Autos consumer sentiment – new & used searches (U.S.)

January 1, 2020 to June 12, 2020

Microsoft Advertising. Intelligent connections.
Recent 2020 trends

Current period (CP) May 14, 2020 to June 12, 2020 compared to prior 30-day period (PP) of April 14, 2020 to May 13, 2020

- **Overall searches for new vehicles are up by +5% CP (compared to PP), outperforming used vehicles at -11% growth**

- ‘new + economy’ brand searches are up by +12%, while ‘used + economy’ brand is down by -6% CP

- ‘new + non-luxury’ non-brand searches are down by -22% CP, with ‘used + non-luxury’ non-brand also down at -16%

- ‘new + luxury’ brand searches are up by +5% CP, with ‘used + luxury’ brand searches also up by +7%.

- ‘new + luxury’ non-brand searches are down by -31% CP, while ‘used + luxury’ non-brand is underperforming with -59% decline


*Current 30-day period is May 14, 2020 to Jun. 12, 2020 (CP) and is compared to Apr. 14, 2020 to May 13, 2020 (PP)*

Inclusive of all devices and all network data in the U.S.
Recent COVID-19 2020 trends

- **New cars**
  - Search demand for new cars has been increasing as new vehicle supply has been decreasing. This started during the shutdown, as many dealer showrooms offered 0% financing. These incentives encouraged new car purchases while factories were concurrently closed, causing inventory lows.¹

- **Used cars**
  - Demand for used cars greatly increased during the month of May, forcing prices to increase from the low in April. For the week ending June 7th, “wholesale values were four percent above the pre-virus forecast.”² This increase in prices has led to a recent decline in overall used vehicle searches, which are down by 11% for the CP.

- **Shift to online car-buying**
  - A study commissioned by the National Auto Dealers Association and Roadster discovered that 61% of dealers surveyed “said that digital retailing improved their efficiency and 24% were able to increase the numbers of cars sold.”³ Although sales were down in April, “the study said online car sales accounted for 27% of total cars sold, compared to just 5-10% in the months preceding the COVID-19 crisis.”³


¹Current 30-day period is May 14, 2020 to Jun. 12, 2020 (CP) and is compared to Apr. 14, 2020 to May 13, 2020 (PP)
²https://www.cnn.com/2020/06/05/cars/car-dealerships-low-inventories/index.html
³https://jalopnik.com/demand-for-used-cars-right-now-is-through-the-roof-1844037307
Cost-per-clicks (CPCs) continue to trend downward across in-market vehicles, -37% since the start of the year

With 5 of the categories seeing year-to-date (YTD) lows CP, the return-to-market opportunity is prime

CPCs for ‘new’ vehicles drop another -6% this period (-20% since year start). Despite the slight bump (attributed to non-brand dimensions) in ‘used’ CP, the category is down -55% from year start.

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Economy and luxury searches based on inclusion of either new or used search terms.
2020 trend analysis: ‘new’
Searches for ‘new’ vehicles are up +5% for the CP compared to the PP, likely due to financing and purchase incentives¹

Top areas of new vehicle search momentum include UVs and branded makes and models

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https://www.cnn.com/2020/06/05/cars/car-dealerships-low-inventories/index.html
Inclusive of all devices and all network data in the U.S.

30-day performance has improved since prior update through 5.29
Searches for ‘new + economy brand’ vehicles are up +12% for the CP compared to the PP

Four of the top ten queries with the largest gains for the CP were for trucks; whereas queries with the most significant declines were UVs.


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Economy and luxury searches based on inclusion of either new or used search terms

30-day performance has improved since prior update through 5.29
Searches for ‘new + non-luxury non-brand’ vehicles are down -22% for the CP compared to the PP.

Many queries with most significant declines for the CP included a year modifier; whereas many of the top query gainers included the search term ‘new’.

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CPCs are down -11% CP vs PP, and -29% vs. year start
Searches for ‘new + luxury brand’ vehicles are up +5% for the CP compared to the PP
Many queries with most significant improvements for the CP were UVs; whereas queries with the top declines were cars

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Economy and luxury searches based on inclusion of either new or used search terms
Albeit low volume, searches for ‘new + luxury non-brand’ vehicles are down -31% for the CP compared to the PP

As economic uncertainty¹ declines, searches for new luxury non-brand cars rise

CPCs are up +2% CP vs. PP, but -34% since year start

1 Source: Microsoft Internal Data Jan. 1, 2020 – Jun. 12, 2020
2 Current 30-day period is May 14, 2020 to Jun. 12, 2020 (CP) and is compared to Apr. 14, 2020 to May 13, 2020 (PP)
3 https://fred.stlouisfed.org/series/USEPUINDXD/
4 Inclusive of all devices and all network data in the U.S.
5 Economy and luxury searches based on inclusion of either new or used search terms.
6 30-day performance has declined since prior update through 5.29
2020 trend analysis: ‘used’
Searches for ‘used’ vehicles for the CP are down -11% as prices return to pre-COVID-19 levels (or higher)\(^1\)

Top areas of used vehicle search momentum include 3\(^{rd}\) parties, dealerships, incentives, and pricing


\(^1\)Current 30-day period is May 14, 2020 to Jun. 12, 2020 (CP) and is compared to Apr. 14, 2020 to May 13, 2020 (PP)

\(^2\)https://jalopnik.com/demand-for-used-cars-right-now-is-through-the-roof-1844037307

Inclusive of all devices and all network data in the U.S.
Searches for ‘used + economy brand’ vehicles are down -6% for the CP compared to the PP

Many of the top declining queries for the CP included a year modifier; whereas many of the top query gainers were truck models

CPCs are down -8% CP vs. PP and -52% since year start

30-day performance has declined since prior update through 5.29


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Economy and luxury searches based on inclusion of either new or used search terms.
Searches for ‘used + non-luxury non-brand’ vehicles are down -16% for the CP compared to the PP

Many of the top query decliners during the CP included the ‘used’ modifier; whereas several top query gainers included the ‘pre-owned’ modifier

CPCs are up +23% CP vs PP, but down -55% vs year start.

30-day performance has declined since prior update through 5.29
Searches for ‘used + luxury brand’ vehicles are up **+7%** for the CP compared to the PP

Many queries with most significant improvements for the CP were UVs with a ‘used’ modifier; whereas queries with the top declines included a year modifier.
Albeit low volume, searches for ‘used + luxury non-brand’ vehicles are down -59% for the CP compared to the PP

As economic uncertainty\(^1\) declines, searches for used luxury non-brand cars rise

CPCs are up +8% CP vs. PP, but down -58% vs. year start

\(^*\)Current 30-day period is May 14, 2020 to Jun. 12, 2020 (CP) and is compared to Apr. 14, 2020 to May 13, 2020 (PP)
\(^{1}\) https://fred.stlouisfed.org/series/USEPUINDXD/
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Economy and luxury searches based on inclusion of either new or used search terms.
Emerging and top performing queries
Emerging query analysis – new vehicles

- Listed are queries showing the greatest positive momentum and statistical significance for the CP compared to the PP (italics indicate the query term was included in the previous update through 5/29).
- About 66% of emerging new vehicle queries are branded.
- Two-thirds of searches are for UVs.

  • Brands
    - Ram: ‘new dodge ram 1500 prices’

  • Non-brand

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Inclusive of all devices in the U.S.
Emerging query analysis – used branded vehicles

3rd party queries have been growing significantly during the CP (italics indicate the query term was on the previous update through 5/29).

• Branded Make
  • Toyota: ‘used Toyota 4runner’, ‘used toyota tacoma sale’

• Third Parties
  • AutoNation: ‘auto nations used cars’
  • Autotrader: ‘auto trader used cars’, ‘autotrader.com used cars’, ‘autotrader used cars’
  • Carfax: ‘carfax.com used cars sale’, ‘carfax used trucks’
  • CarGurus: ‘cargurus.com used cars’, ‘cargurus.com used trucks’, ‘cargurus used cars’, ‘cargurus used trucks’
  • CarMax: ‘carmax.com used cars’, ‘carmax used cars’
  • Cars.com: ‘cars.com used cars’
  • TrueCar: ‘true cars used’, ‘truecar.com used cars’

• Rental
  • Hertz: ‘hertz used cars sale’
Emerging query analysis – used non-brand vehicles

Searches related to dealers, incentives, and price are growing significantly during the CP (italics indicate the query term was included in the previous update through 5/29).

- **Non-brand cars**
  - **Used cars (dealer):** ‘best used car dealer’, ‘used car dealer’, ‘used car dealers’, ‘used car dealers near me’, ‘used car dealerships’, ‘used car dealerships near me’
  - **Used cars (discount-related):** ‘best deals used cars’, ‘certified used cars sales’, ‘certified used cars sale near me’, ‘certified used cars sales near me’, ‘cheapest used cars sales’, ‘low price used car’, ‘sales car used’, ‘used car deals best’, ‘used car sale’, ‘used car sale private owner’, ‘used car specials near me’, ‘used cars best deals’, ‘used cars sale’, ‘used cars sale near me’
  - **Used cars (price-related):** ‘best used cars under $1000’, ‘used cars near me under 5000’, ‘used cars sale under $3000’, ‘used cars under 1000 dollars’, ‘used cars under $1000’, ‘used cars under $2000 dollars’, ‘used cars under $5000’
  - **Used cars (general):** ‘best used cars near me’, ‘buy used car’, ‘certified used cars’, ‘luxury used vehicles’, ‘used car’, ‘used car lots’, ‘used car online’, ‘used cars’, ‘used cars near me’, ‘used cars online’

- **Non-brand used trucks:** ‘buy used pickups’, ‘certified used trucks’, ‘used pickup trucks sale near me’, ‘used pickups sale near me’, ‘used truck’, ‘used truck sale’, ‘used trucks sale’, ‘used trucks sale near me’

- **Non-brand used UV:** ‘best used suv deals near me’, ‘certified used suv’, ‘used suv’, ‘used suv deals near me’, ‘used suv sale’, ‘used suvs’, ‘used suvs sale near me’

- **Non-brand van:** ‘used van’, ‘used van sale’, ‘used vans’, ‘used vans sale’

- **Non-brand vehicle:** ‘used vehicles’
## Top queries for new vehicles

New queries seeing the largest gains / declines by number of searches for the CP compared to the PP (italics indicate the query term was on the *previous update through 5/29*).

### Top five ‘new’ queries with largest gains


### Top five ‘new’ queries with largest declines


- **New + Luxury Brand:** ‘2020 audi rs6’, ‘new volvo xc40’, ‘all new cadillac ct5’, ‘2020 genesis gv80’, ‘new audi q3’


(Source: Microsoft Internal Data Jan. 1, 2020 – Jun. 12, 2020
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Economy and luxury searches based on inclusion of either new or used search term)
Top queries for used vehicles

Used queries seeing the largest gains / declines by number of searches for the CP to the PP (italics indicate the query term was on the previous update through 5/29).

Green: Top five ‘used’ queries with largest gains

- **Used + Economy Brand**: ‘2019 dodge ram 1500’, ‘used chevy impala’, ‘used toyota tacoma’, ‘used ford f150’, ‘used chevy Silverado’

- **Used + Non-Luxury Non-Brand**: ‘used car deal’, ‘pre owned car’, ‘certified used cars’, ‘2018 suvs’, ‘pre owned cars’

- **Used + Luxury Brand**: ‘used mercedes benz gl class’, ‘used cadillac escalade’, ‘used bmw x5’, ‘used porsche cayenne’, ‘used cadillac srx’


Red: Top five ‘used’ queries with largest declines


- **Used + Non-Luxury Non-Brand**: ‘used suv’, ‘used truck’, ‘used car’, ‘used cars’, ‘2019 sedans’


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Economy and luxury searches based on inclusion of either new or used search term
Key takeaways
Action items for new vehicles audiences

- **For the overall new audience,** UV queries showed the greatest improvement in the CP. Additionally, the majority of emerging queries were at the model level
  - Include ad copy relating to UVs
  - Focus on model-level branding
  - Utilize Days of Supply metrics to determine top vehicles to promote

- **For the new + economy brand audience,** truck queries performed well in the CP
  - Focus on ad copy relating to trucks

- **For the new + non-luxury non-brand audience,** queries with a year modifier showed the greatest improvement in the CP
  - Prioritize keywords with a year modifier

- **For the new + luxury brand audience,** UV queries performed well in the CP
  - Include ad copy relating to UVs

- **For the new + luxury non-brand audience,** queries about cars showed strength in the CP
  - Utilize ad copy relating to cars / sedans
Action items for used vehicle audiences

- **For the overall used audience**, momentum is growing in several areas including dealerships, incentives and pricing
  - Prioritize dealership-related keywords
  - Promote incentives and sales
  - Ensure price points are referenced in the ad copy

- **For the used + economy brand audience**, queries regarding trucks generated interest in the CP
  - Utilize ad copy that speaks to trucks

- **For the used + non-luxury non-brand audience**, queries containing the ‘pre-owned’ modifier showed strength in the CP
  - Consider keywords with the ‘pre-owned’ modifier

- **For the used + luxury brand audience**, UV level queries performed well in the CP; as well as queries with the ‘used’ modifier
  - Include ad copy that speaks to UV
  - Use keywords with a ‘used’ modifier

- **For the used + luxury non-brand audience**, queries containing a year modifier generated interest in the CP
  - Prioritize keywords with a year modifier

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Shoppers are modifying their searches on how to buy new and used vehicles as they adapt to the current COVID-19 lifestyle.

Albeit low volume, this reflects shifts in search patterns.

Although customers looking to purchase both new and used vehicles online peaked in May, interest in a virtual experience sustains even as dealerships open.

Size of text in the word cloud indicates frequency of searches.
Inclusive of all devices and all network data in the U.S.
See Appendix for list of new and used keywords.
Strategies and recommendations

Learn immediate and recovery-phase strategies, and how to approach new opportunities and optimize account health in the *Digital Advertiser's Guide to COVID-19*
Appendix
## Keywords (KW) analyzed reference table

Category of analysis, KW modifier (if applicable), KW type, examples and the analysis for each respective category

How to read (example):
- In the first row, the ‘new’ category has the ‘new’ modifier for segment (non-brand) analytics.
- An example of a ‘new’ modifier includes ‘new’, ‘2020’, ‘2021’ and an example keyword is ‘new car’; the ‘new’ category was used in the following analyses: new, luxury, and non-luxury.
- Note: standalone keywords with undefined new / used intent (e.g., cars, ford, luxury suv) are not considered in the analysis.

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*Must include modifier to be eligible in the analysis.*
Methodology
30-Day current trend analysis
• Current 30-day period is calculated by taking the:
  (Sum of searches of May 14 to June 12) / (Sum of searches of April 14 to May 13) – 1

Prior period analysis
• Prior period analysis links to New & Used Analysis published May 29th. This analysis looks at the time period of April 30 to May 29 and is compared to March 31 to April 29.

Emerging query analysis:
• Keywords were identified by using statistically significant growth of at least one standard deviation in search volume for May 14 to June 12 over April 14 to May 13

Query performance analysis:
• Keywords were identified by looking at search volume growth for May 14 to June 12 over April 14 to May 13

Year-to-date analysis:
• In order to establish a benchmark due to COVID-19, year-over-year comparisons for searches are not recommended due to the situational volatility at this time