Weekly COVID-19 marketplace rebound gauge (global)

Travel
Purpose:

To provide an at-a-glance high-level signal about the current commercial viability of our travel marketplace, as compared to times of relative normality. It is a technical analysis agnostic to external indicators and should be treated accordingly.
<table>
<thead>
<tr>
<th>Subcategory</th>
<th>Signal</th>
<th>Signal guide</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activities</td>
<td><img src="#" alt="Red" /></td>
<td>Marketplace index has returned to a value of estimated normality. Risk-averse advertisers should re-enter confidently.</td>
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<tr>
<td>Air Travel</td>
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<td>Marketplace index has reversed its downtrend. Risk tolerant advertisers seeking competitive advantage should re-enter.</td>
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<td>Cruises</td>
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<td>Marketplace index remains in a downtrend.</td>
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<tr>
<td>Land Transportation</td>
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</tr>
<tr>
<td>Lodging</td>
<td><img src="#" alt="Red" /></td>
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<tr>
<td>OTA/Meta</td>
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</tr>
<tr>
<td>Traditional Travel Agency</td>
<td><img src="#" alt="Red" /></td>
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</tr>
<tr>
<td>Other</td>
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</tr>
</tbody>
</table>

Data: Microsoft Advertising Internal

Data through: 4/12/2020
Marketplace Rebound Gauge, Short Window

When short term averages crest long term averages, this is a strong signal the marketplace is reversing

3, 5, 8, 10, 12, 15 day moving averages
30, 35, 40, 45, 50, 55 day moving averages

Data: Microsoft Advertising Internal, Jan 2020 - Present
Marketplace Rebound Gauge, Long Window

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# Marketplace signals - international

<table>
<thead>
<tr>
<th>Market</th>
<th>Signal</th>
<th>Signal guide</th>
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<tbody>
<tr>
<td>Canada</td>
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<tr>
<td>France</td>
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<td>Marketplace index has reversed its downtrend. Risk-tolerant advertisers seeking competitive advantage should re-enter.</td>
</tr>
<tr>
<td>Germany</td>
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<td>Marketplace index remains in a downtrend.</td>
</tr>
<tr>
<td>Italy</td>
<td><img src="#" alt="Red" /></td>
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</tr>
<tr>
<td>Spain</td>
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</tr>
<tr>
<td>United Kingdom</td>
<td><img src="#" alt="Red" /></td>
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</tr>
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# Marketplace signals – Asia Pacific (APAC)

<table>
<thead>
<tr>
<th>Market</th>
<th>Signal</th>
<th>Signal guide</th>
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</thead>
<tbody>
<tr>
<td>Australia</td>
<td>🟥</td>
<td>Marketplace index has returned to a value of estimated normality. Risk-averse advertisers should re-enter confidently.</td>
</tr>
<tr>
<td>India</td>
<td>🟥</td>
<td>Marketplace index has reversed its downtrend. Risk-tolerant advertisers seeking competitive advantage should re-enter.</td>
</tr>
<tr>
<td>Indonesia</td>
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</tr>
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</tr>
<tr>
<td>Taiwan</td>
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<td>Thailand</td>
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</tr>
<tr>
<td>Vietnam</td>
<td>🟥</td>
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</tr>
</tbody>
</table>

Data through: 4/12/2020

Data: Microsoft Advertising Internal
Marketplace Rebound Gauge, Short Window

When short term averages crest long term averages, this is a strong signal the marketplace is reversing

Australia

India

Indonesia

Singapore

Taiwan

Thailand

Vietnam

Jan

Feb

Mar

Apr

3, 5, 8, 10, 12, 15 day moving averages

30, 35, 40, 45, 50, 55 day moving averages

Microsoft Advertising Internal, Jan 2020 - Present
Marketplace Rebound Gauge, Long Window

When short term averages crest long term averages, this is a strong signal the marketplace is reversing.

3, 5, 8, 10, 12, 15 day moving averages
30, 35, 40, 45, 50, 55 day moving averages
How the signals are extracted
Line of estimated normality:

This is where we estimate the marketplace signal would register on average during the current month under normal circumstances.

3, 5, 8, 10, 12, 15 day moving averages
30, 35, 40, 45, 50, 55 day moving averages
Here our cluster of shorter-term moving averages has consolidated around the estimated line of normality, pulling latent longer-term moving averages with it.

When there is a period with all six short-term moving averages above all six long-term moving averages, this a confirmed market uptrend.
In this example, we see all six longer-term moving averages floating above all six shorter-term moving averages, suggesting a downtrend.

However, the shorter-term moving averages begin to reverse course and move back through the longer-term moving averages. This is an indication that the marketplace is possibly turning around, and a good opportunity for advertisers to re-enter.
In this example, there is a clear negative gap between the long-term moving averages and the short-term moving averages, and that gap is increasing.

When the cluster of short-term averages demonstrates behavior in the opposite direction, it will be time to think about a yellow signal. Until then, this is firmly a downtrend.
What comprises the marketplace index?
Marketplace Index is a composite metric built to reflect the following behaviors:

- Search volume
- Advertiser participation
- Auction activity
- Searcher intent
A primer on how moving averages* work

<table>
<thead>
<tr>
<th>Date</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/20</td>
<td>500</td>
</tr>
<tr>
<td>3/21</td>
<td>650</td>
</tr>
<tr>
<td>3/22</td>
<td>700</td>
</tr>
<tr>
<td>3/23</td>
<td>400</td>
</tr>
<tr>
<td>3/24</td>
<td>250</td>
</tr>
<tr>
<td>3/25</td>
<td>300</td>
</tr>
<tr>
<td>3/26</td>
<td>425</td>
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<td>3/27</td>
<td>500</td>
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<td>3/28</td>
<td>525</td>
</tr>
<tr>
<td>3/29</td>
<td>700</td>
</tr>
<tr>
<td>3/30</td>
<td>650</td>
</tr>
<tr>
<td>3/31</td>
<td>825</td>
</tr>
<tr>
<td>4/1</td>
<td>900</td>
</tr>
</tbody>
</table>

A simple moving average calculates the average of a selected range of values. For instance, the 3-day moving average for the date of 4/1 would be the average of the attendant values for the dates of 4/1, 3/31, and 3/30.

5 day MA: 720

10 day MA: 547

* Values are arbitrary and used to illustrate the concept
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

#### 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.
<table>
<thead>
<tr>
<th>Ads</th>
<th>Keywords</th>
<th>Audience</th>
<th>Bidding</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ad rotation should be set to optimize.</td>
<td>Monitor keyword recommendations relevant to your business surfaced in the Microsoft Advertising user interface.</td>
<td>Create Remarketing lists with more recent frequencies (ex: 1, 3, 7, 14, 30 days) to target customers still looking to purchase.</td>
<td>Balance between using automation and manual reviews. Monitor auto-bidding but keep a close eye to adapt to a fluctuating marketplace.</td>
<td>Plan budgets to meet the increased traffic demands by monitoring SOV.</td>
</tr>
<tr>
<td>Check your editorial rejections as COVID-19-related terms are disallowed.</td>
<td>Use “Broadience” (broad match + audience targeting) to help you expand reach and identify new opportunities once the volatility has settled.</td>
<td>Use In-market Audiences to target customers who are in-market for your product (especially for areas of opportunity for you).</td>
<td>Adding Enhanced CPC will leverage auction-time signals.</td>
<td>Allocate additional budget to your current best-performing ads and products.</td>
</tr>
<tr>
<td>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).</td>
<td>Monitor keywords and consider relevant terms around delivery, curbside pickup, fees waived (COVID-19-terms are restricted)</td>
<td>Product Audiences (dynamic remarketing) can help you take your shopping ads to the next level with increased performance.</td>
<td>Review your smart targets, adjusting as needed if your targets shift, for example target cost per conversion.</td>
<td>Monitor your daily budgets and adjust as needed with the changing environment.</td>
</tr>
<tr>
<td>Use ad customizers and IF functions where applicable. Use audiences to land effective messaging.</td>
<td>To capture emerging queries, use Dynamic Search Ads (DSA) as a “catchall” and use tools like Microsoft Advertising Intelligence and Keyword Planner.</td>
<td>Use Product Ads on the Microsoft Audience Network to expand your reach and get your products in front of customers where they are today.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Search partners: Expand your reach to a wider audience across all devices on proven, reputable and tested sites.</td>
<td>Check the extensions you’re using. Use “delivery, curbside pickup, other services” that are unique and applicable to your business.</td>
<td>Add images to your search campaigns to expand your reach and connect with customers in new places on the Microsoft Audience Network.</td>
<td></td>
<td></td>
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