Parts & Services

Click demand analysis

As of March 20, 2020

Microsoft Advertising. Intelligent connections.
Key Parts & Services (P&S) demand trends

- All-up clicks for Parts & Services (P&S) are down 11.4% this week year over year (YoY), marking the first time clicks are below 2019 levels this year. This has reduced year-to-date (YTD) growth from 5.2% to 3.7%.

- March has been characterized by week-over-week (WoW) clicks declining across most Parts & Services sub-categories.

- Clicks for tire shops have seen a dramatic drop, trending at 65% of 2019 levels, as fewer people driving have resulted in subdued demand.

- Even with fewer drivers on the road, Gas Stations is one of the only P&S categories up on the year this week, bolstered by cheaper oil prices and inherent recession resistance.

- Year to date, motor oil & lubricants, oil changes, auto body repair, and other vehicle parts & accessories have been trending up, while auto audio, other vehicle service & repair, tire shops, and tire repair have been trending down.

Parts & Services clicks slipped 11.4% WoW, reducing YTD YoY growth to 3.7%
New tires and tire repairs dropped, and gas stations remained steady, YoY despite fewer drivers; consumers shifted to motor oil purchases vs. oil change services

Parts & Services click gainers and decliners: This week YoY (%), YTD YoY (%)

<table>
<thead>
<tr>
<th>Category</th>
<th>This week YoY (%)</th>
<th>YTD YoY (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor Oil &amp; Lubricants</td>
<td>69%</td>
<td>458%</td>
</tr>
<tr>
<td>Other Vehicles Parts &amp; Accessories</td>
<td>-21%</td>
<td>7%</td>
</tr>
<tr>
<td>Other Vehicles Service &amp; Repair</td>
<td>-8%</td>
<td>2%</td>
</tr>
<tr>
<td>Gas Station</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oil change</td>
<td>-29%</td>
<td>-29%</td>
</tr>
<tr>
<td>Auto Body Repair</td>
<td>-43%</td>
<td>-30%</td>
</tr>
<tr>
<td>Tire Shop</td>
<td>-63%</td>
<td>-32%</td>
</tr>
<tr>
<td>Auto Audio Equipment</td>
<td>-43%</td>
<td>-37%</td>
</tr>
<tr>
<td>Tire &amp; Wheel Repair</td>
<td>-48%</td>
<td>-34%</td>
</tr>
</tbody>
</table>

When this week YoY is outpacing YTD YoY, momentum is picking up. When the two are misaligned, this indicates a shift in the marketplace.


Other vehicles include motorcycles, boats, atvs, etc.
YoY and YTD clicks

Volume analysis
Clicks for Auto Audio Equipment are down –37% YoY and –36% YTD

Clicks for Auto Body Repair are down -30% YoY and up +10% YTD

Clicks for Gas Stations are up +1% YoY and +33% YTD

Clicks for Motor Oil & Lubricants are up +69% YoY and down -8% YTD; however, YTD is trending positively overall due to lifts between Feb. 8 & Mar. 7.

The Feb. 2019 click spike was largely driven by one top oil competitor.

Clicks for Oil Changes are down -29% YoY and up +11% YTD

Oil change clicks spiked during the weeks of Feb. 15th and Feb. 29th

Clicks for Other Vehicle Parts & Accessories are up +7% YoY and +6% YTD

Other vehicles include motorcycles, boats, atvs, etc,
Clicks for Other Vehicle Services & Repairs are up +2% YoY and down -34% YTD

Other vehicles include motorcycles, boats, atvs, etc,
Clicks for Tire & Wheel Repairs are down -48% YoY and up +32% YTD

YTD, clicks are trending down overall due to lower volume in Weeks 1, 2 and 11

Clicks for Tire Shops in 2020 are down -32% YoY and -55% YTD

Weekly clicks

Momentum analysis
Autos Audio Equipment clicks have been trending down, only showing strong WoW growth on two occasions this year (Weeks 1 and 8)

**Auto Audio Equipment weekly clicks**

Autos Body Repair clicks have shown slowing WoW growth

Auto Body Repair weekly clicks

Gas Station clicks were positive Week 3 to Week 8 before declining minimally in March

Gas Station weekly clicks

Motor Oil & Lubricants showed significant increases in mid-February but have since declined

Motor Oil & Lubricants weekly clicks

Clicks for Oil Changes started the year off calmly, but WoW changes have varied wider recently.

Oil Changes weekly clicks

Clicks for Other Vehicles Parts & Accessories have seen modest WoW change of +/- 6%

Other Vehicles Parts & Accessories weekly clicks

Other Vehicles Service & Repair clicks started the year with a strong week, but click growth has faded overall since Week 2.

Other Vehicles Service & Repair weekly clicks

Clicks for Tire & Wheel Repair started the year strong, but have fallen since February

Tire and Wheel Repair weekly clicks

Since January 25, clicks for Tire Shops have been down consistently WoW.

Tire Shops weekly clicks

Closing thoughts for your consideration

- As of Tuesday, March 31, 30 states have restrictions on businesses, but auto repair and related industries have typically been considered 'essential' (confirm with your local officials for guidance)
- Since people still need to use their automobiles to complete essential activities, several areas within Parts & Services are experiencing YTD click growth
  - These areas include Auto Body Repair, Gas Stations, Oil Changes, Other Vehicle Parts & Accessories and Tire & Wheel Repair
- Consider location-based targeting to keep consumers informed of their local P&S stores, allowing for essential activities to continue