



MICROSOFT ADVERTISING

# Think beyond traditional

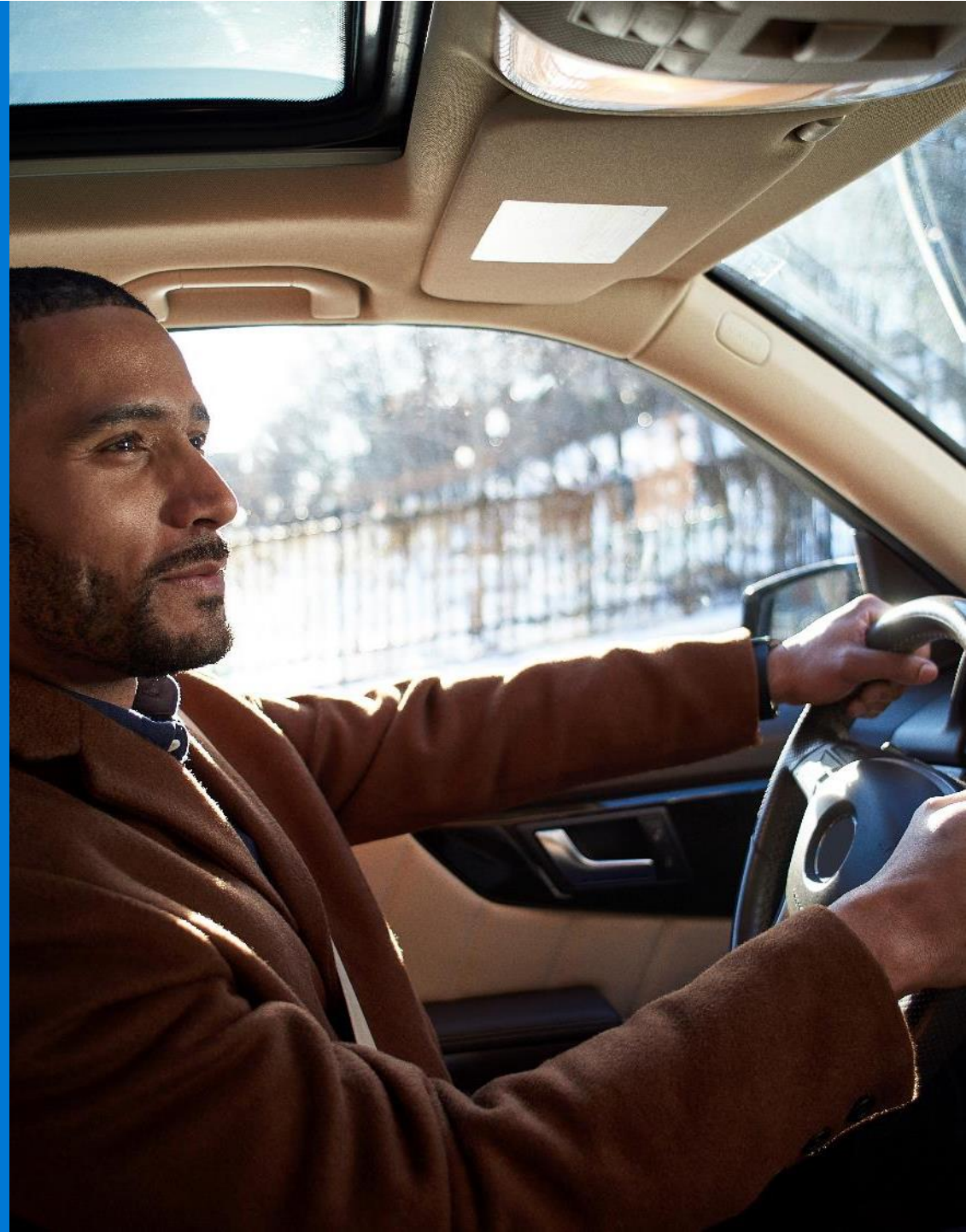
Top automotive trends to  
help you prepare for end of  
financial year

Microsoft Advertising. Intelligent connections.



# Industry trends

How the mobility revolution affects  
the Australian auto industry



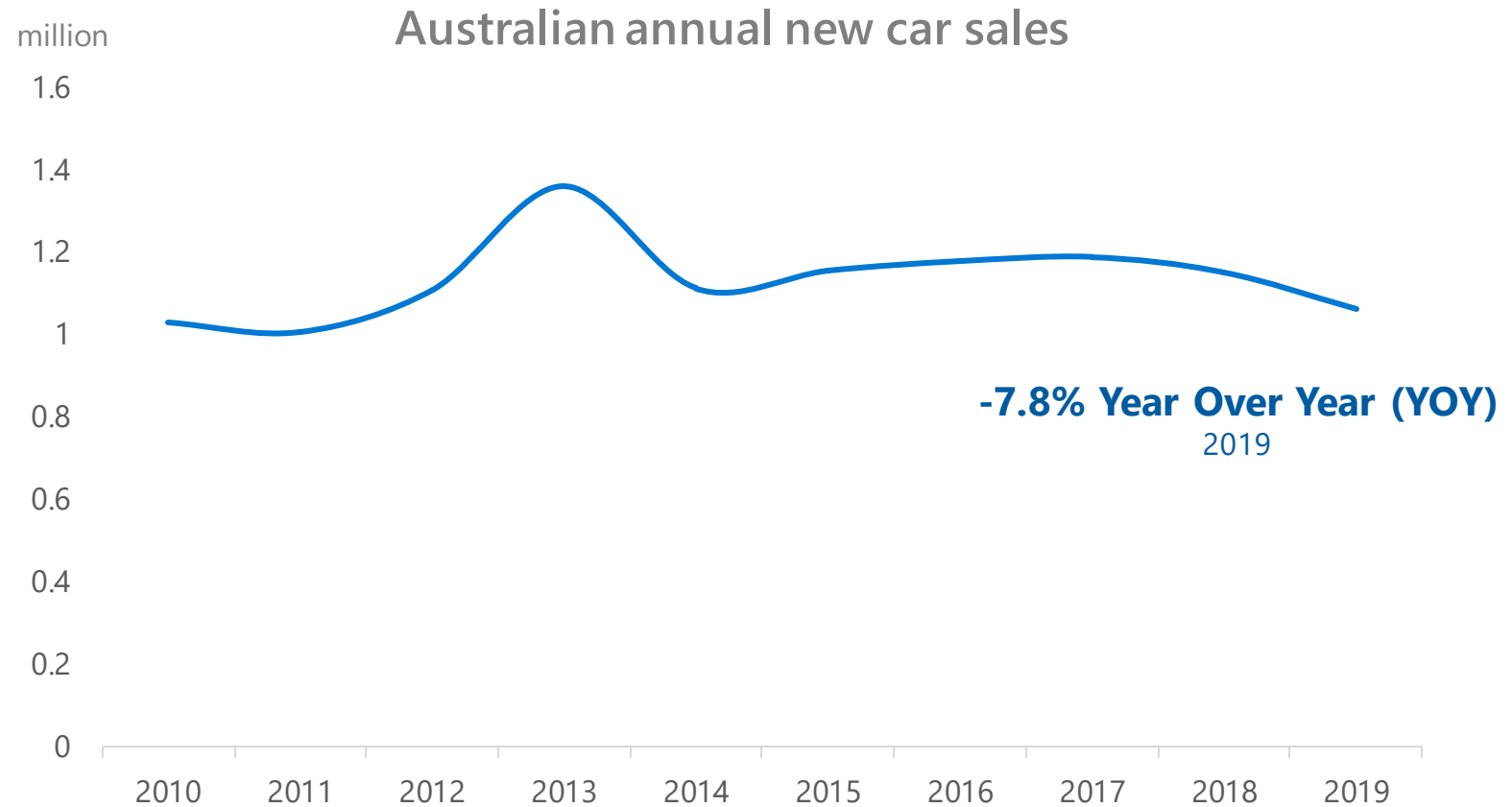


# While new car sales slow down, Australia still boasts high market penetration

7.6 million new cars purchased in last 7 years

1 in 3 bought a brand-new car

775 motor vehicles per 1,000 people



Data source: Australian car market: Car sales, statistics and figures, Carsguide, Feb 2020, <https://www.carsguide.com.au/car-advice/australian-car-market-car-sales-statistics-and-figures-70982>

# New industry trends are transforming car buyers' expectations

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Autonomous Driving

Connected Cars

Vehicle Electrification

Smart Mobility

37%

of customers are willing to switch car brands for better connectivity features. That's **double the level of just four years ago.**

86%

of consumers would switch vehicles to get some form of an advanced driver-assistance system (ADAS).

# It's your chance to get ahead of the game now

< 2%<sub>1</sub>

*(<2% total auto vertical search volume with >50% YoY growth).*

Direct search volume for autonomous driving, connectivity, electrification, and smart mobility (ACES) vehicles on the Microsoft Search Network is **not high yet**

Embrace the trends by showcasing your ACES features on your website and ad creatives to develop a better early interaction with your customers.

# The rise of used cars



# Used vehicle consideration is increasing as new car buyers are also cross-shopping



27%

YOY growth on "used;" "second hand" terms<sup>1</sup>



2 in 5

new vehicle shoppers cross-shop with used vehicles<sup>2</sup>

40%<sub>1</sub>

Used car buyers spend about 40 percent more time researching online new car buyers



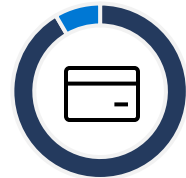
# What matters most for new car buyers?



Wear-and-tear characteristics



Limited brand guarantee



Credit differences

These factors encourage used car buyers to do more research and trust their own findings. Consequently, **used-vehicle retailers** (compared with new-car dealers) **have a greater chance of losing buyers before they ever walk in the door.**



Pro tip



Include related keywords to address these concerns for used car buyers.

# The cross-shopping fan

Luxury car buyers



# High-end car buyer's journey is complex



59%

luxury car buyers are researching **3 or more brands**

*(sample average: 34%)*



45%

are cross-shopping with **economy** cars



36%

are cross-shopping with **aggregator** sites



## Pro tip



Combine your remarketing plan with broad match strategically to stay connected throughout the customer journey.

# Creating seamless online/offline experiences is key to winning the luxury car buyers' preference



**Prestige car buyers** will **visit more dealerships** throughout the purchase journey compared to the average car buyer and are easily **swayed by** the **shopper experience** and **dealer relationship**.

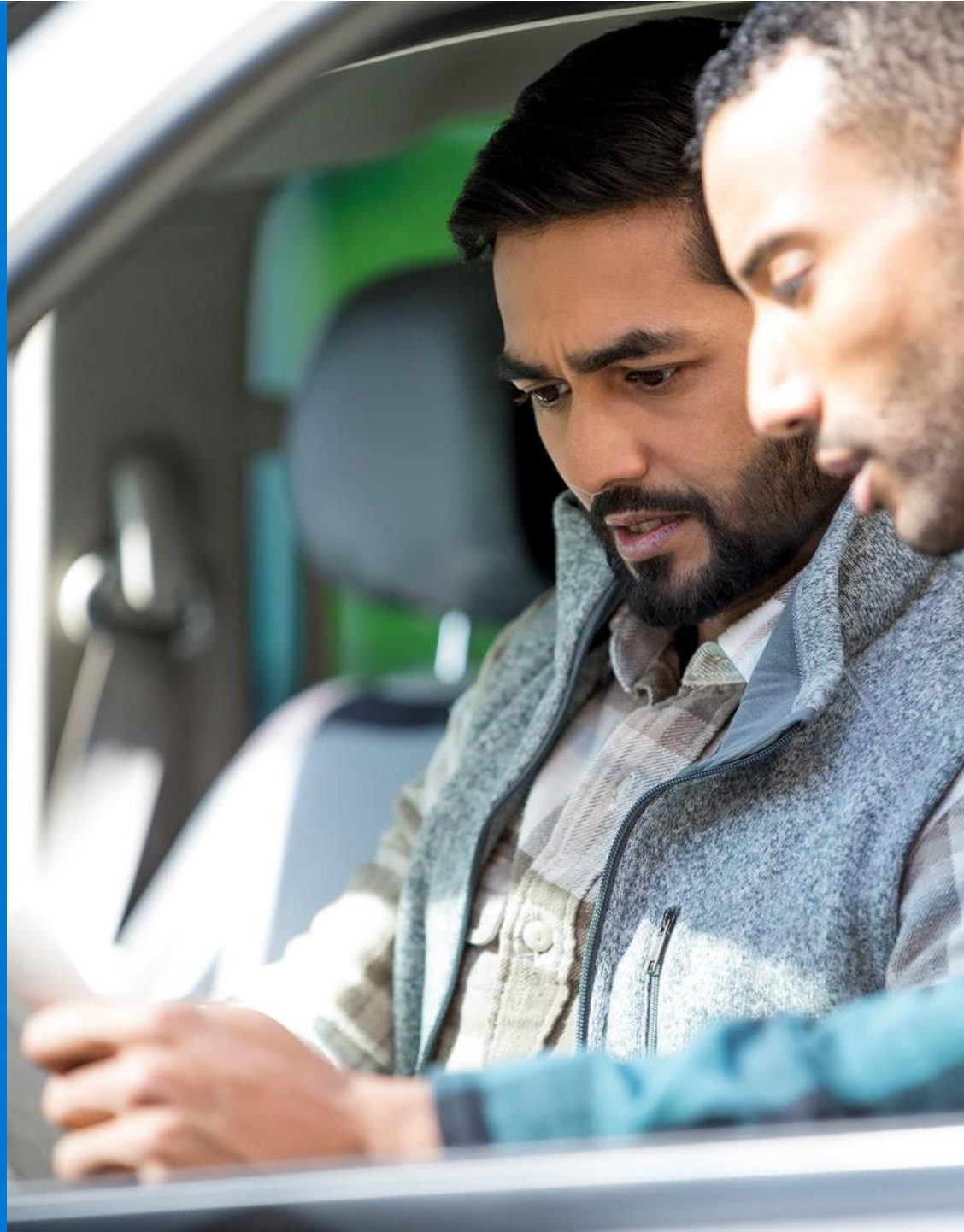
In fact, they **can be persuaded right up to the last minute** based on a positive or negative experience, wanting to feel important or wanting to tailor the model, make and colour to suit their tastes.

## Pro tip



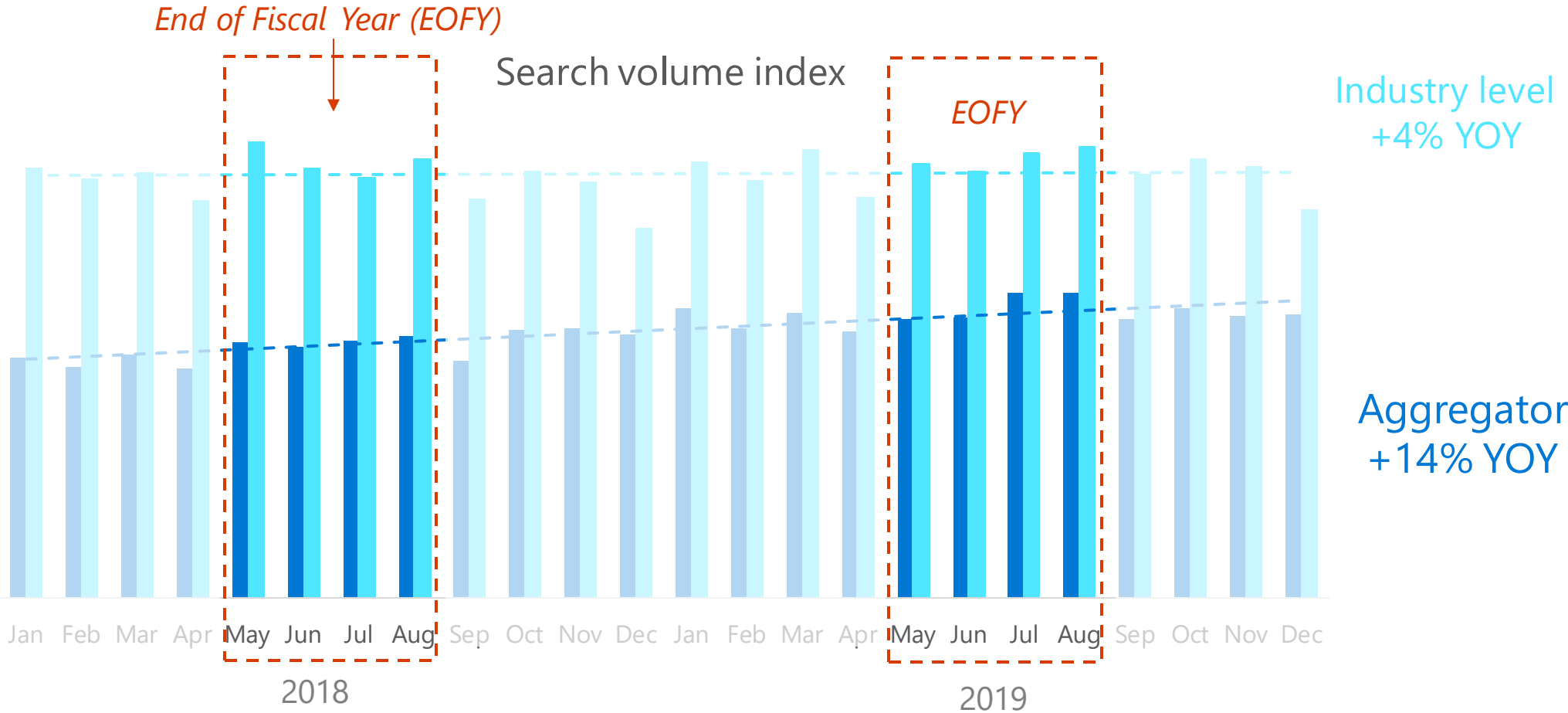
Opt-in to location targeting and Location Extensions to promote the nearest dealerships to your customers.

# The presence of 3<sup>rd</sup> party aggregators





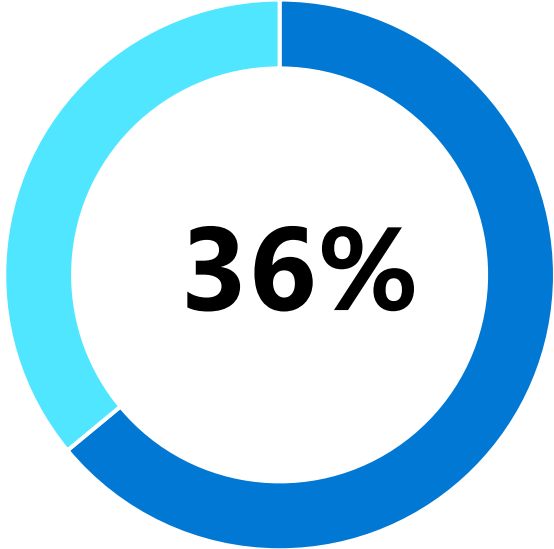
# Popularity of third-party aggregators is rising and less likely to be affected by seasonality



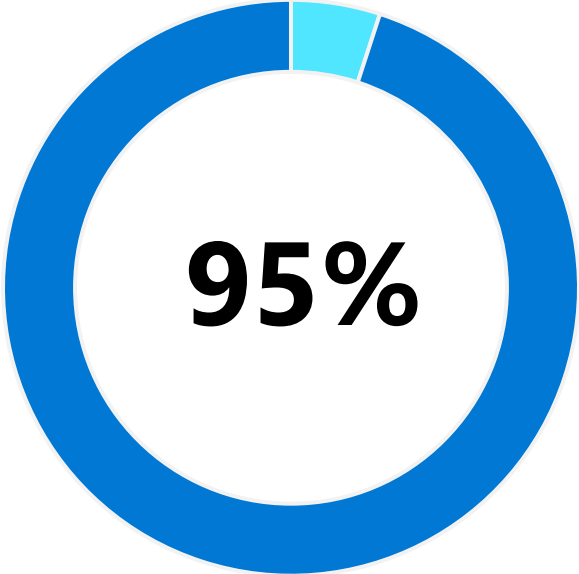
Data source: Microsoft internal data, auto vertical, Jan-Dec, 2018-2019



# Strong aggregator presence



of searchers look for at least one aggregator in their journey

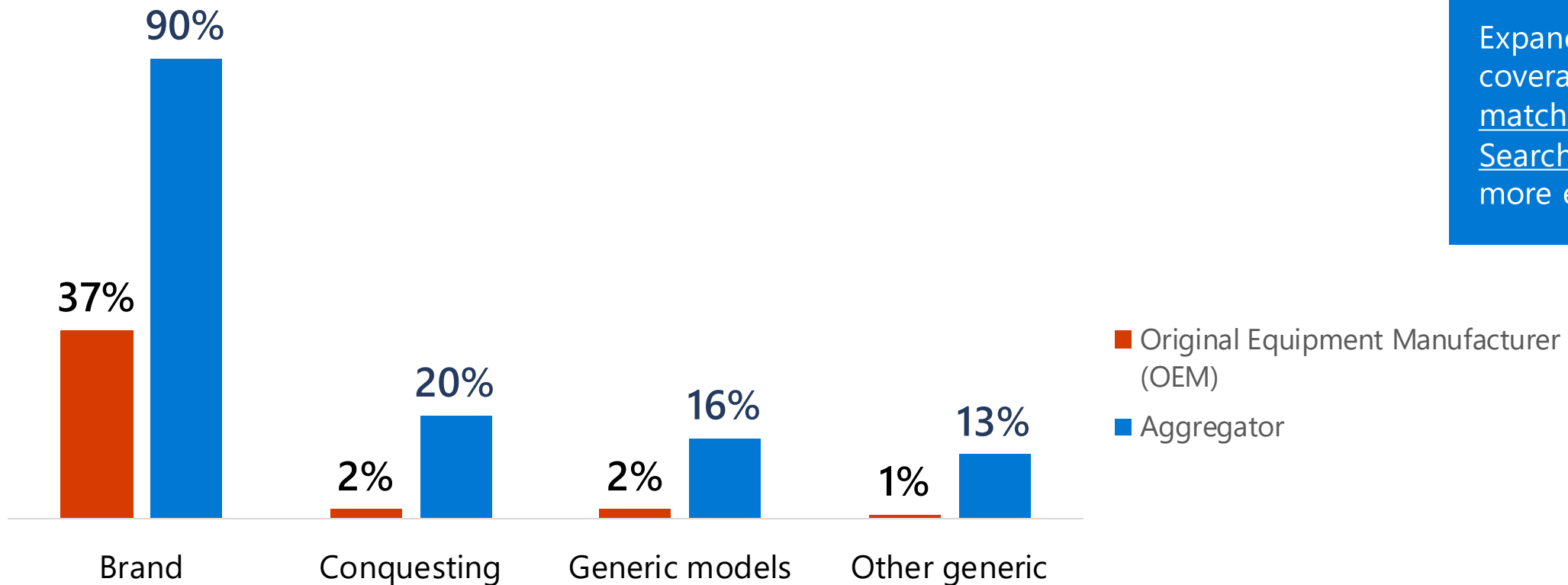


of searchers click aggregator ads at least once in their journey

Data source: Microsoft internal data, auto vertical customer journey data | N=40000, Nov 2019 –Jan 2020

# Ensure comprehensive coverage across major query categories ensures visibility

Average coverage share by query type



## Pro tip

Expand your keyword coverage with [broad match](#) and [Dynamic Search Ads](#) to gain more exposure.

# Key takeaways

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## Be there ahead of time

- Organically integrate megatrends into your overall digital strategy.

## Expand, be present and connect

- Expand your marketing focus from traditional customer groups to wider customers in market (new vs. used, luxury vs. economy).
- Increase your keyword coverage to be present always when customers are searching.
- Leverage Microsoft Advertising solutions to keep your brand connected throughout customers' journeys.



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[advertising.microsoft.com](https://advertising.microsoft.com)