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COVID-19 geographic analysis (U.S.)

State “stay-at-home” orders and their effect on automotive advertising

Microsoft Advertising. Intelligent connections.

Agenda

1 Considerations & methodology

2 Early movers

3 Late movers

4 Consumer response

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Considerations

Demand-side data (advertiser performance)

Data aggregated at designated market area (DMA)-level; exact state lines not preserved

Confusion in most states about a gray area for dealership sales

1. Microsoft internal data 2. https://www.cars.com/articles/coronavirus-and-cars-can-i-buy-a-car-or-have-one-repaired-in-my-state-420549/

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Methodology

Data available at a monthly cadence; looked at growth changes from Feb→Mar

Feb→Mar 2020 (COVID-19) vs. Feb→Mar 2019 growth (Pre-COVID-19)

Mar year-over-year (YoY) (COVID-19) vs. Feb YoY growth (Pre-COVID-19)

Growth changes displayed as percentage points (“pp”) to represent deltas between two percentages

1. Microsoft internal data

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Evaluation

9 states issued statewide “stay-at-home” orders early (Mar 19-23)

9 states issued statewide “stay-at-home” orders late (after Mar 30, or not at all)

1 state offered a discernible time lapse between a specific DMA’s early “stay-at-home” order and a late statewide order

1. https://www.nytimes.com/interactive/2020/us/coronavirus-stay-at-home-order.html

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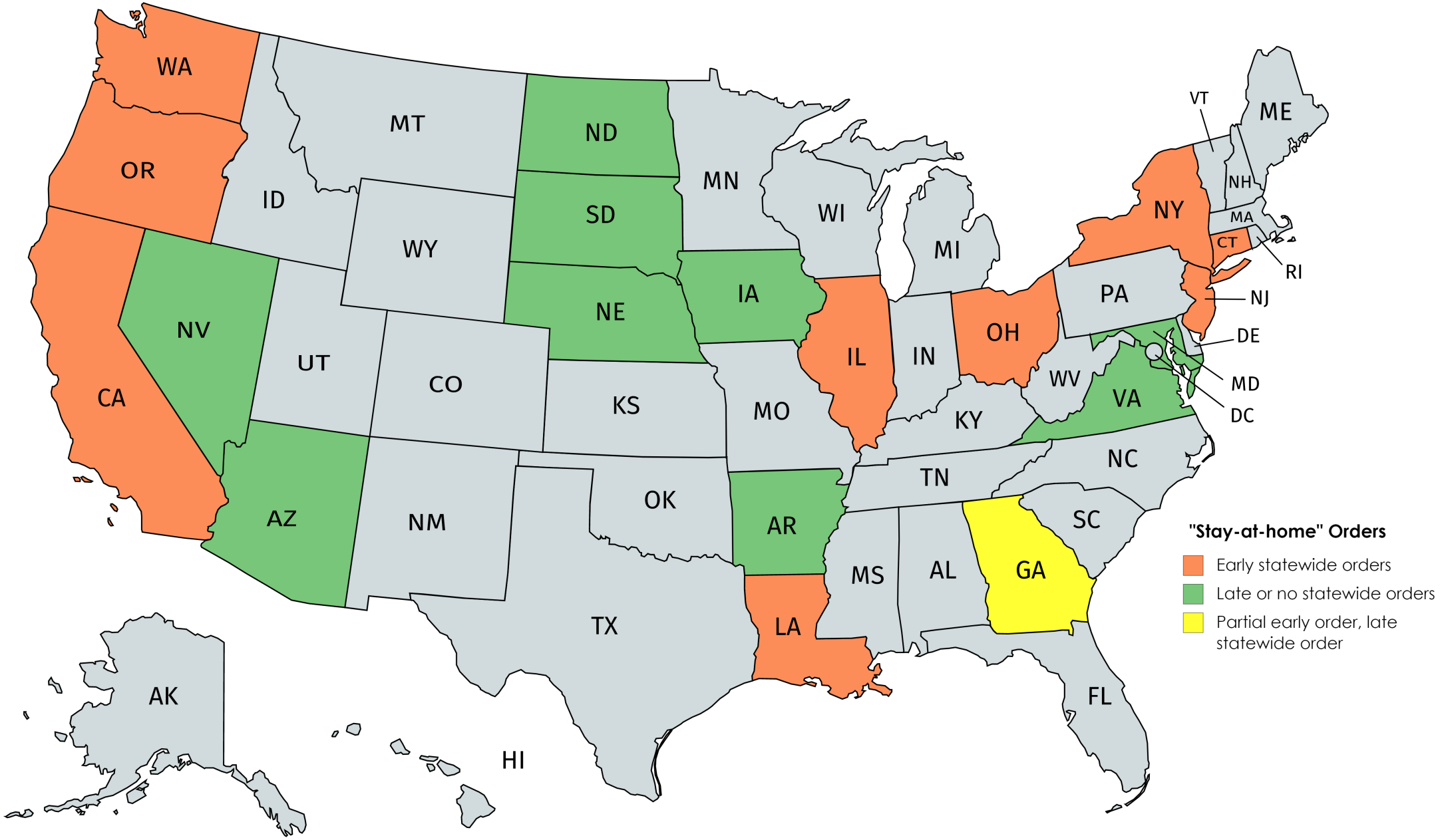

1. https://mapchart.net/usa.html 2. https://www.nytimes.com/interactive/2020/us/coronavirus-stay-at-home-order.html

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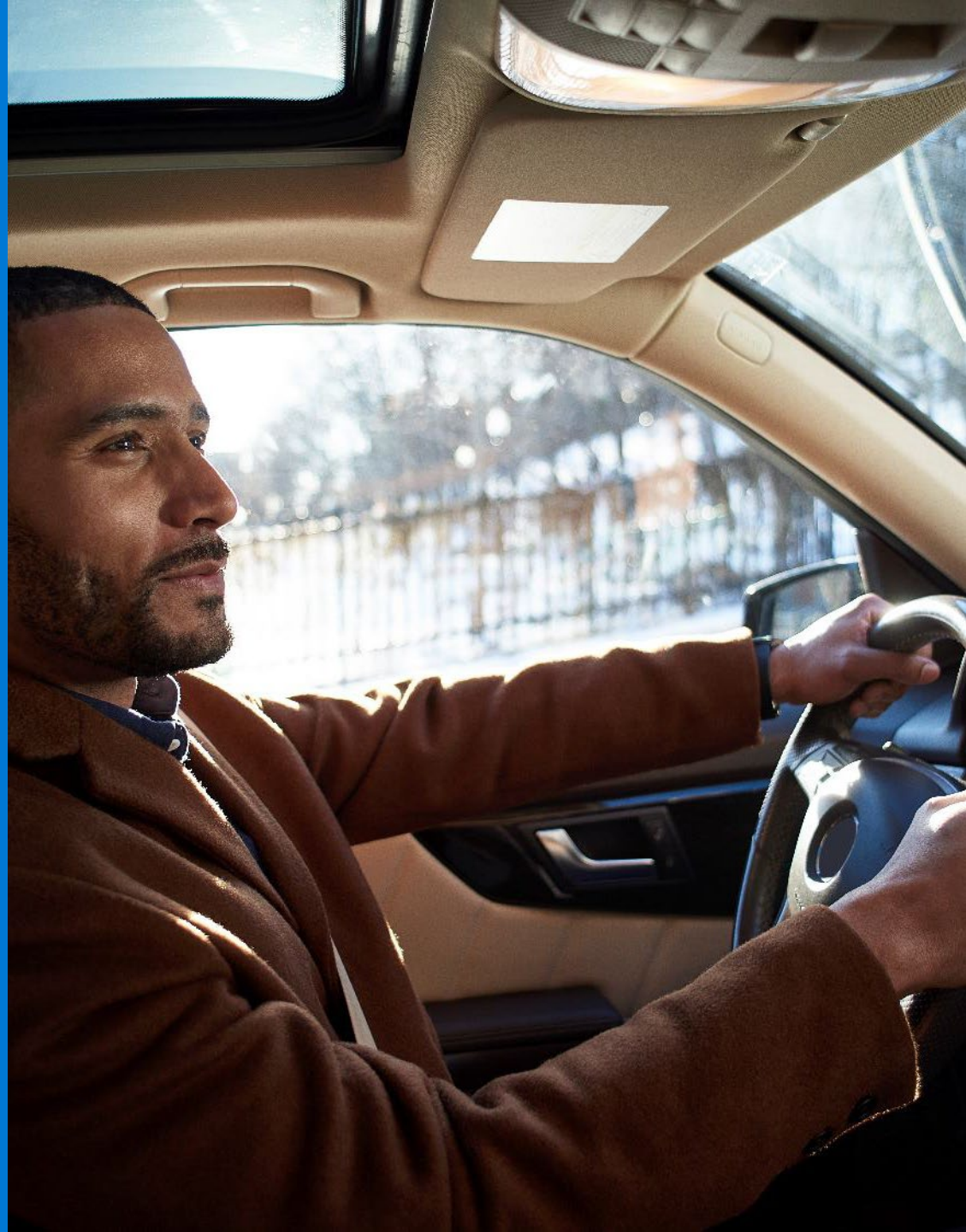
Early movers

How search performance changed in states that issued “stay-at-home” orders first



For the 9 states that issued early “stay-at-home” orders, Mar 2020 clicks decreased significantly across all sub-verticals

-15pp
total clicks

Feb→Mar 2020 vs. 2019

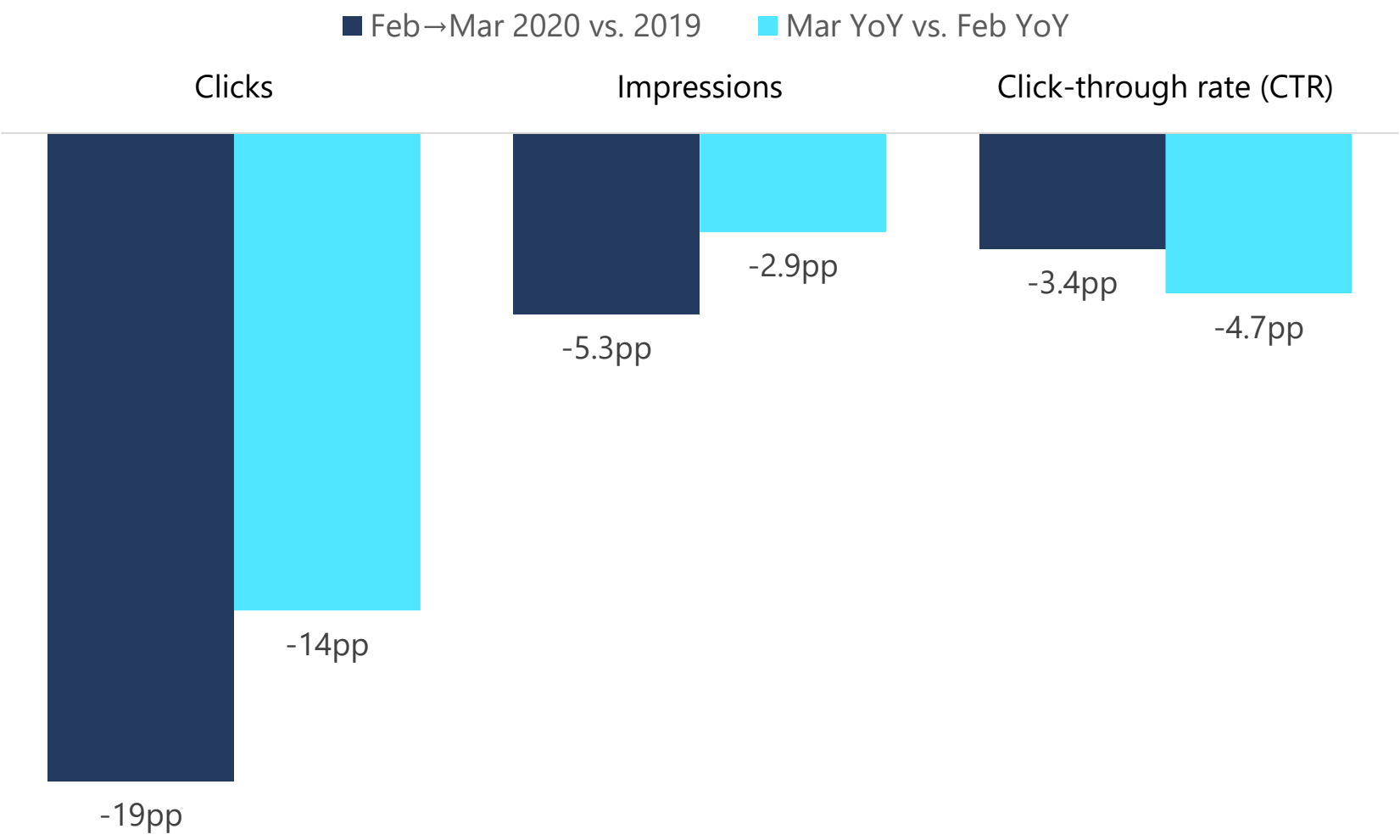
-12pp
total clicks

Mar YoY vs. Feb YoY

1. Microsoft internal data 2. https://www.nytimes.com/interactive/2020/us/coronavirus-stay-at-home-order.html

EARLY MOVERS

Tier 3 has been hit the hardest



Tier 3 clicks

Down in 8 of the 9 states that issued early "stay-at-home" orders

1. Microsoft internal data 2. https://www.nytimes.com/interactive/2020/us/coronavirus-stay-at-home-order.html

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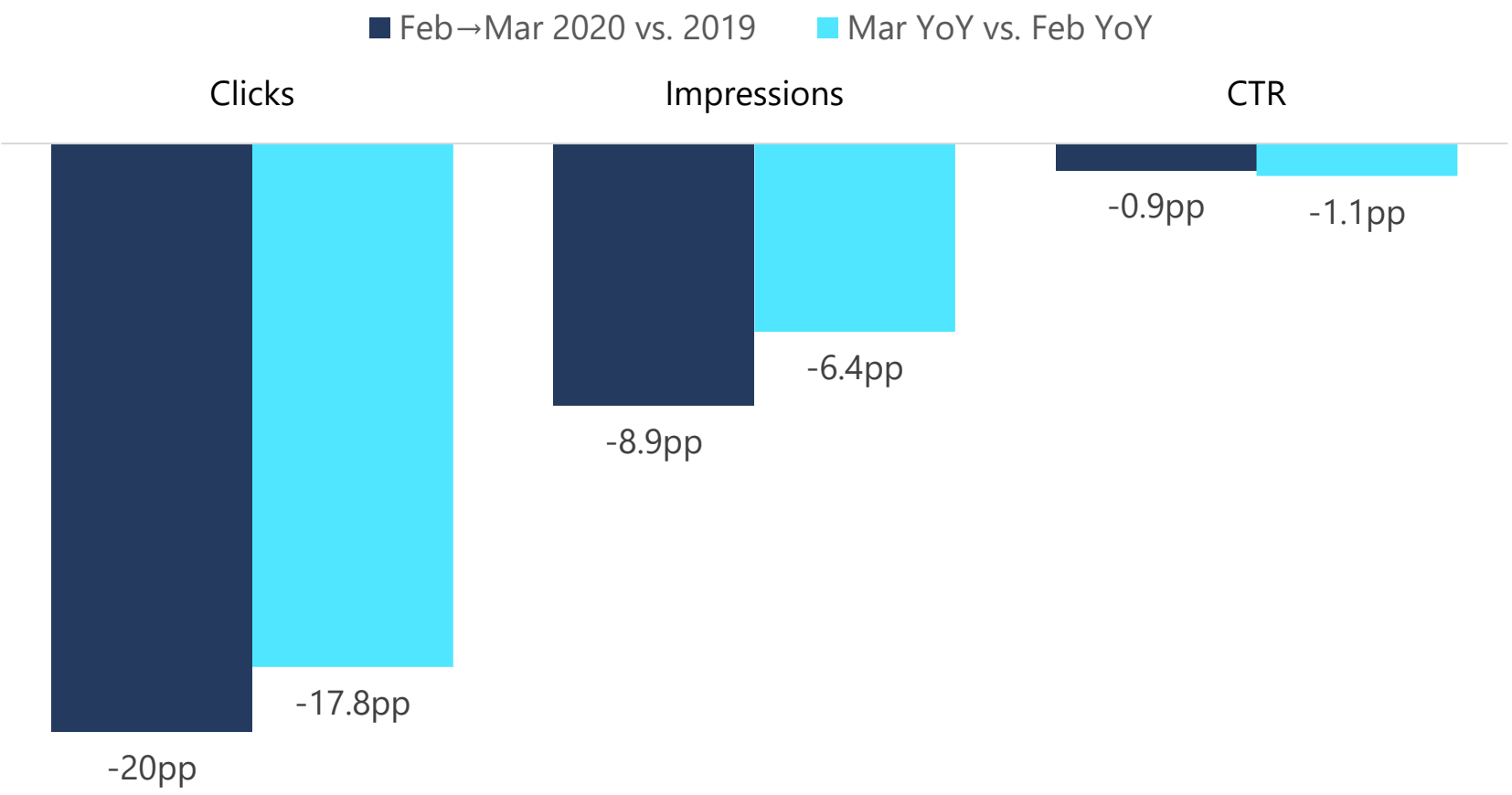
"Dealership" keywords declined sharply for Tier 3 advertisers



"Dealership"

Example queries include keywords like "dealer," "location," "hours," "inventory," "find" and "near me"

1. Microsoft internal data 2. https://www.nytimes.com/interactive/2020/us/coronavirus-stay-at-home-order.html

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Late movers

Search performance in states that issued “stay-at-home” orders late or never at all

For the 9 states that issued "stay-at-home" orders late or not at all, Mar 2020 clicks were relatively flat

-0.5pp

Total clicks Feb→Mar 2020 vs. 2019

-0.4pp

Total clicks Mar YoY vs. Feb YoY

3 of 9 states

Total clicks were up

1. Microsoft internal data 2. https://www.nytimes.com/interactive/2020/us/coronavirus-stay-at-home-order.html

Tier 3 clicks increased, outpacing total clicks

+0.9pp

Feb→Mar 2020 vs. 2019

+0.8pp

Mar YoY vs. Feb YoY

1. Microsoft internal data 2. https://www.nytimes.com/interactive/2020/us/coronavirus-stay-at-home-order.html

LATE MOVERS

In Georgia, there was a discernable time lapse between an early "stay-at-home" order for one specific county and the late state-wide order

-1.8pp
Feb→Mar
2020 vs. 2019

-1.8pp
Mar YoY
vs. Feb YoY

Total clicks **decreased** in the Albany, GA DMA, where Doughtery County issued an early "stay-at-home" order

Total clicks **increased** in GA DMAs that waited for the late statewide "stay-at-home" order

+4.3pp
Feb→Mar
2020 vs. 2019

+4pp
Mar YoY
vs. Feb YoY

1. Microsoft internal data 2. https://www.nytimes.com/interactive/2020/us/coronavirus-stay-at-home-order.html

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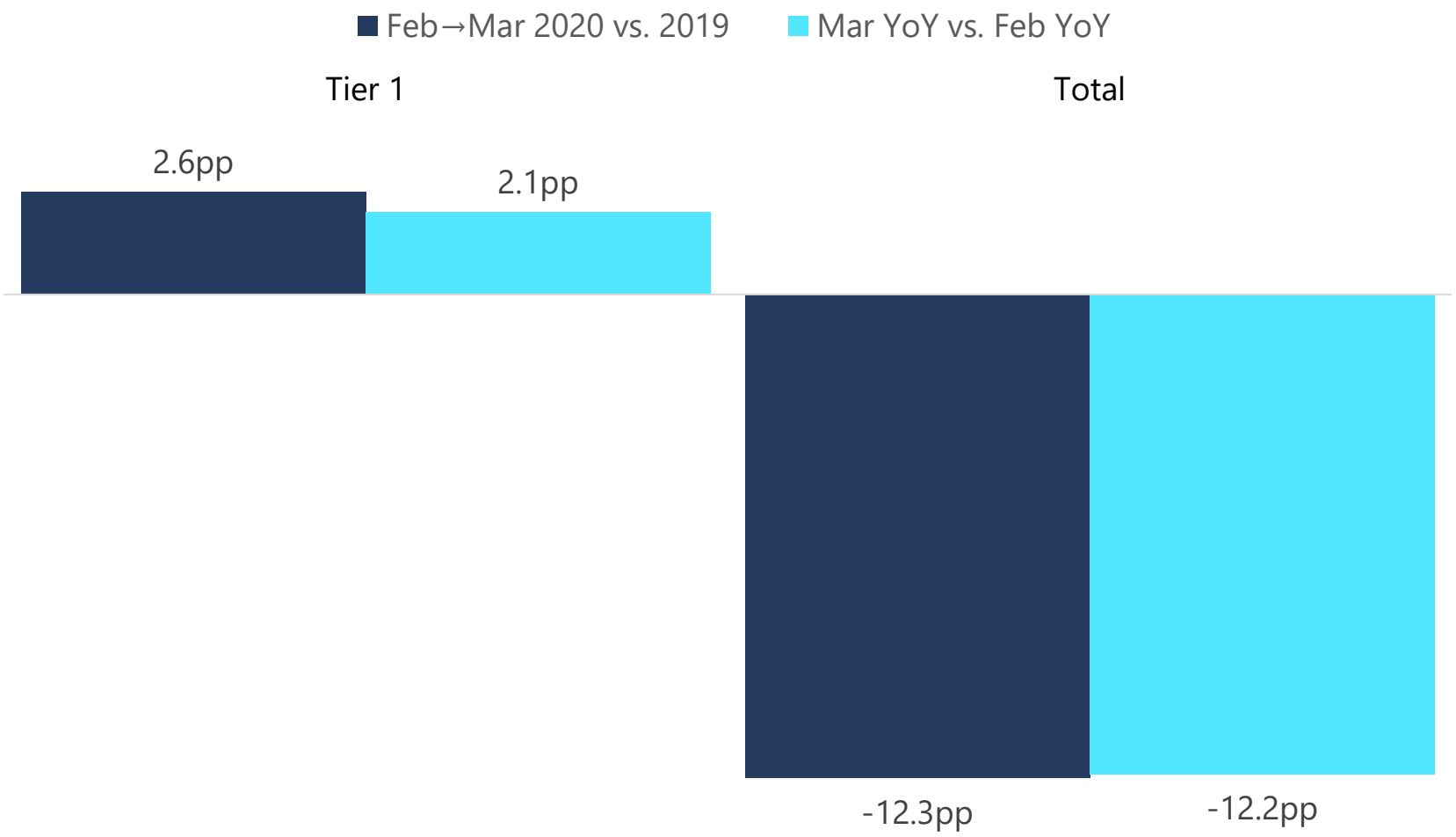
Consumer response

What search performance tells us about consumers in troubling times

Consumers turn to big brand messaging when it matters most

1. Microsoft internal data 2. https://www.nytimes.com/interactive/2020/us/coronavirus-stay-at-home-order.html

For the 19 states analyzed with either early, late or no "stay-at-home" orders, Mar 2020 Tier 1 CTR increased while CTR for the rest of the vertical decreased significantly



Tier 1 CTR

Up in 17 of the 19 states individually

1. Microsoft internal data 2. https://www.nytimes.com/interactive/2020/us/coronavirus-stay-at-home-order.html

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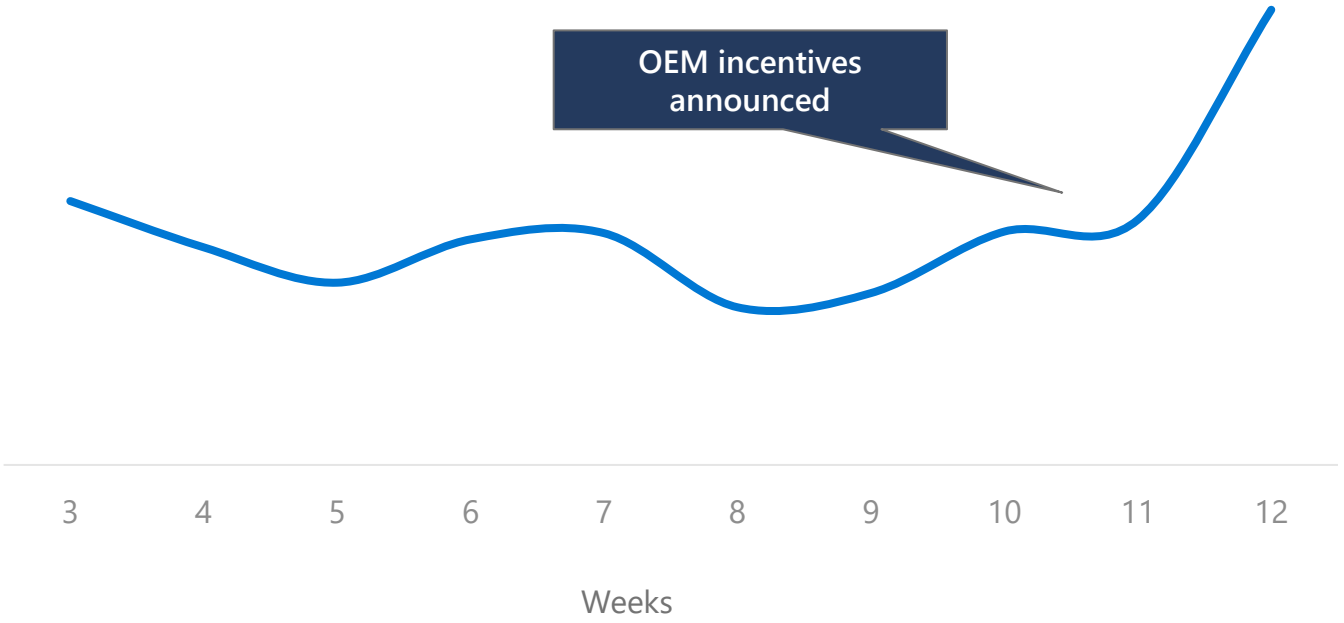
Since publicizing their relief efforts, original equipment manufacturers (OEMs) providing COVID-19 specific incentives are seeing a lift in search volume

Incentive + OEM brand search result page views (SRPVs) per week



Example keyword phrases include deals, rebates, offers, discounts, specials
Microsoft Internal Data, January-March 24, 2020
^Week 1-2 removed due to outliers in post-NYE query volume.

This week, incentive queries for brands offering relief are up **52%** week over week (WoW)

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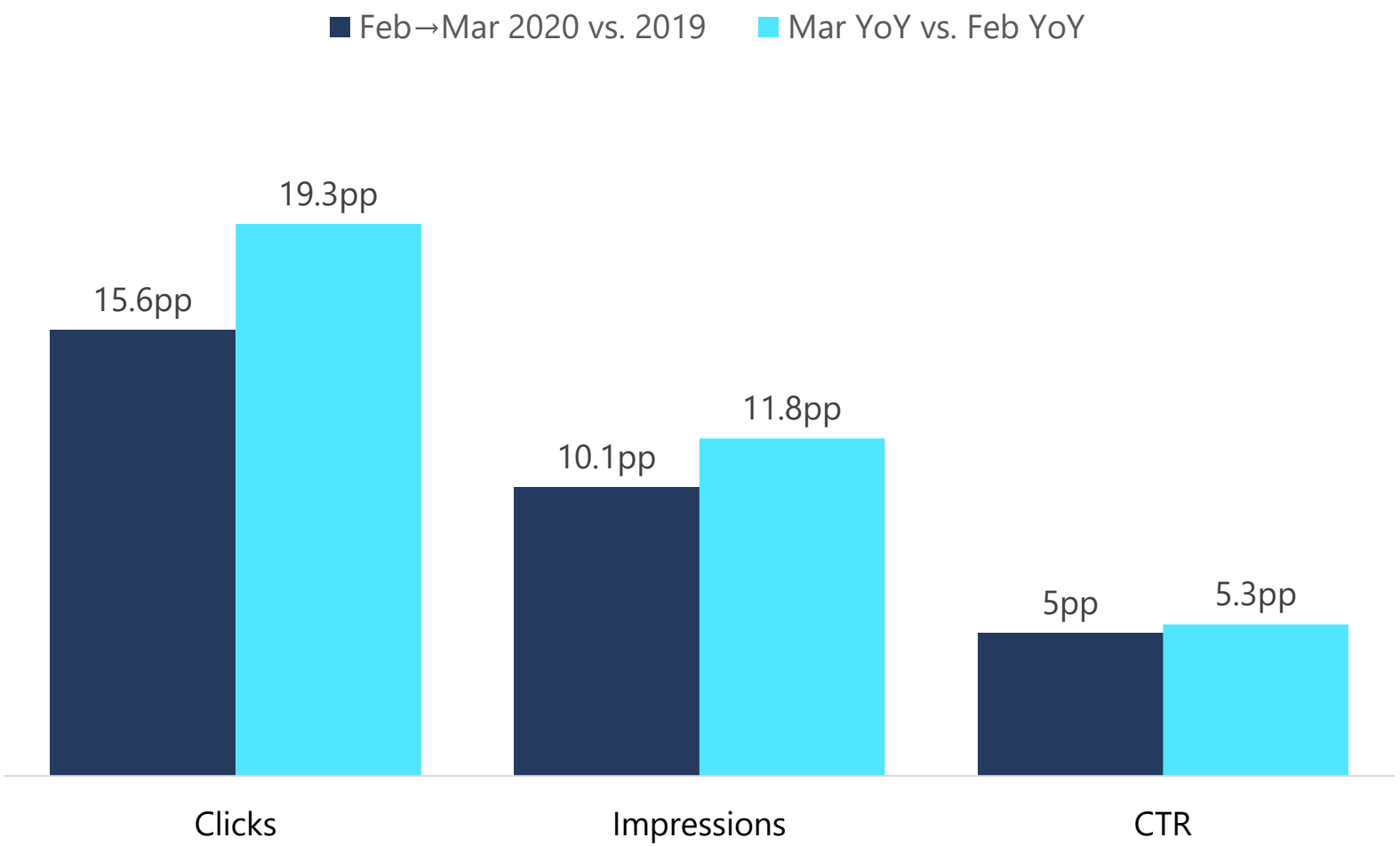
U.S. AUTO VERTICAL ALL-UP

Keywords with “incentives” intent surge



Early vs. late

Early mover states clicks up:

+**7.4**pp Feb→Mar 2020 vs. 2019

+**10.2**pp Mar YoY vs. Feb YoY

Late mover states clicks up:

+**22.5**pp Feb→Mar 2020 vs. 2019

+**30.7**pp Mar YoY vs. Feb YoY

Example keyword phrases include deals, rebates, offers, discounts, specials
1. Microsoft internal data 2. https://www.nytimes.com/interactive/2020/us/coronavirus-stay-at-home-order.html

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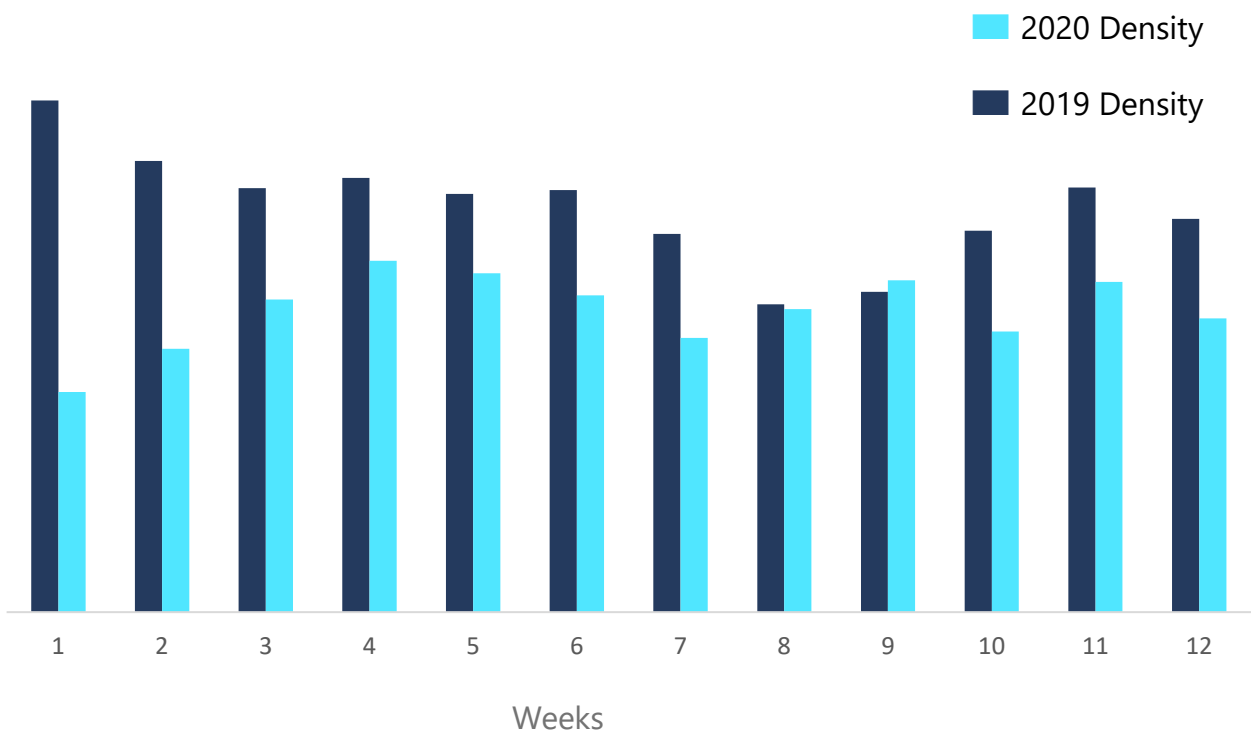
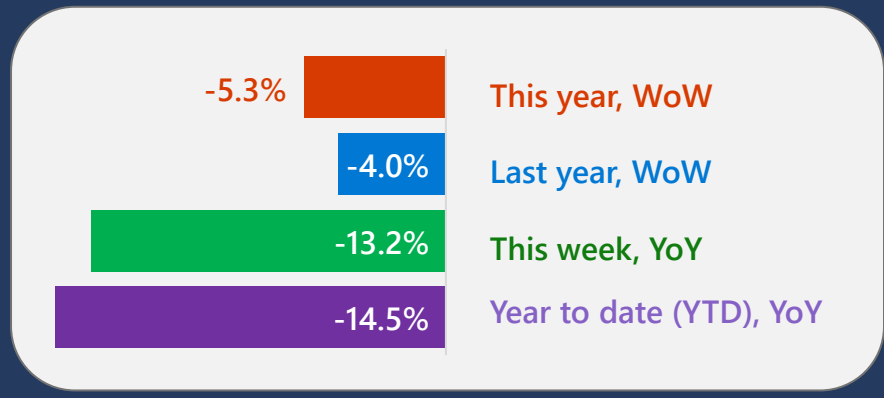
Nationwide SRPVs for incentives are up, but ad saturation has declined -14.5% YoY, granting a recourse for advertisers





User interest has peaked, but ad options have decreased, enabling advertisers to re-enter the market with a **+10%** more cost-efficient cost per click (CPC), as well as the opportunity to message consumers in a less convoluted space

Example keyword phrases include deals, rebates, offers, discounts, specials
Microsoft Internal Data, January-March 25, 2019; January-March 24, 2020
*Density = Ad Impressions / Bidded SRPVs (ie average # of ads per bidded query)

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Strategies and recommendations

Learn immediate and recovery-phase strategies, and how to approach new opportunities and optimize account health in the Digital Advertiser's Guide to COVID-19

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