Value of Search

Autos

Microsoft Advertising. Intelligent connections.
Objective

Illustrate how the automotive consumer journey changed during the months of COVID-19 (March and April) as compared to the pre-COVID-19 period of February
How has the user consumer journey changed recently?

OBJECTIVE

Channel
- Native
- Social
- Search
- Partner
- Display
- Referral

Paid vs. Organic
- SEM (Search engine marketing)
- SEO (Search engine optimization)

Upper vs. Lower funnel
- Brand
- Non-brand
- Conquest

Advertiser vs. Competitor
- Query
During COVID-19, search accounts for 10% points more of ad channel attribution

Pre COVID-19

- Display: 65%
- Native: 8.0%
- Partner: 20.0%

During COVID-19

- Display: 75%
- Native: 9.8%
- Partner: 8.6%

Insight!
Partner network also grew 1.8% points
Native remains a key channel during COVID-19; 72.5% of native ad clicks lead to those SEM clicks

### CHANNEL TRENDS

<table>
<thead>
<tr>
<th>Channel From</th>
<th>(conversion)</th>
<th>display</th>
<th>email</th>
<th>native</th>
<th>partner</th>
<th>referral</th>
<th>sem</th>
<th>social</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(start)</td>
<td>0.2%</td>
<td>1.8%</td>
<td>3.6%</td>
<td>93.1%</td>
<td>0.9%</td>
<td>100.0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>display</td>
<td></td>
<td>33.3%</td>
<td>33.3%</td>
<td>33.3%</td>
<td>100.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>email</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>100.0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>native</td>
<td>15.9%</td>
<td>2.6%</td>
<td>1.4%</td>
<td>2.9%</td>
<td>72.5%</td>
<td>4.3%</td>
<td>100.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>partner</td>
<td>29.5%</td>
<td>2.6%</td>
<td>9.0%</td>
<td>56.4%</td>
<td>2.6%</td>
<td>100.0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>referral</td>
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<td></td>
<td></td>
<td></td>
<td>100.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>sem</td>
<td>79.5%</td>
<td>0.2%</td>
<td>7.5%</td>
<td>7.8%</td>
<td>0.3%</td>
<td>5.1%</td>
<td>100.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>social</td>
<td>18.8%</td>
<td>2.3%</td>
<td>7.0%</td>
<td>72.1%</td>
<td>100.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Insight!**

Pre-COVID-19, multi-touch attribution (MTA) models assign native 3.2x more attribution value than last click models. During COVID-19, native is assigned 4.4x more attribution value than last click models.

User clicks on an automotive native ad  
15.9% of users convert after clicking on the native ad  
72.5% of users who do not convert on the native ad go on to engage with an automotive paid search ad in their next touchpoint
Since the attribution of SEM and SEO remained constant, advertisers who exited the marketplace lost their paid clicks to competitors.

**SEARCH TRENDS**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>72%</td>
<td>72%</td>
<td>71%</td>
</tr>
<tr>
<td>28%</td>
<td>27%</td>
<td>29%</td>
</tr>
</tbody>
</table>

**Insight!**

Tiered vertical spend decreased 32% from Feb. to Apr. but clicks only decreased 15%. Advertisers who remained in the market won clicks at attractive cost-per-clicks (CPCs).

SEM = Search engine marketing
SEO = Search engine optimization
SEARCH TRENDS

As search grows in attribution, it also becomes more efficient

Microsoft Internal Data. Microsoft Owned & Operated data. Journeys end on a last click to 1 of 15 OEM makes in February, March or April 2020.

Brand Investment decreased 30%, but clicks only decreased 17%

Non-brand Investment decreased 35%, but clicks only decreased 11%

Conquest Investment decreased 42%, but clicks only decreased 11%
Shoppers move up the funnel from comparison to research

Non-brand clicks remain strong despite investment cuts

Meanwhile, cross-shopping decreases ...

Microsoft Internal Data. Microsoft Owned & Operated data. Journeys end on a last click to 1 of 15 OEM makes in February, March or April 2020. Affinities include only multi-search paths and are based only on last 10 touchpoints leading up to a conversion.
In February, there were 20 distinct cross-shopping relationships

*e.g. Users that searched for ‘acura’ were 2.17x more likely to also search for ‘lexus’*

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**QUERY TRENDS**

<table>
<thead>
<tr>
<th>Query pair</th>
<th>Feb. lift</th>
</tr>
</thead>
<tbody>
<tr>
<td>‘acura’ ↔ ‘lexus’</td>
<td>2.17</td>
</tr>
<tr>
<td>‘chevy’ ↔ ‘dodge’</td>
<td>1.78</td>
</tr>
<tr>
<td>‘honda’ ↔ ‘hyundai’</td>
<td>1.50</td>
</tr>
<tr>
<td>‘bmw’ ↔ ‘mercedes-benz’</td>
<td>1.49</td>
</tr>
<tr>
<td>‘dodge’ ↔ ‘jeep’</td>
<td>1.47</td>
</tr>
<tr>
<td>‘chevy’ ↔ ‘ford’</td>
<td>1.46</td>
</tr>
<tr>
<td>‘bmw’ ↔ ‘acura’</td>
<td>1.36</td>
</tr>
<tr>
<td>‘acura’ ↔ ‘honda’</td>
<td>1.36</td>
</tr>
<tr>
<td>‘hyundai’ ↔ ‘nissan’</td>
<td>1.34</td>
</tr>
<tr>
<td>‘dodge’ ↔ ‘ford’</td>
<td>1.32</td>
</tr>
<tr>
<td>‘honda’ ↔ ‘toyota’</td>
<td>1.31</td>
</tr>
<tr>
<td>‘bmw’ ↔ ‘lexus’</td>
<td>1.28</td>
</tr>
<tr>
<td>‘chevrolet’ ↔ ‘dodge’</td>
<td>1.23</td>
</tr>
<tr>
<td>‘honda’ ↔ ‘nissan’</td>
<td>1.17</td>
</tr>
<tr>
<td>‘bmw usa’ ↔ ‘mercedes-benz’</td>
<td>1.12</td>
</tr>
<tr>
<td>‘nissan’ ↔ ‘toyota’</td>
<td>1.09</td>
</tr>
<tr>
<td>‘acura’ ↔ ‘cadillac’</td>
<td>1.06</td>
</tr>
<tr>
<td>‘hyundai’ ↔ ‘toyota’</td>
<td>1.06</td>
</tr>
<tr>
<td>‘jeep’ ↔ ‘chevy’</td>
<td>1.03</td>
</tr>
<tr>
<td>‘chevrolet’ ↔ ‘ford’</td>
<td>1.02</td>
</tr>
</tbody>
</table>

**Average February lift**  

1.34
By April, there were only 7 distinct cross-shopping relationships

e.g. Users that searched for ‘bmw’ were 1.38x more likely to also search for ‘mercedes-benz’

**Insight!**

Cross-shopping relationships decreased by 18% points

<table>
<thead>
<tr>
<th>Query pair</th>
<th>April lift</th>
</tr>
</thead>
<tbody>
<tr>
<td>‘bmw’ ↔ ‘mercedes-benz’</td>
<td>1.38</td>
</tr>
<tr>
<td>‘honda’ ↔ ‘toyota’</td>
<td>1.21</td>
</tr>
<tr>
<td>‘bmw’ ↔ ‘lexus’</td>
<td>1.21</td>
</tr>
<tr>
<td>‘cadillac’ ↔ ‘chevrolet’</td>
<td>1.14</td>
</tr>
<tr>
<td>‘honda’ ↔ ‘nissan’</td>
<td>1.07</td>
</tr>
<tr>
<td>‘chevrolet’ ↔ ‘ford’</td>
<td>1.05</td>
</tr>
<tr>
<td>‘nissan’ ↔ ‘toyota’</td>
<td>1.03</td>
</tr>
</tbody>
</table>

**Average April lift**

1.16
User ad exposure also changed; likelihood for cross-class impressions rose +12%, while distinct luxury impressions fell -49%.

**Economy & Luxury impressions**

+12%

In likelihood users were served an impression from an economy and a luxury brand.

**Why?** Searchers stayed upper-funnel, clicks only decreased 11% in non-brand despite 35% decrease in spend.

**Luxury A & Luxury B impressions**

-49%

In likelihood users were served an impression from two distinct luxury brands.

**Why?** Driven by the -25% in conquesting and the +1.5% in retention clicks.

**Economy A & Economy B impressions**

+3%

In likelihood users were served an impression from two distinct economy brands.

**Why?** Incentive clicks (+22%) kept cross-shopping even despite the investment declines.
The online user journey is more SEM focused and upper-funnel
Summar: Value of Search key takeaways:

Paid Search experiences increased engagement, at more efficient CPCs and with the chance for increased consumer brand influence

- During this most recent systematic global event (COVID-19), search marketing has become an even more important channel as illustrated by its 10% points larger attribution role
- Similarly, the partner network grew in attribution by 1.8% points, while the native ad channel continued to fuel SEM clicks
- Given the attribution between SEM and SEO remained constant, advertisers who exited the marketplace lost their paid clicks to competitors who maintained their evergreen strategy
- What’s more, CPCs became more cost-efficient, thus furthering bolstering advertisers who remained in the marketplace
- Even as advertisers focused on brand-spend, clicks for non-brand were resilient. Influencing users across the consumer journey remains essential.
- Finally, users showed a decrease in likelihood to cross-shop, signaling that existing advertisers in the marketplace could generate greater brand-loyalty
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
Query path data methodology

01 USER BASE
Consumer search paths that end on an automotive paid click

02 OEM PAID AD COMPETITIVE SET
Acura, BMW, Cadillac, Chevy, Chrysler, Dodge, Ford, Honda, Infiniti, Jeep, Lexus, Lincoln, Mercedes, Nissan, RAM, Toyota

03 DEVICES
Inclusive of all devices

04 TIMELINE
Pre-COVID-19
February 2020
During COVID-19
March and April 2020

Source: Microsoft Internal Data
Consumer decision journey data methodology

01 USER BASE
Consumer browsing paths that include at least 10 automotive web domain engagements

02 OEM TIER 1 COMPETITIVE SET
40 OEM Tier 1 Sites
4 Third Party Sites

03 DEVICES
PC activity only

04 TIMELINE
Pre-COVID-19
Jan. – Feb. 2020

During COVID-19
Mar. – Apr. 2020

Source: Microsoft Internal Data