Think beyond traditional

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

New industry trends are transforming car buyers’ expectations

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).

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.

1. Microsoft internal data, auto vertical, 2018: autonomous driving, connectivity, electrification, and smart mobility.
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\(^1\)
- 2 in 5 new vehicle shoppers cross-shop with used vehicles\(^2\)

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2. Digital influence study, Autotrader, 2019
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.

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

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

The presence of 3rd 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

End of Fiscal Year (EOFY)

Search volume index

Industry level +4% YOY

Aggregator +14% YOY
Strong aggregator presence

36% of searchers look for at least one aggregator in their journey

95% 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

- **Brand**: 37%
- **Conquesting**: 2%
- **Generic models**: 2%
- **Other generic**: 1%

**Original Equipment Manufacturer (OEM)**

**Aggregator**

Data source: Microsoft internal data, auto vertical, Jan 2019 – Jan 2020

**Pro tip**
Expand your keyword coverage with **broad match** and **Dynamic Search Ads** to gain more exposure.
Key takeaways

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.