



Value of Search

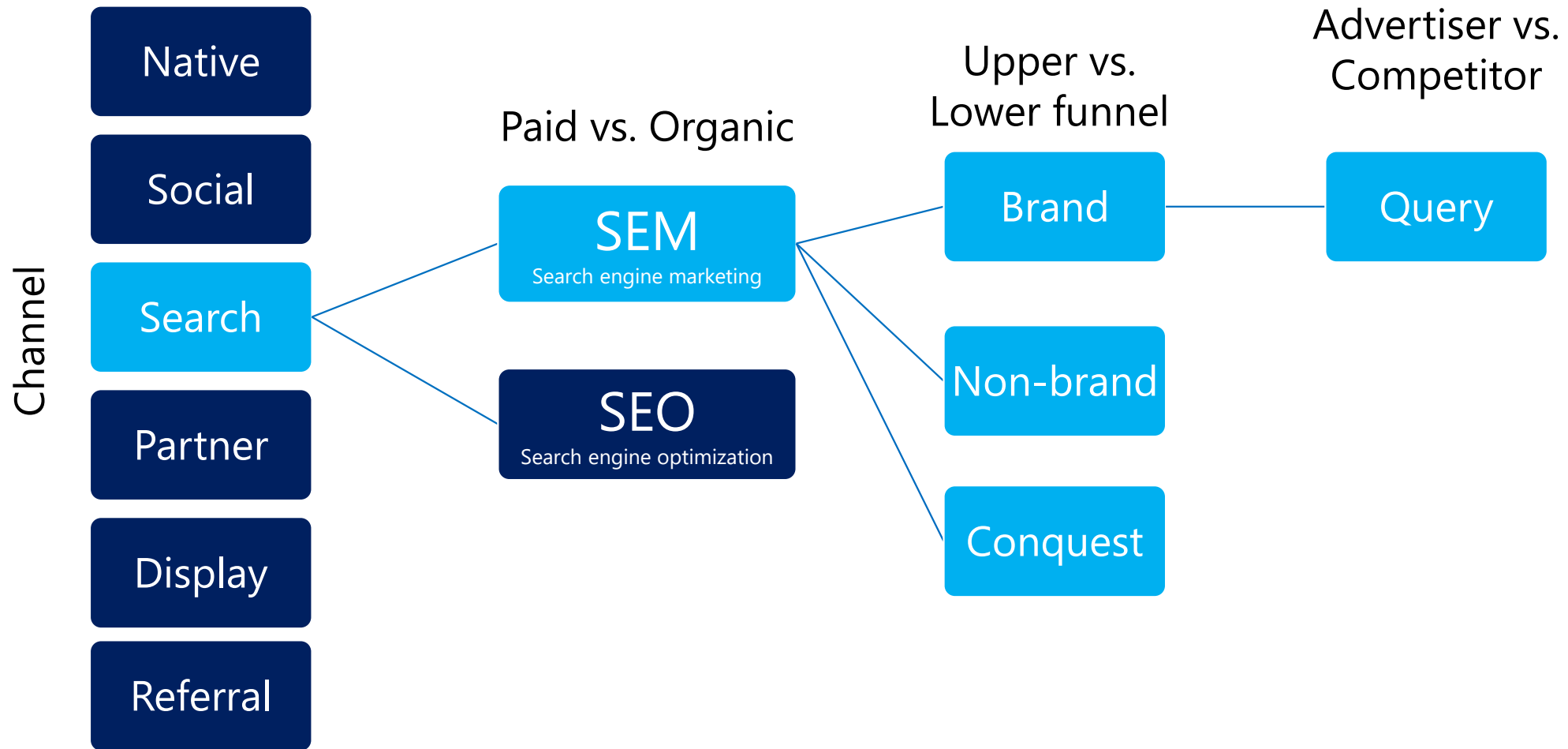
Autos

Microsoft Advertising. Intelligent connections.

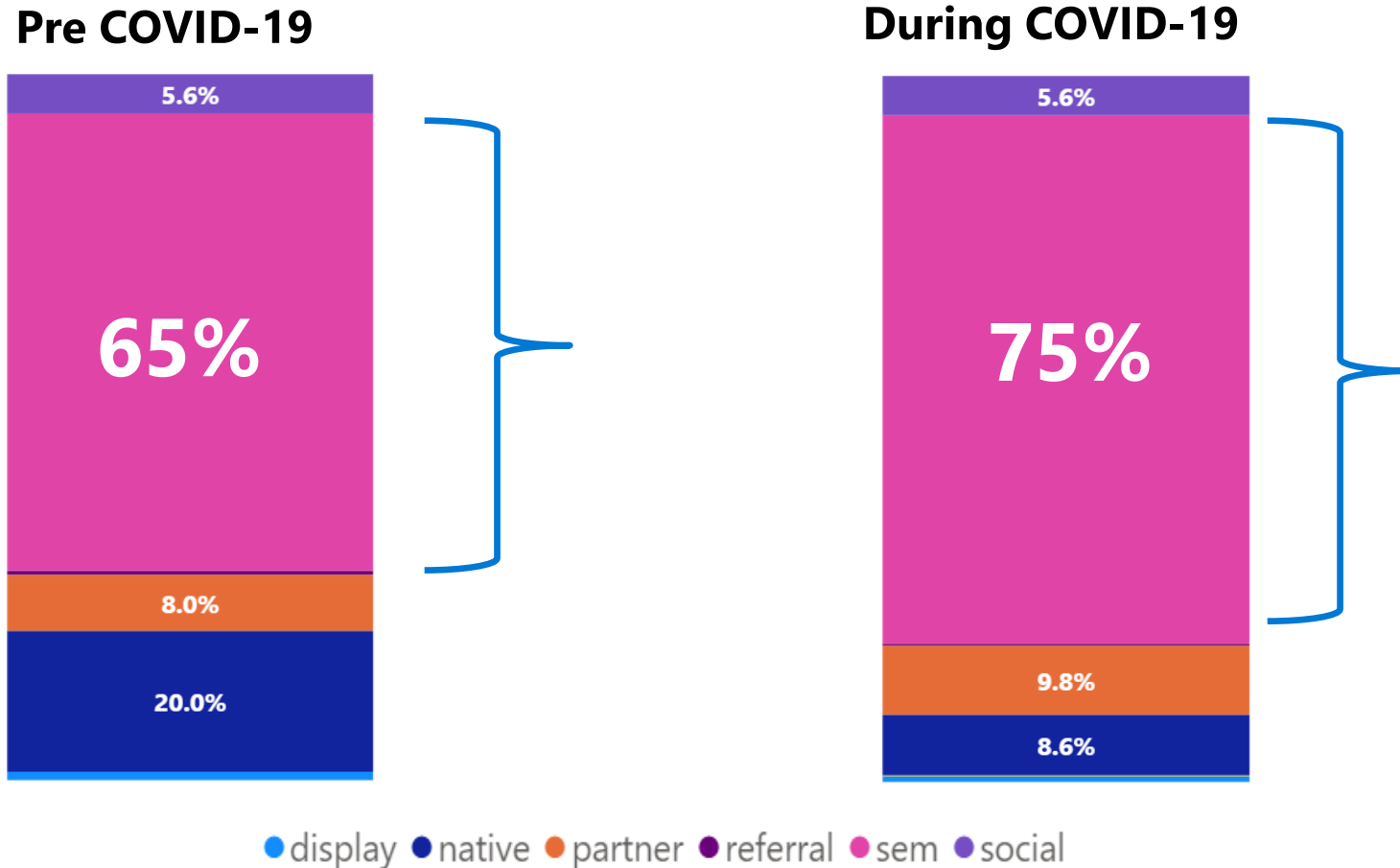
Objective


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?



During COVID-19, search accounts for 10% points more of ad channel attribution




Insight! 
Partner network also grew 1.8% points

Microsoft internal data. Click based attribution (impression ad exposure is not considered). N = 1000 users per time frame. Pre Covid Period: Jan 2020 – Feb 2020. During COVID Period: Mar. 2020 – Apr. 2020. US and PC only. Analysis of paid media only. Inclusive of display, native, partner, referral (including affiliates), social, video and paid search. Publisher and platform agnostic. Multiple paid digital media click touchpoints required for analysis inclusion.

Native remains a key channel during COVID-19; 72.5% of native ad clicks lead to those SEM clicks

		Channel To								
		(conversion)	display	email	native	partner	referral	sem	social	Total
Channel From	(start)		0.2%		1.8%	3.6%		93.5%	0.9%	100.0%
	display				33.3%	33.3%		33.3%		100.0%
	email							100.0%		100.0%
	native	15.9%	2.9%	1.4%		2.9%		72.5%	4.3%	100.0%
	partner	29.5%	2.6%		9.0%			56.4%	2.6%	100.0%
	referral							100.0%		100.0%
	sem	79.2%	0.2%		7.5%	7.8%	0.3%		5.1%	100.0%
	social	18.6%			2.3%	7.0%		72.1%		100.0%

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.

1

User clicks on an automotive native ad

2

15.9% of users convert after clicking on the native ad

3

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

Touchpoint = Rows

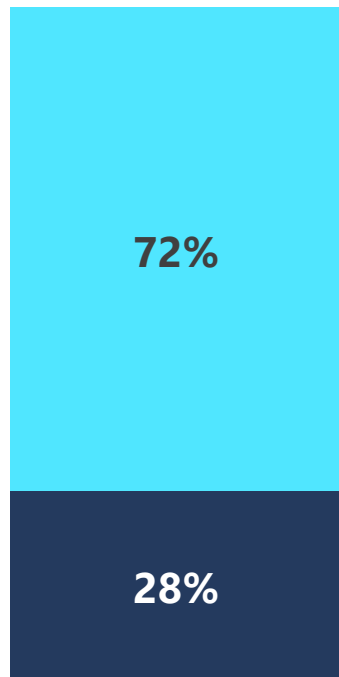
Subsequent Touchpoint = Columns

Microsoft internal data. Click based attribution (impression ad exposure is not considered). N = 1000 users. During COVID Period: Mar. 2020 – Apr. 2020. US and PC only. Analysis of paid media only. Inclusive of display, native, partner, referral (including affiliates), social and paid search. Publisher and platform agnostic. Multiple paid digital media click touchpoints required for analysis inclusion.

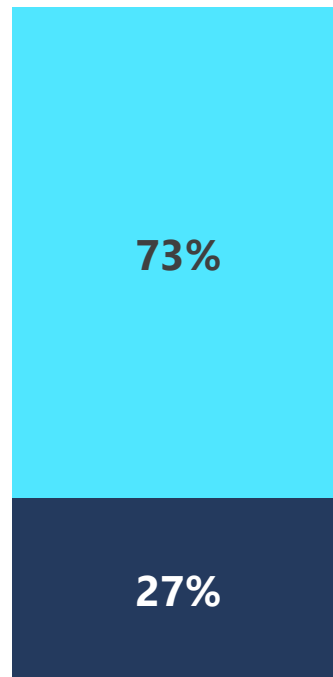


Since the attribution of SEM and SEO remained constant, advertisers who exited the marketplace lost their paid clicks to competitors

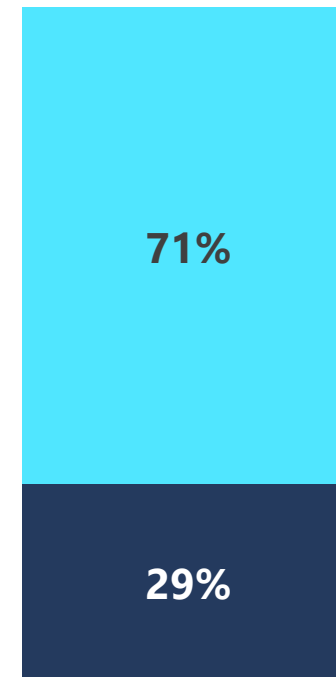
Pre COVID-19 Feb.



During COVID-19 Mar.



During COVID-19 Apr.



■ SEO Click ■ SEM Click

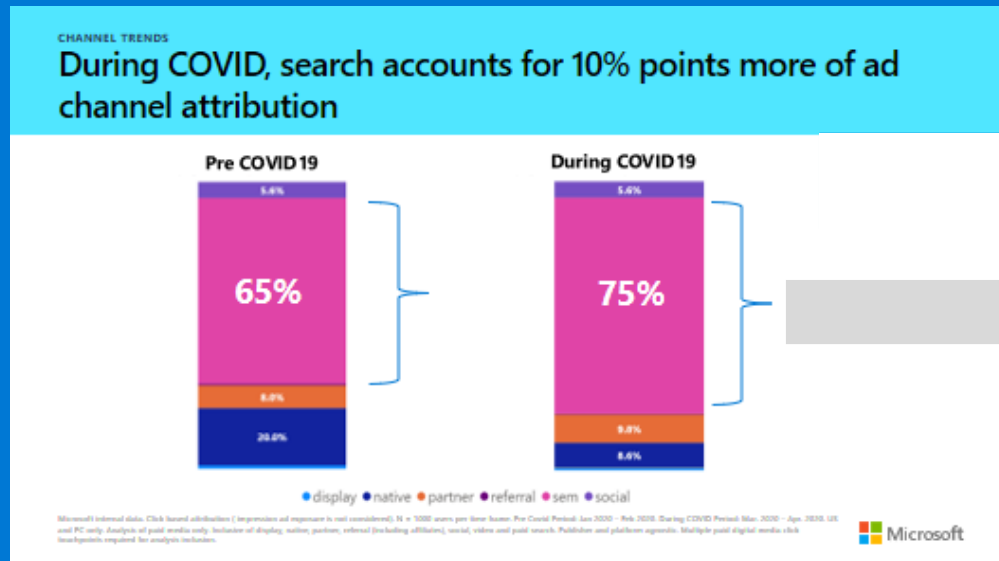
Insight!



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

As search grows in attribution, it also becomes more efficient



Brand

Investment decreased 30%,
but clicks only decreased 17%

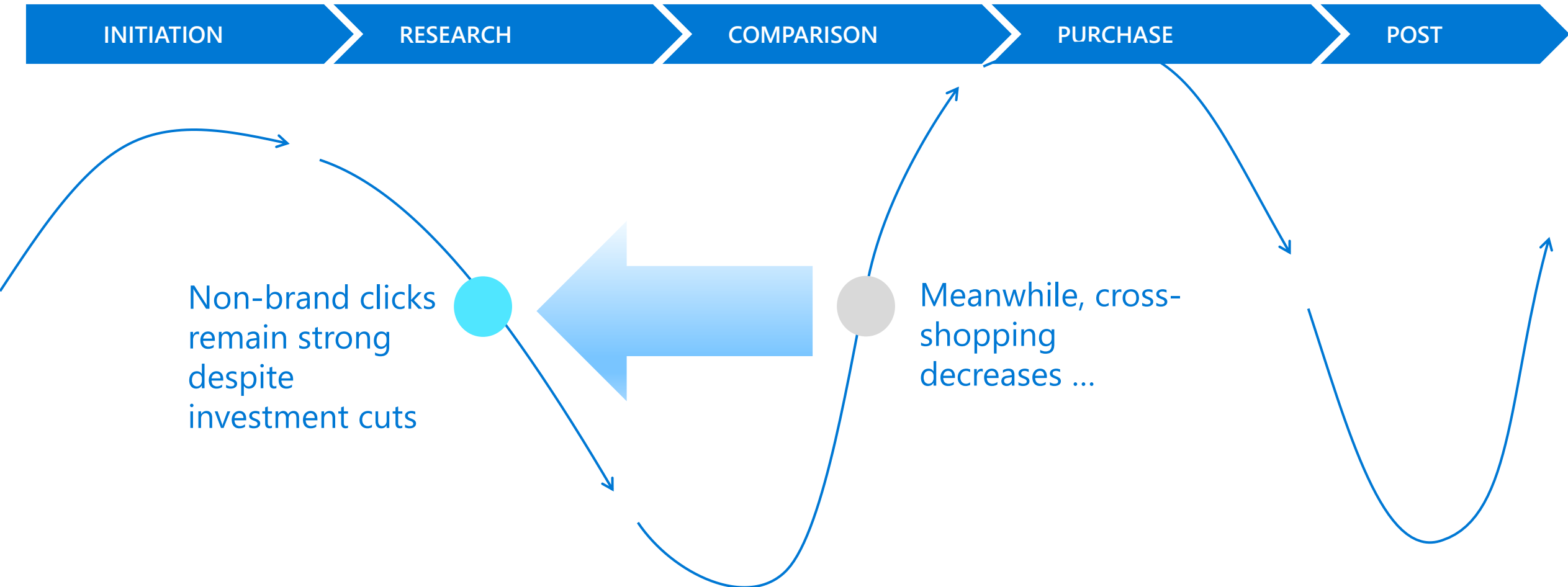
Non-brand

Investment decreased 35%,
but clicks only decreased 11%

Conquest

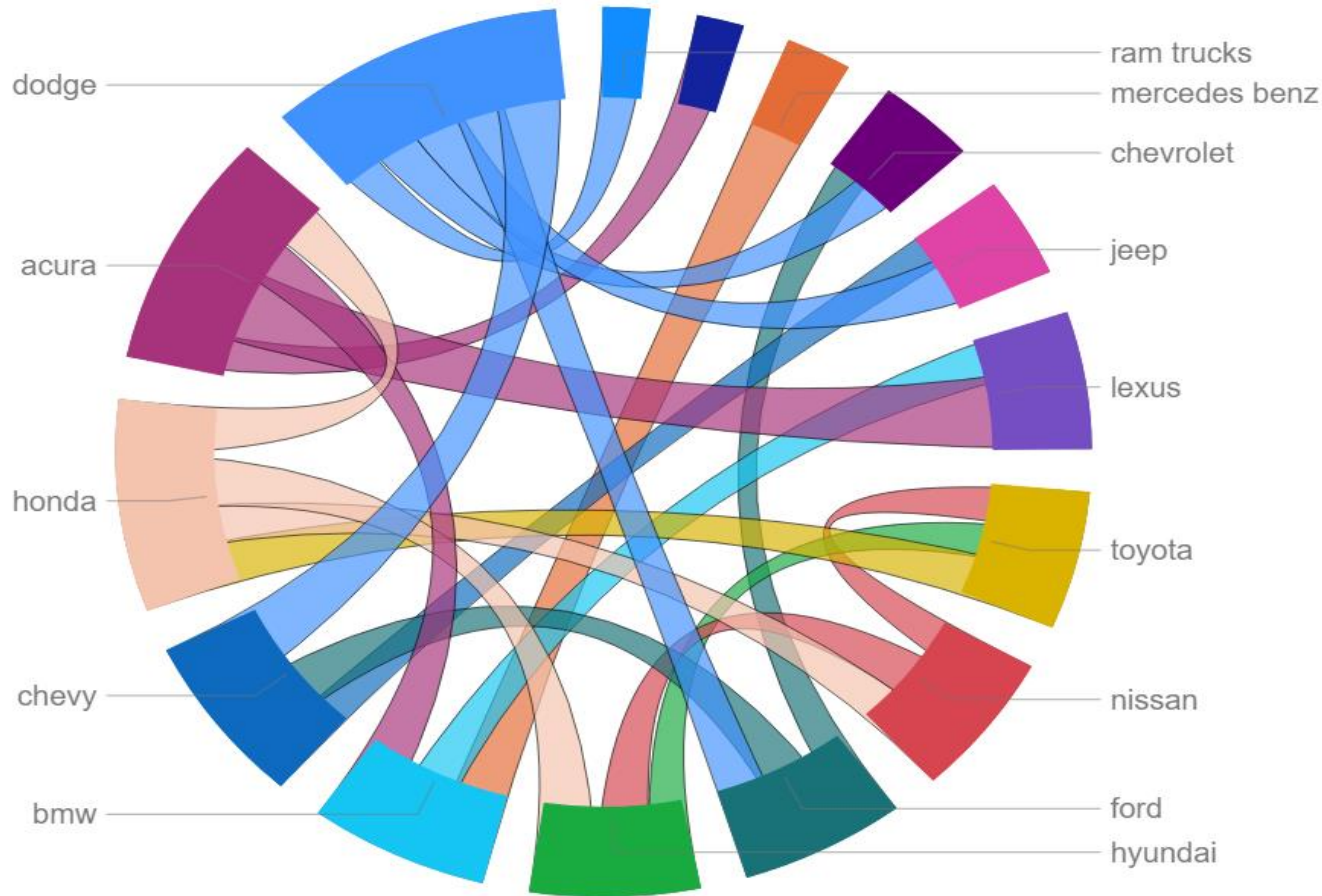
Investment decreased 42%,
but clicks only decreased 11%

Shoppers move up the funnel from comparison to research



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'



Query pair	Feb. lift
'acura' ↔ 'lexus'	2.17
'chevy' ↔ 'dodge'	1.78
'honda' ↔ 'hyundai'	1.50
'bmw' ↔ 'mercedes-benz'	1.49
'dodge' ↔ 'jeep'	1.47
'chevy' ↔ 'ford'	1.46
'bmw' ↔ 'acura'	1.36
'acura' ↔ 'honda'	1.36
'hyundai' ↔ 'nissan'	1.34
'dodge' ↔ 'ford'	1.32
'honda' ↔ 'toyota'	1.31
'bmw' ↔ 'lexus'	1.28
'chevrolet' ↔ 'dodge'	1.23
'honda' ↔ 'nissan'	1.17
'bmw usa' ↔ 'mercedes-benz'	1.12
'nissan' ↔ 'toyota'	1.09
'acura' ↔ 'cadillac'	1.06
'hyundai' ↔ 'toyota'	1.06
'jeep' ↔ 'chevy'	1.03
'chevrolet' ↔ 'ford'	1.02

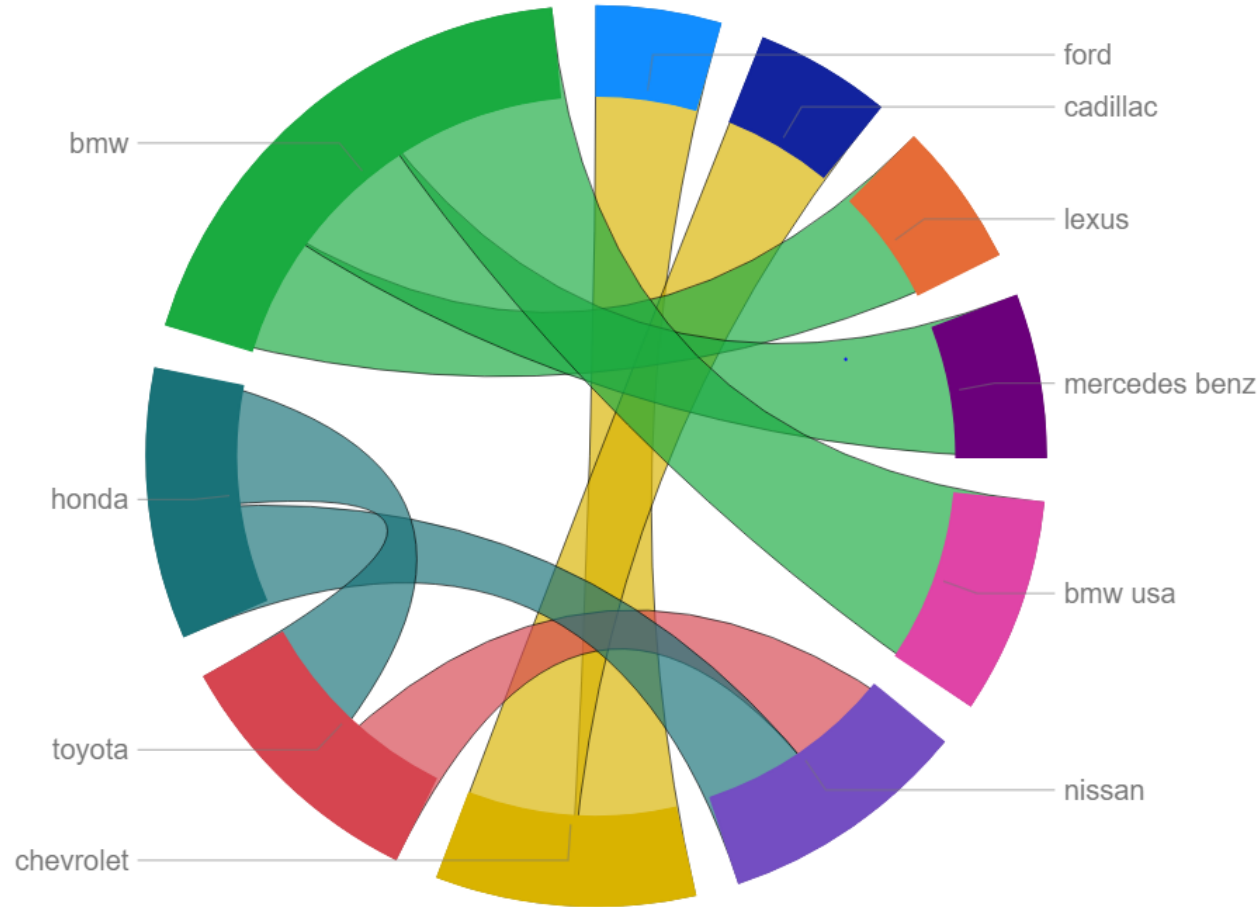
Average February lift

1.34

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.

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

Query pair	April lift
'bmw' ↔ 'mercedes-benz'	1.38
'honda' ↔ 'toyota'	1.21
'bmw' ↔ 'lexus'	1.21
'cadillac' ↔ 'chevrolet'	1.14
'honda' ↔ 'nissan'	1.07
'chevrolet' ↔ 'ford'	1.05
'nissan' ↔ 'toyota'	1.03

Average April lift **1.16**

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.

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 conquering and the +1.5% in retention clicks

Economy A & Economy B impressions



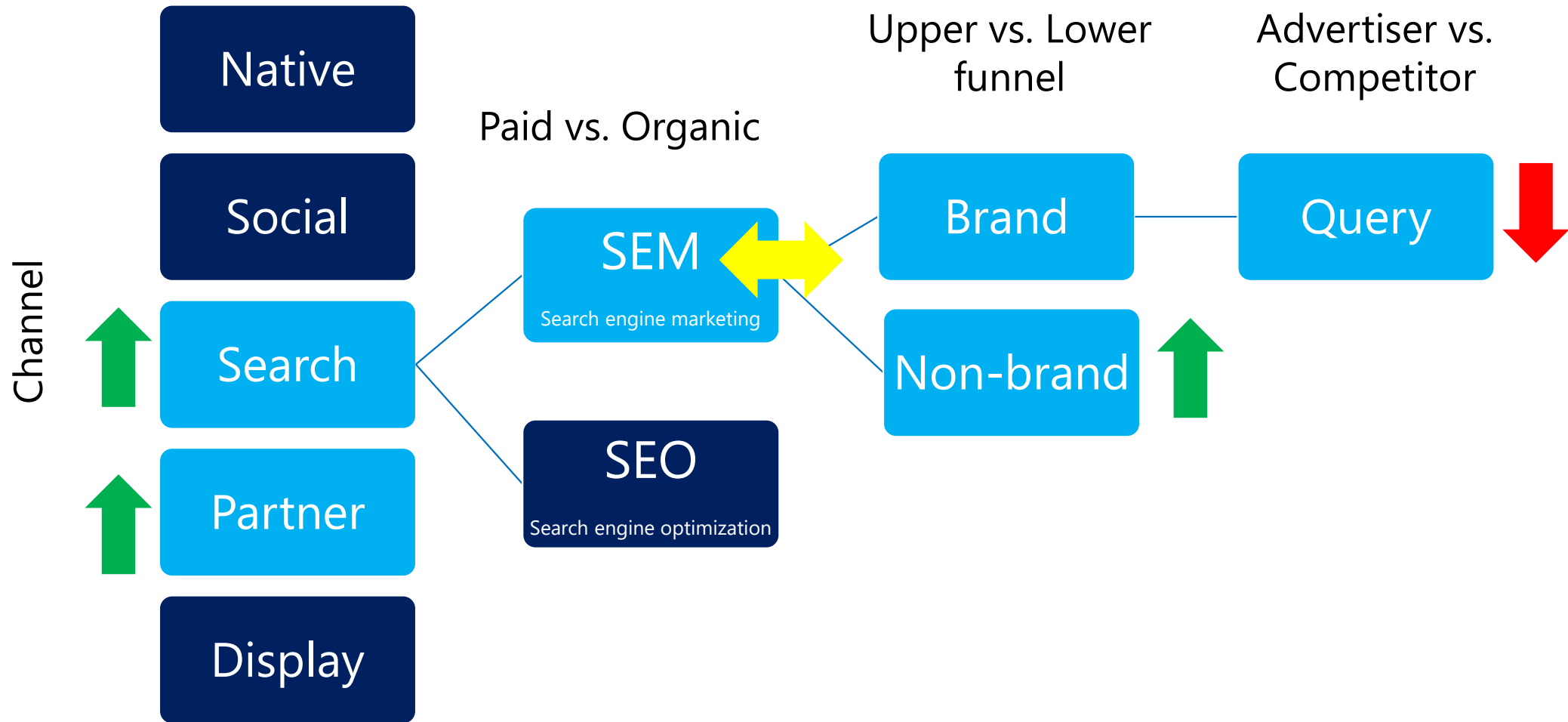
+3%

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

Why?

Incentive clicks (+22%) kept cross-shopping even despite the investment declines

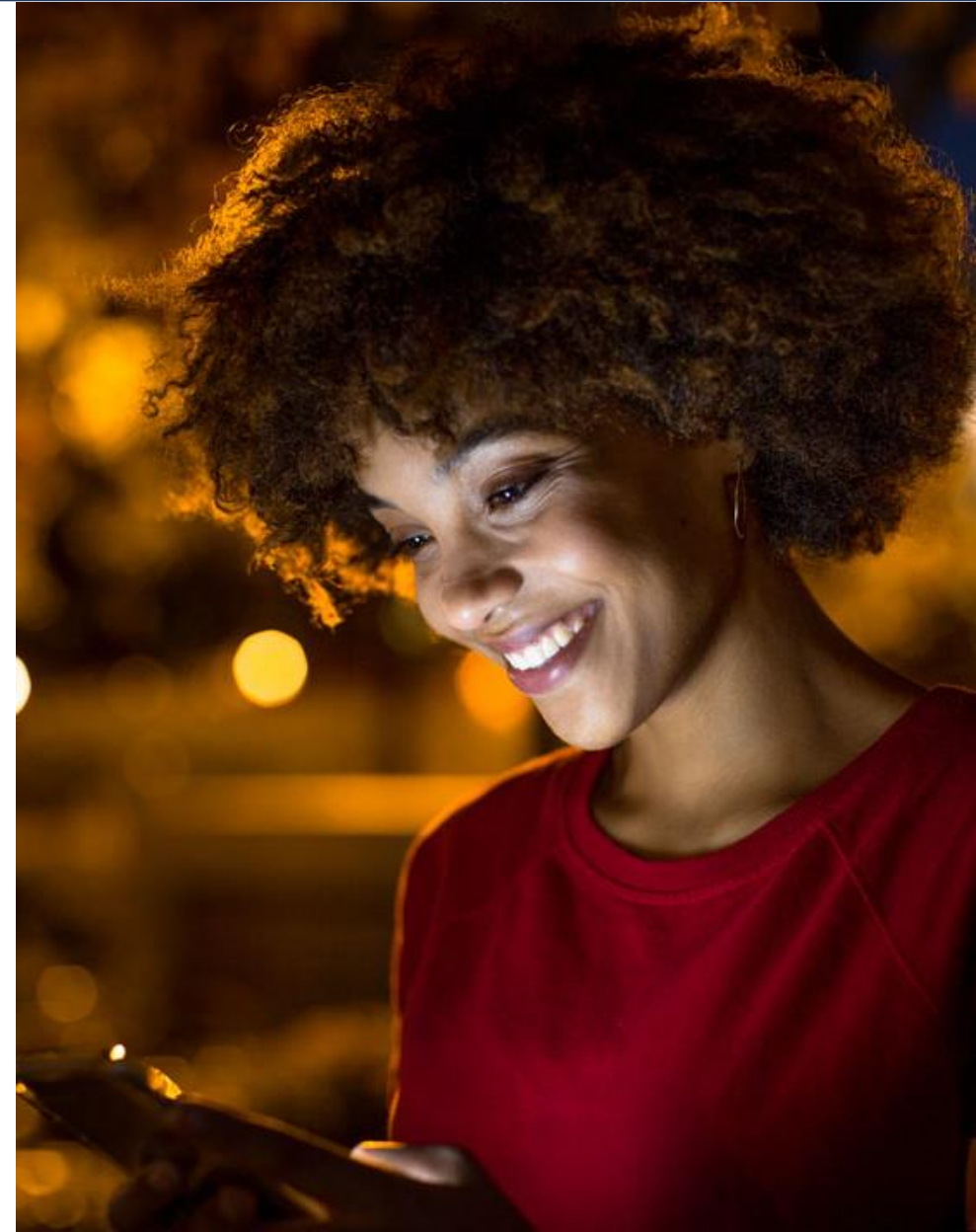
The online user journey is more SEM focused and upper-funnel



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](#)

APPENDIX

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

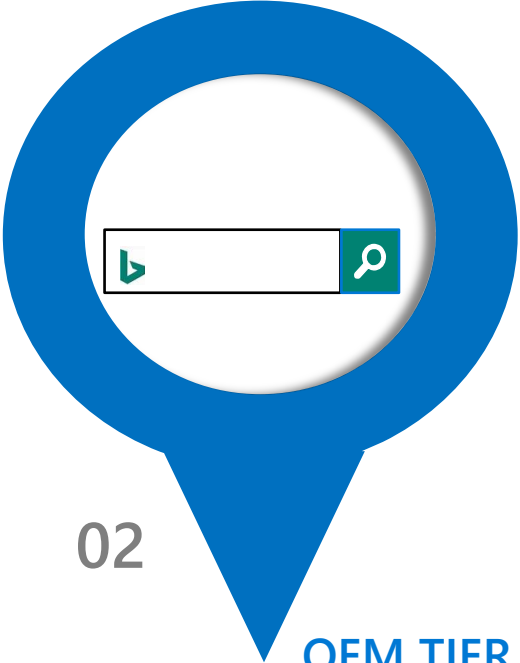
Consumer decision journey data methodology



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



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