



MICROSOFT ADVERTISING

Automotive chip disruption

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Because of microchip supply disruptions, new vehicle inventory levels are down on average 41% since peak levels in April '20.



Cross-searching insights can help you position comparable vehicle options in response to disrupted vehicle queries.



Even amidst automotive inventory disruptions, searches for new vehicles continue to grow.



Convert new vehicle shoppers to used buyers.

Source: U.S. Auto Inventory Over Time - Foureyes Dashboard. Contains 90% of U.S. franchise auto dealerships. Independent/used-only stores are not included.

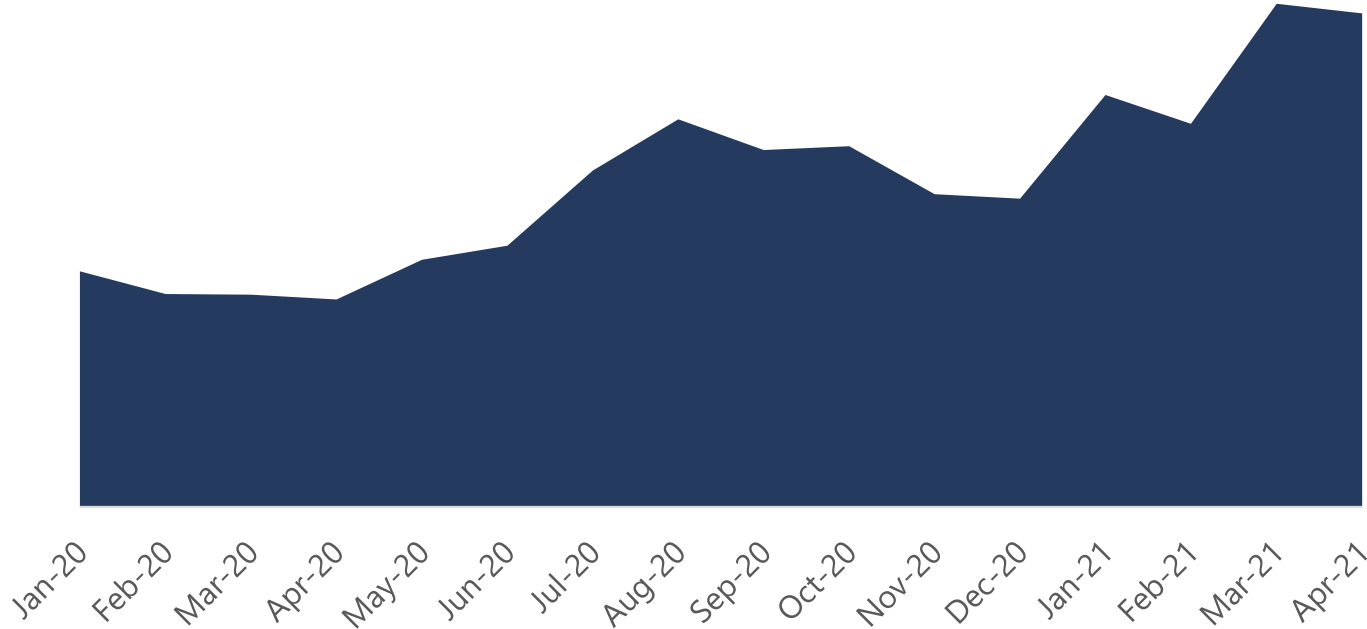
Source: Microsoft Internal Data 2021

U.S. Auto Inventory Over Time - Foureyes Dashboard. Contains 90% of U.S. franchise auto dealerships. Independent/used-only stores are not included.



Used vehicle searches are up **109%** since the beginning of last year.

Used vehicle searches



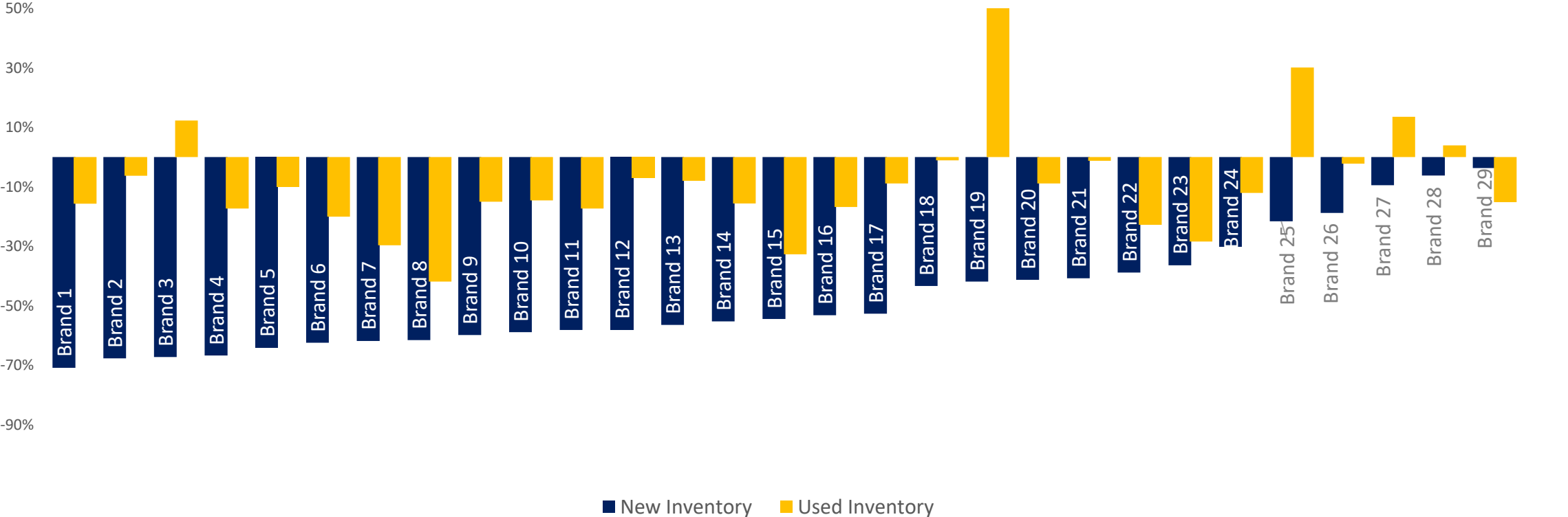
Source: Microsoft Internal Data 2021



"According to the U.S. Bureau of Labor Statistics, used-car prices have jumped 21% since April 2020 —10% of that increase was in April 2021. That compares with a 2% increase for new cars over the same period. "

Used vehicle inventory is down 7% on average, reflecting disruption but less so than new inventory. Boost your used vehicle inventory; push buybacks for the most in-demand vehicles in search ad copy.

Change in new and used vehicle inventory by make | Peak April 2020 vs. May 2021

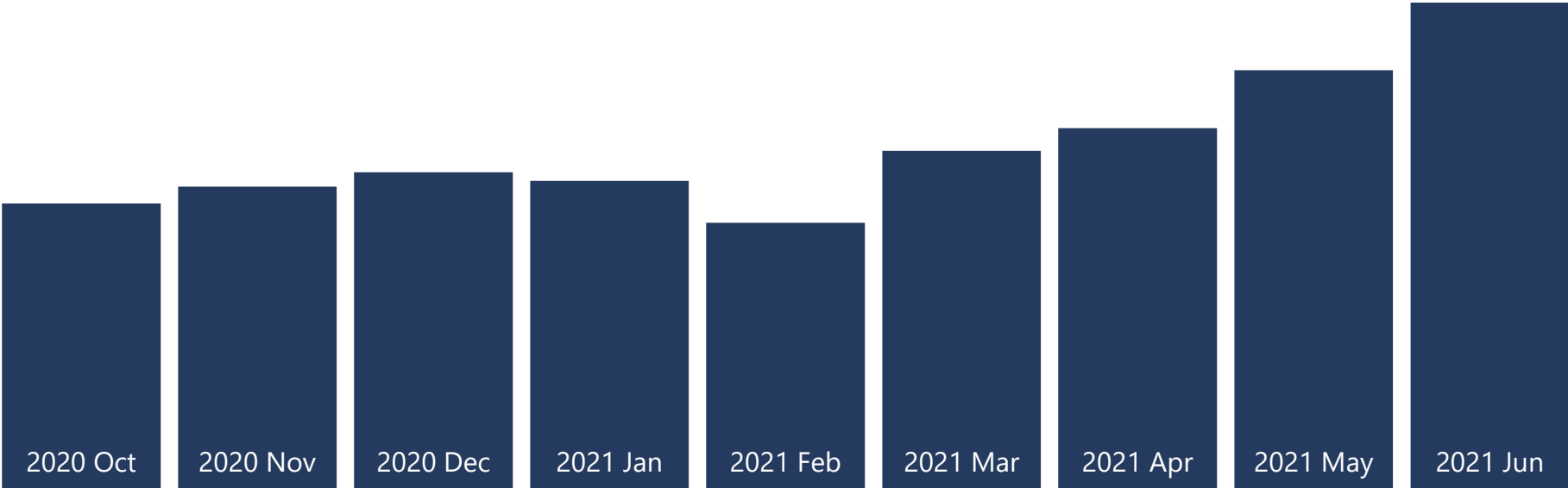


Source: U.S. Auto Inventory Over Time - Foureyes Dashboard. Contains 90% of U.S. franchise auto dealerships. Independent/used-only stores are not included.



Reach vehicle owners attempting to sell with messaging around buyback programs.
Capitalize on the 71% (June vs. Oct) growth in customers asking to sell their vehicles.

Daily indexed search result page views by sell/buybacks

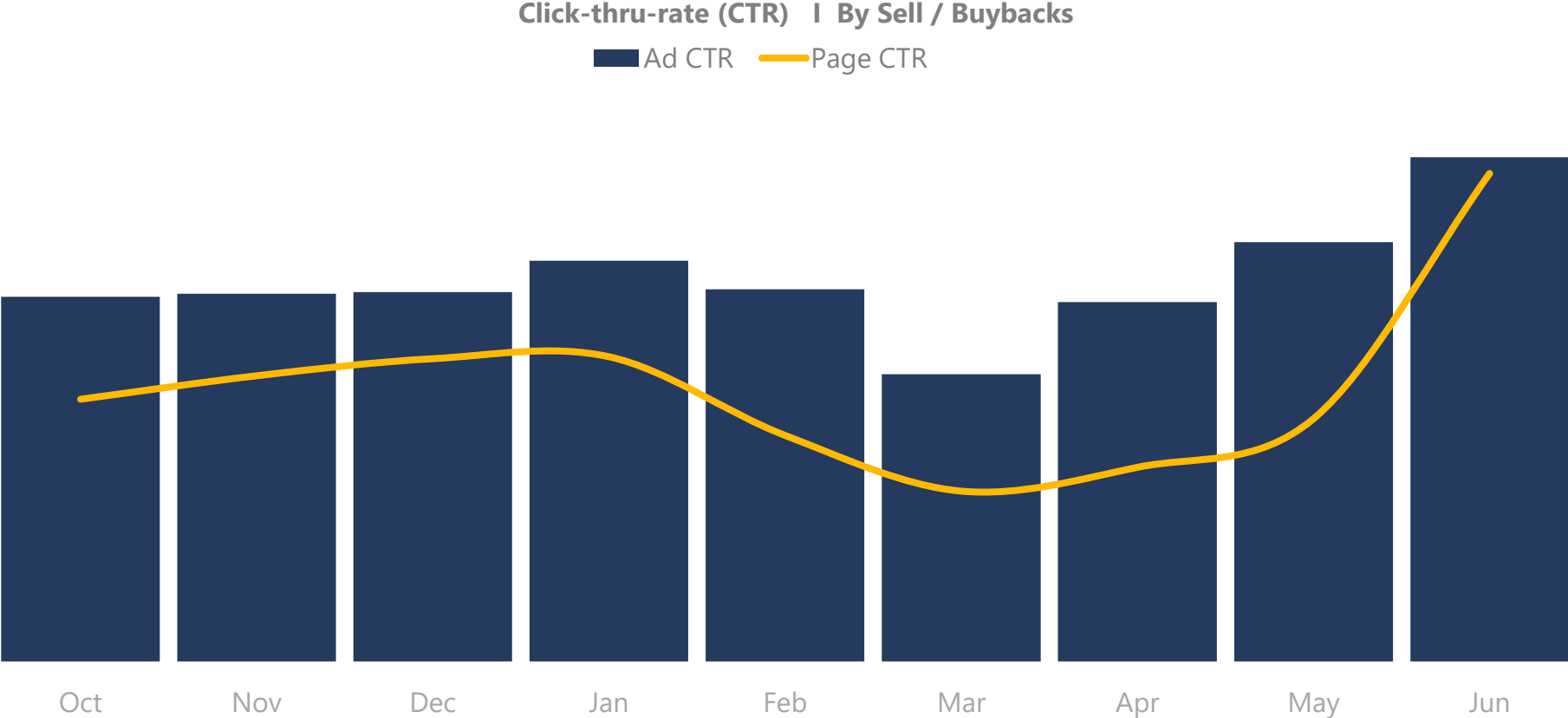


Source: Microsoft Internal Data, Oct. 2020 – June 8, 2021.



Owners are increasingly responding to ads in an effort toward selling their vehicles.

Leverage the current engagement (up ~2x since October) to pad your inventory.

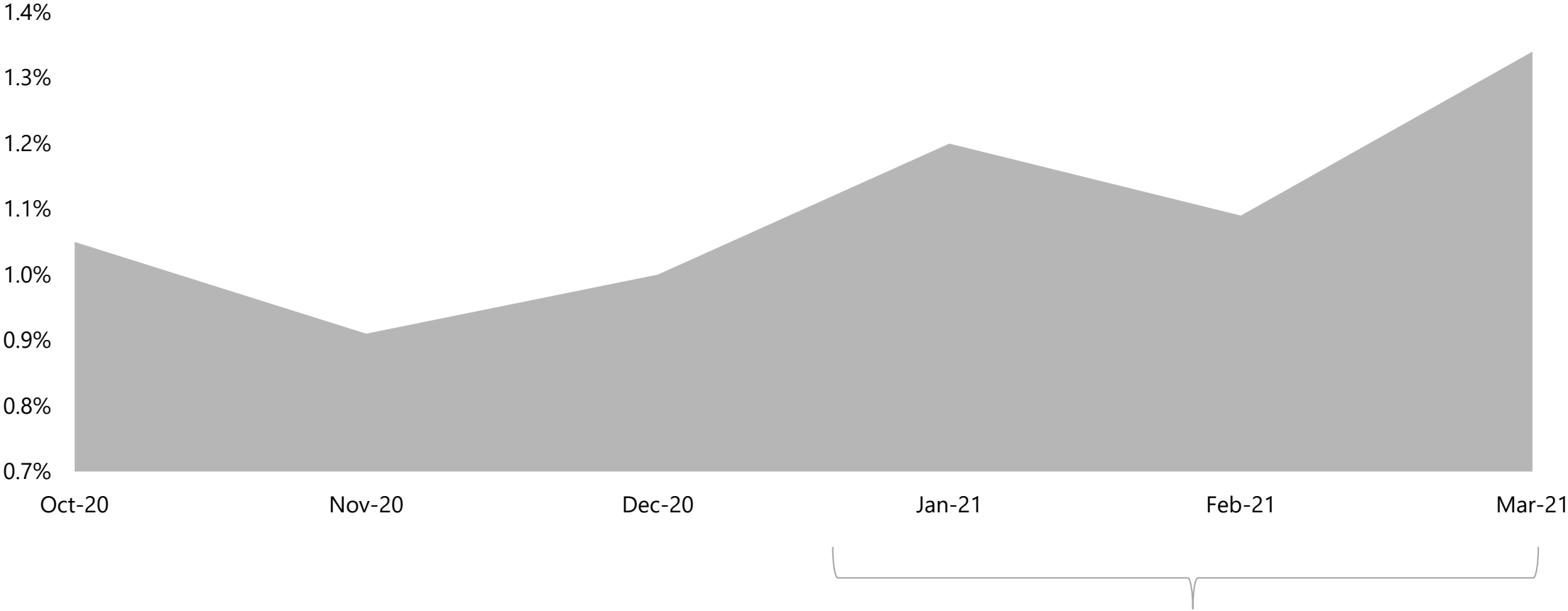


Source: Microsoft Internal Data, Oct. 2020 – June 8, 2021.



Because of decreased inventory, almost-new¹ vehicle sales are up **28%** since October. Consider removing the penalty for early lease returns and promote this incentive accordingly.

% of total sales made up by 1-2 year old vehicles



Quarter over quarter increase of **23%**

Source: IHS Oct. 2020 – Mar. 2021
¹ almost new is defined as 1-2 year old vehicles





27% of all cross-searched used vehicle model queries are for discontinued vehicles.

30% of all cross-searched discontinued vehicle queries are for 2018, 2019, and 2020 model years.

SUMMARY

Maintain an evergreen retention strategy and adapt to the industry disruption with a renewed focused on used vehicles.

- [Ensure a strong share of voice](#) to preserve consumer interest
- Promote [pre-order options](#) for customers who want to lock in their order as inventories become available.
- Use our [cross-searching insights](#) to position secondary vehicle options.
- Highlight [buyback programs](#) and any related incentives to bolster used car inventories.
- Include the [in-market audience group](#) targeting *Used Vehicles* in your search and MSAN ads.
- Ensure coverage on your [parts & service](#) campaigns as owners increasingly reinvest in their vehicles.

To get actionable data, insights and best practices to help make decisions and grow your business, visit MicrosoftAdvertising.com/Insights



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