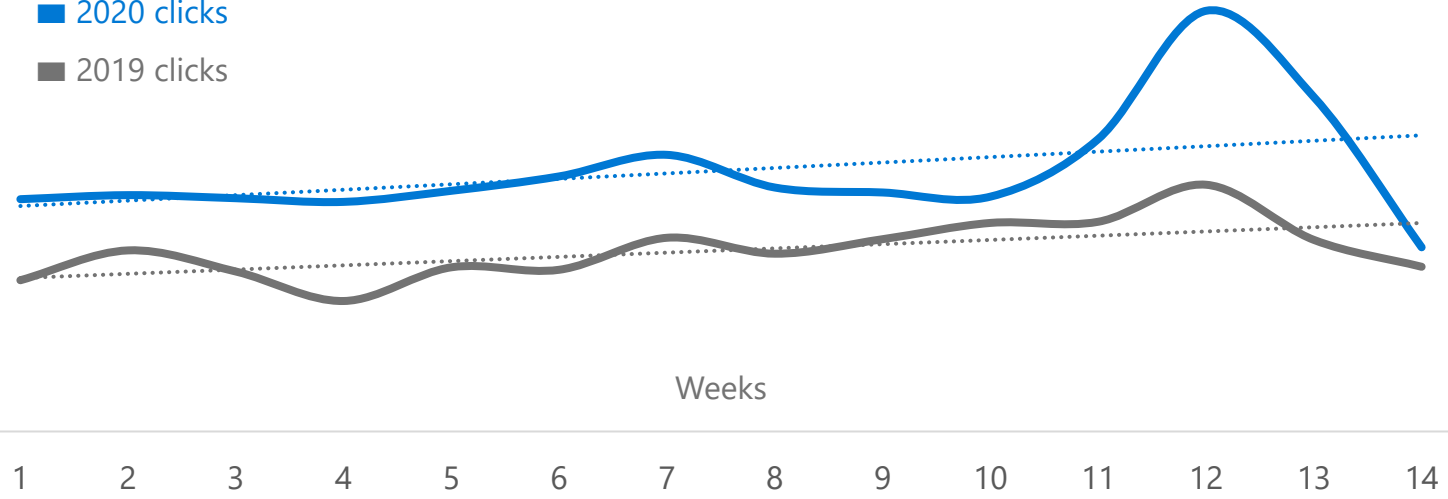


Clicks this past week were driven down by Tiers 1 & 3. Tier 1 clicks (18% of vertical) were down 22% WoW, while Tier 3 clicks (19% of vertical) were down 12%. Parts & Service clicks (25% of the vertical) increased for the second straight week, up 5% WoW.

# Tier 1 clicks dropped 22% WoW, but held on to YoY growth, hitting the lowest weekly click total YTD

Tier 1 clicks, YTD

■ 2020 clicks  
■ 2019 clicks



Tier 1's sharpest click decline so far this year was driven primarily by economy original equipment manufacturers (OEMs), down 22% WoW, while luxury OEM clicks were down 6% WoW

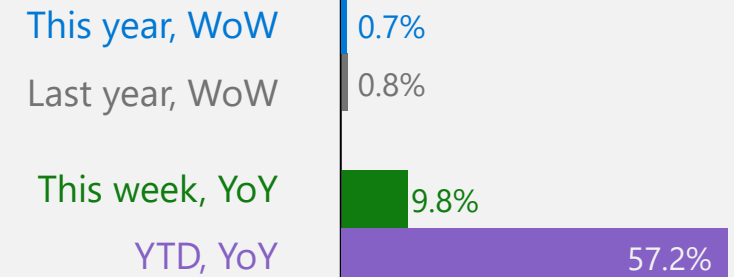
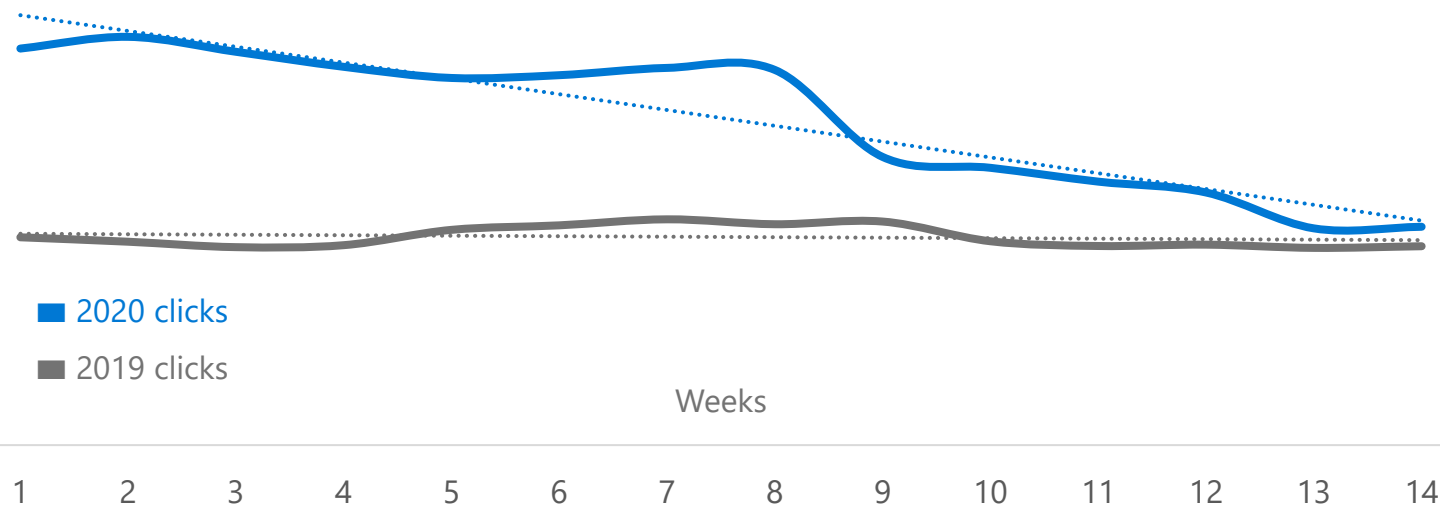
18% of vertical clicks

Microsoft Internal Data. Weeks run Saturday-Friday. Week 14 for 2020 is April 4 – April 10.



# Tier 2 clicks were relatively flat WoW, as weekly YoY margins have become very slim

Tier 2 clicks, YTD



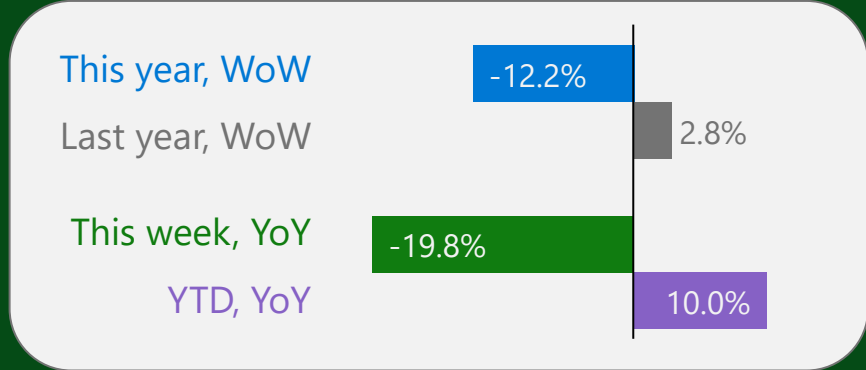
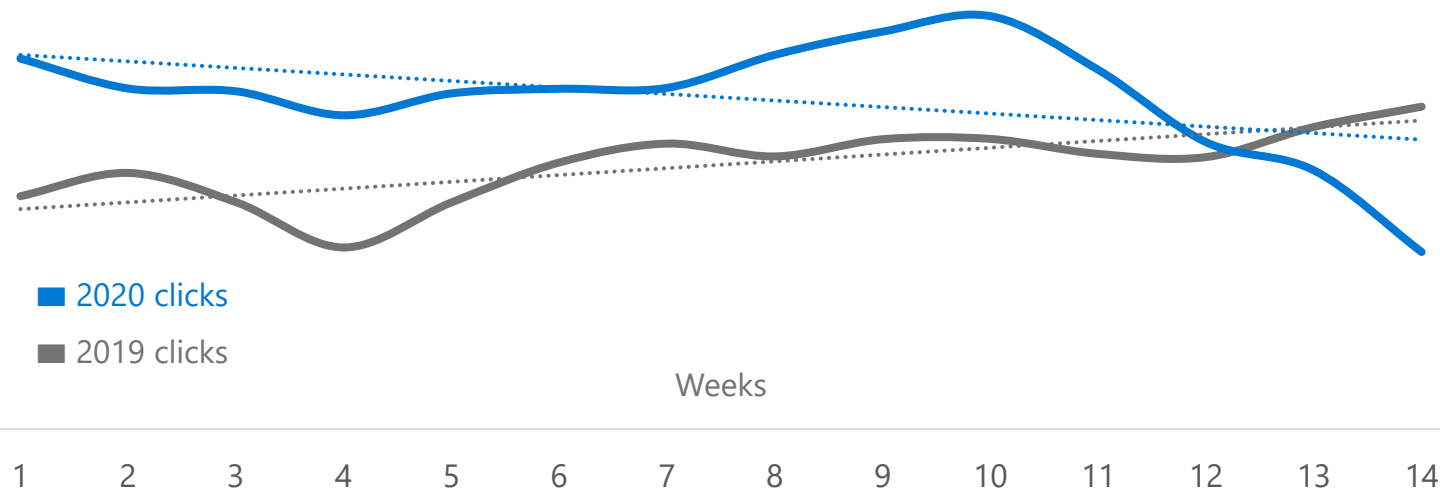
Tier 2 clicks have maintained substantial 57% YTD, YoY growth, though recent weekly YoY margins are very thin

5% of vertical clicks



# Tier 3 clicks dropped 12% WoW and are 20% lower than this time last year

Tier 3 clicks, YTD



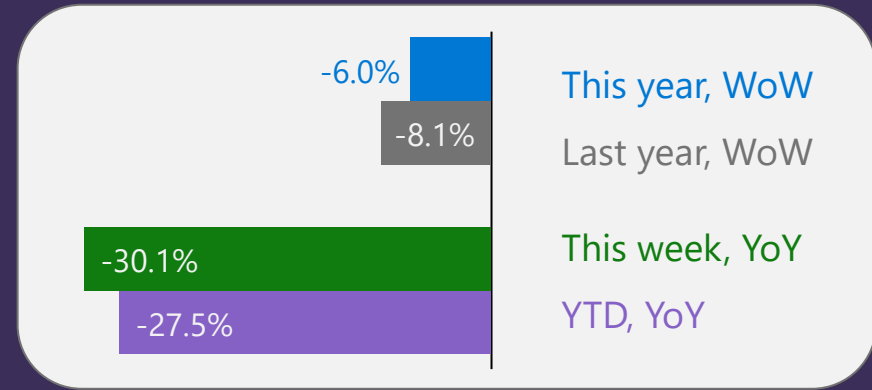
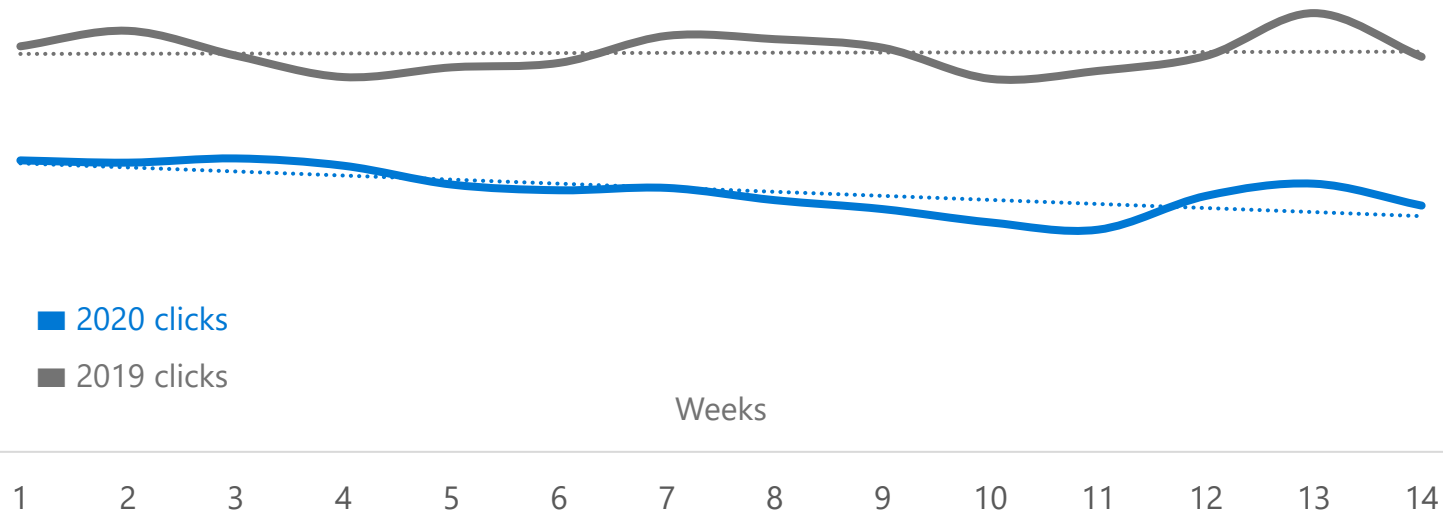
Tier 3 click decline this past week was driven by economy brands, which saw clicks drop 15% WoW, while luxury brands were down 20% WoW

19% of vertical clicks

Microsoft Internal Data. Weeks run Saturday-Friday. Week 14 for 2020 is April 4 – April 10.

# 3<sup>rd</sup>-party clicks declined 6% WoW after consecutive weeks of gains

3<sup>rd</sup>-party clicks, YTD



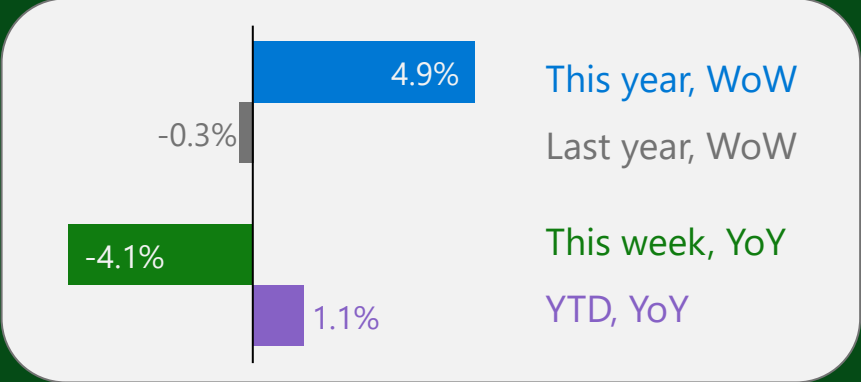
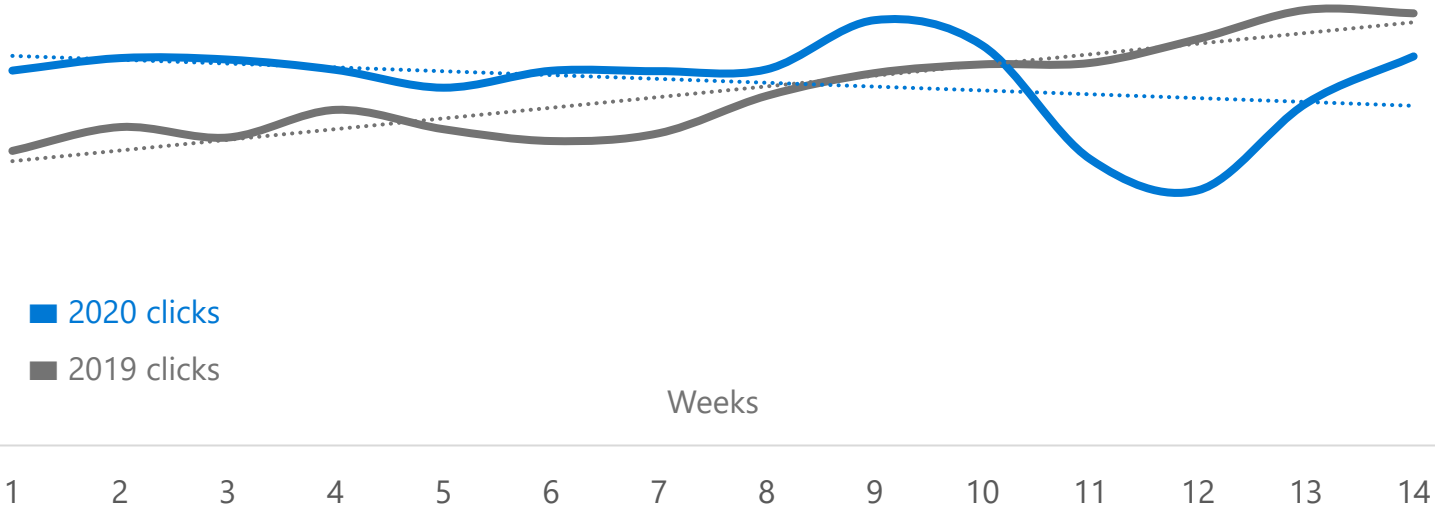
While down significantly YoY, 3<sup>rd</sup>-party clicks have maintained a consistent YoY gap in recent weeks

19% of vertical clicks

Microsoft Internal Data. Weeks run Saturday-Friday. Week 14 for 2020 is April 4 – April 10.

# Parts & Service (P&S) clicks increased for the second consecutive week, up 5% WoW

Parts & Service clicks, YTD



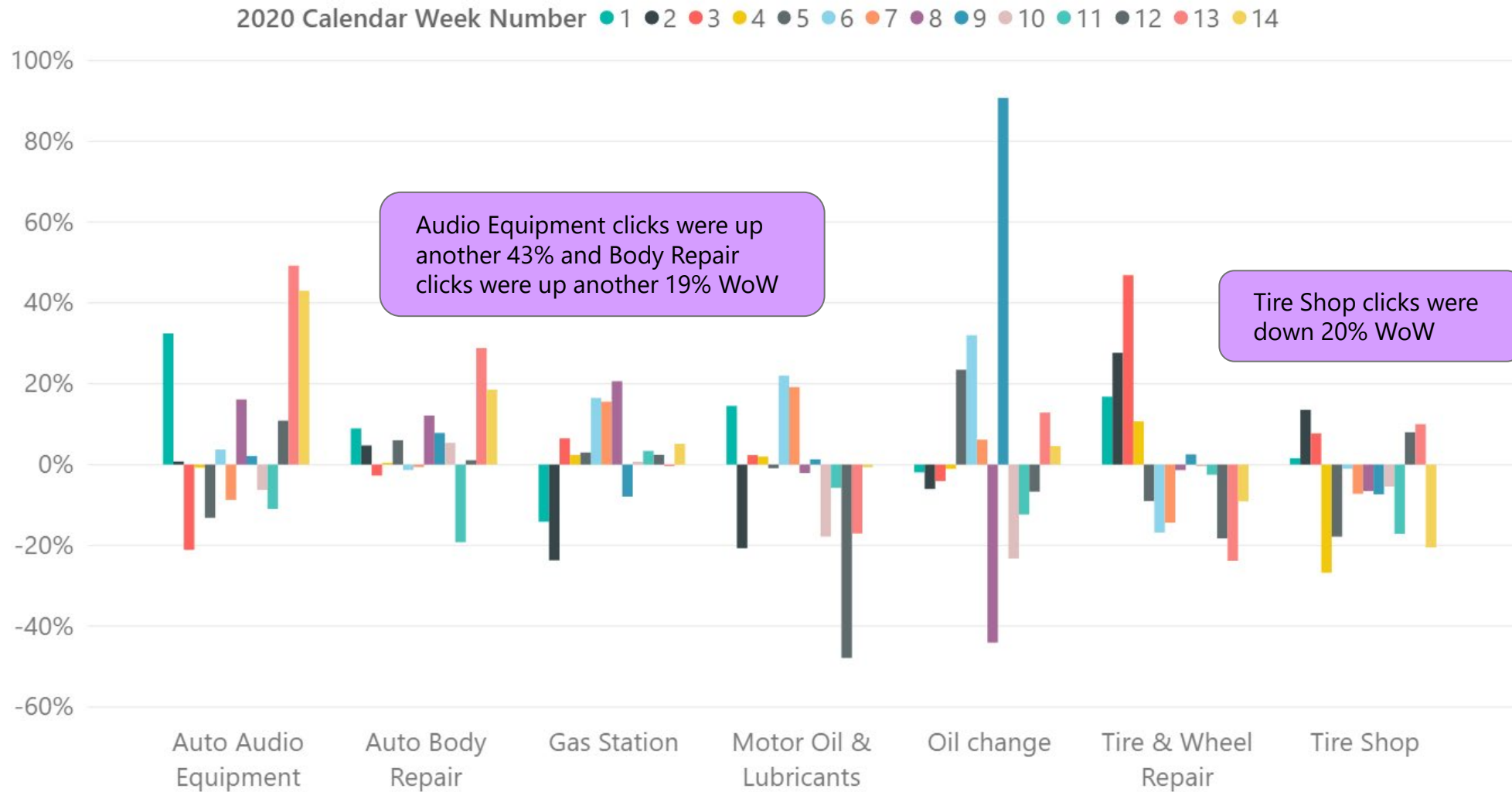
After experiencing sharp declines before any other subvertical in the wake of COVID-19, Parts & Service clicks have risen for the second consecutive week. P&S clicks were up 3.6% WoW, while Service & Repair clicks were up 7%.

25% of vertical clicks

Microsoft Internal Data. Weeks run Saturday-Friday. Week 14 for 2020 is April 4 – April 10.



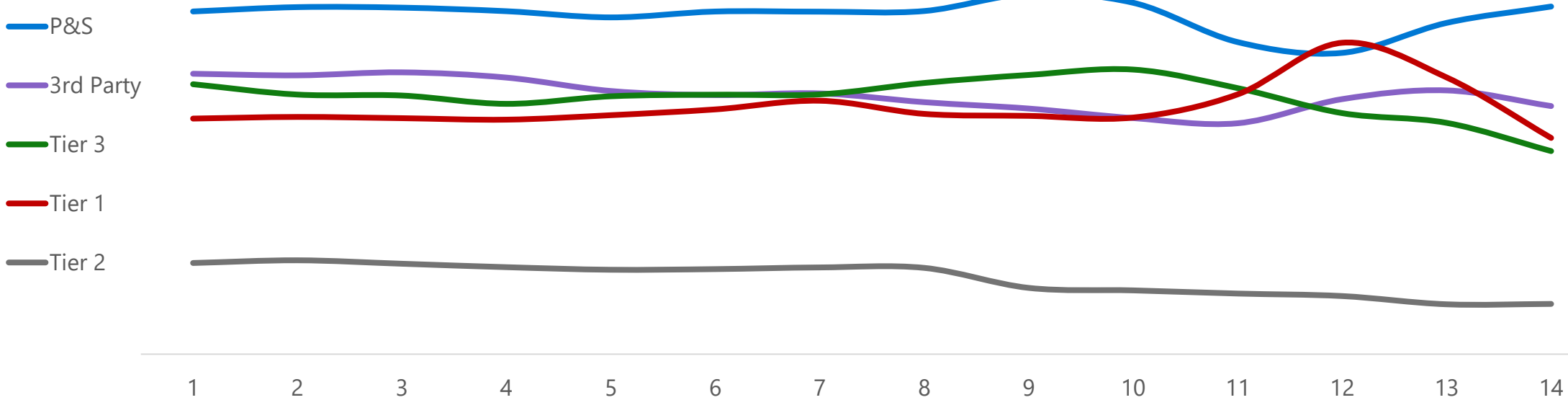
# Parts & Service WoW click change by sub-segment





# Clicks by subvertical

2020 clicks, YTD, by subvertical



In summary, we've seen Parts & Service clicks increase for the second consecutive week, pulling out of a three-week dip. Tier 1 continued a sharp decline for the second consecutive week, reaching its lowest weekly click total YTD (though still up YoY).

Microsoft Internal Data. Weeks run Saturday-Friday. Week 14 for 2020 is April 4 – April 10.



# Checklist

## Immediate actions

### Ads

- Check the extensions you're using. Use "delivery, curbside pickup, other services" that are unique and applicable to your business.
- Shopping: Adjust product group bidding strategy to align with your inventory dynamics.
- Shopping: Keep your product feed files up to date as product inventory and prices may change rapidly.
- Automatically test different messaging by adding Responsive Search Ads (RSA) to your ad groups. Add assets with "delivery options."
- Check your editorial rejections as COVID-19-related terms are disallowed.
- Check your text ads. Replace any standard text ads with [Expanded Text Ads](#) and RSA (standard text ad volume will begin to decline April 1).
- Search partners: Review publisher reports to optimize performance on the search partner network.

### Keywords

- Use "Broadience" (broad match + audience targeting) to help you efficiently expand reach and identify new opportunities.
- Add keywords with terms around delivery, curbside pickup, fees waived, etc. as fit for your business (note "COVID-19" terms are restricted).
- Review your search term reports for emerging queries to add as keywords or add negatives to avoid poor performance.
- To capture emerging queries, create or reactivate Dynamic Search Ads (DSA) as a "catchall" with a lower bid and use discoverability tools like [Microsoft Advertising Intelligence](#) and [Keyword Planner](#).
- Revamp your branded strategy and consider broad match on your core brand terms to cover highly relevant emerging queries.

### Audience

- Create Remarketing lists with more recent frequencies (ex: 1, 3,7, 14, 30 days) to target customers still looking to purchase.
- Use In-market Audiences to target customers who are in-market for your product (especially for areas of opportunity for you).
- If you're using Shopping Campaigns, make sure you have Product Audiences (dynamic remarketing) set up to help increase performance.
- Optimize your Audience Ads campaign and reach people where they are today while navigating the web and news sites at home.
- Add images to your search campaign, so your ads can serve on the Microsoft Audience Network and get in front of more potential customers.
- Refine targeting settings to reflect consumer trends for your business around geographies, time of day, etc. Use the [Bing COVID-19 Tracker](#) to help.

### Bidding

- Balance between using automation and manual reviews. Monitor [auto-bidding](#) but keep a close eye to adapt to a fluctuating marketplace.
- Monitor SOV/click share and adjust bids, especially where you see opportunities with less competition in the marketplace during this time.
- Review your smart targets, adjusting as needed if your targets shift (ex: target conversion rates). Layer Enhanced CPC on top of manual bids.

### Budget

- Check budgets in the Microsoft Advertising Interface daily. Watch for budget pause notifications, which may not show up in bid management tools.
- Reallocate budget to your best-performing campaigns and products as performance fluctuates with emerging trends.
- Keep campaigns running at a lower CPCs and lower budget to capitalize on decreased marketplace competition, instead of pausing campaigns.

# Checklist

## Restoration strategies

### Ads

- Ad rotation should be set to [optimize](#).
- Check your editorial rejections as COVID-19-related terms are disallowed.
- Begin the (required) move to [Expanded Text Ads](#) and add Responsive Search Ads (RSA) to your ad groups as an efficient way to swiftly change your text ad messaging.
- Use ad customizers and IF functions where applicable. Use audiences to land effective messaging.
- Shopping: Use Local Inventory Ads to indicate availability of items and adjust product group bids based on inventory changes.
- Shopping: As your inventory levels grow, re-evaluate your product group strategy and product prioritization to meet your campaign goals.
- Check the extensions you're using. Use "delivery, curbside pickup, other services" that are unique and applicable to your business.

### Keywords

- Monitor keyword recommendations specific to your account surfaced in Microsoft Advertising user interface.
- Continue to use "Broadience" (broad match + audience targeting) to help you expand reach and identify new opportunities after the initial period of greater volatility has passed.
- Reevaluate strategy on keywords around delivery, curbside pickup, fees waived (COVID-19-terms are restricted).
- To capture newly emerged queries, create or reactivate Dynamic Search Ads (DSA) as a "catchall" with a lower bid and use tools like [Microsoft Advertising Intelligence](#) and [Keyword Planner](#).

### Audience

- Reevaluate Remarketing list frequencies (ex: 1, 3, 7, 14, 30 days) to target customers still looking to purchase.
- Use In-market Audiences to target customers who are in-market for your product (especially for areas of opportunity for you).
- Use Product Audiences (dynamic remarketing) to maximize the performance of your shopping ads.
- Create a separate Audience Ads campaign to reconnect with your ideal audience in high-quality and brand-safe native placements.
- Add images to your search campaigns to expand your audience reach and drive increased performance.
- Refine targeting settings to reflect consumer trends for your business around geographies, time of day, etc. Use the [Bing COVID-19 Tracker](#) to help.

### Bidding

- Once the market has "leveled" out and fluctuations have lessened, begin moving back to automated bidding with adjusted targets.
- When using manual bids, monitor SOV to adjust bids and leverage ECPC.
- Ensure you are setup for real-time success if you are re-entering the auction by leveraging first page bid recommendations in the UI.

### Budget

- Begin planning for increases (or decreases) in campaign budgets as the markets shifts from greater volatility to a new normal.
- Monitor SOV to adjust budgets based on new trends, inventory, etc.

# Checklist

## New opportunities

### Ads

- Ad rotation should be set to [optimize](#).
- Check your editorial rejections as COVID-19-related terms are disallowed.
- Efficiently replicate your marketing messaging strategy changes in your text ads. Replace any standard text ads with [Expanded Text Ads](#) and RSA (standard text ad volume will begin to decline April 1).
- Use ad customizers and IF functions where applicable. Use audiences to land effective messaging.
- Search partners: Expand your reach to a wider audience across all devices on proven, reputable and tested sites.
- Check the extensions you're using. Use "delivery, curbside pickup, other services" that are unique and applicable to your business.

### Keywords

- Monitor keyword recommendations relevant to your business surfaced in the Microsoft Advertising user interface.
- Use "Broadience" (broad match + audience targeting) to help you expand reach and identify new opportunities once the volatility has settled.
- Monitor keywords and consider relevant terms around delivery, curbside pickup, fees waived (COVID-19-terms are restricted)
- To capture emerging queries, use Dynamic Search Ads (DSA) as a "catchall" and use tools like [Microsoft Advertising Intelligence](#) and [Keyword Planner](#).
- Use the Google Import tool to expand your reach by automatically mirroring your Google Ads campaigns and changes on Microsoft Advertising.

### Audience

- Create Remarketing lists with more recent frequencies (ex: 1, 3,7, 14, 30 days) to target customers still looking to purchase.
- Use In-market Audiences to target customers who are in-market for your product (especially for areas of opportunity for you).
- Product Audiences (dynamic remarketing) can help you take your shopping ads to the next level with increased performance.
- Use Product Ads on the Microsoft Audience Network to expand your reach and get your products in front of customers where they are today.
- Add images to your search campaigns to expand your reach and connect with customers in new places on the Microsoft Audience Network.
- Refine targeting settings to reflect consumer trends for your business around geographies, time of day, etc. Use the [Bing COVID-19 Tracker](#) to help.

### Bidding

- Balance between using automation and manual reviews. Monitor [auto-bidding](#) but keep a close eye to adapt to a fluctuating marketplace.
- Adding Enhanced CPC will leverage auction-time signals.
- Review your smart targets, adjusting as needed if your targets shift, for example target cost per conversion.

### Budget

- Plan budgets to meet the increased traffic demands by monitoring SOV.
- Allocate additional budget to your current best-performing ads and products.
- Monitor your daily budgets and adjust as needed with the changing environment.



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