Charging ahead: shopping patterns across automobile fuel types
How has interest in electrified vehicles grown?

1. Search network trends
2. Fuel type cross-searching
3. Shoppers’ fuel type confusion
4. Action items
Search network trends
Consumer interest in electrified vehicles is growing
Ad coverage is consistently ~60%, compared to the category-wide average of ~75%

Electrified searches

Source: Microsoft Internal Data, electrified searches include hybrid, plug-ins and electric brand and non-brand
OEMs are increasing their electrified clicks on all strategies

Retention clicks are up 110%, conquest is up 89% and segment is up 79% YoY in Q1

**OEM electrified clicks by strategy**

- **Conquest**
- **Retention**
- **Segment**

**Electrified clicks over index on brand by 1.4x compared to all-up clicks, signaling a lower funnel audience**

Source: Microsoft Internal Data, electrified clicks include hybrid, plug-ins and electric brand and non-brand
Fuel type cross-searching
Shoppers are cross-shopping for electrified vehicles
Expand your retention, conquest, and segment strategies to be inclusive of alternative fuels

16% of shoppers\(^1\) search for alternative fuel vehicles: 9% look for electric vehicles, 6% look for hybrid models, and 3% look for plug-ins (“PHEV”)

15% of shoppers search for two or more models with distinct fuel types

48% of alternative fuel queries are for electric models, 39% are for hybrid models, and 13% are for plug-ins

\(^1\) Of subset of model-inclusive x-searching shoppers.
Source: Microsoft Internal Data Oct. – Dec. 2020
There are over 100 electrified used models, illustrating how the alternative fuel market is not limited to just new vehicles. Sustainable used searches are 35% more likely to be hybrid vehicles than sustainable new searches.
30% of new gasoline models have an alternative fuel variant of their vehicle. As OEMs launch new electrified vehicles, this share is expected to rise.

*Of subset of gasoline models searched by these shoppers.
Source: Microsoft Internal Data Oct. - Dec. 2020
On average, **21% of all new** gasoline shoppers also search for an alternative fuel model...

While **18% of all used** gasoline shoppers also search for an alternative fuel model on average.

*Of subset of gasoline models searched by these shoppers.  
Source: Microsoft Internal Data  Oct. - Dec. 2020*
Shopper confusion
Shoppers are often confused on electrified vehicles

Educate consumers about electrified cars by leveraging ad extensions.

17% of alternative fuel shoppers\(^1\) modify their model queries with a fuel type which isn’t offered for the vehicle of interest

61% of PHEV shoppers mistake these vehicles as electric or hybrid models

2% of hybrid shoppers mistake these vehicles as electric or plug-in models and 2% of electric shoppers mistake these vehicles as plug-ins or hybrids

\(^1\)Of subset of model-inclusive x-searching shoppers.
Source: Microsoft Internal Data Oct. - Dec. 2020
Sustainable shoppers ask **263%** more questions than the typical automotive customer

As more fuel type options become available, shoppers are increasingly confused

- **33%**
  - Question queries around sustainability
  - YoY growth in Q1

- **66%**
  - Of users were most curious around electrified vehicles

- **64%**
  - YoY *increase* in PHEV questions, which outpaced the growth in overall electrification questions

Sustainable shoppers ask 76% more upper funnel $^1$ questions while researching than the typical automotive customer.

In Q1, hybrids and electrics’ share of non-brand questions were almost equal at 41% and 45%.


$^1$Sustainable non-brand question queries (vs automotive non-brand question queries)
Electrified vehicles are expected to reach manufacturing cost parity with gasoline vehicles by 2024.

Questions around price points and incentives on electrified vehicles index 773% higher than across all autos. Once costs have declined, we can expect demand to surge.


Source: Microsoft Internal Data Oct. - Dec. 2020,
Key Takeaways

• Consumer interest in electrified vehicles is growing, and as a result, so is ad investment

• Top strategies for ad investment include: retention (+110% YoY), conquest (+89% YoY) and segment (+79% YoY)

• Shoppers are cross-shopping for electrified vehicles, with 15% of shoppers searching for two or more models with distinct fuel types

• Shoppers are often confused on electrified vehicles and sustainable shoppers ask 263% more questions than the average automotive user

• Electrified vehicles are expected to reach manufacturing cost parity with gasoline vehicles by 2024
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