Online Gaming & Consoles Insights

Markets: United Kingdom, Italy and Spain

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- Market review
  - United kingdom
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Methodology and Product Categories

Markets: United Kingdom, Italy and Spain

Period: 5 Jan – 2 May 2020 (and compared to the same period in 2019)

Advertisers: we have included all the advertisers active in the relevant auctions

The analysis is based on the following product categories, identified by the categorization of the query search traffic seen in the network:

- **Playstation**: search queries containing mention of Playstation consoles, games and accessories. split in subcategories (Consoles, Games, PS4 and Accessories)
- **Xbox**: search queries containing mention of Xbox consoles, games and accessories. split in subcategories (Consoles, Games, and Accessories)
- **Nintendo**: search queries containing mention of Nintendo consoles, games and accessories. split in subcategories (Consoles, Games, Switch and Accessories)
- **VR Gaming**: queries for virtual reality gaming (oculus, ps vr etc)
- **PC gaming**: search queries containing mention of games on Personal Computers
Key Findings and Actions

**Initial Hypothesis**

Across Europe, lockdown restrictions have forced users to stay indoors. As a result, gaming and home consoles might be an enjoyable way to spend time as well as provide a break from other activities.

- How do consumers search when it comes to online gaming?
- Are they looking for the latest products available or are they more willing to purchase second-hand consoles?

**Key Findings**

The initial hypothesis is **confirmed** by the high growth seen in search volume followed by an outstanding uplift in clicks for Gaming products across all markets examined.

- The **UK** saw a total +132% year-on-year growth in traffic during lockdown, and clicks increased by +114%
- Similarly, in **Italy** we have detected a +307% year-on-year increase in total traffic and a +119% growth in clicks
- The growth was also very evident in **Spain** with a +252% year-on-year in traffic and +194% year-on-year in clicks.

**Recommended Actions**

Persistent advertiser opportunities across all markets with not only search volume growth but clicks as well, which indicates a strong user’s commercial intent.

We strongly advise our partners to:

- **Drive conversions** by reaching the Mainline and expanding your keyword set to drive relevant traffic to your stores
- Make sure your **brand traffic** is fully covered to defend your position
- Leverage **generic search traffic** to push your offers and services.
- Keep an eye on **pricing**. Some high growth search queries have seen a decreasing average CPC easily leading to high ROI
United Kingdom
Gaming searches and clicks growth accelerated after lockdown as people were confined indoors and looking for entertainment.

Growth searches and clicks accelerates during lockdown:
- Growth searches in last 4 weeks is +132% (vs. +4% this year before lockdown)
- Growth clicks in last 4 weeks is +114% vs. (vs. -3% before lockdown)

Last 4 weeks are week 15–18 and cover the dates 05 Apr – 02 May
Source: Microsoft Internal, United Kingdom
PlayStation searches rose post lockdown driven by PlayStation 4 console searches, the highest growth was seen in PlayStation Accessory searches.

Key insights:
All PlayStation categories analyzed in this slide have had a fast growth in consumer interest (searches) since the country lockdown on March 23rd:

- **PlayStation & Accessories** interest up vs. last year, driven by searches for ‘PS4 controller’
- The **PlayStation Console** category is being driven by standard PlayStation console searches and not later PlayStation pro models
Xbox searches followed the same trend with spikes

Key insights:
All categories examined had a significant year-on-year growth in search volume since lock-down:

- **Xbox Console** searches represent a significant volume of searches and recent growth is driven by the basic search term “Xbox” as well as variants for “Xbox Live”
- **Xbox & Games** interest is significantly up compared to last year with recent growth driven by the searches “Xbox games” and “Xbox One games”.

Last 4 weeks are week 15–18 and cover the dates 05 Apr – 02 May.
Source: Microsoft Internal Search Data
Nintendo - All categories also witnessing a massive uplift in searches

Key insights:

All Nintendo categories analyzed in this slide have had a huge year-on-year growth in searches post lockdown:

- **Nintendo Switch** searches are the main driver of search volume and growth (Animal Crossing release 20th March)
- The strong increase in **Nintendo Games** is also driven by the query “Nintendo Switch Games” as well as searches for the game “Animal Crossing” which had a release date of 20th March

Last 4 weeks are week 15–18 and cover the dates 05 Apr – 02 May.
Source: Microsoft Internal, United Kingdom
Others – PC Games and Virtual Reality

Key insights:
All categories examined had a significant year-on-year growth in search volume since lock-down:

- **Gaming PC searches** are up, driven by generic searches for “Gaming PC” and “Gaming Laptops”

- **Virtual Reality** searches saw a smaller increase in comparison driven by searches for “Oculus” devices

Last 4 weeks are week 15–18 and cover the dates 05 Apr – 02 May.
Source: Microsoft Internal, United Kingdom
COVID-19 and lockdown specifically drove growth for most of the related products searches

**Key insights:**
- **Gaming Console** categories are driving the search volume, with the highest yearly growth in searches around the **Nintendo Switch**.
- **Xbox and Playstation Accessory** searches rose significantly post lockdown, potentially due to an increased number of families playing games together for entertainment.

*After lockdown period: 22 Mar – 02 May 2020, post vs pre lockdown period: 22 Mar – 02 May (6 weeks) vs 09 Feb – 21st Mar (6 weeks)
Source: Microsoft Internal, United Kingdom
UNITED KINGDOM
Main Takeaways

KEY FINDINGS

The initial hypothesis is confirmed by the high growth seen in search volume followed by an outstanding uplift in clicks for Gaming products.

- **All up traffic in this vertical**, including all categories under examination, grew by +132% year-on-year during lockdown. Similarly clicks increased by +114% year-on-year indicating consumer interest and engagement.
- **PlayStation accessories** product category has been the driving force in this growth with search and clicks soaring at a faster rate than the other categories.
- **Xbox** all up related traffic grew by 145% year-on-year driven by searches for accessories (+290% year-on-year) and Games (+274% year-on-year).
- **Nintendo Switch's** traffic also grew very fast with a +517% compared to an also solid growth seen in generic Nintendo consoles searches at +352% year-on-year.

RECOMMENDED ACTIONS

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- Make sure your **brand traffic** is fully covered to defend and/or expand your position in the marketplace
- Leverage **generic search traffic** to push your offers and services. This holds true across both broadband and mobile categories.
- Keep an eye on **pricing**. Some high growth search queries have seen a decreasing average CPC which would easily lead to your expected ROI.
Italy
Gaming searches and clicks growth accelerating after lockdown with upward trend continuing

Growth in traffic and user engagement for the overall Online Gaming vertical (including all product categories) accelerated significantly during lockdown, with search queries growing by +307% year-on-year and clicks by +119% year-on-year. The growth in traffic was sustained until the end of the analysis period (May 2nd), however we see a slight decrease in clicks in the last week of analysis.

Last 4 weeks are week 15–18, covering the period 05 Apr – 02 May
Source: Microsoft Internal, Italy
PlayStation - All of categories are growing in searches but PlayStation & Accessories and PlayStation 4 are the main drivers

PlayStation ALL CATEGORIES

PlayStation

PlayStation & Games

PlayStation 4

PlayStation & Accessories

Key insights:
All PlayStation categories analyzed in this slide have had a fast growth in consumer interest (searches) since the country lockdown on 9th March.

- PlayStation & Accessories interest up vs. last year, driven by growth in generic 'joystick ps4' and 'controller ps4' queries
- Interest in PlayStation 4 is likely due to the upward trend in related PlayStation & Accessories searches since is a complementary category.

Last 4 weeks are week 15–18, covering the period 05 Apr – 02 May. Source: Microsoft Internal, Italy
**Xbox** - All categories also witnessing a massive uplift in searches

**Key insights:**
All categories examined had a significant year-on-year growth in search volume since lockdown:
- **Xbox & Games** interest is up compared to last year. “Xbox store” is tracking ahead in this category.
**Nintendo switch and related console searches are also rising**

**Key insights:**

All categories examined had a significant year-on-year growth in search volume since lockdown:

- Search terms related to the latest product and price deals are steering the way of the increment in volume ("Nintendo switch lite" and "Nintendo Switch prezzo").

*Last 4 weeks are week 15–18, covering the period 05 Apr – 02 May. Source: Microsoft Internal, Italy*
Others – PC Games and Virtual Reality

Key insights:
All categories examined had a significant YoY growth in search volume since lock-down:
- **Gaming PC and VR searches** are gradually increasing over time. VR headsets are becoming more affordable than in the past and have started to be viewed as more enjoyable and a less niche experience, especially during this “stay at home” period.

Last 4 weeks are week 15–18, covering the period 05 Apr – 02 May. Source: Microsoft Internal, Italy
COVID-19 and lockdown specifically drove high growth for most of the related products searches

<table>
<thead>
<tr>
<th>Search volume during lockdown* by category</th>
<th>Category growth vs. pre-lockdown*</th>
<th>Category growth vs. last year*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Playstation</td>
<td>174%</td>
<td>349%</td>
</tr>
<tr>
<td>Xbox Console</td>
<td>159%</td>
<td>331%</td>
</tr>
<tr>
<td>Gaming PC</td>
<td>125%</td>
<td>224%</td>
</tr>
<tr>
<td>Playstation 4</td>
<td>322%</td>
<td>511%</td>
</tr>
<tr>
<td>Playstation &amp; Games</td>
<td>151%</td>
<td>186%</td>
</tr>
<tr>
<td>Xbox &amp; Game</td>
<td>268%</td>
<td>855%</td>
</tr>
<tr>
<td>Nintendo &amp; Game</td>
<td>132%</td>
<td>125%</td>
</tr>
<tr>
<td>Nintendo &amp; Console</td>
<td>476%</td>
<td>258%</td>
</tr>
<tr>
<td>Nintendo Switch</td>
<td>430%</td>
<td>286%</td>
</tr>
<tr>
<td>PlayStation...</td>
<td>1106%</td>
<td>1000%</td>
</tr>
<tr>
<td>VR Gaming</td>
<td>20.00%</td>
<td>289%</td>
</tr>
</tbody>
</table>

*Lockdown period IT covering the period 08 Mar – 02 May 2020 in this slide, pre-lockdown is 4 weeks covering 01 Jan – 07 Mar 2020, average weekly volume taken to understand growth, same weeks last year taken for year-on-year comparison

Source: Microsoft Internal, Italy

**Key insights:**

- Most of the search volume for the top category terms are **skyrocketing**, with PlayStation 4 Accessories recording the largest uplift.

- Despite **PlayStation Accessories** has a lower share of search volume, it is **enjoying an enormous growth rate compared to last year**.
Xbox related queries and PS4 Remote Play see noticeable increases compared to last year

*Lockdown period IT covering the period 08 Mar – 02 May 2020 in this slide, pre-lockdown is 4 weeks covering 01 Jan – 07 Mar 2020, average weekly volume taken to understand growth, same weeks last year taken for year-on-year comparison
Source: Microsoft Internal, Italy
ITALY
Main Takeaways

KEY FINDINGS

The initial hypothesis is confirmed by the high growth seen in search volume followed by an outstanding uplift in clicks for Gaming products.

- *Playstation accessories* product categories has been the driving force in this growth with search and clicks soaring at faster rate than the other categories. *Controller PS4* and *joystick PS4* are the major drivers for this category. A possible explanation for this could be the need to involve other members of the family in the experience, so more general uptake or consumers look for and purchase brand new controllers in the hope it help them become more competitive during online battles.

- Xbox & Game have been also contributing marginally to the rise.

RECOMMENDED ACTIONS

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- Make sure your **brand traffic** is fully covered to defend and/or expand your position in the marketplace

- Leverage **generic search traffic** to push your offers and services. This holds true across both Broadband and Mobile categories.

- Keep an eye on **pricing**. Some high growth search queries have seen a decreasing average CPC which would easily lead to your expected ROI
Spain
Gaming searches and clicks growth rate accelerants with lockdown with the upward trend continuing

Weekly Searches
(All Product Categories)

Weekly Clicks
(All Product Categories)

Growth in traffic and user engagement for the overall Online Gaming vertical (including all product categories) accelerated significantly during lockdown, with search queries growing by +252% year-on-year and clicks by +194% year-on-year. The growth trend was sustained until the end of the analysis period (May 2\textsuperscript{nd}).

Last 4 weeks are week 15–18, covering the period 05 Apr – 02 May
Source: Microsoft Internal, Spain
PlayStation - All of categories show a steep increase in searches but PlayStation console related searches are capturing more interest

Key insights:
All categories examined had a significant year-on-year growth in search volume since lockdown:

- PlayStation interest up vs. last year, driven by growth in generic 'PS2' and 'Sony PlayStation' queries
- Interest around PlayStation 4 reveals an upward trend. A possible explanation might lie with the PS5 scheduled to be released soon with a downgrade in price for previous models.

Last 4 weeks are week 15–18, covering the period 05 Apr – 02 May. Source: Microsoft Internal, Spain
Xbox - All categories also reveal a massive uplift in searches

Key insights:

All categories examined had a significant year-on-year growth in search volume since lockdown:

- **Xbox & Games** interest is up compared to last year. "Xbox live gold" which is premium subscription, is leading the way in this uplift.
**Nintendo switch and related games searches are rising the most**

**Key insights:**
All categories examined had a significant year-on-year growth in search volume since lockdown:

- Animal crossing and generic queries around switch are the major drivers of the increment in volume year-on-year ("nintendo switch" and "comprar nintendo switch")
Others – PC Games and Virtual Reality

**Key insights:**

All categories examined had a significant year-on-year growth in search volume since lockdown:

- **VR searches** are gradually increasing over time. VR headsets are becoming more affordable than in the past and they have started to be viewed as more enjoyable and less of a niche experience, especially during this “stay at home” period.

- **Gaming PC related products** seen generic searches being the top driver of this category (e.g. “juegos de pc”)
COVID-19 and lockdown specifically drove growth for most of the related products searches

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<td>Xbox Console</td>
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<td></td>
<td></td>
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<tr>
<td>Nintendo Switch</td>
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</tr>
<tr>
<td>Nintendo Console</td>
<td></td>
<td></td>
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<tr>
<td>VR Gaming</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PC Gaming</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Playstation &amp; Game</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Lockdown period ES covering the period 15 Mar – 02 May 2020 in this slide, pre-lockdown is 4 weeks covering 01 Jan – 14 Mar 2020, average weekly volume taken to understand growth, same weeks last year taken for year-on-year comparison
Source: Microsoft Internal, Spain

**Key insights:**

- Most of the top categories' search volume is skyrocketing, with Nintendo and PlayStation console driving the most interest.

- Less important categories in terms of search volume are also increasing year-on-year (VR Gaming, PC Gaming and PlayStation & Game)
Xbox and PlayStation online subscription queries see noticeable increases compared to last year’s searches

<table>
<thead>
<tr>
<th>Search volume absolute growth vs. last year (by search query, top 20)</th>
<th>% growth vs. last year (by search query, top 20)</th>
</tr>
</thead>
<tbody>
<tr>
<td>xbox (Xbox Console)</td>
<td>217%</td>
</tr>
<tr>
<td>ps4 (Playstation 4)</td>
<td>130%</td>
</tr>
<tr>
<td>xbox live (Xbox Console)</td>
<td>194%</td>
</tr>
<tr>
<td>xbox one (Xbox Console)</td>
<td>260%</td>
</tr>
<tr>
<td>playstation com (Playstation Console)</td>
<td>360%</td>
</tr>
<tr>
<td>xbox one x (Xbox Console)</td>
<td>1139%</td>
</tr>
<tr>
<td>oculus (VR Gaming)</td>
<td>94%</td>
</tr>
<tr>
<td>xbox beta (Xbox Console)</td>
<td>0%</td>
</tr>
<tr>
<td>juegos de pc (PC Gaming)</td>
<td>488%</td>
</tr>
<tr>
<td>xbox com (Xbox Console)</td>
<td>337%</td>
</tr>
<tr>
<td>ps3 (Playstation Console)</td>
<td>1078%</td>
</tr>
<tr>
<td>xbox one s (Xbox Console)</td>
<td>881%</td>
</tr>
<tr>
<td>playstation plus (Playstation Console)</td>
<td>917%</td>
</tr>
<tr>
<td>xbox live gold (Xbox &amp; Game)</td>
<td>3700%</td>
</tr>
<tr>
<td>sony playstation (Playstation Console)</td>
<td>0%</td>
</tr>
<tr>
<td>xbox game pass pc (Xbox &amp; Game)</td>
<td>0%</td>
</tr>
<tr>
<td>microsoft xbox (Xbox Console)</td>
<td>0%</td>
</tr>
<tr>
<td>ps4 pro (Playstation 4)</td>
<td>1775%</td>
</tr>
<tr>
<td>htc vive (VR Gaming)</td>
<td>443%</td>
</tr>
</tbody>
</table>

*Lockdown period ES covering the period 15 Mar – 02 May 2020 in this slide, pre-lockdown is 4 weeks covering 01 Jan – 14 Mar 2020, average weekly volume taken to understand growth, same weeks last year taken for year-on-year comparison

Source: Microsoft Internal, Spain
KEY FINDINGS

The initial hypothesis is confirmed by the high growth seen in search and clicks for Gaming products.

- **Xbox console and Xbox & Games** product categories have been the driving force with search and clicks soaring at faster rate than the other categories. *Xbox live gold* was the driving force of this uplift with an underling strong interest in online subscription rather than the traditional in-shop purchase.

- **PlayStation console** has been also contributing to the growth. Indeed, *PS2* and *Sony PlayStation* were the top drivers in this product category.

RECOMMENDED ACTIONS

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