Microsoft

Brand vs. Generic: A multi-market analysis

DE, ES, FR, IT, NL, U.K.

Hypothesis

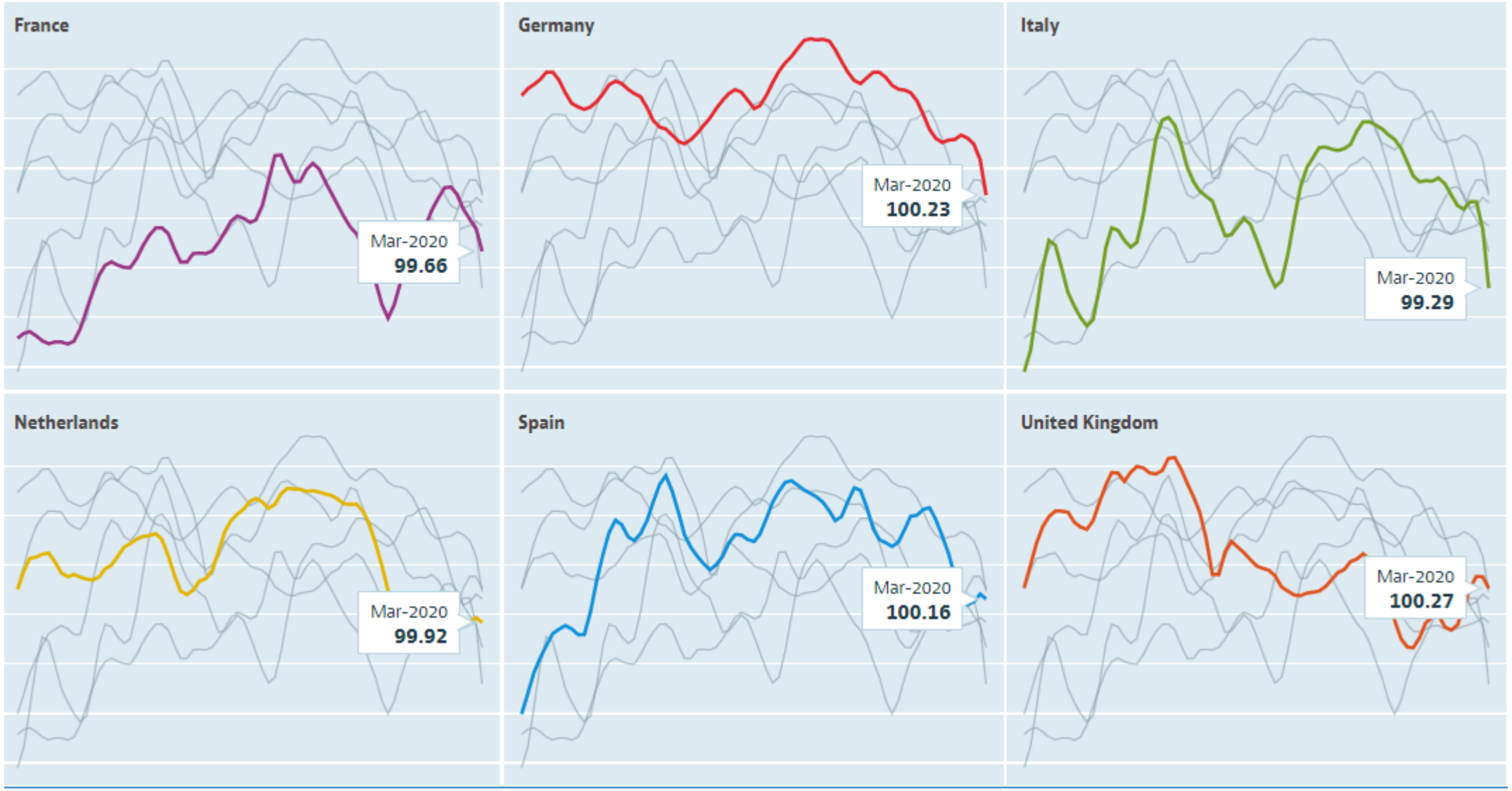
The combination of falling consumer confidence & challenges with earnings is likely to have had an impact on how consumers search for products and services to buy online.

How has this impacted the overall brand awareness and trust?

Are people relying on brands they trust rather than generic products looking for the better deal?

Microsoft

Consumer Confidence dropping as Corona Virus impacts



Source: OECD, April 2020

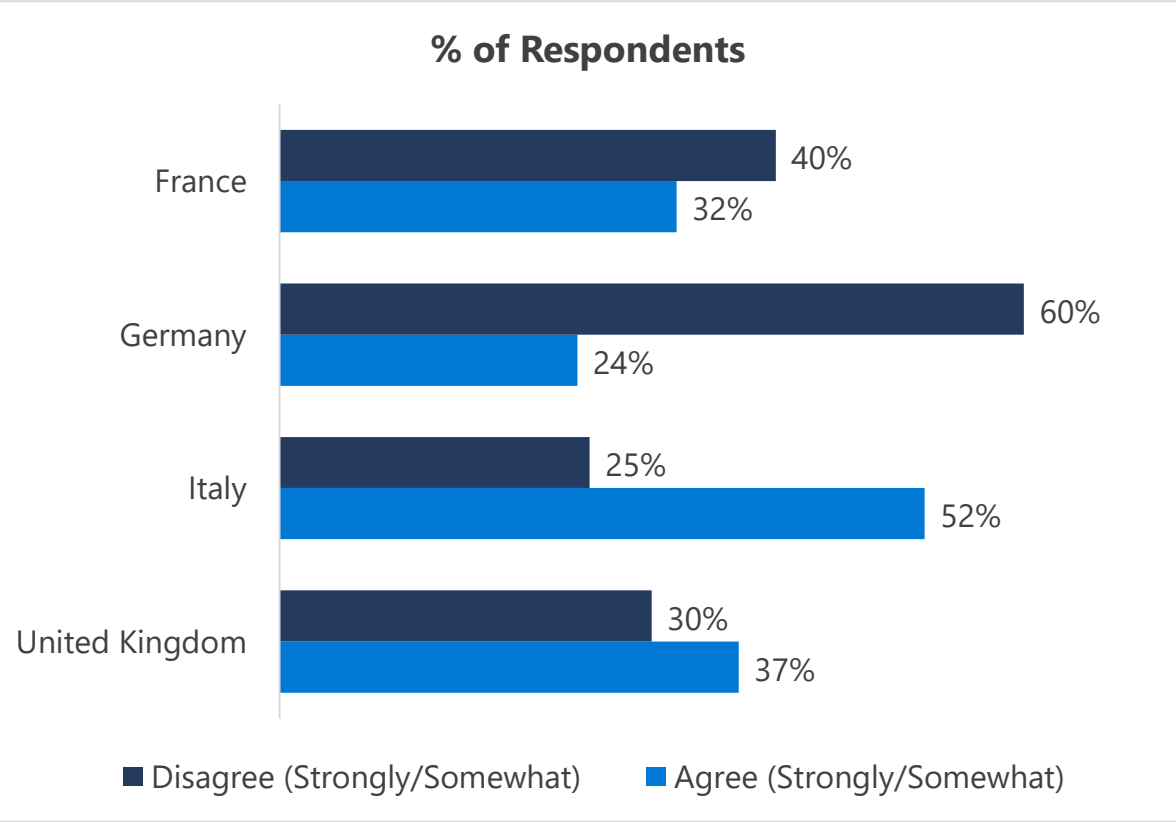
Microsoft

Consumers have clear ideas about how they expect business to respond

Consumers are expecting corporations to promote their brands differently and to take the lead role in response

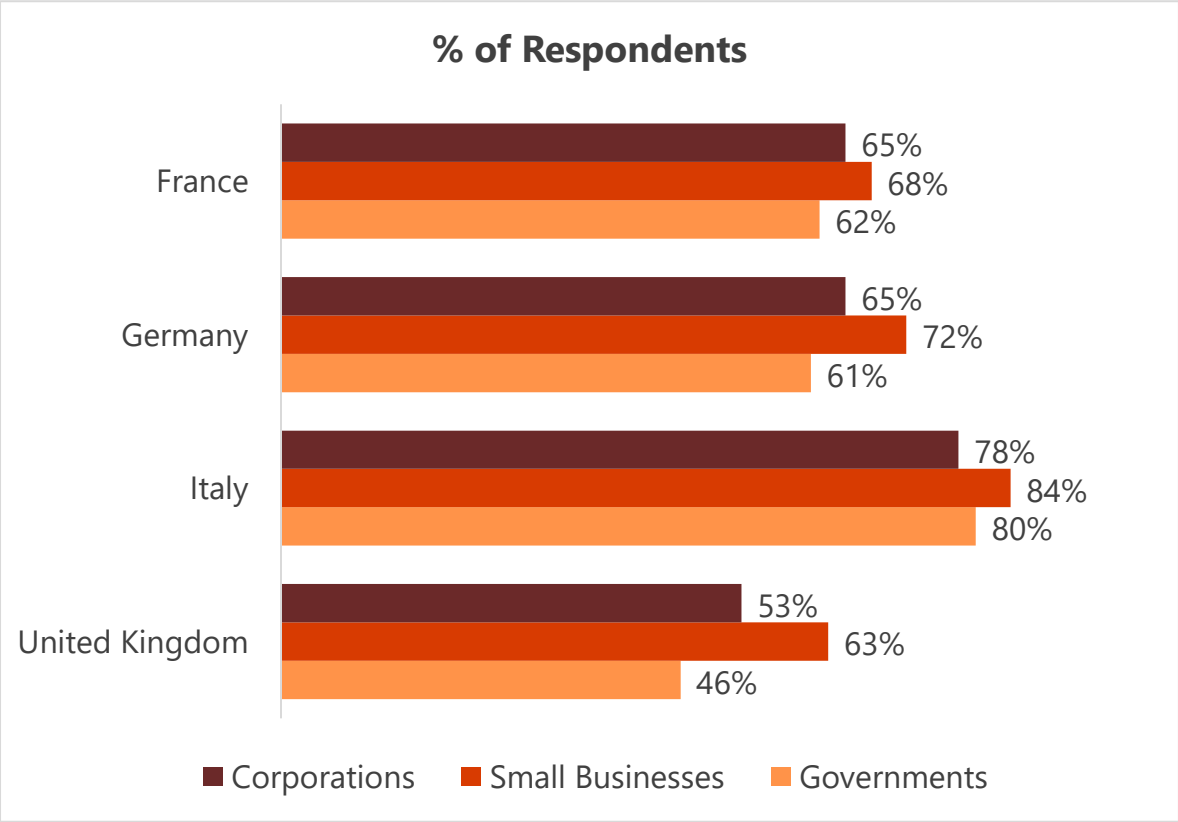
Brand Advertising is expected to change

% who agree / disagree that brands should advertise as normal



Businesses to lead the response to Corona Virus

% who approved how they have handled the outbreak



Source: Global Web Index (GWI), Corona Virus Research, March 2020

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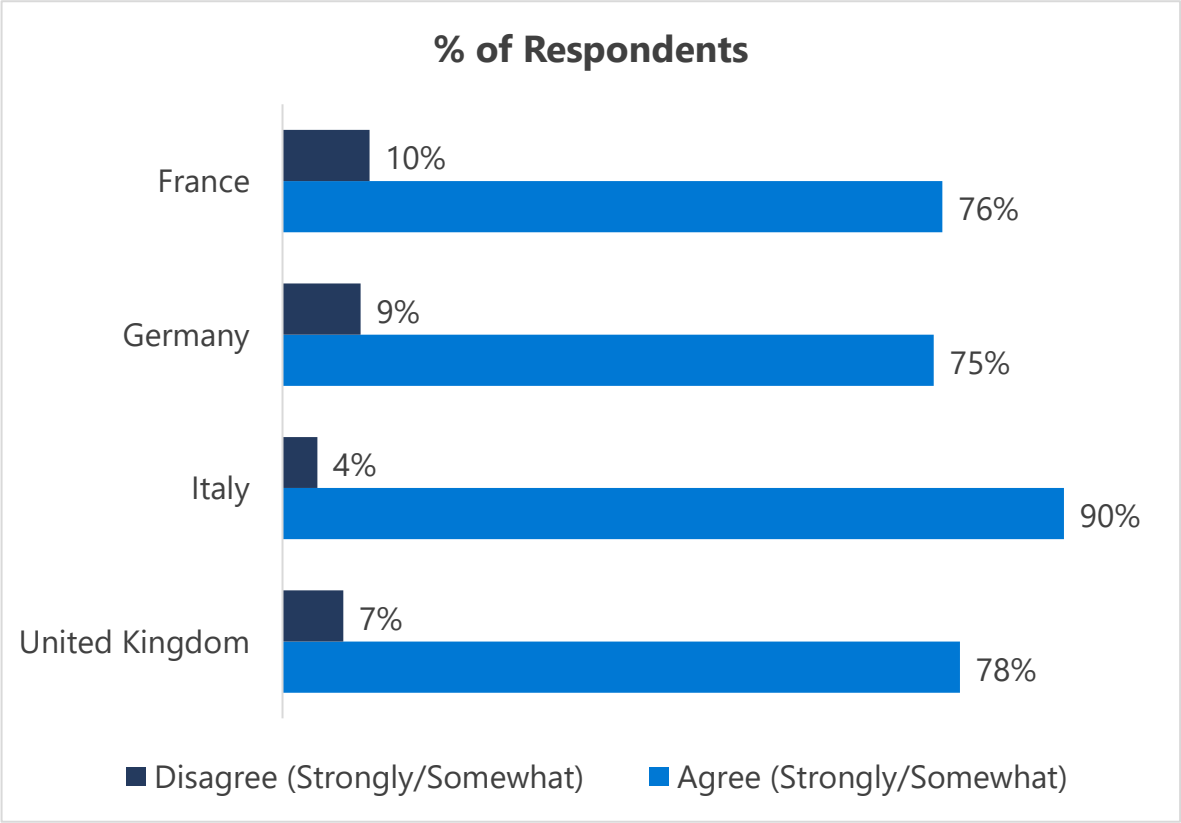
Brand purpose is no longer about brand health. It's about public health

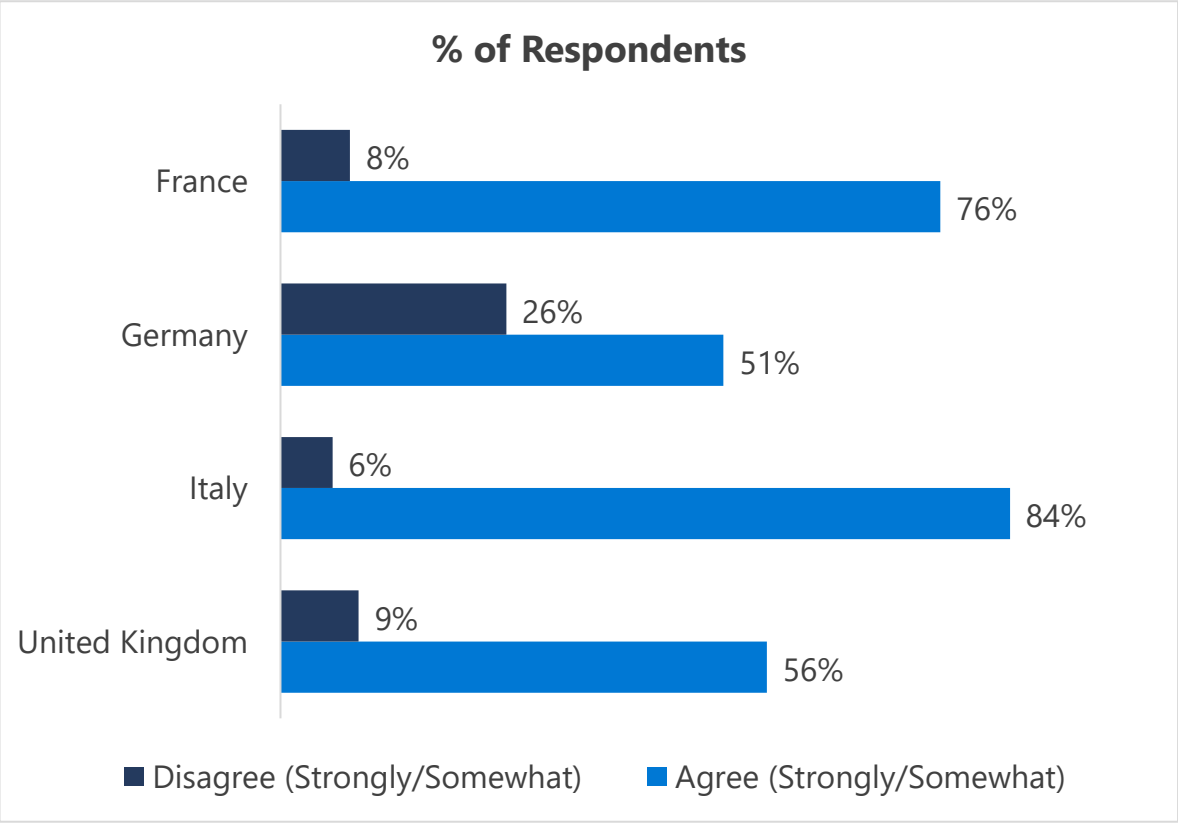
This is bigger than marketing – it's providing a public service.

Brands are expected to play an active role and contribute to a global crisis

% who agree / disagree that brands should offer flexible payments



% who agree / disagree that brands should offer free services



Source: Global Web Index (GWI), Corona Virus Research, March 2020

Microsoft

“To put it frankly, when a lockdown is instituted, and most activity stops, the brand-consumer relationship significantly changes. …Brands may be wary of association, but just as dangerous is the association with not contributing to a global crisis. …While it shouldn’t be the focus right now, ***brands that do this will emerge as leaders after the crisis****.”*

- Chris Beer, GWI

Microsoft

EMEA Overview

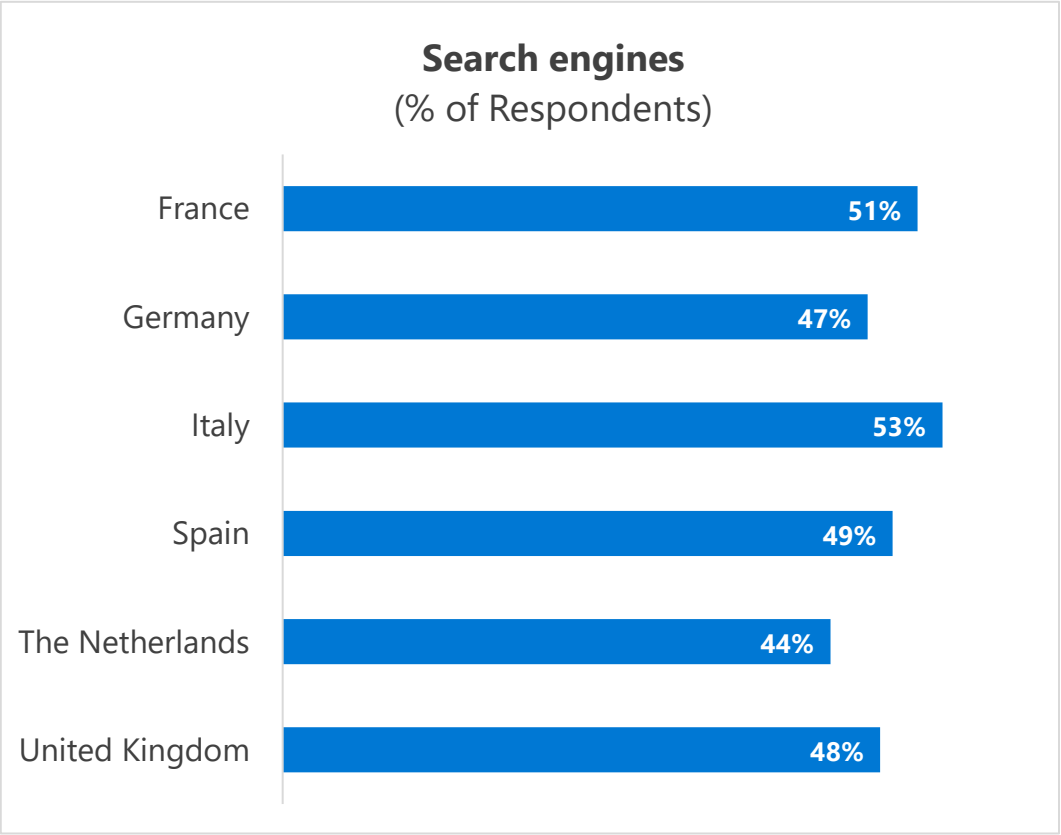
Microsoft

How our users interacts with brands on the Micorosoft Advertising Network

Across all markets, search engines are among the most used sources of information about brands and products

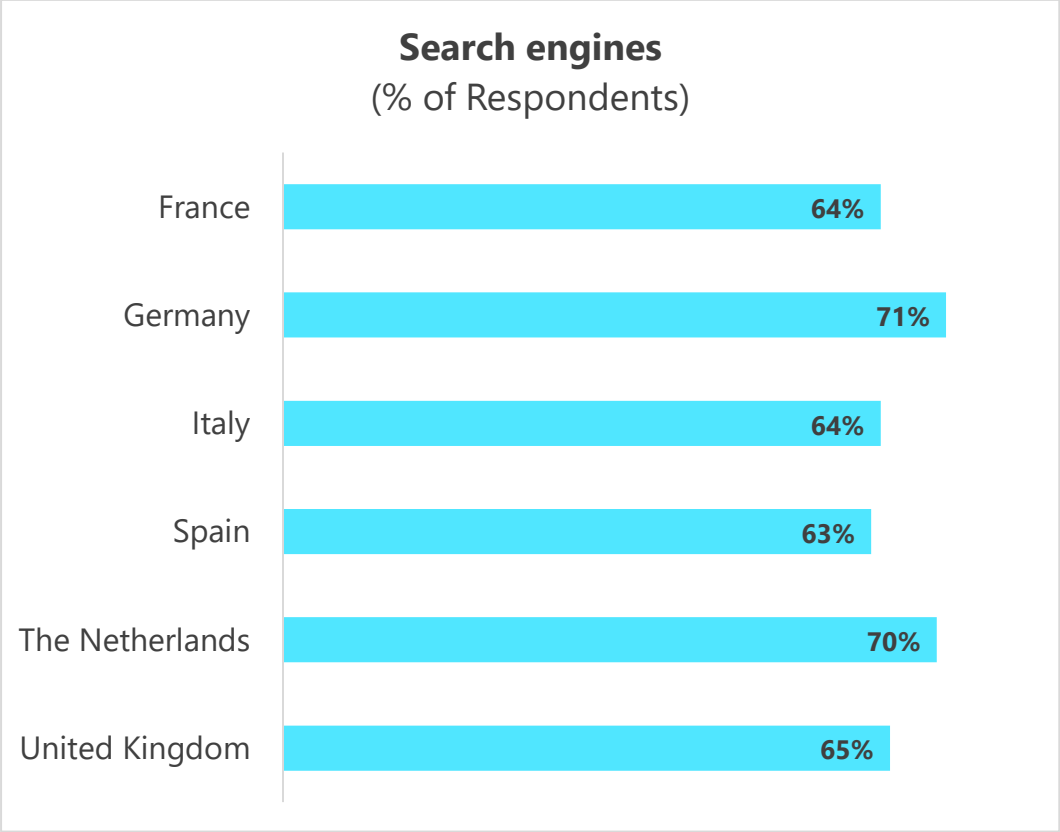
Brand Discovery

Which channel do you use to discover new brands?



Product Research

Which channel do you use when actively looking for information about a brand?

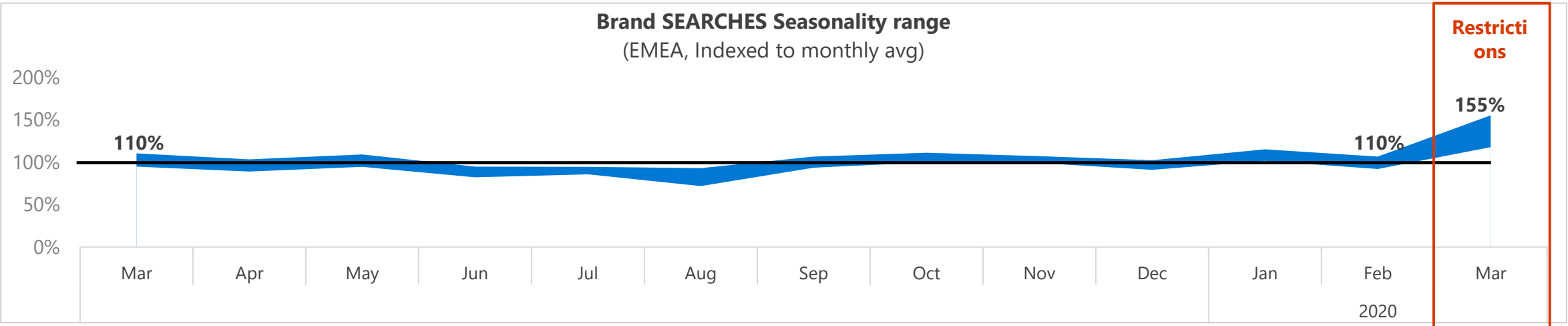


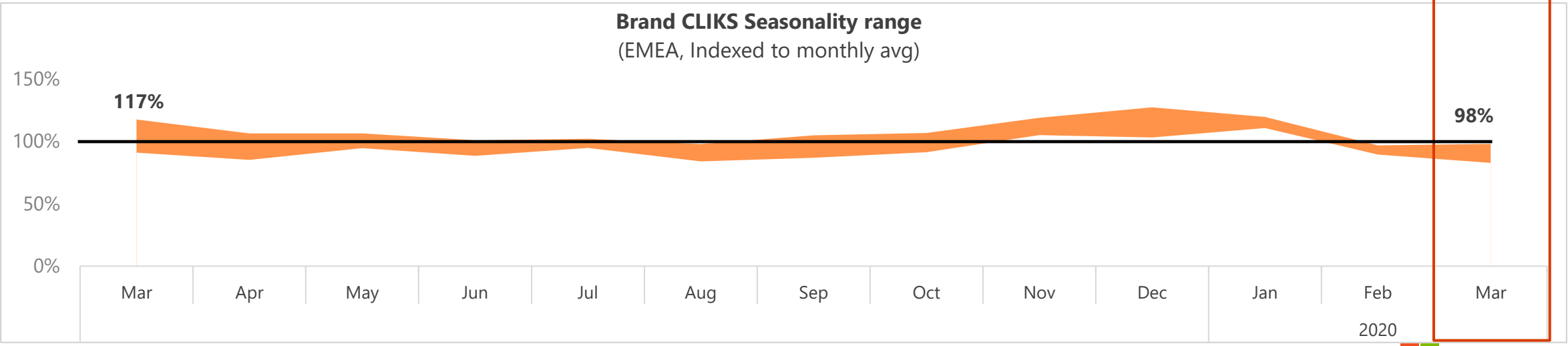
Source: Global Web Index (GWI), Q4 2019, Online Shoppers on the Microsoft Advertising Network

Microsoft

Brand searches have picked up since March 2019

All up EMEA Brand traffic increased from introduction of Restrictions. Clicks however declined.



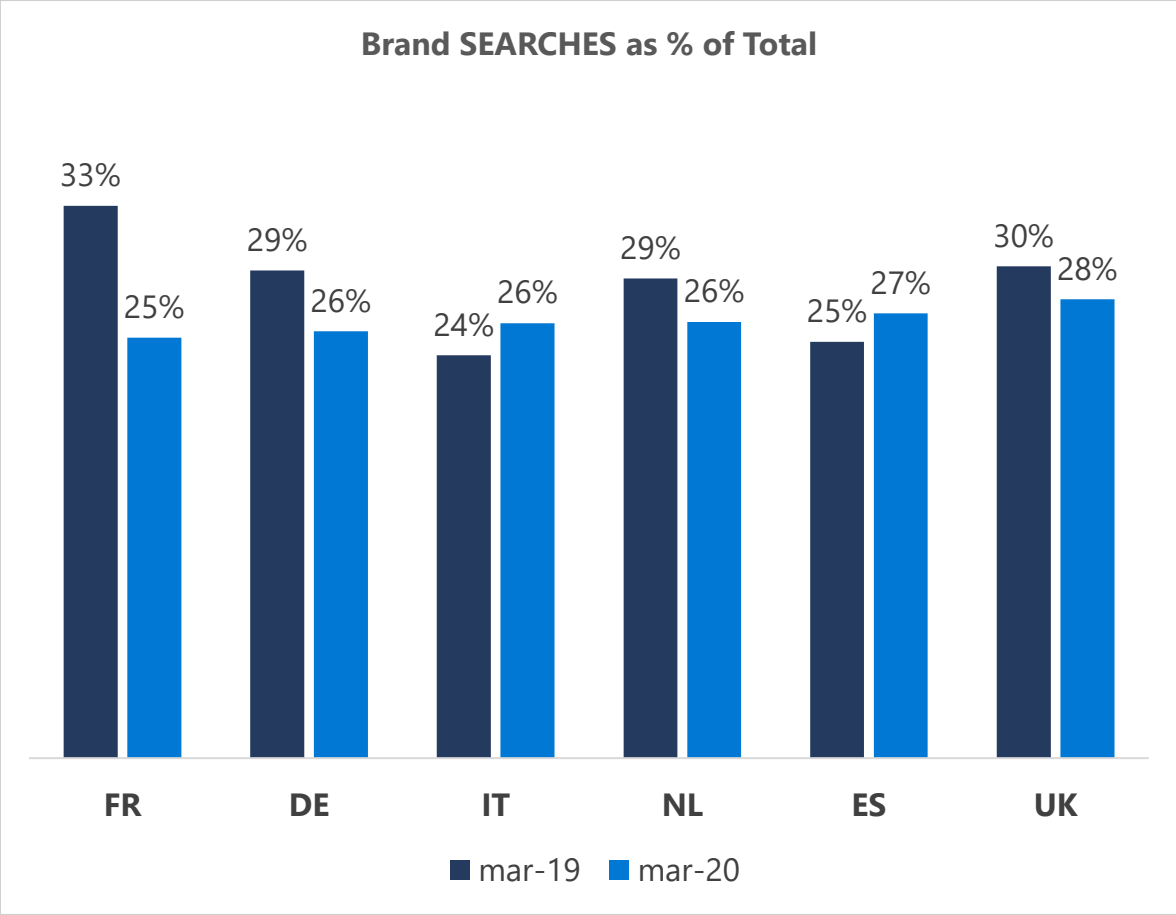


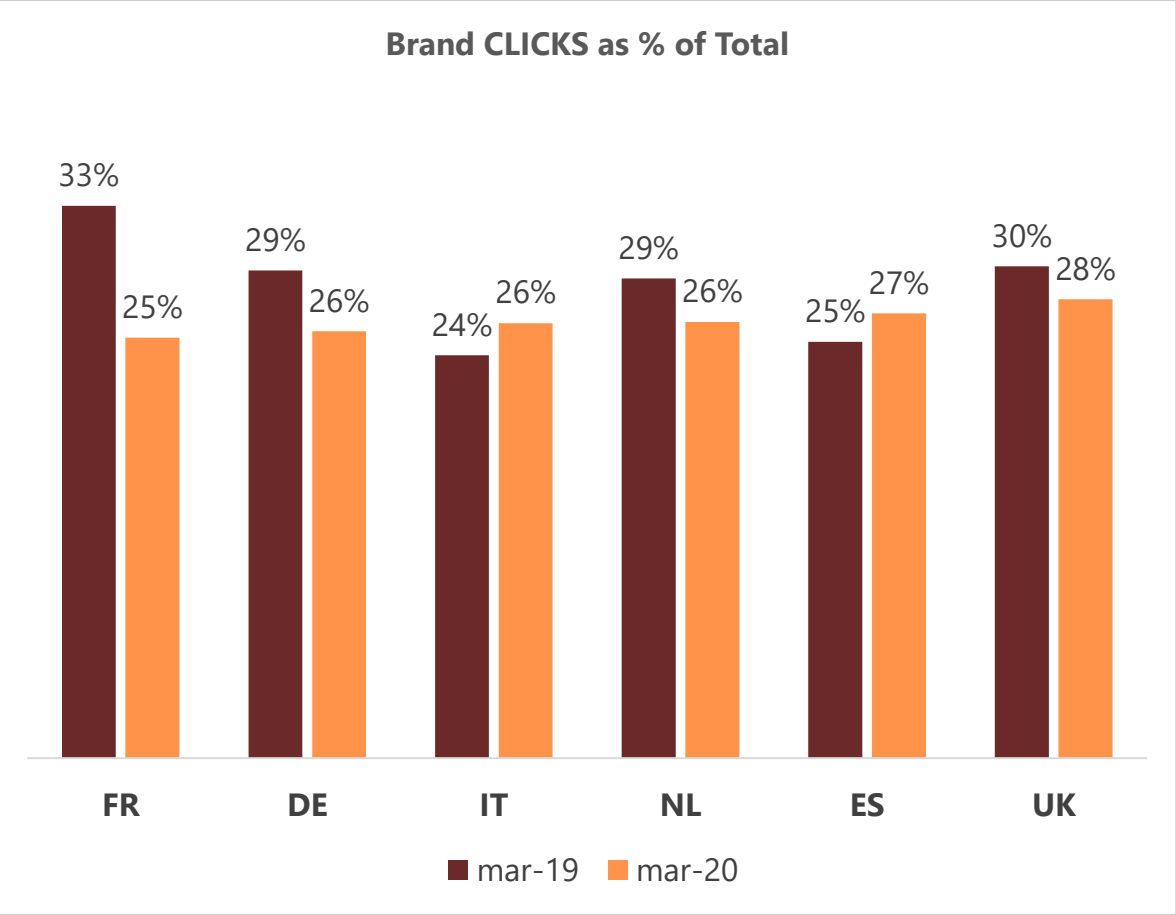
Microsoft Internal, Mar-19 to Mar-20

Microsoft

Brand searches and clicks % of total have declined

Looking at March 2020 (Restrictions month) YoY the % of Brand Searches and Clicks over the total have decreased in all markets except Italy and Spain



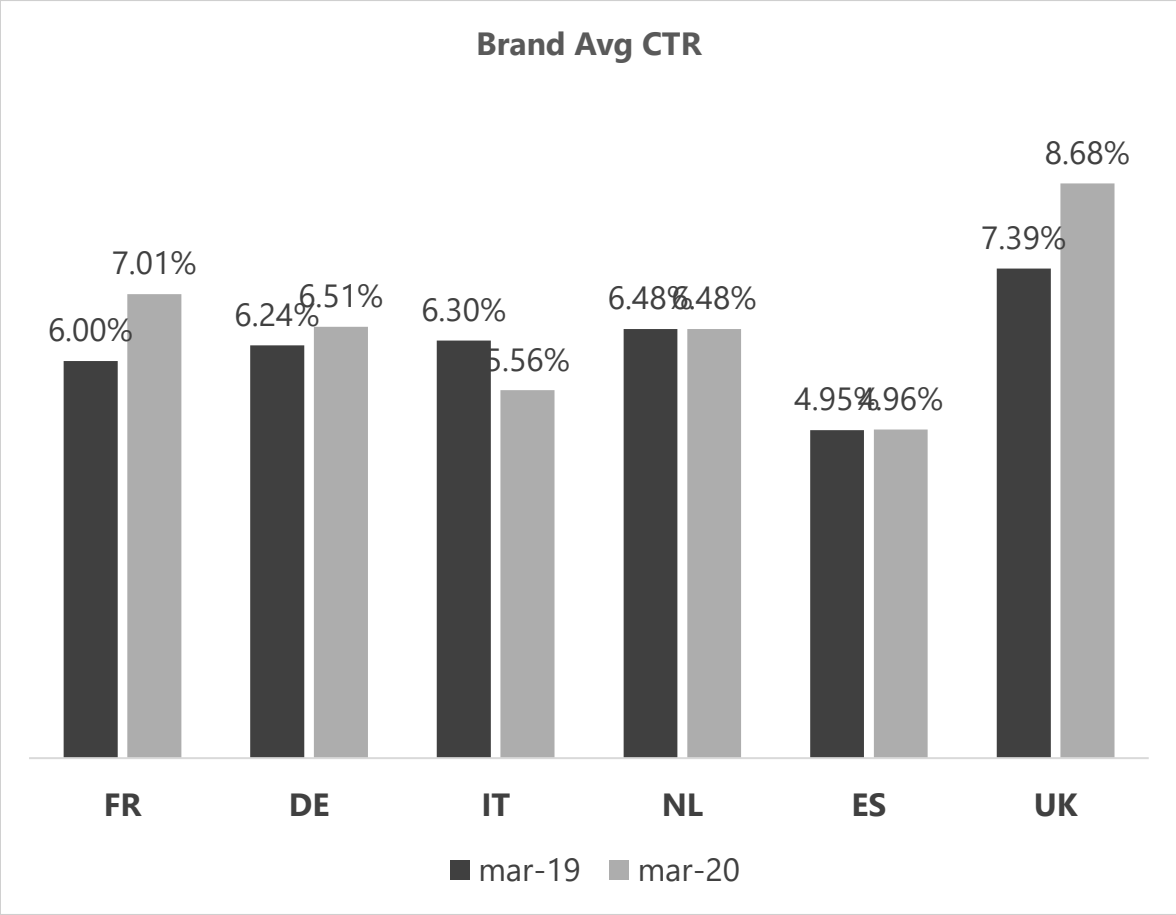


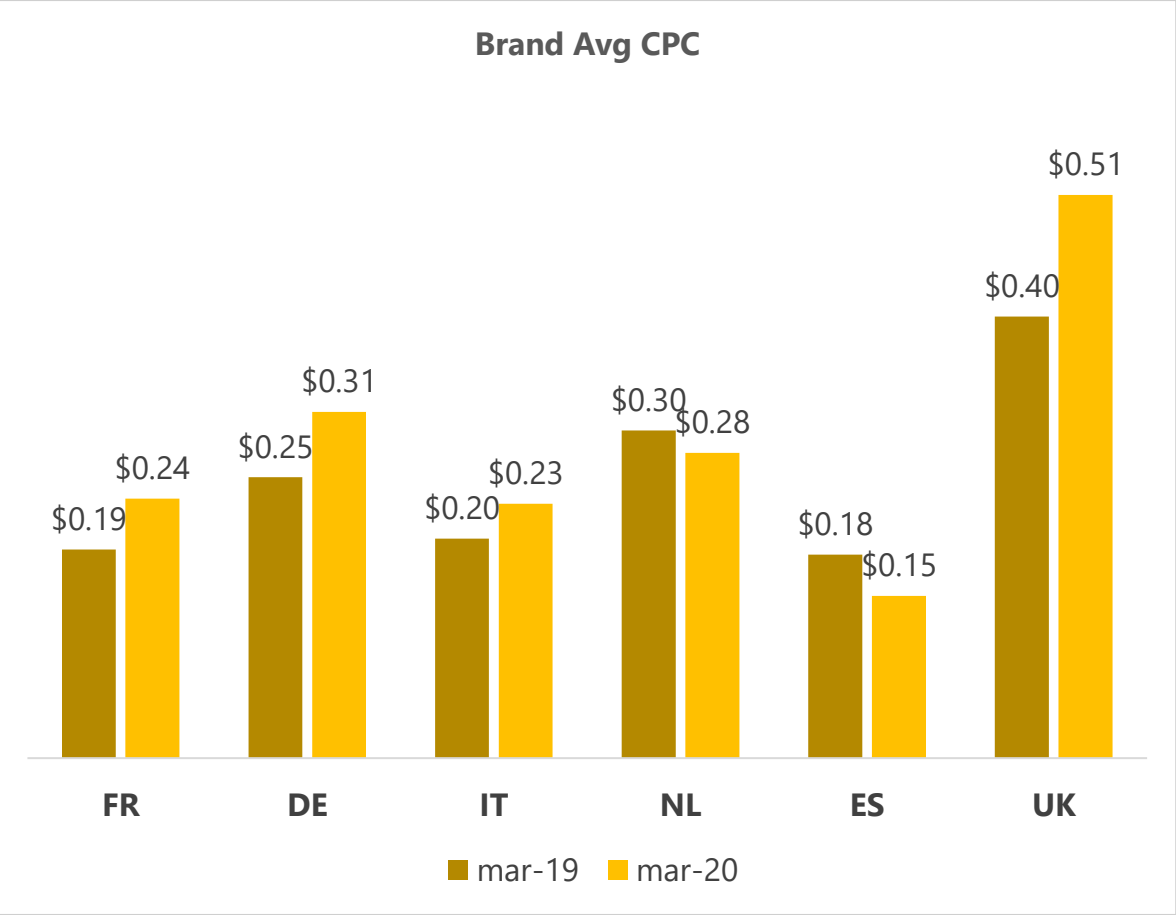
Microsoft Internal, Mar-20 vs Base month: Mar-19

Microsoft

Brand CTR and CPC year on year (YoY) are linear in most markets

Avg CTR for Brand searches in March 2020 (Restrictions month) was linear in all markets except the UK (+1,3% Pts YoY). Avg CPCs grew slightly in all markets.





Microsoft Internal, Mar-20 vs Base month: Mar-19

Microsoft

EMEA Overview – Conclusions and Recommendations

1. **Strong generics coverage more important than ever**

After the lockdown we saw an increase in searches across EMEA, but the branded search share declined YoY in most markets, as did branded clicks. As people spend more time inside and online, they research more and explore new categories where they may not have a strong brand preference or even awareness. To stay top of mind for consumers and generate clicks, strong generics coverage is more important than ever.

2. **Brand protection: top brands will need to work hard to protect their turf**

As consumers are researching and looking for information more than before they will also discover new brands, and their 'consideration set' could very well change. This emphasises the need for top brands to think about how to stay relevant by, for example, analysing converting queries, revisiting ad copy and manage bids.

3. **Updated bid strategy needed**

Although brand CPC has increased YoY across most markets, we do see lower CPCs than pre-lockdown for many categories, which presents a relative opportunity for advertisers.

Please review specific conclusions and recommendations in each of the market sections

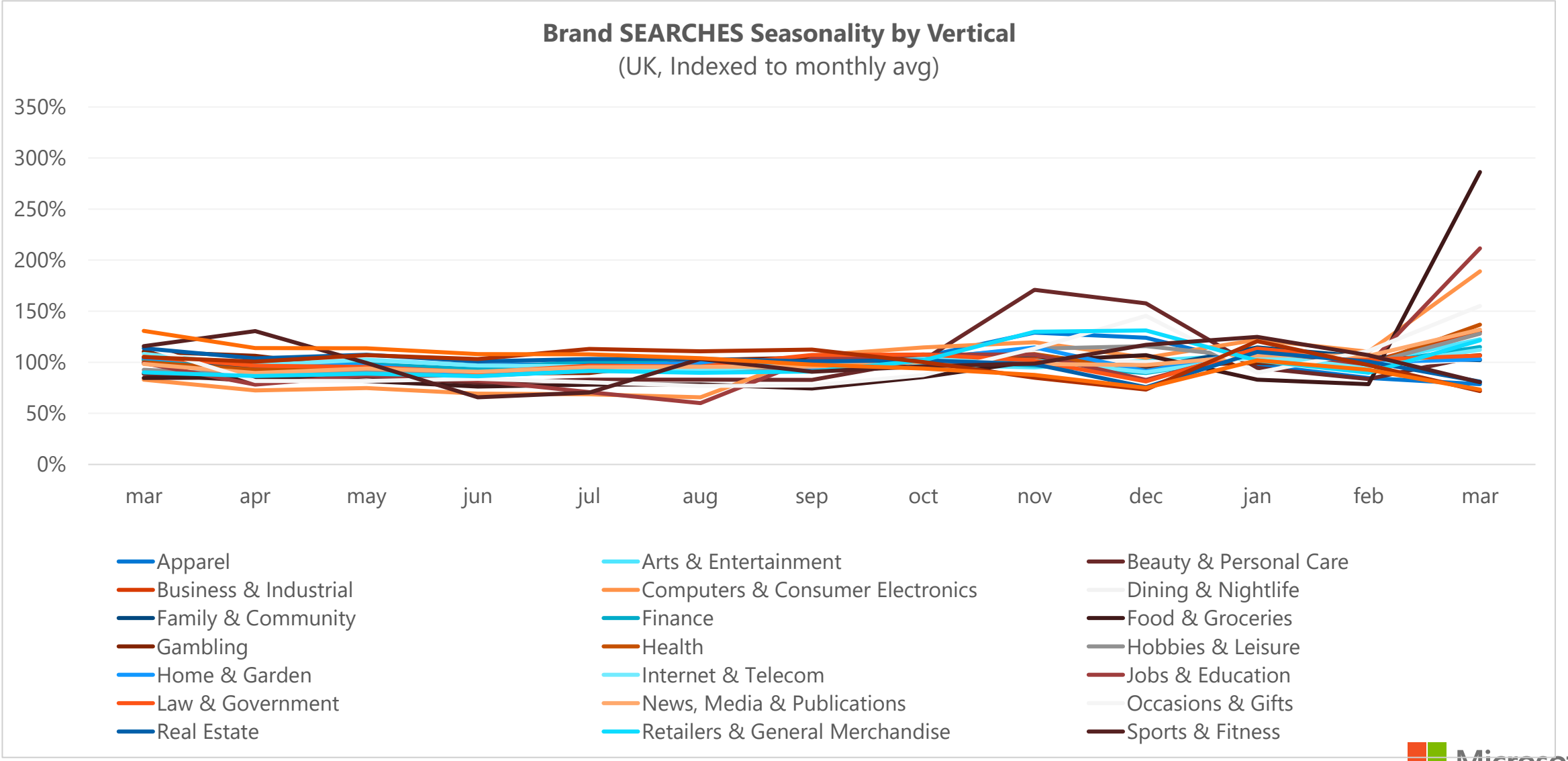
Microsoft

Microsoft

United Kingdom

Microsoft

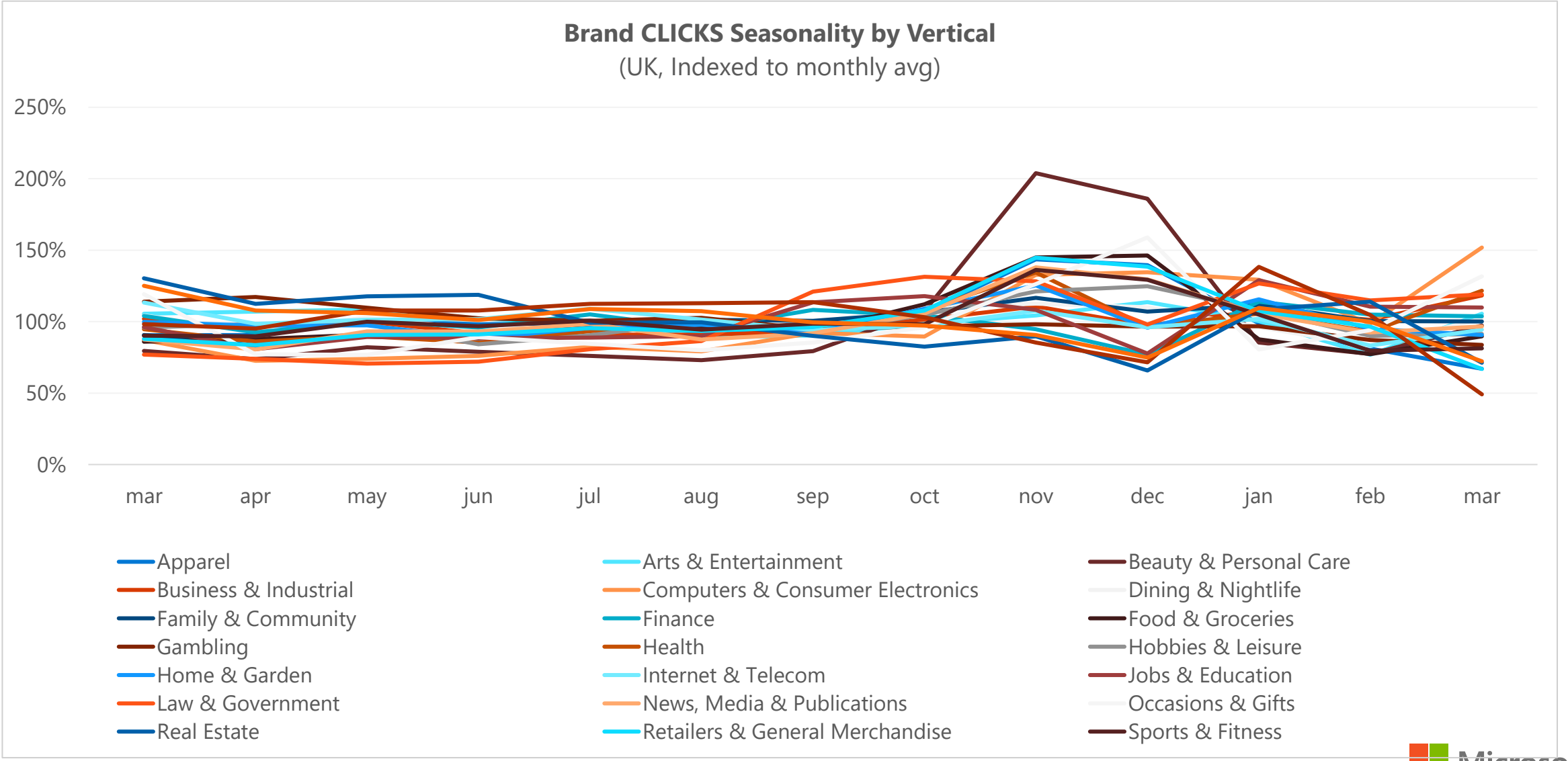
Brand searches seasonality by vertical



Microsoft Internal, Mar-19 to Mar-20

Microsoft

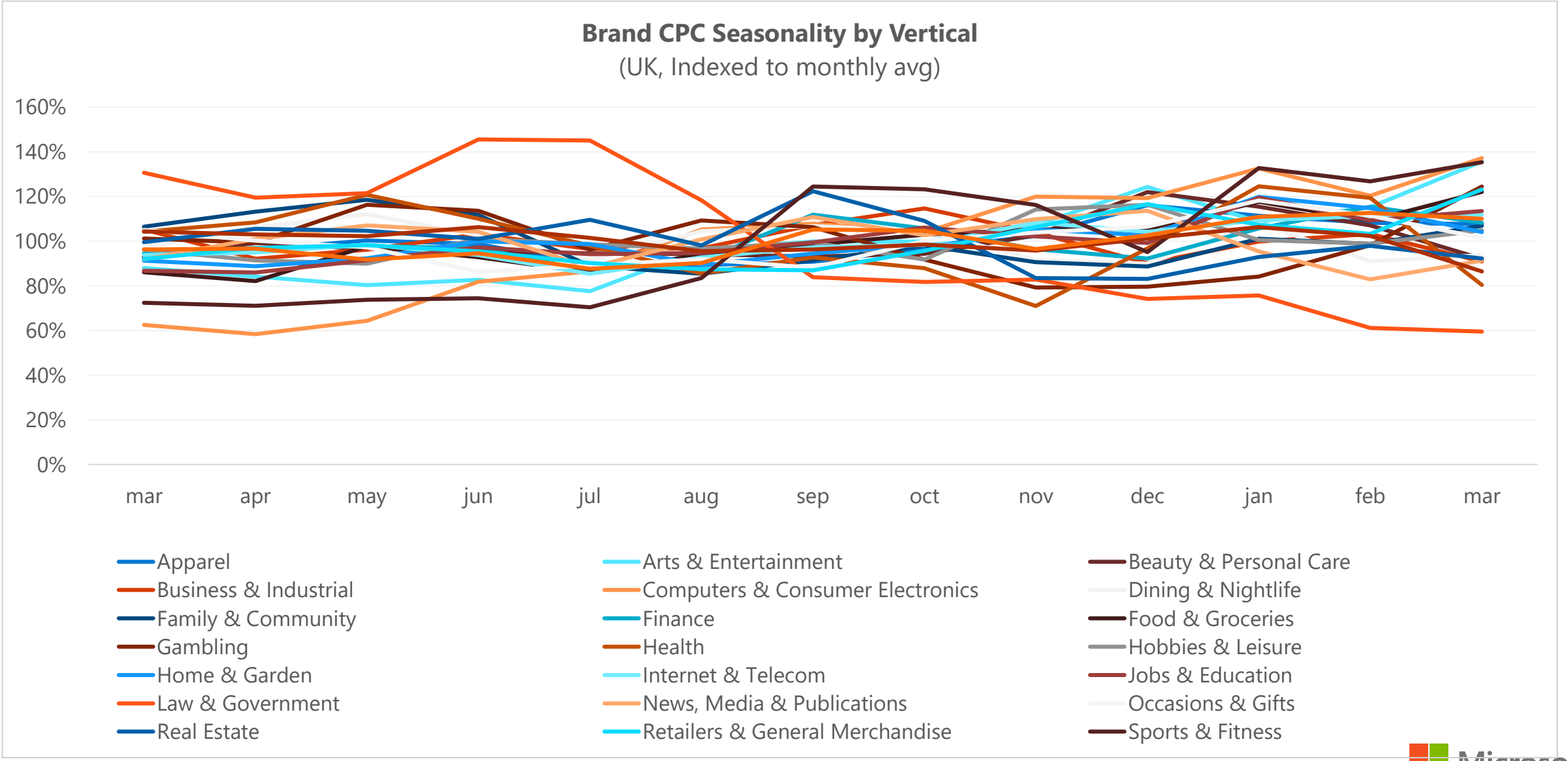
Brand clicks seasonality by vertical



Microsoft Internal, Mar-19 to Mar-20

Microsoft

Brand CPC seasonality by vertical



Microsoft Internal, Mar-19 to Mar-20

Microsoft

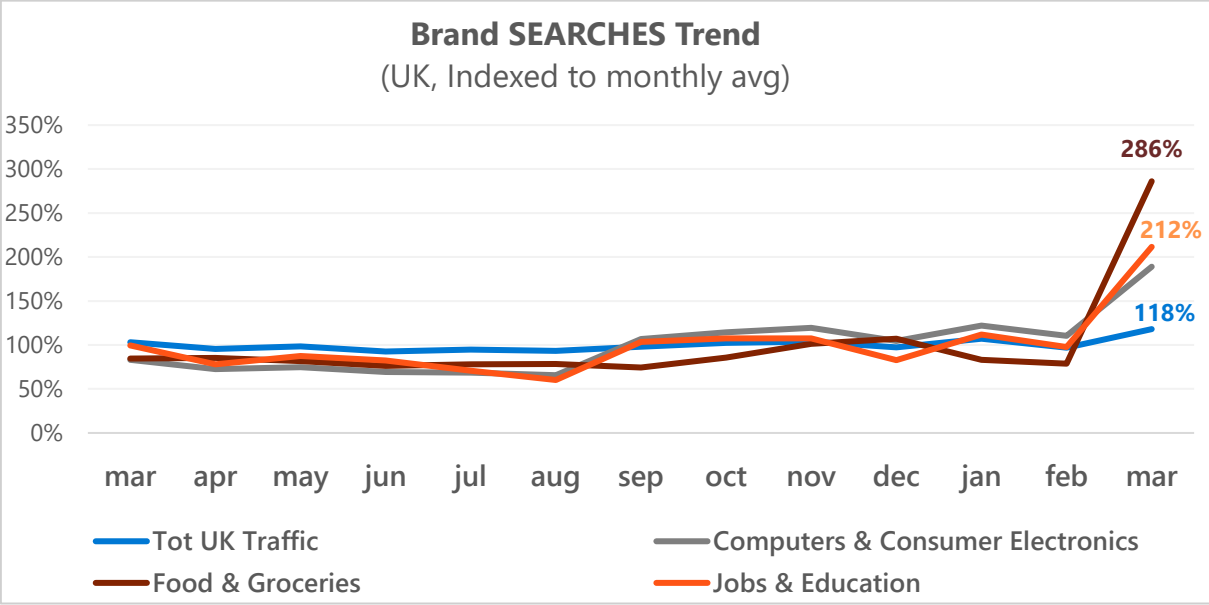
KPI: BRAND % of Total YoY Variance (Mar 2020 vs Mar 2019)

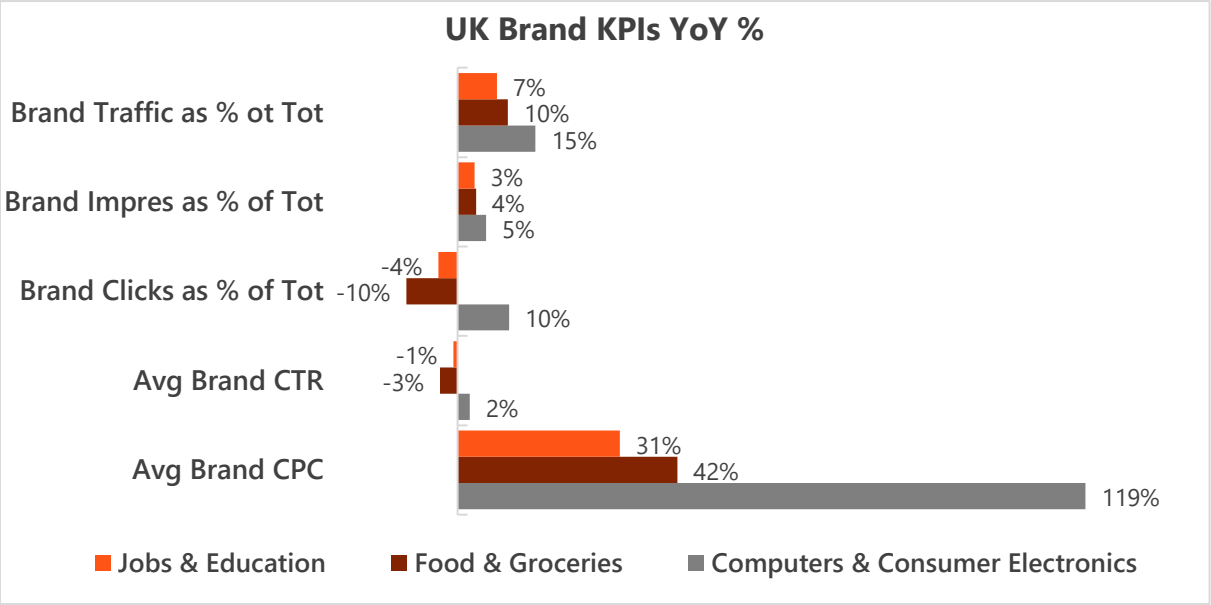
Consumer Electronics, Food & Groceries and Jobs & Education are showing the highest YoY increase in Brand traffic as % of total traffic.

L1 Supply Vertical	Brand Traffic as % of Tot Traffic YoY % Var	Brand Imp % of Tot Imp YoY % Var	Brand CLICKS as % of Tot CLICKS YoY % Va	CTR YoY % PTS Var	CPC YoY % Var
Apparel	-11%	-10%	-9%	1%	16%
Arts & Entertainment	3%	1%	2%	2%	54%
Beauty & Personal Care	2%	0%	4%	3%	-1%
Business & Industrial	1%	-2%	-4%	2%	-14%
Computers & Consumer Electronics	15%	5%	10%	2%	119%
Dining & Nightlife	-5%	-7%	-2%	5%	-4%
Family & Community	0%	4%	6%	4%	0%
Finance	-8%	-13%	-1%	2%	14%
Food & Groceries	10%	4%	-10%	-3%	42%
Gambling	-1%	3%	-5%	-1%	23%
Health	2%	5%	6%	2%	-23%
Hobbies & Leisure	3%	1%	-8%	0%	9%
Home & Garden	2%	1%	-7%	0%	14%
Internet & Telecom	-7%	-21%	-13%	3%	19%
Jobs & Education	7%	3%	-4%	-1%	31%
Law & Government	0%	1%	7%	7%	-54%
News, Media & Publications	-2%	13%	9%	1%	-1%
Occasions & Gifts	-4%	1%	-2%	0%	-3%
Real Estate	1%	0%	-22%	0%	-7%
Retailers & General Merchandise	7%	7%	-1%	1%	34%
Sports & Fitness	-4%	1%	-5%	0%	87%
Travel & Tourism	-9%	-10%	-7%	2%	-17%
Vehicles	0%	-4%	-17%	1%	14%
Total	**0%**	**-3%**	**-6%**	**1%**	**28%**

Microsoft

Key Takeways and Recommendations





Key Takeways

- **Brand traffic**: Total Brand traffic increased by 15% points bewteen March 2019 to March 2020, driven by Food & Grocieries & Jobs & Edu.
- **Total traffic split**: looking at brand traffic as a % of total, Consumer Electronics grew by 15%. Brand clicks as % of total decreased for Jobs & Education and Food & Grocieries whilst grew by +10% on Consumer Electronics.
- **Cost**: Avg Brand CPC grew acoss all verticals with a +119% on Consumer Electronics.

Recommendations

- The overall increase in traffic shows increased engagement with the category, and the increase in brand traffic indicates higher interest in certain brands.
- However, advertisers are not responding to this trend and brand impressions have not increased by the same rate. This resulted in lower brand clicks.
- Advertisers should make sure they are fully covering their brand traffic and connect with their Sales reps to identify the best tactics to keep CPC low while increasing coverage.

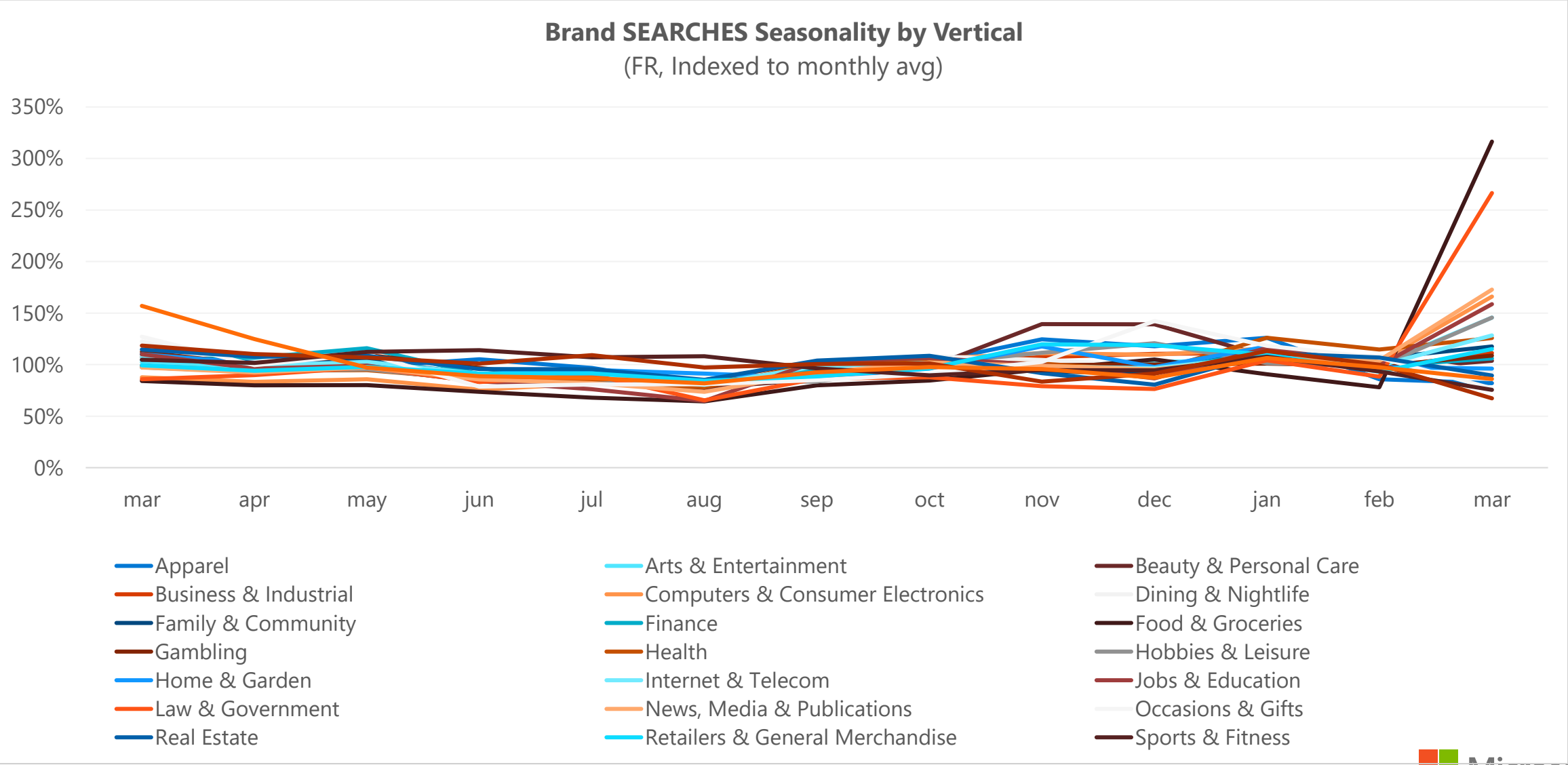
Microsoft

Microsoft

France

Microsoft

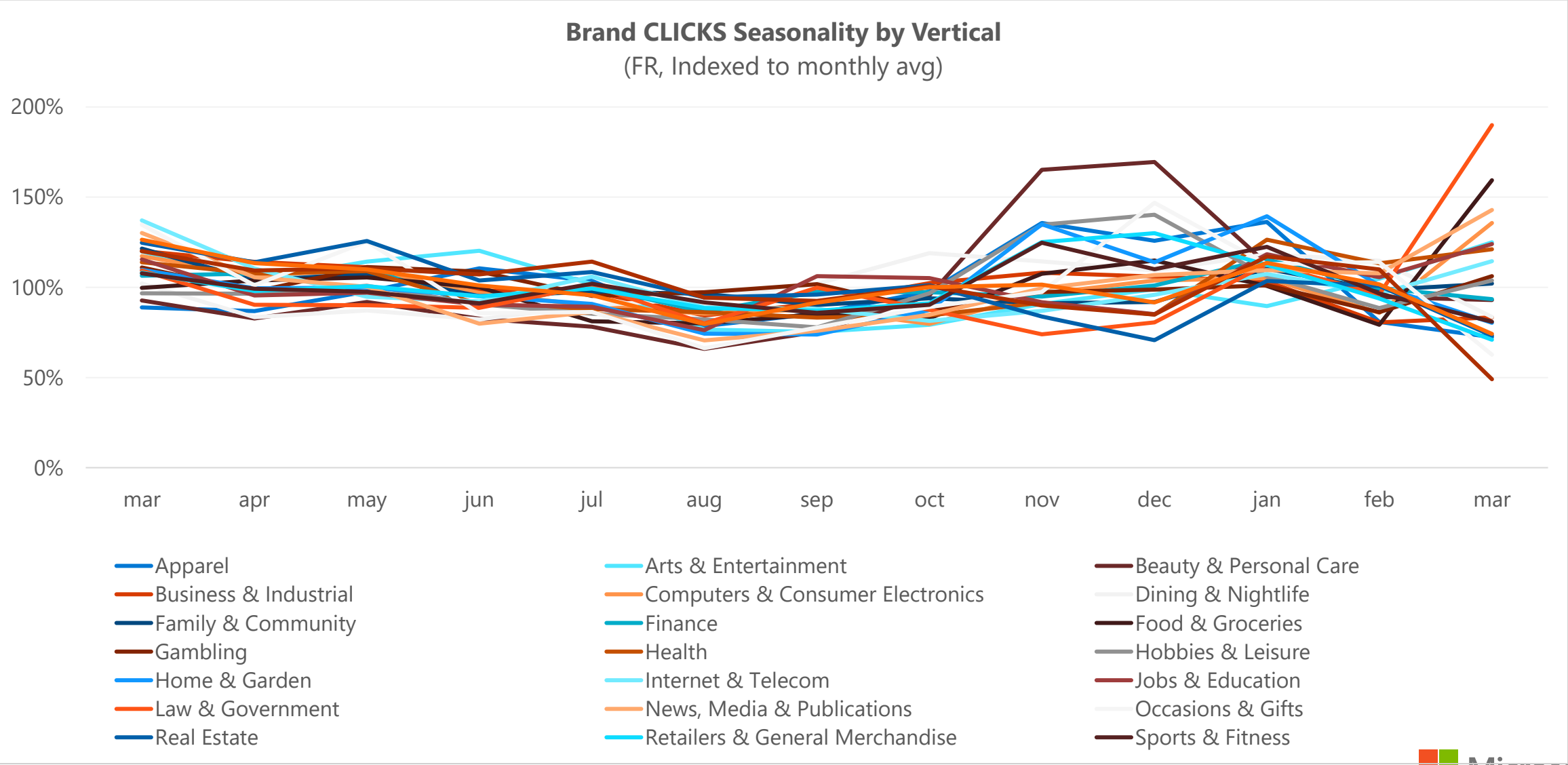
Brand searches seasonality by vertical



Microsoft Internal, Mar-19 to Mar-20

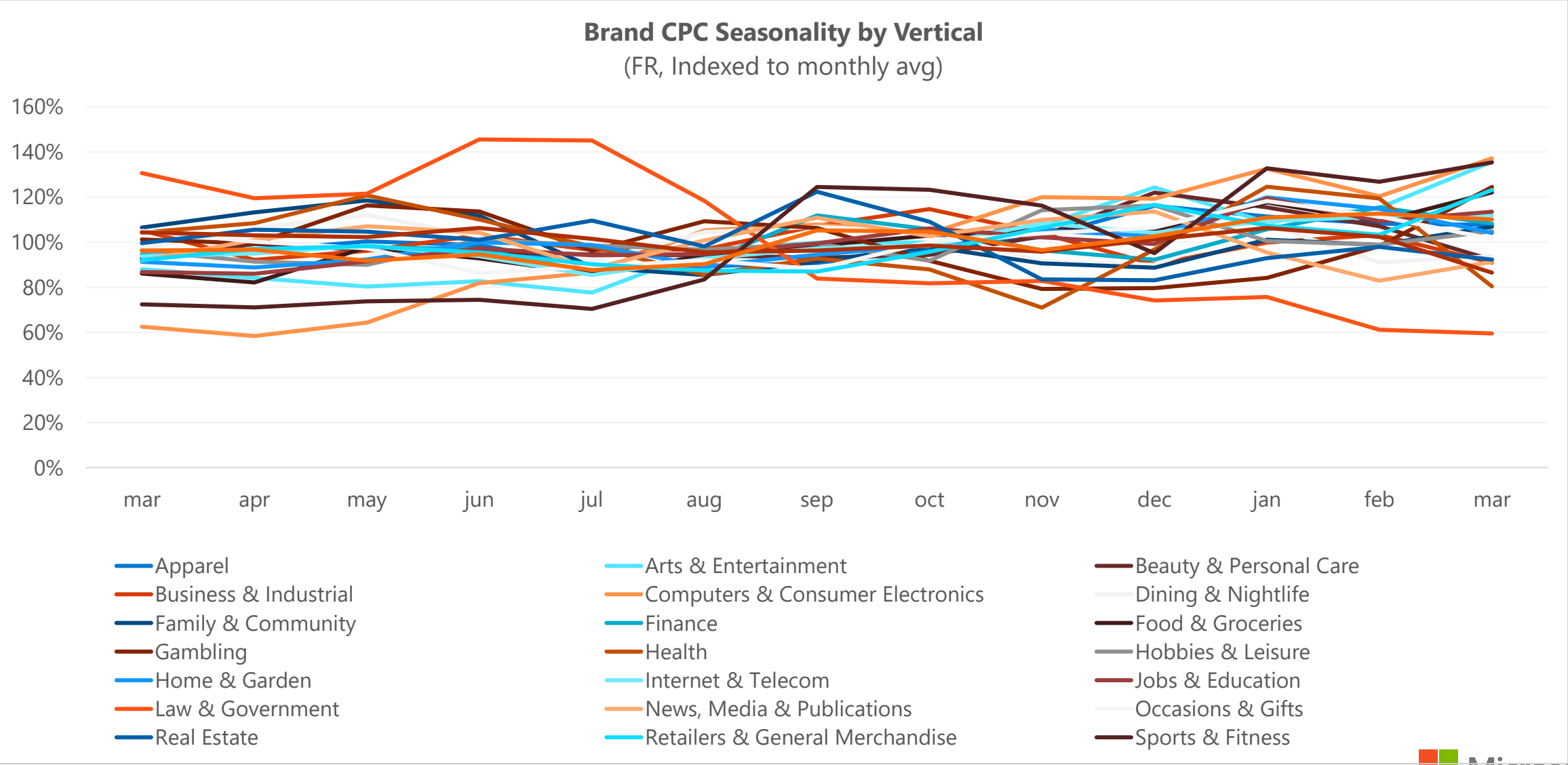
Microsoft

Brand clicks seasonality by vertical



Microsoft Internal, Mar-19 to Mar-20

Brand CPC seasonality by vertical



Microsoft Internal, Mar-19 to Mar-20

Microsoft

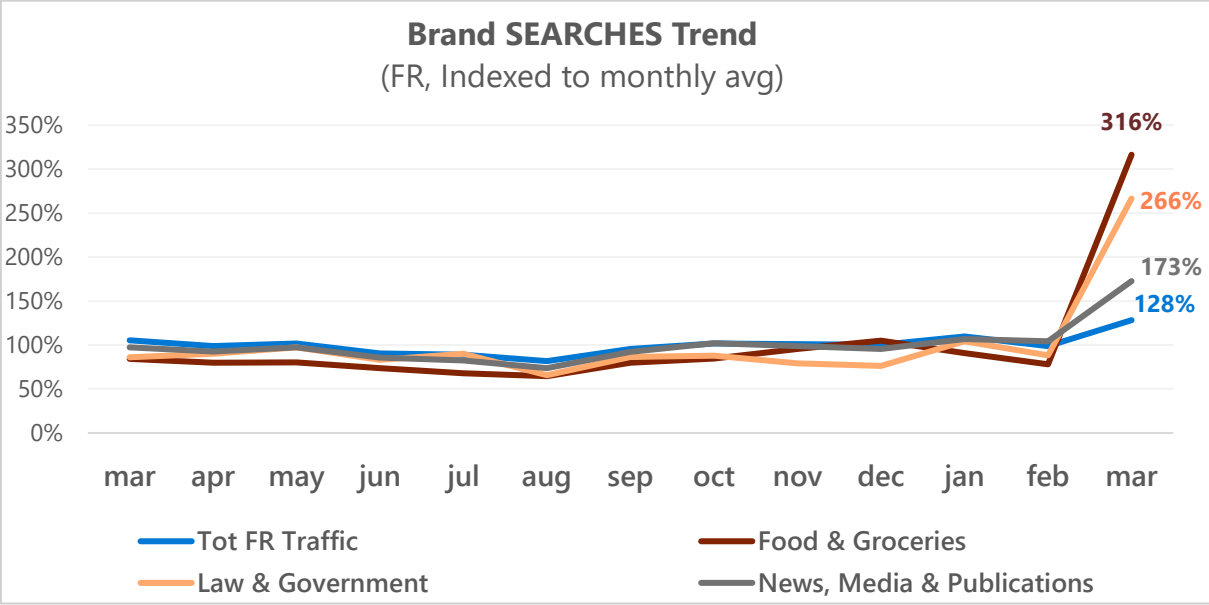
KPI: BRAND % of Total YoY Variance (Mar 2020 vs Mar 2019)

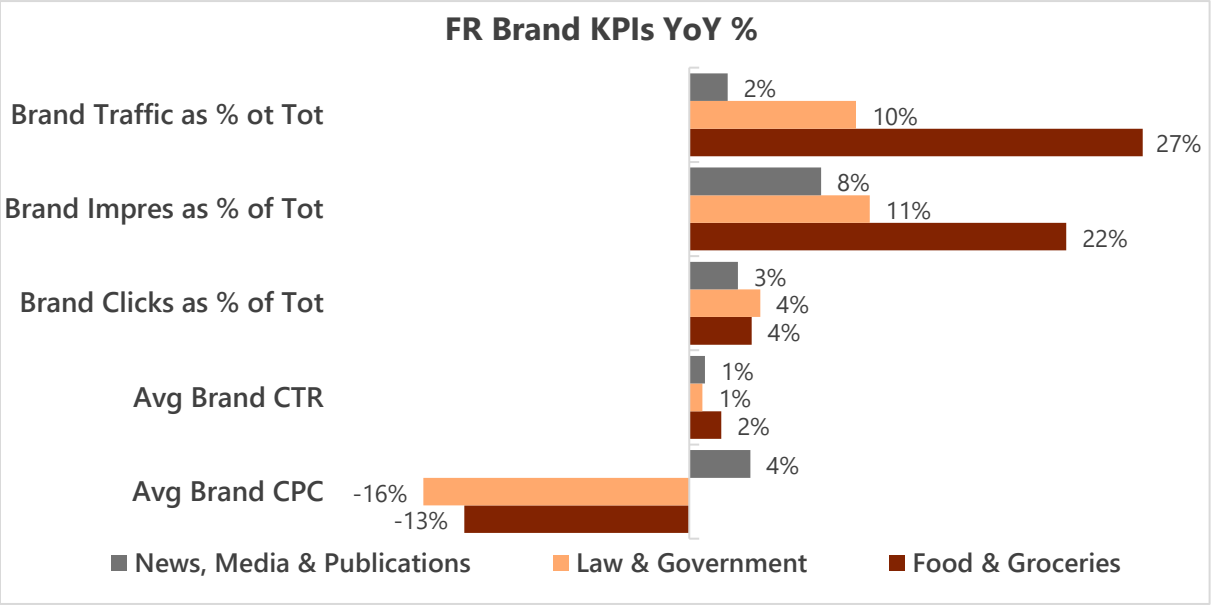
Food & Groceries, Real Estate and Vehicles are showing the highest YoY increase in Brand traffic as % of total traffic.

L1 Supply Vertical	Brand Traffic as % of Tot Traffic YoY % Var	Brand Imp % of Tot Imp YoY % Var	Brand CLICKS as % of Tot CLICKS YoY % Va	CTR YoY % PTS Var	CPC YoY % Var
Apparel	-15%	-15%	-15%	0%	24%
Arts & Entertainment	2%	-4%	-7%	1%	-8%
Beauty & Personal Care	-11%	-15%	-11%	-1%	4%
Business & Industrial	8%	2%	-15%	1%	6%
Computers & Consumer Electronics	-5%	-5%	-12%	1%	37%
Dining & Nightlife	3%	11%	2%	1%	-5%
Family & Community	-1%	0%	-2%	1%	17%
Finance	11%	5%	1%	2%	-7%
Food & Groceries	27%	22%	4%	2%	-13%
Gambling	2%	-2%	-8%	3%	52%
Health	0%	-2%	-10%	1%	-2%
Hobbies & Leisure	-6%	-3%	-16%	1%	3%
Home & Garden	2%	-1%	-17%	1%	7%
Internet & Telecom	-1%	-16%	-10%	2%	39%
Jobs & Education	-11%	-7%	-8%	0%	40%
Law & Government	10%	11%	4%	1%	-16%
News, Media & Publications	2%	8%	3%	1%	4%
Occasions & Gifts	-1%	6%	-16%	1%	9%
Real Estate	15%	10%	-17%	3%	-16%
Retailers & General Merchandise	1%	1%	-3%	-1%	15%
Sports & Fitness	-9%	-11%	-20%	1%	9%
Travel & Tourism	-5%	-1%	-13%	1%	-2%
Vehicles	13%	9%	-19%	3%	14%
Total	**1%**	**0%**	**-12%**	**1%**	**5%**

Microsoft

Key Takeways and Recommendations





Key Takeways

- **Brand traffic**: Total Brand traffic increased by 23% points bewteen March 2019 to March 2020, driven by Food & Grocieries and Law & Government.
- **Total traffic split**: looking at brand traffic as a % of total, Food & Grocieries grew by 27%. Brand clicks as % of total also increased for all he examinded verticals.
- **Cost**: Whilst Avg Brand CPC grew by just 4% for News, media & Publications, we have seen a strong decrease in CPC for Law & Government (-16%) and Food & Grocieries (-13%).

Recommendations

- The overall growth in traffic shows increased engagement with the category, and the increase in brand traffic indicates higher interest in certain brands.
- The parallel growth in Brand impressions proves that advertisers are taking advantage of this surge and are making sure brand traffic is covered.
- Advertisers should make sure they are fully covering their brand traffic and connect with their Sales reps to identify the best tactics to keep CPC low while increasing coverage.

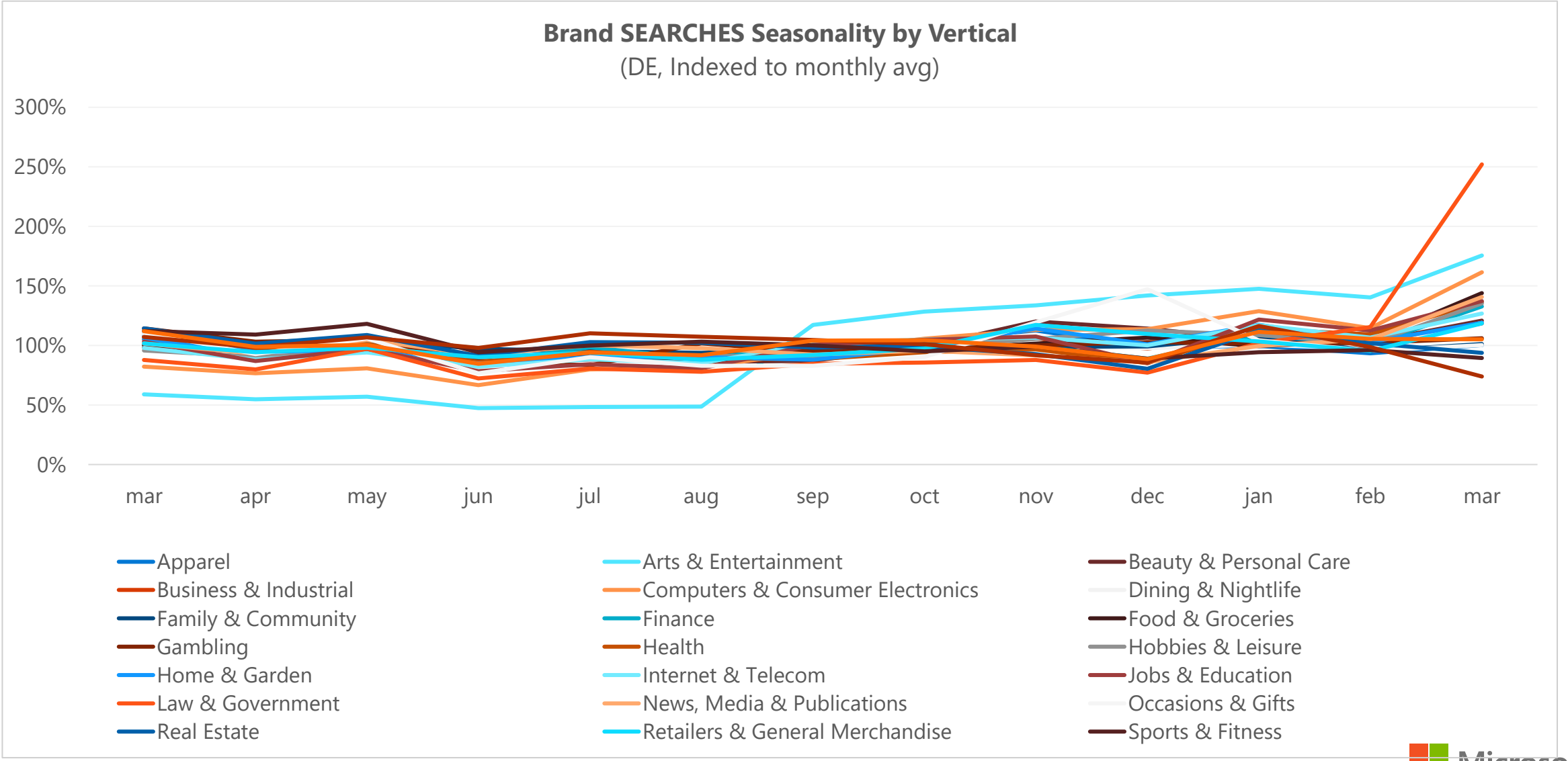
Microsoft

Microsoft

Germany

Microsoft

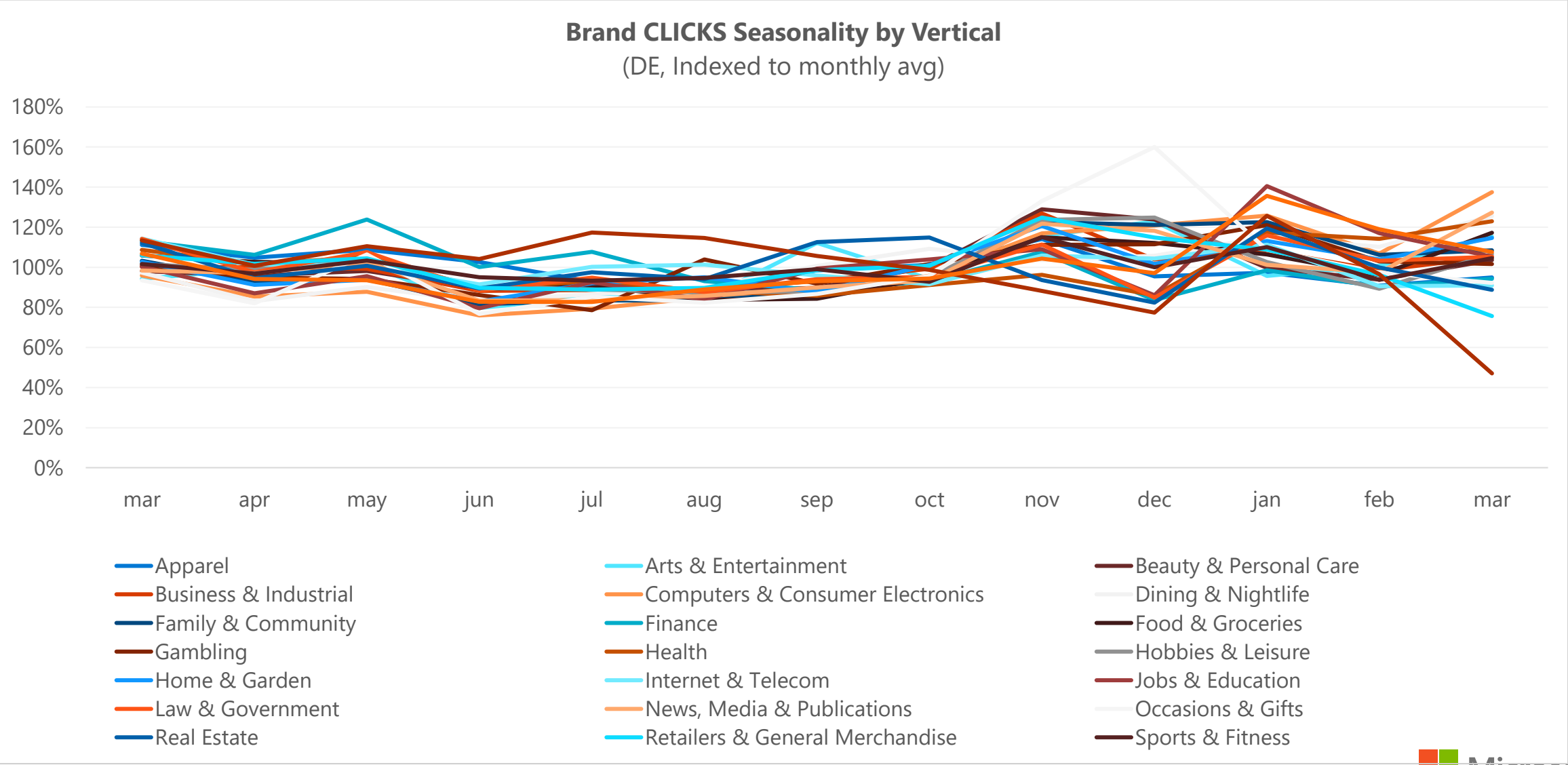
Brand searches seasonality by vertical



Microsoft Internal, Mar-19 to Mar-20

Microsoft

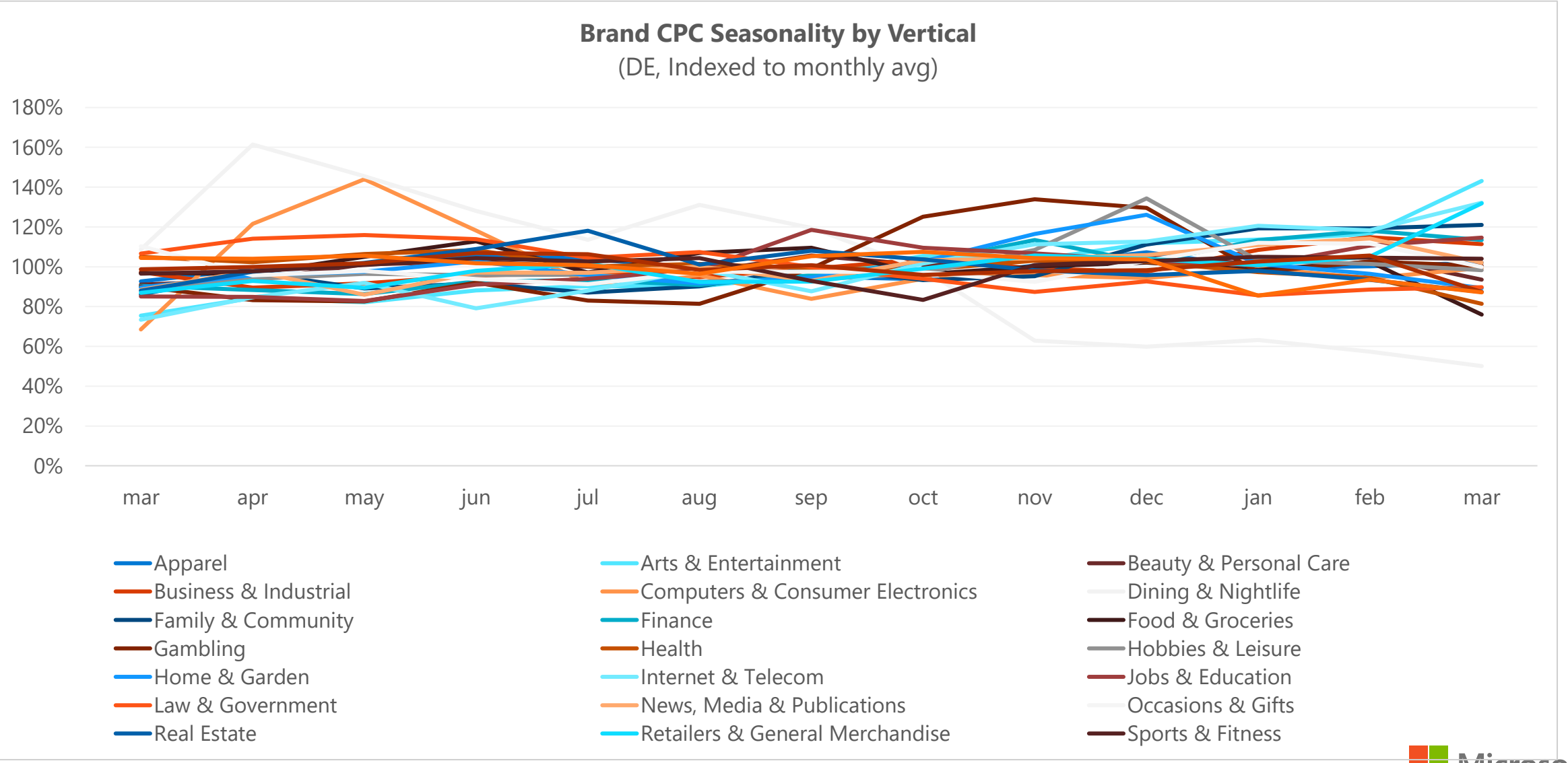
Brand clicks seasonality by vertical



Microsoft Internal, Mar-19 to Mar-20

Microsoft

Brand CPC seasonality by vertical



Microsoft Internal, Mar-19 to Mar-20

KPI: BRAND % of Total YoY Variance (Mar 2020 vs Mar 2019)

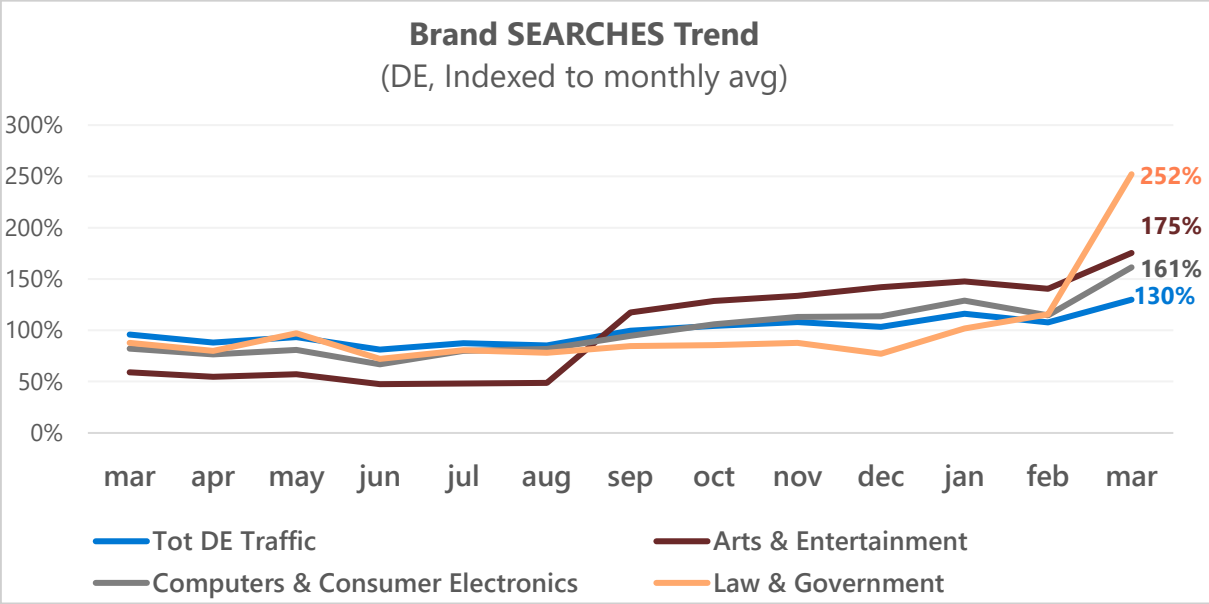
Arts & Entertainment, Dining & Nightlife, Finance and Internet & Telecom are showing the highest YoY increase in Brand traffic as % of total traffic.

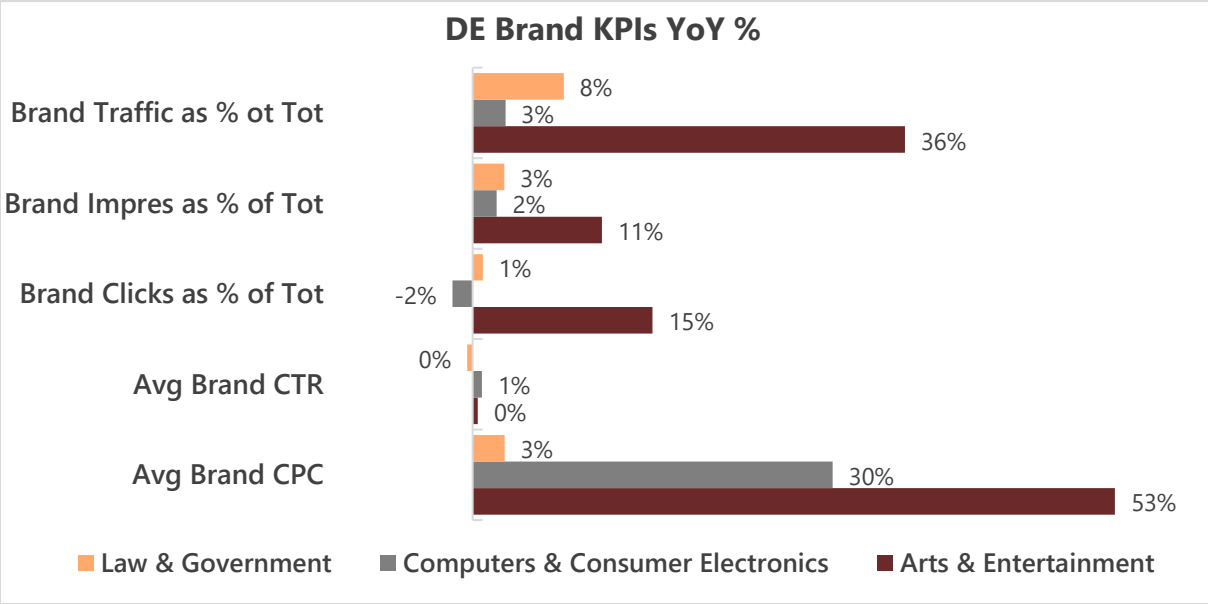
L1 Supply Vertical	Brand Traffic as % of Tot Traffic YoY % Var	Brand Imp % of Tot Imp YoY % Var	Brand CLICKS as % of Tot CLICKS YoY % Va	CTR YoY % PTS Var	CPC YoY % Var
Apparel	-8%	-8%	-7%	0%	6%
Arts & Entertainment	36%	11%	15%	0%	53%
Beauty & Personal Care	-8%	-11%	-15%	0%	0%
Business & Industrial	-1%	-6%	-2%	1%	3%
Computers & Consumer Electronics	3%	2%	-2%	1%	30%
Dining & Nightlife	11%	20%	6%	6%	-61%
Family & Community	0%	6%	6%	1%	1%
Finance	8%	5%	-6%	1%	1%
Food & Groceries	5%	6%	-7%	1%	-24%
Gambling	0%	-2%	-7%	1%	19%
Health	0%	0%	-1%	1%	-23%
Hobbies & Leisure	-5%	-5%	-8%	0%	4%
Home & Garden	-7%	-7%	-7%	0%	-2%
Internet & Telecom	8%	-13%	-9%	1%	47%
Jobs & Education	-3%	-1%	-5%	0%	15%
Law & Government	8%	3%	1%	0%	3%
News, Media & Publications	1%	8%	11%	0%	17%
Occasions & Gifts	0%	-1%	4%	1%	-5%
Real Estate	-8%	-7%	-14%	0%	-24%
Retailers & General Merchandise	-1%	2%	-1%	-3%	50%
Sports & Fitness	4%	-7%	-3%	1%	7%
Travel & Tourism	-10%	-5%	-14%	0%	-9%
Vehicles	3%	0%	1%	2%	-3%
Total	**6%**	**-2%**	**-6%**	**0%**	**7%**

Microsoft Internal, Mar-19 to Mar-20

Microsoft

Key Takeways and Recommendations





Key Takeways

- **Brand traffic**: Total Brand traffic increased by 34% points bewteen March 2019 to March 2020, driven by Law & Government and Art & Entertainment.
- **Total traffic split**: looking at brand traffic as a % of total, Arts & Entertainment grew by 36%. Brand clicks as % of total also increased for all the examinded verticals.
- **Cost**: Whilst Avg Brand CPC grew by just 3% for Law & Government, we have seen a strong increase in CPC for Arts & Entertainment (+53%) and Consumer Electronics (+30%).

Recommendations

- The overall growth in traffic shows increased engagement with the category, and the increase in brand traffic indicates higher interest in certain brands.
- The parallel growth in Brand impressions proves that advertisers are taking advantage of this surge and ar making sure brand trafric is covered.
- Advertisers should make sure they are fully covering their brand traffic and connect with their Sales reps to identify the best tactics to keep CPC low while increasing coverage.

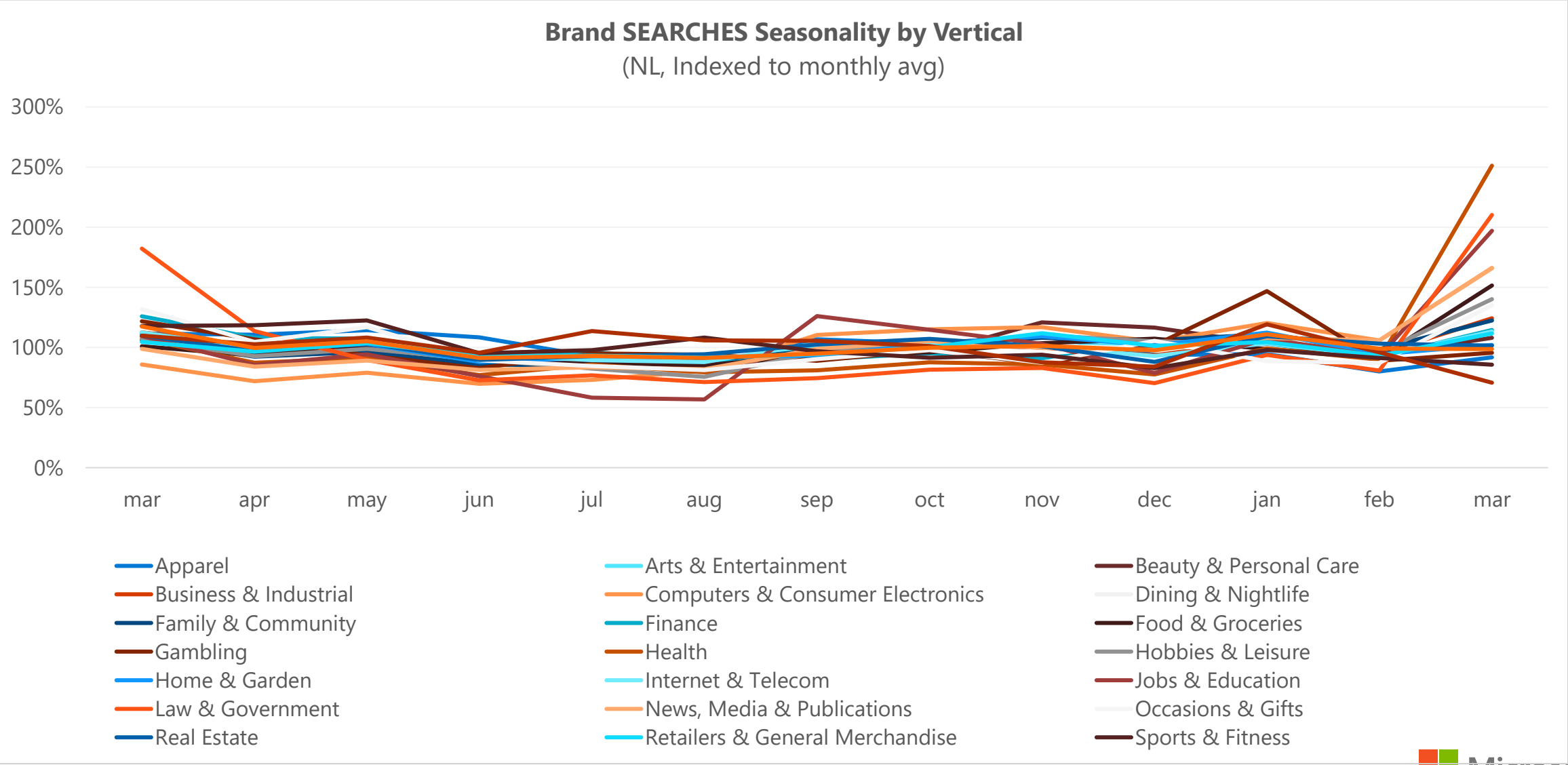
Microsoft

Microsoft

The Netherlands

Microsoft

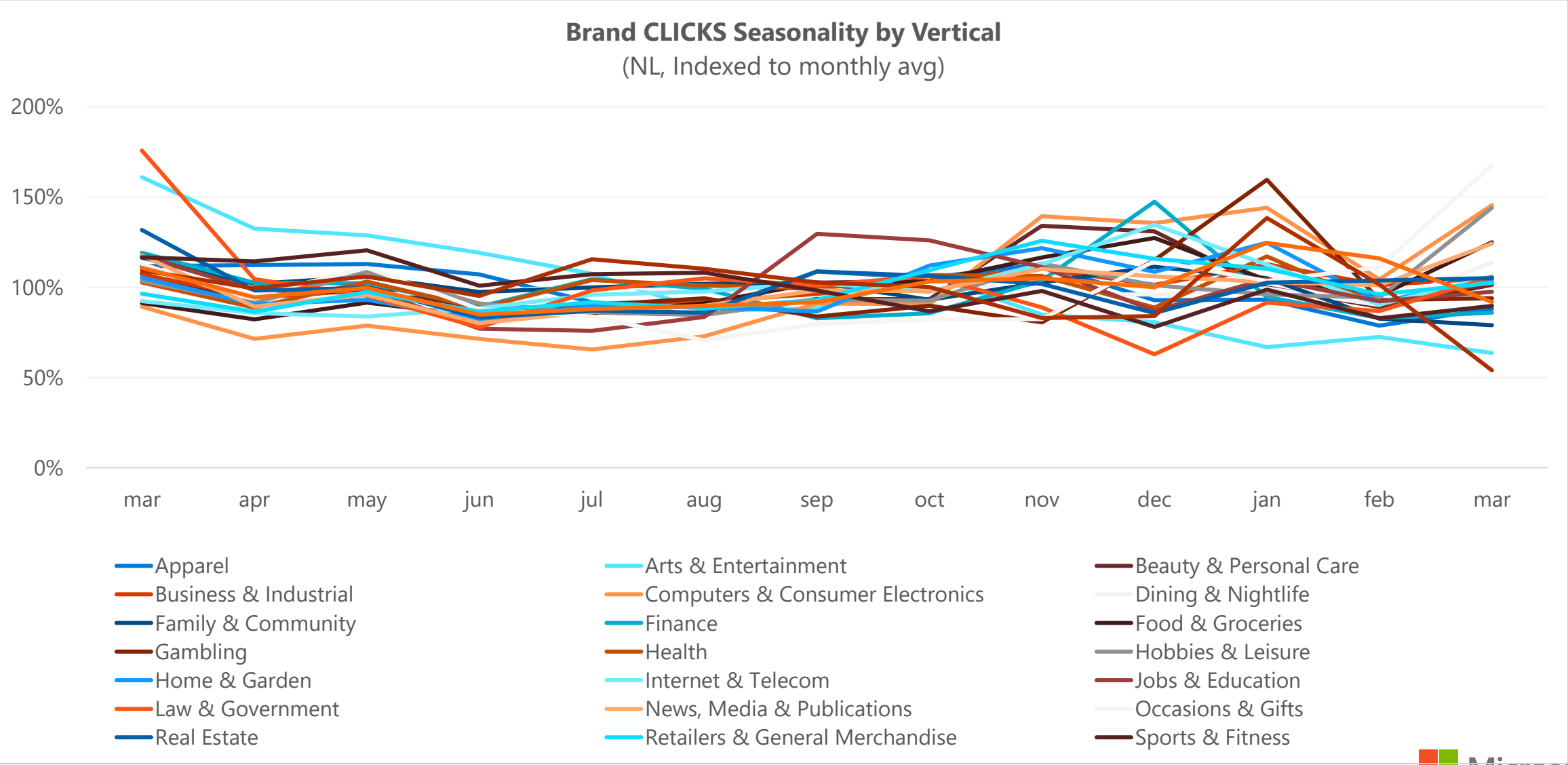
Brand searches seasonality by vertical



Microsoft Internal, Mar-19 to Mar-20

Microsoft

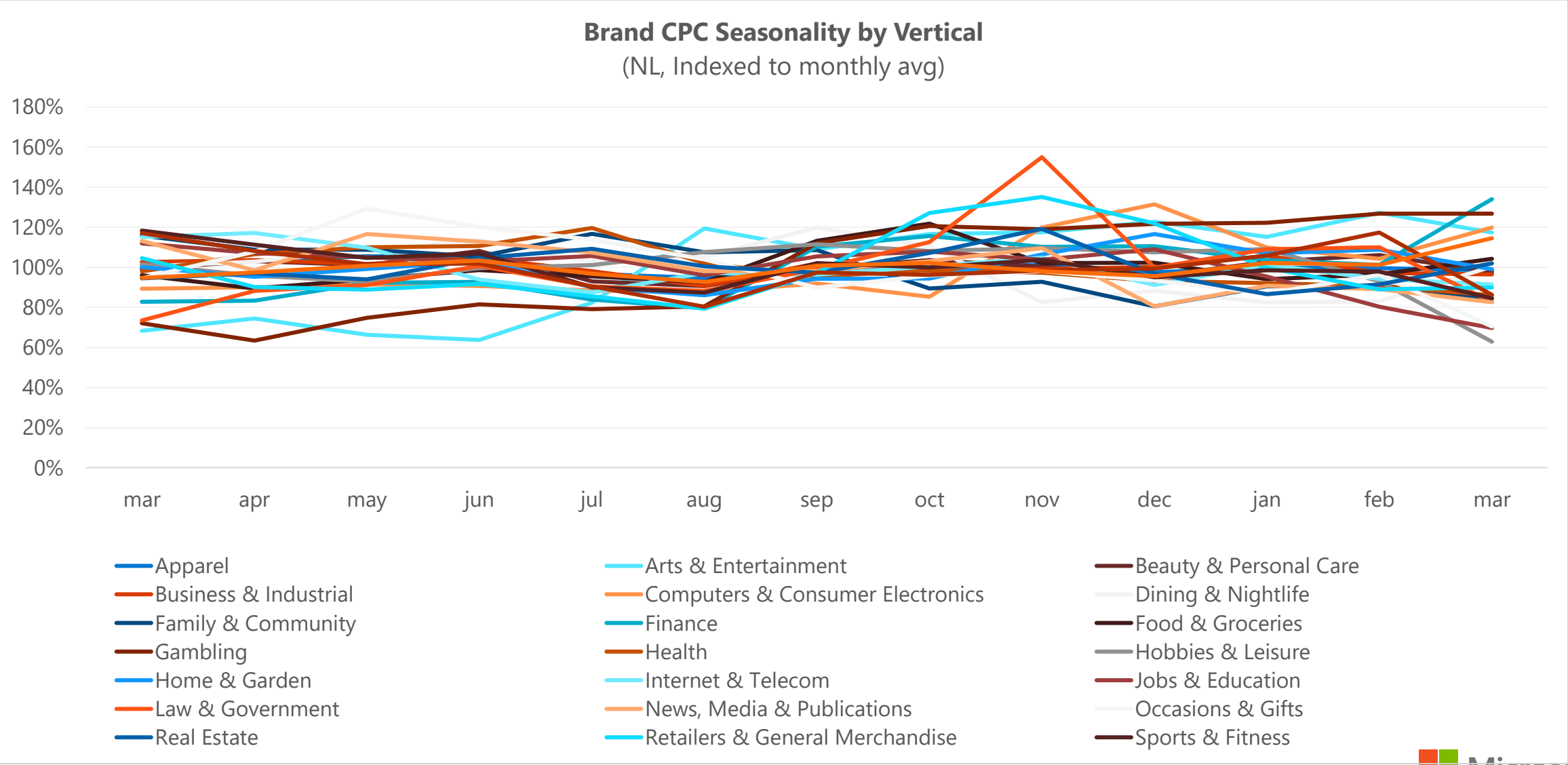
Brand clicks seasonality by vertical



Microsoft Internal, Mar-19 to Mar-20

Microsoft

Brand CPC seasonality by vertical



Microsoft Internal, Mar-19 to Mar-20

Microsoft

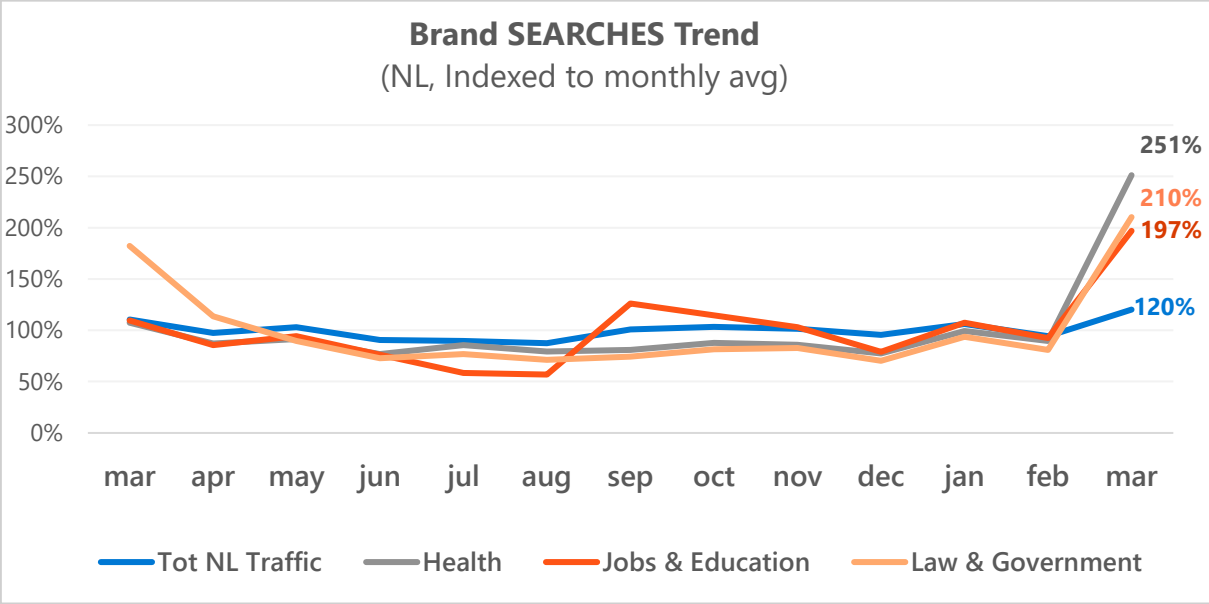
KPI: BRAND % of Total YoY Variance (Mar 2020 vs Mar 2019)

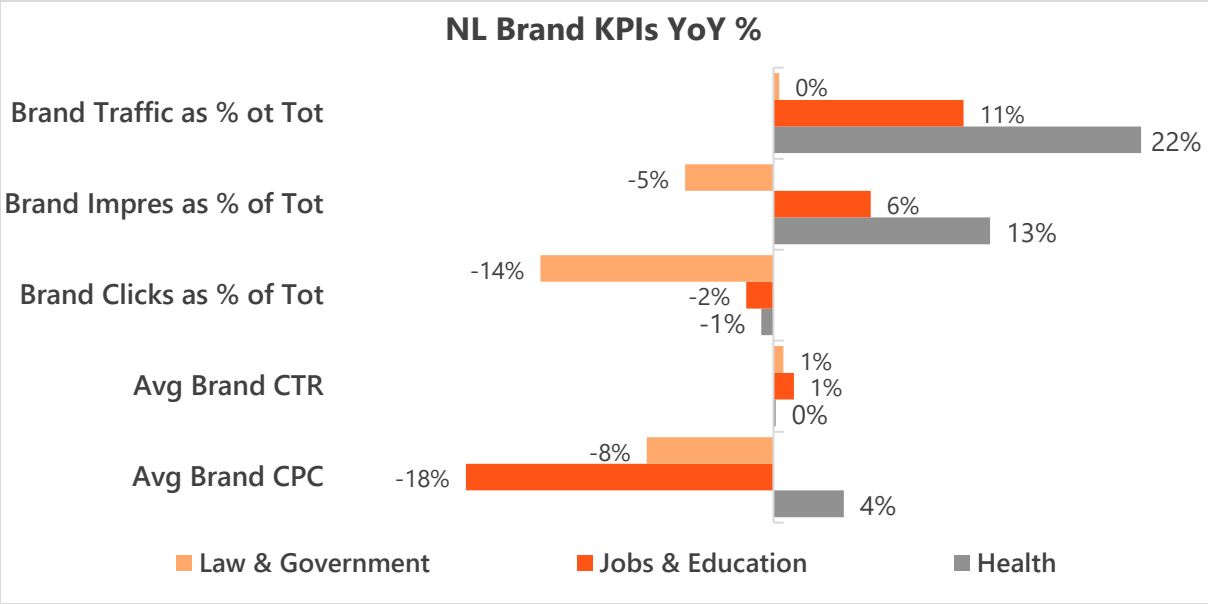
Health, Finance and Business & Industrial are showing the highest YoY increase in Brand traffic as % of total traffic.

L1 Supply Vertical	Brand Traffic as % of Tot Traffic YoY % Var	Brand Imp % of Tot Imp YoY % Var	Brand CLICKS as % of Tot CLICKS YoY % Va	CTR YoY % PTS Var	CPC YoY % Var
Apparel	-4%	-5%	-5%	1%	-4%
Arts & Entertainment	6%	0%	-17%	-2%	51%
Beauty & Personal Care	0%	-5%	-4%	0%	6%
Business & Industrial	16%	13%	4%	2%	-8%
Computers & Consumer Electronics	7%	1%	-3%	2%	18%
Dining & Nightlife	3%	-1%	3%	2%	2%
Family & Community	1%	-9%	-13%	-1%	-4%
Finance	17%	19%	6%	2%	8%
Food & Groceries	5%	4%	4%	0%	-4%
Gambling	-7%	-6%	-5%	-5%	105%
Health	22%	13%	-1%	0%	4%
Hobbies & Leisure	4%	4%	7%	1%	-21%
Home & Garden	-10%	-9%	-8%	1%	-2%
Internet & Telecom	0%	23%	6%	0%	-34%
Jobs & Education	11%	6%	-2%	1%	-18%
Law & Government	0%	-5%	-14%	1%	-8%
News, Media & Publications	15%	-1%	-2%	-1%	-12%
Occasions & Gifts	-2%	-12%	3%	3%	-12%
Real Estate	1%	-5%	1%	0%	-1%
Retailers & General Merchandise	-1%	-4%	-5%	2%	-13%
Sports & Fitness	-6%	-5%	-11%	1%	-18%
Travel & Tourism	9%	9%	7%	1%	-32%
Vehicles	-1%	-5%	-1%	1%	21%
Total	**7%**	**10%**	**1%**	**1%**	**-16%**

Microsoft

Key Takeways and Recommendations





Key Takeways

- **Brand traffic**: Total Brand traffic increased by 9% points bewteen March 2019 to March 2020, driven by Heath and Law & Government.
- **Total traffic split**: looking at brand traffic as a % of traffic, Health grew by 22%, Jobs & Education by 11%. Brand clicks as % of total also increased for Health and Jobs & Education.
- **Cost**: Whilst Avg Brand CPC grew by just 4% for Health, we have seen a strong decrease in CPC for Jobs & Education (-18%) and Law & Government (-8%).

Recommendations

- The overall growth in traffic shows increased engagement with the category, and the increase in brand traffic indicates higher interest in certain brands.
- The parallel growth in Brand impressions proves that advertisers are taking advantage of this surge and ar making sure brand trafric is covered.
- Advertisers should make sure they are fully covering their brand traffic and connect with their Sales reps to identify the best tactics to keep CPC low while increasing coverage.

Microsoft

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Italy

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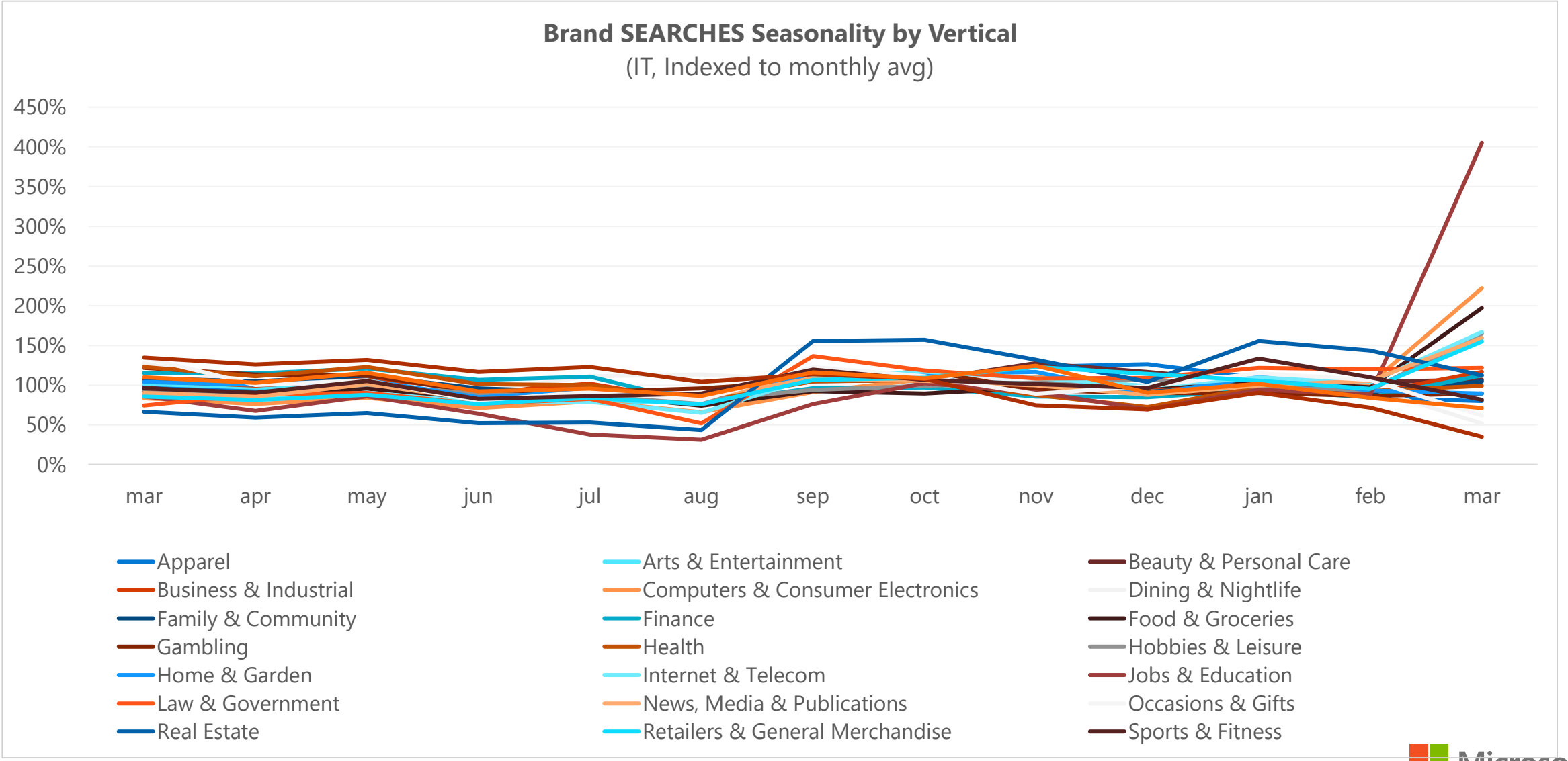
Brand searches seasonality by vertical



Microsoft Internal, Mar-19 to Mar-20

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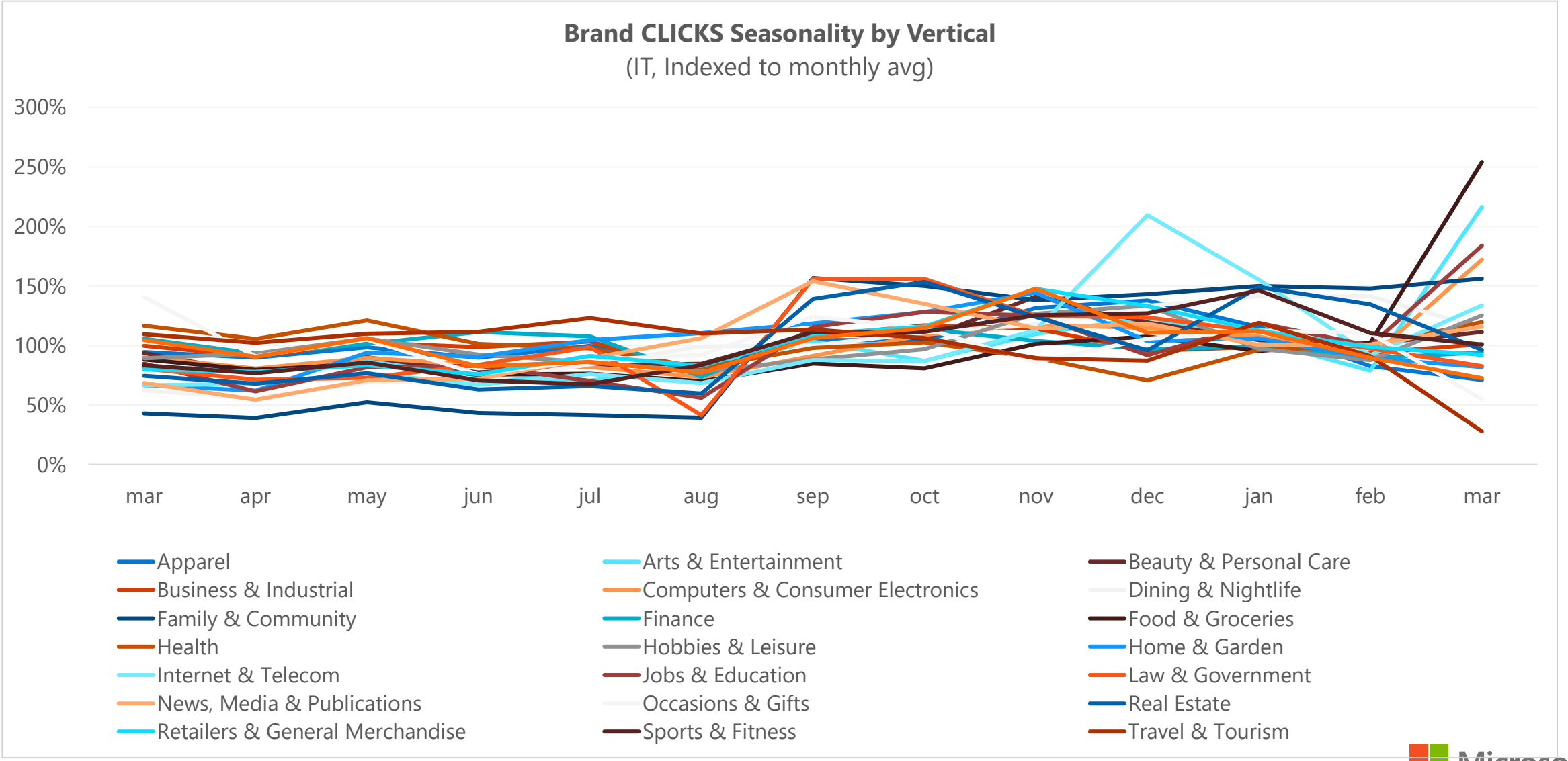
Brand clicks seasonality by vertical



Microsoft Internal, Mar-19 to Mar-20

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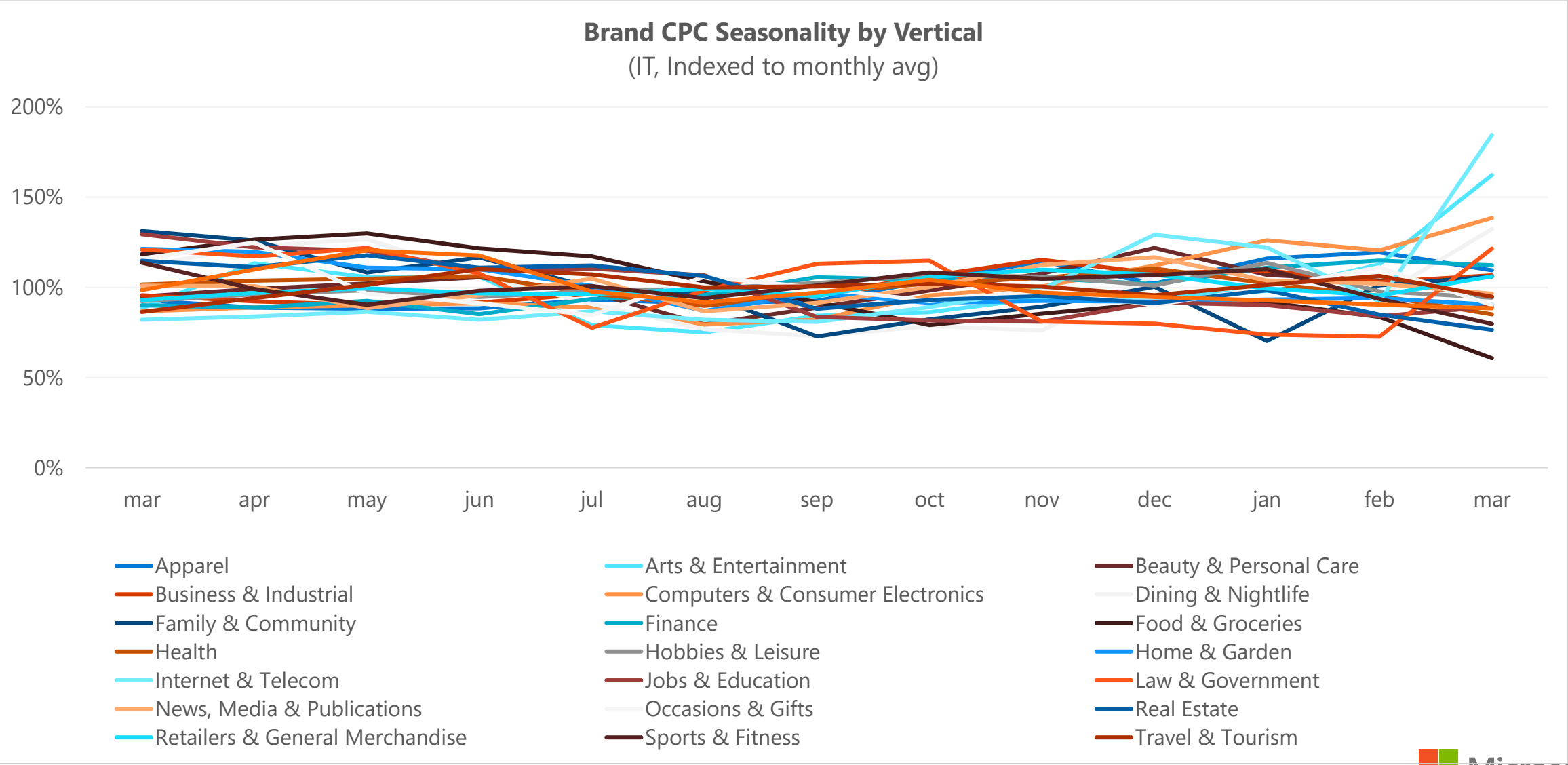
Brand CPC seasonality by vertical



Microsoft Internal, Mar-19 to Mar-20

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KPI: BRAND % of Total YoY Variance (Mar 2020 vs Mar 2019)

Jobs & Education, Internet & Telecom and Sport & Fitness are showing the highest YoY increase in Brand traffic as % of total traffic.

L1 Supply Vertical	Brand Traffic as % of Tot Traffic YoY % Var	Brand Imp % of Tot Imp YoY % Var	Brand CLICKS as % of Tot CLICKS YoY % Va	CTR YoY % PTS Var	CPC YoY % Var
Apparel	-14%	-10%	-18%	0%	4%
Arts & Entertainment	9%	6%	6%	2%	55%
Beauty & Personal Care	8%	16%	4%	0%	7%
Business & Industrial	-5%	-6%	-5%	-1%	-3%
Computers & Consumer Electronics	3%	-4%	-6%	-1%	27%
Dining & Nightlife	-7%	5%	1%	1%	10%
Family & Community	-3%	9%	45%	0%	20%
Finance	9%	16%	8%	1%	4%
Food & Groceries	1%	4%	5%	0%	-39%
Gambling	11%	0%	-20%	-1%	-80%
Health	-5%	-6%	-10%	1%	-28%
Hobbies & Leisure	-1%	0%	-4%	0%	-24%
Home & Garden	-11%	-3%	-8%	1%	-22%
Internet & Telecom	18%	7%	7%	1%	80%
Jobs & Education	20%	16%	16%	0%	-4%
Law & Government	1%	-1%	0%	-1%	-19%
News, Media & Publications	3%	15%	1%	-1%	-6%
Occasions & Gifts	-3%	-1%	-9%	-1%	7%
Real Estate	11%	14%	13%	0%	-8%
Retailers & General Merchandise	14%	12%	-1%	-8%	11%
Sports & Fitness	15%	-1%	0%	0%	-12%
Travel & Tourism	-3%	13%	10%	1%	1%
Vehicles	-4%	-6%	-11%	1%	-18%
Total	**14%**	**16%**	**6%**	**1%**	**-6%**

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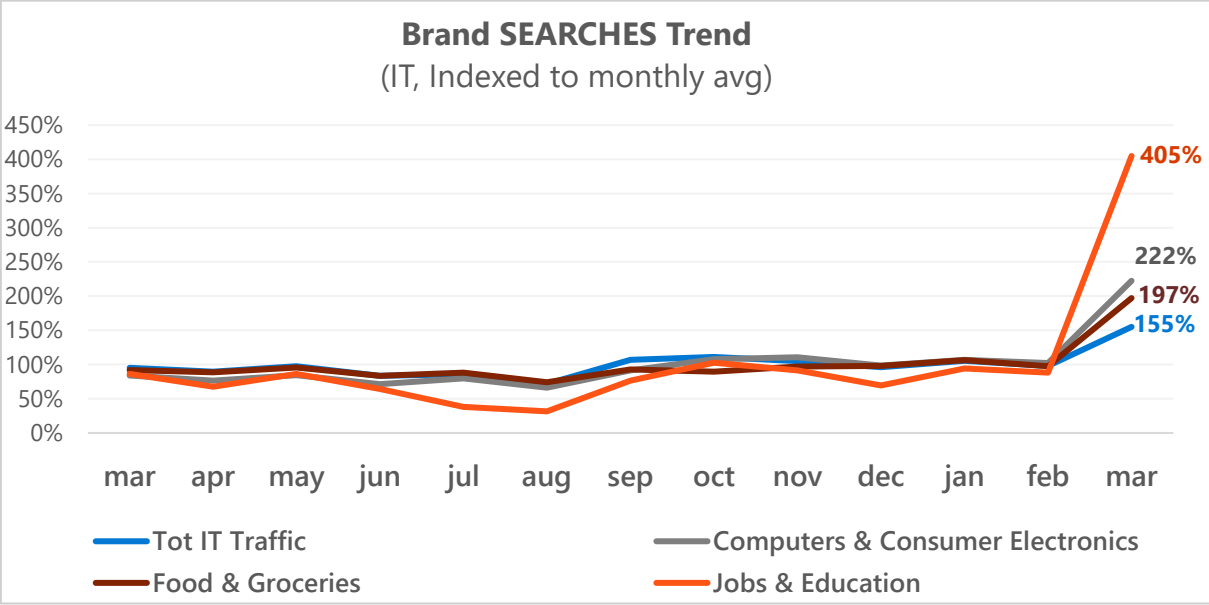
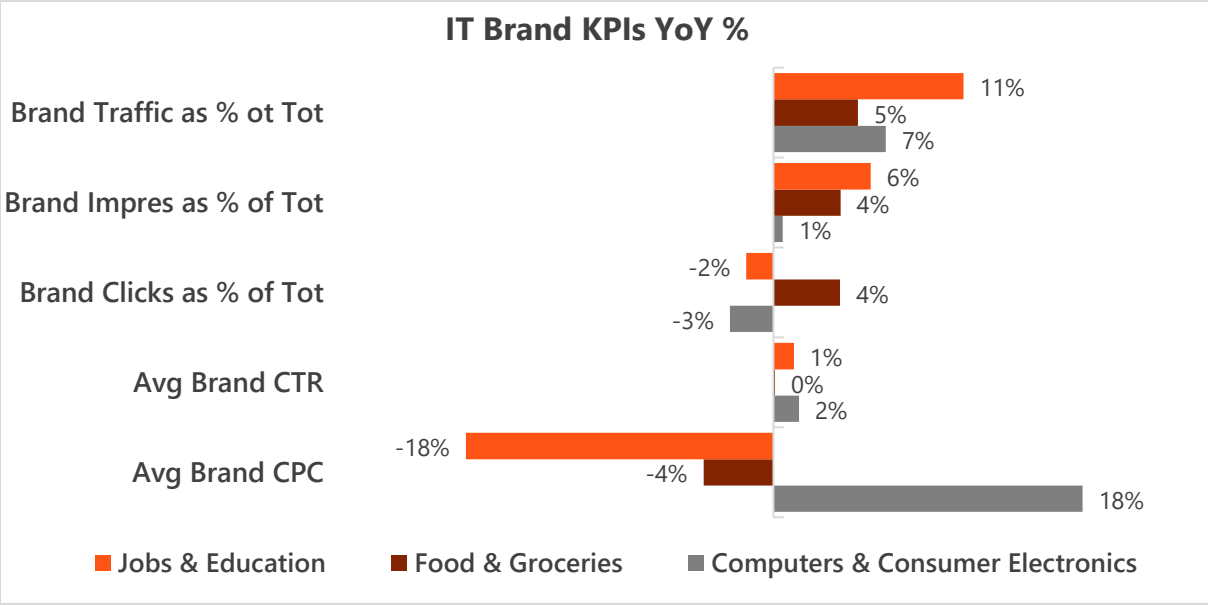
Key Takeways and Recommendations





Key Takeways

- **Brand traffic**: Total Brand traffic increased by 60% points bewteen March 2019 to March 2020, driven by Jobs & Education.
- **Total traffic split**: looking at brand traffic as a % of traffic, Jobs & Education grew by 11%, Consumer Electronics by 7%. Brand clicks as % of total also increased for Food & Education.
- **Cost**: Whilst Avg Brand CPC grew by 18% for Consumer Electronics, we have seen a decrease in CPC for Jobs & Education (-18%) and Food & Grocieries (-4%).

Recommendations

- The overall growth in traffic shows increased engagement with the category, and the increase in brand traffic indicates higher interest in certain brands.
- The parallel growth in Brand impressions proves that advertisers are taking advantage of this surge and ar making sure brand trafric is covered.
- Advertisers should make sure they are fully covering their brand traffic and connect with their Sales reps to identify the best tactics to keep CPC low while increasing coverage.

Microsoft

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Spain

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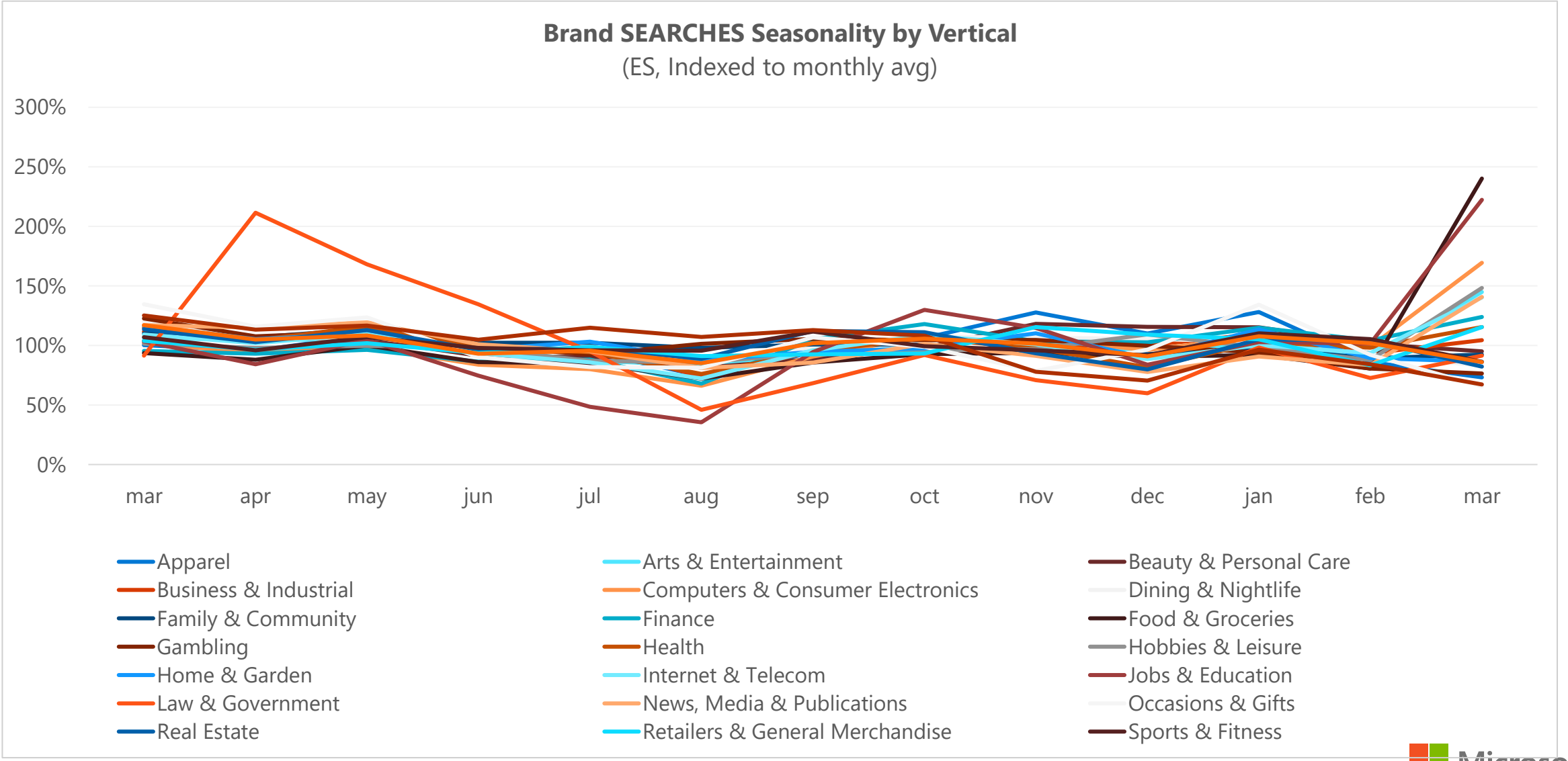
Brand searches seasonality by vertical



Microsoft Internal, Mar-19 to Mar-20

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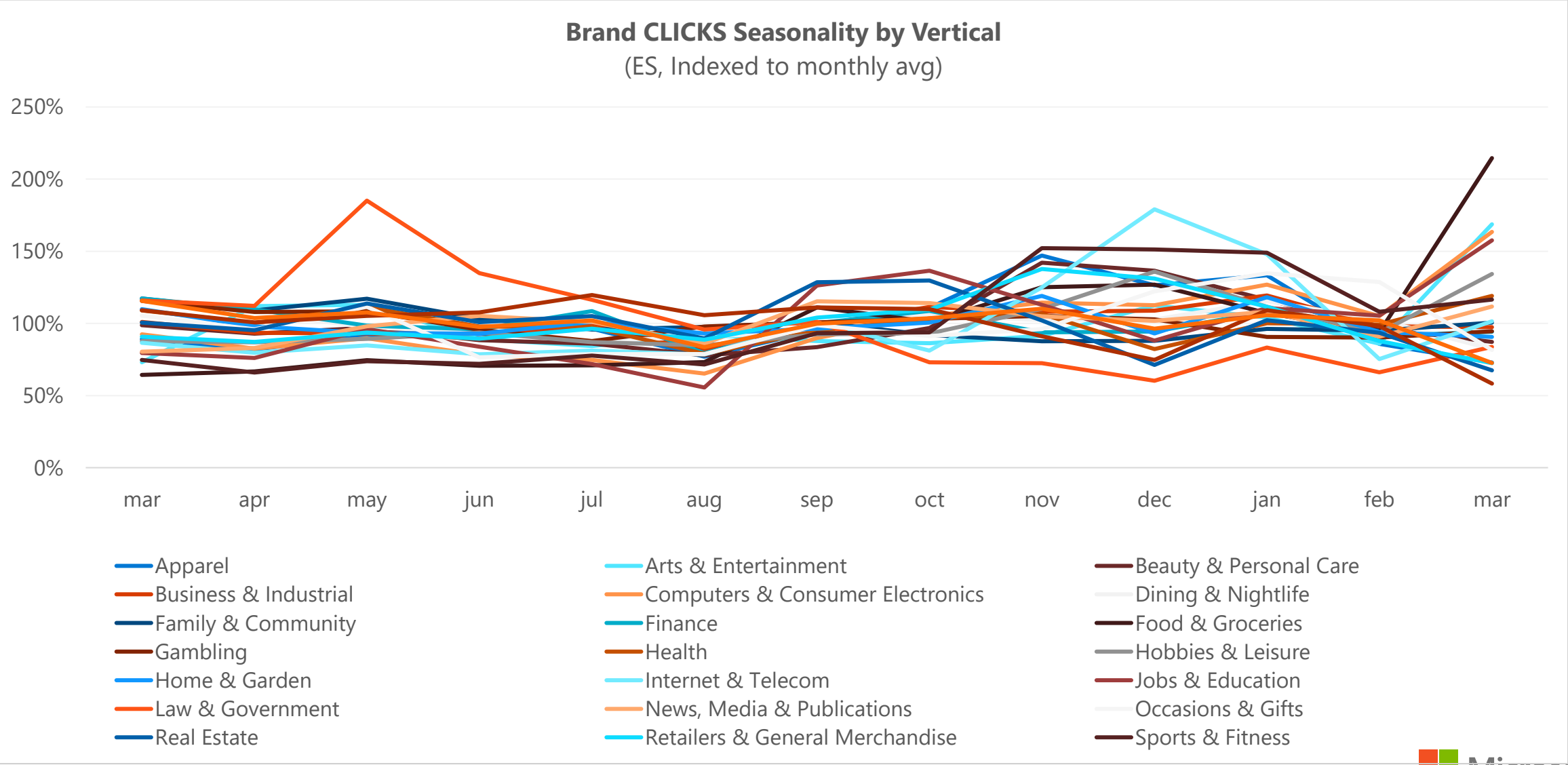
Brand clicks seasonality by vertical



Microsoft Internal, Mar-19 to Mar-20

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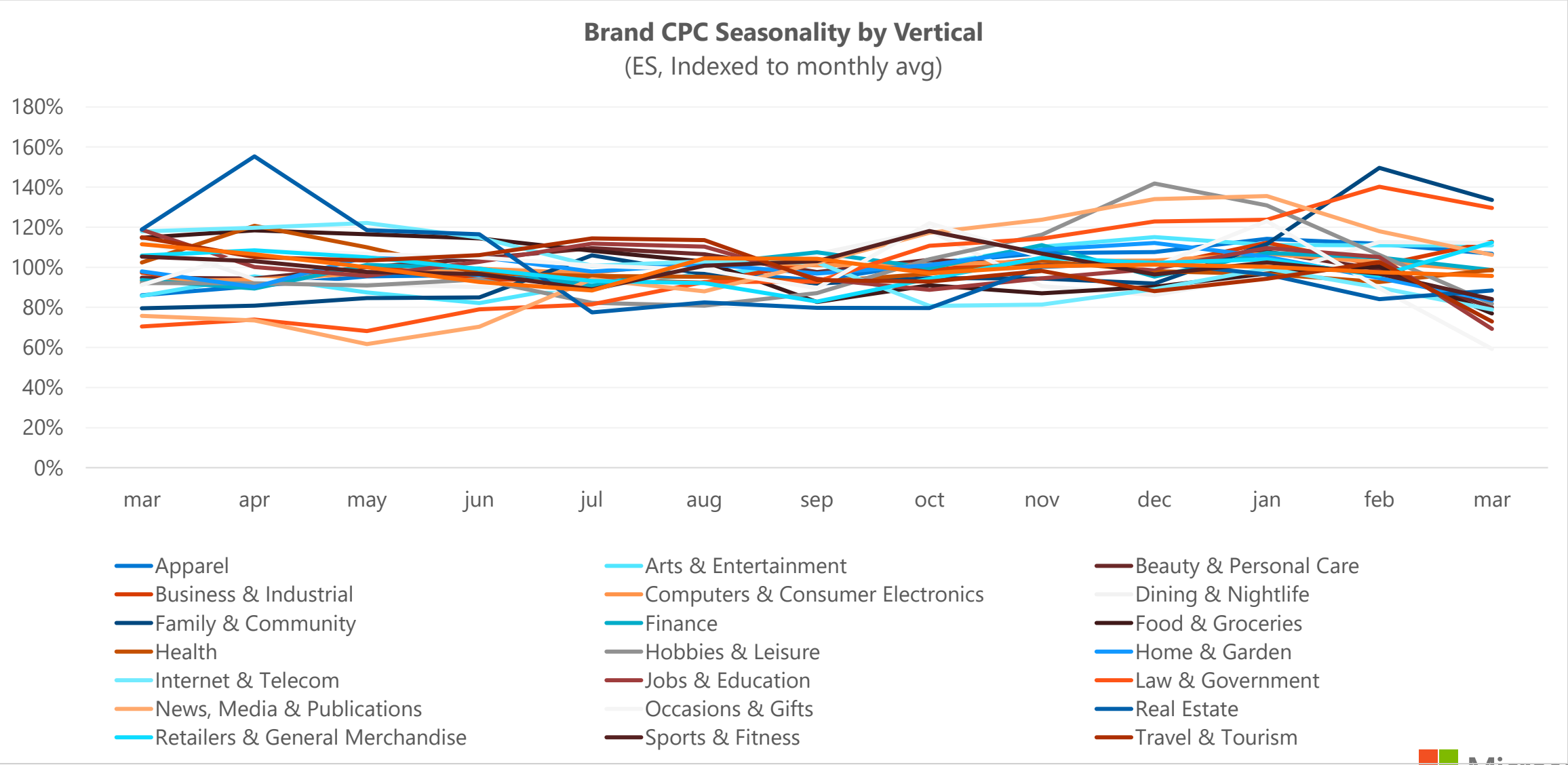
Brand CPC seasonality by vertical



Microsoft Internal, Mar-19 to Mar-20

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KPI: BRAND % of Total YoY Variance (Mar 2020 vs Mar 2019)

Finance and Food & Groceries are showing the highest YoY increase in Brand traffic as % of total traffic.

L1 Supply Vertical	Brand Traffic as % of Tot Traffic YoY % Var	Brand Imp % of Tot Imp YoY % Var	Brand CLICKS as % of Tot CLICKS YoY % Va	CTR YoY % PTS Var	CPC YoY % Var
Apparel	-4%	-2%	-3%	0%	14%
Arts & Entertainment	2%	14%	9%	1%	22%
Beauty & Personal Care	4%	4%	6%	0%	-10%
Business & Industrial	-9%	-11%	-5%	0%	-3%
Computers & Consumer Electronics	-1%	-6%	-5%	1%	11%
Dining & Nightlife	0%	5%	6%	0%	-14%
Family & Community	-9%	-1%	-3%	0%	24%
Finance	12%	8%	2%	0%	-13%
Food & Groceries	12%	15%	19%	1%	-38%
Gambling	-19%	-27%	-19%	-1%	20%
Health	0%	2%	10%	0%	13%
Hobbies & Leisure	-1%	2%	1%	1%	-11%
Home & Garden	-20%	-14%	-20%	1%	-17%
Internet & Telecom	-2%	1%	-1%	0%	-23%
Jobs & Education	11%	11%	8%	0%	-29%
Law & Government	-2%	-1%	-1%	-1%	13%
News, Media & Publications	-12%	7%	0%	0%	29%
Occasions & Gifts	-6%	-6%	5%	0%	-1%
Real Estate	6%	7%	9%	0%	-16%
Retailers & General Merchandise	-8%	-4%	-2%	-2%	6%
Sports & Fitness	11%	1%	0%	1%	-7%
Travel & Tourism	1%	6%	11%	1%	-31%
Vehicles	-5%	-5%	-13%	0%	-8%
Total	**2%**	**8%**	**4%**	**0%**	**-26%**

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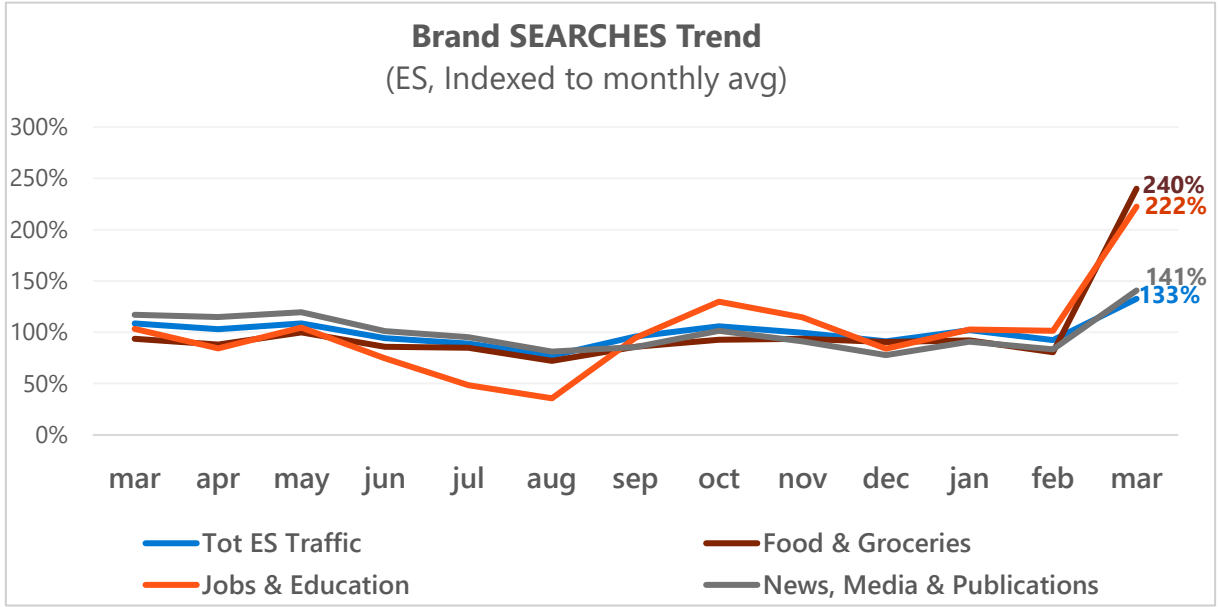
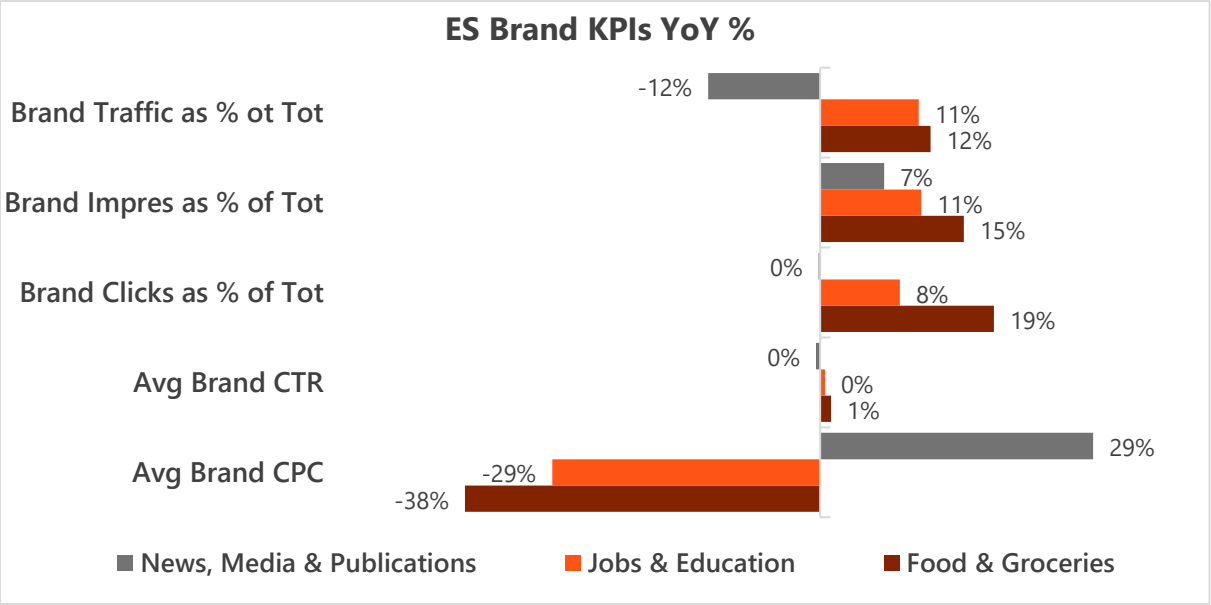
Key Takeways and Recommendations





Key Takeways

- **Brand traffic**: Total Brand traffic increased by 25% points bewteen March 2019 to March 2020, driven by Food & Grocieries and Jobs & Education.
- **Total traffic split**: looking at brand traffic as a % of traffic, Jobs & Education declined by 12% whilst Jobs & Education and Food & Grocieries grew by 11% and 12% respectively. Brand clicks as % of total also increased significantly for Food & Education and Jobs & Education.
- **Cost**: Whilst Avg Brand CPC grew by 29% for News, Media & Publications, we have seen a decrease in CPC for Jobs & Education (-29%) and Food & Grocieries (-38%).

Recommendations

- The overall growth in traffic shows increased engagement with the category, and the increase in brand traffic indicates higher interest in certain brands.
- The parallel growth in Brand impressions proves that advertisers are taking advantage of this surge and ar making sure brand trafric is covered.
- Advertisers should make sure they are fully covering their brand traffic and connect with their Sales reps to identify the best tactics to keep CPC low while increasing coverage.

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Microsoft

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