



# AU Automotive trends

May 6, 2020

Microsoft Advertising. Intelligent connections.



# Summary of findings



Early signs of automotive marketplace recovery with strong search growth



Growth is primarily driven by searches for online aggregator brands. Original Equipment Manufacturer (OEM) brands are starting to see a rebound as well.



Delivery options are top of mind for buyers. Searchers are more influenced by deals and discounts on the Microsoft Search Network.

In Australia, a recovery could be starting to happen . . .

# AU marketplace index is becoming stable which may suggest an early sign of recovery

Market	Signal	Signal guide
 Australia		 Marketplace index is showing positive momentum
 Canada		
 France		
 Germany		 Marketplace index is showing some stability
 Italy		 Marketplace index is showing negative momentum
 Singapore		
 Spain		
 United Kingdom		

 Marketplace index is a composite metric built to reflect search volume, advertiser participation in the auctions, auction activity reflective of cost-per-clicks (CPCs), and searcher intent

Source: Microsoft Internal Data as of 5.3.2020

“A recovery in China would suggest that consumers are willing to again spend on big-ticket items soon after emerging from isolation and lockdowns.”

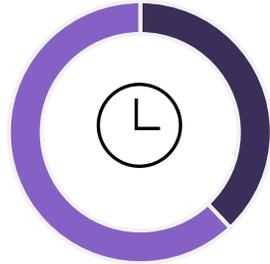
“About 99% of China’s auto showrooms were back in business as of April 3, with consumer traffic running at about 66% of normal levels.”

# Car ownership is set to rise post COVID-19 with most non-car owners now likely to buy a car



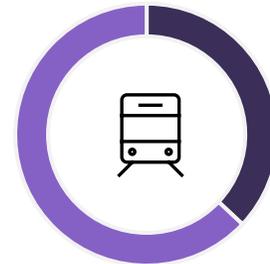
**59%**

Non-car owners are more likely to consider buying a car



**38%**

are 'definitely' likely to consider buying a car 'right now'



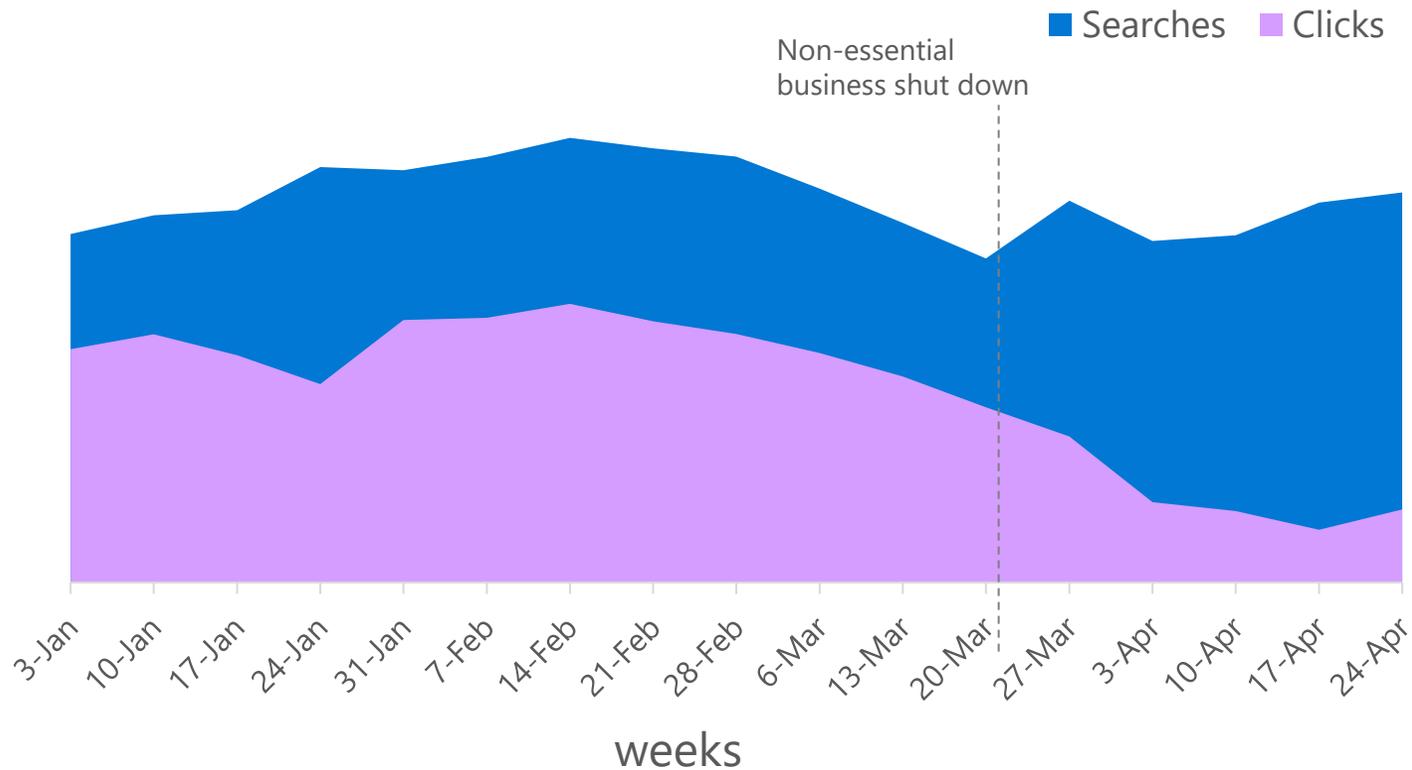
**37%**

stated they are less likely to use public transport



# Customers are coming back. Act fast!

Weekly search & click index

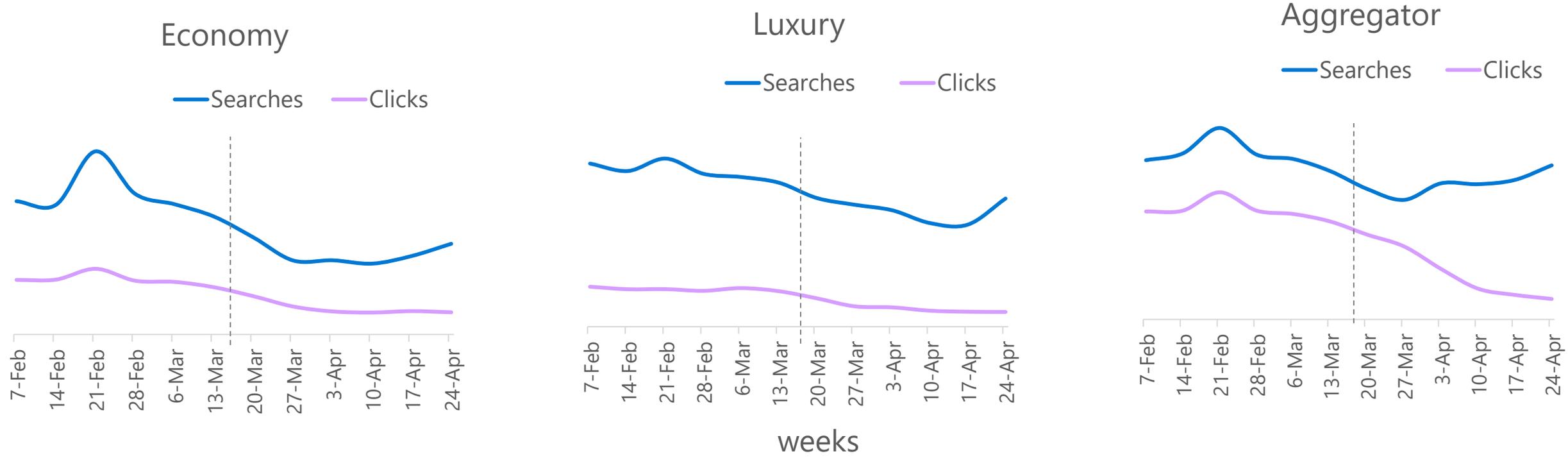


Demand in searches have started to pick up post the non-essential business shut down. However, click volume has yet to take advantage of this, presenting an opportunity for brand to capture consumers searching for autos.

What are they searching?

# Searches for “economy” and “luxury” car brands are recovering gradually, while searches for “aggregators” are almost back to pre-pandemic level

Weekly search & click index by brand type



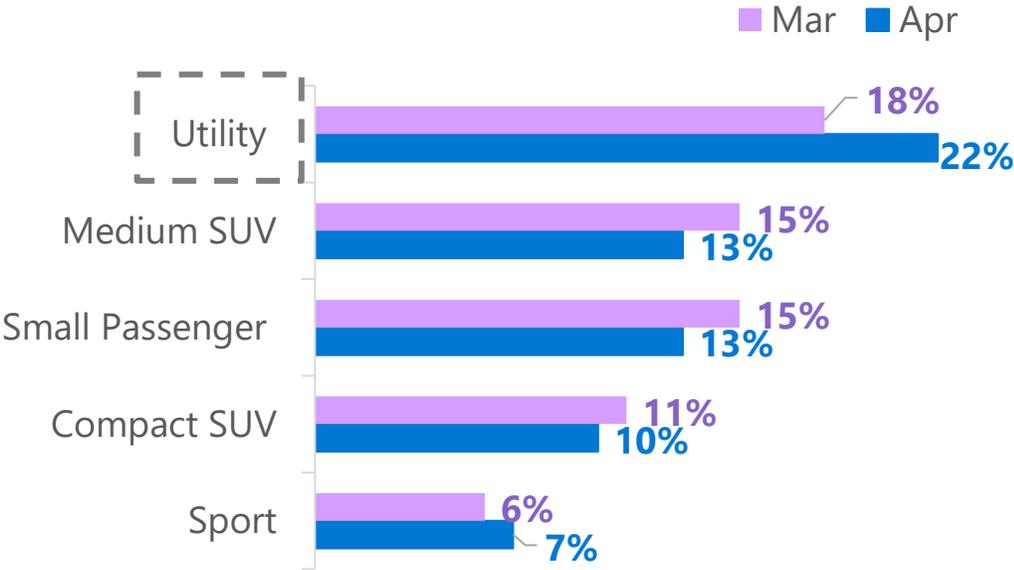
Microsoft Internal Data, Automotive vertical, AU, Feb 2-Apr 24, 2020



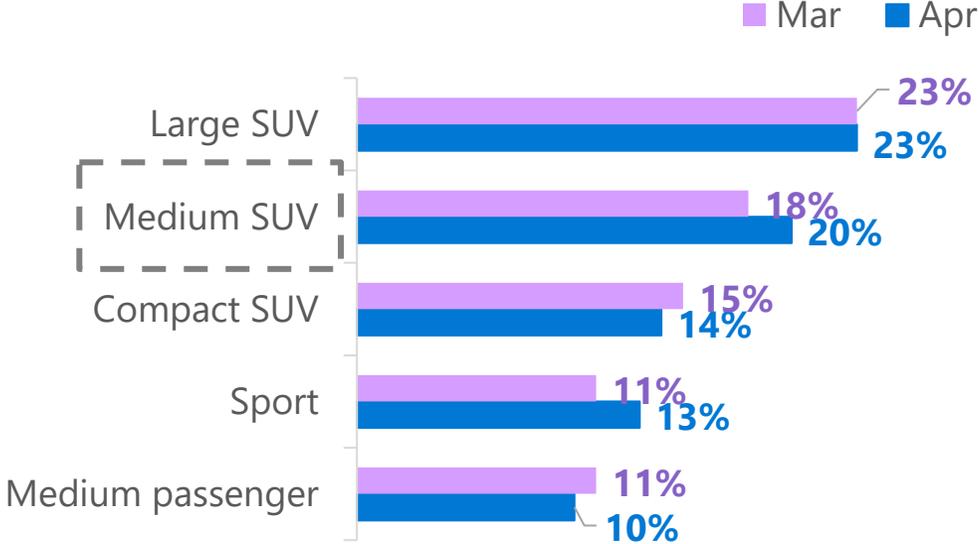
# Compared to March, utility vehicles and medium SUVs are gaining more attention

Search share by popular body type and brand class

Economy

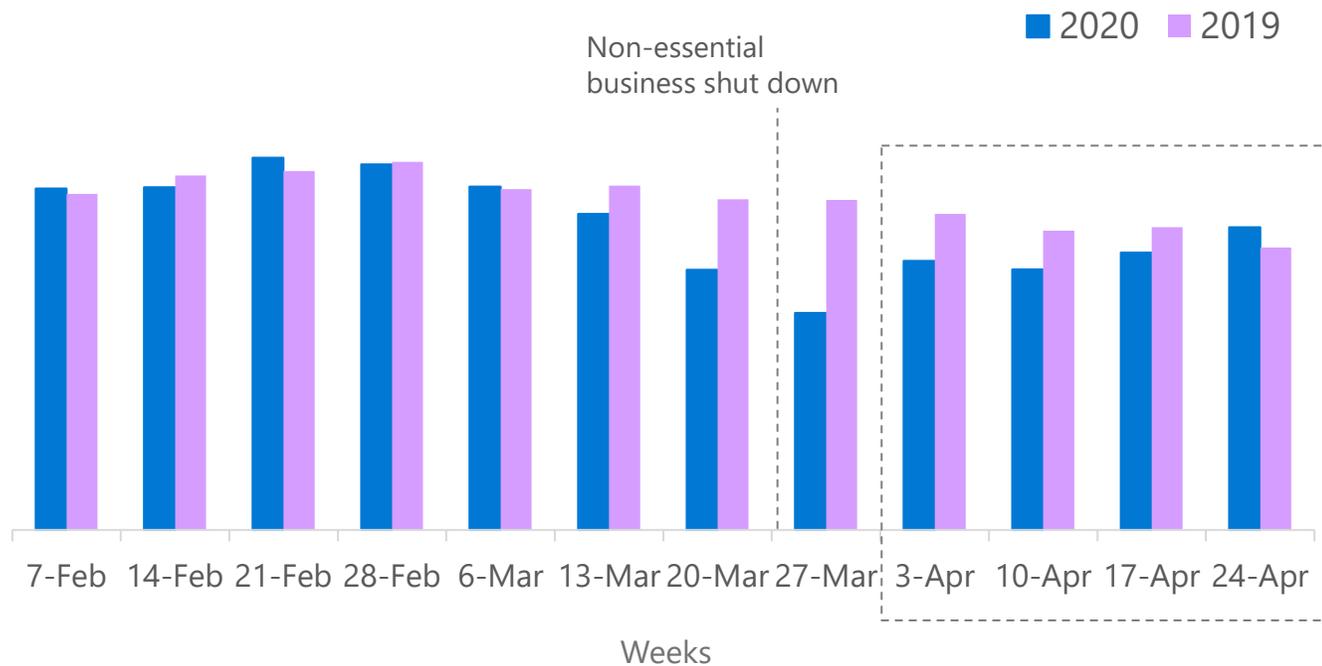


Luxury



# Searches contains “sales” are up +9% week over week (WoW) from the last week of March

Weekly search index

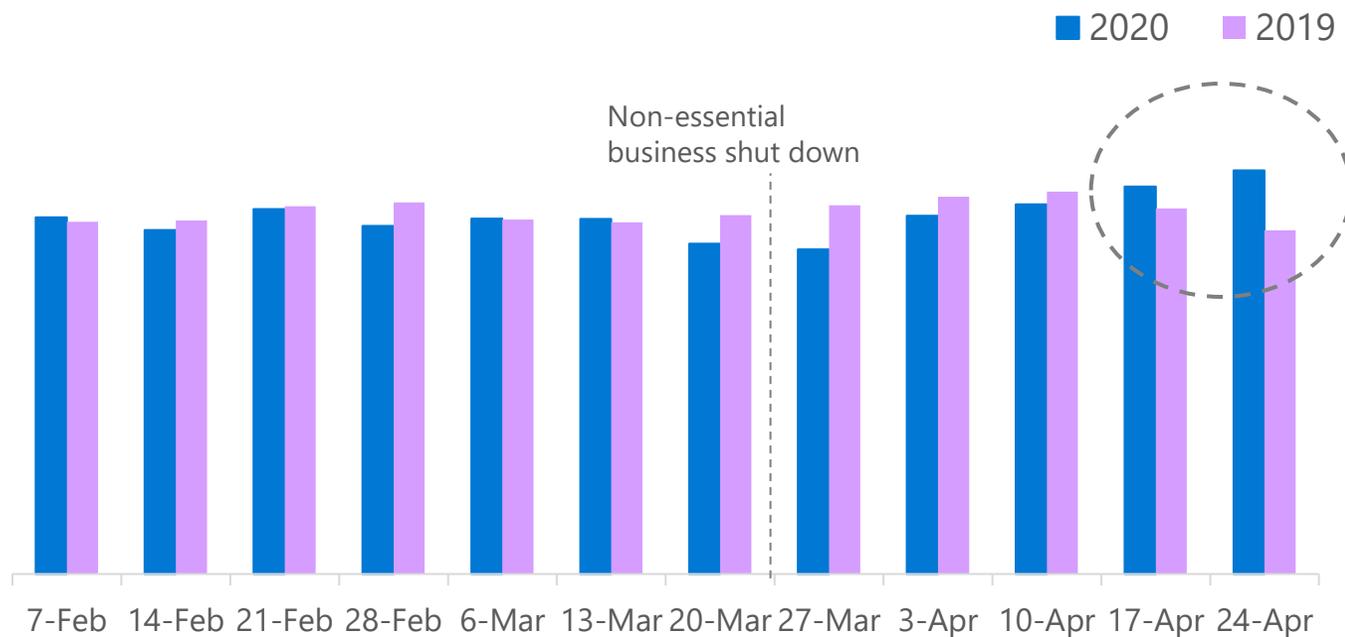


Incentive queries along with direct searches for aggregator sites are driving early recovery

**7.5%** of them contain location in the query which suggests consumers may be interested in promotions or affordable options near them

# Searches for “parts & accessories” saw a strong growth with minimal impact from COVID-19

“auto parts & accessories” searches by week

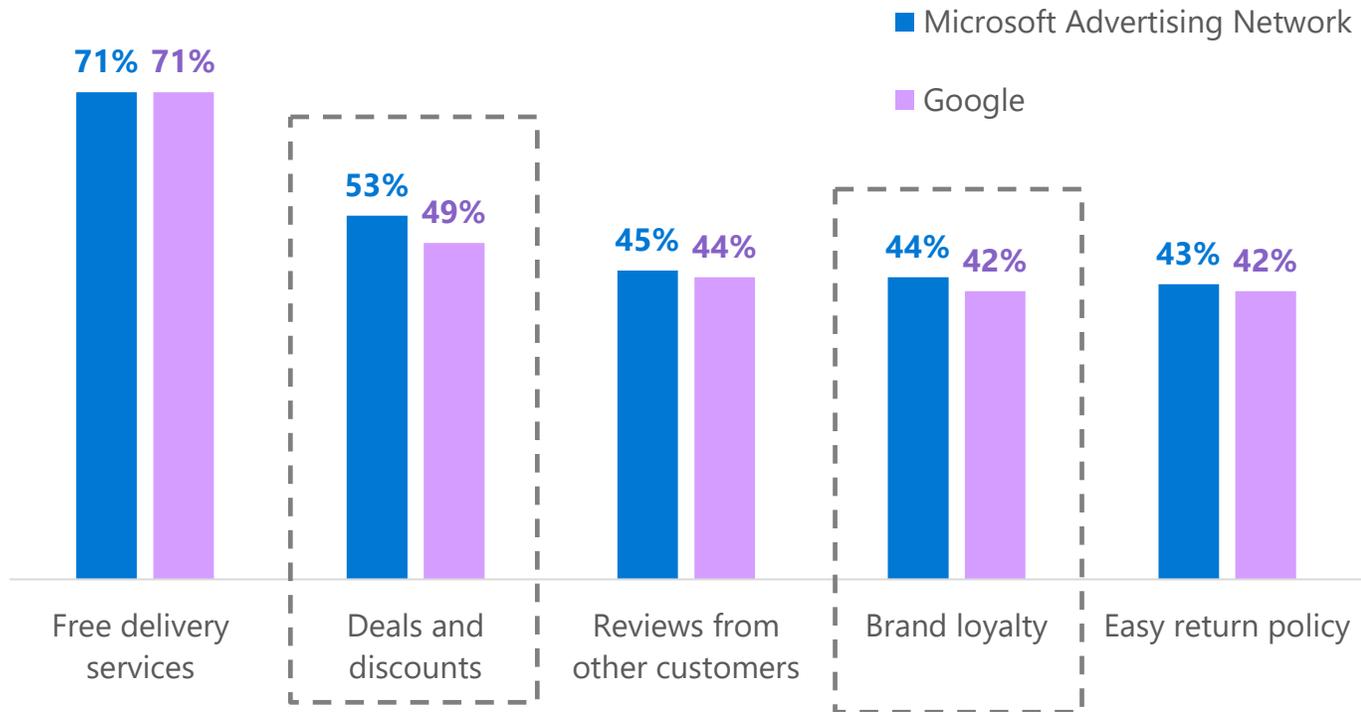


In the last 2 weeks, total searches surpassed last year with over 15% year over year (YoY) growth

Search grow 5% WoW after lock down

# Free delivery is the top factor customers claim would increase their likelihood of buying a car

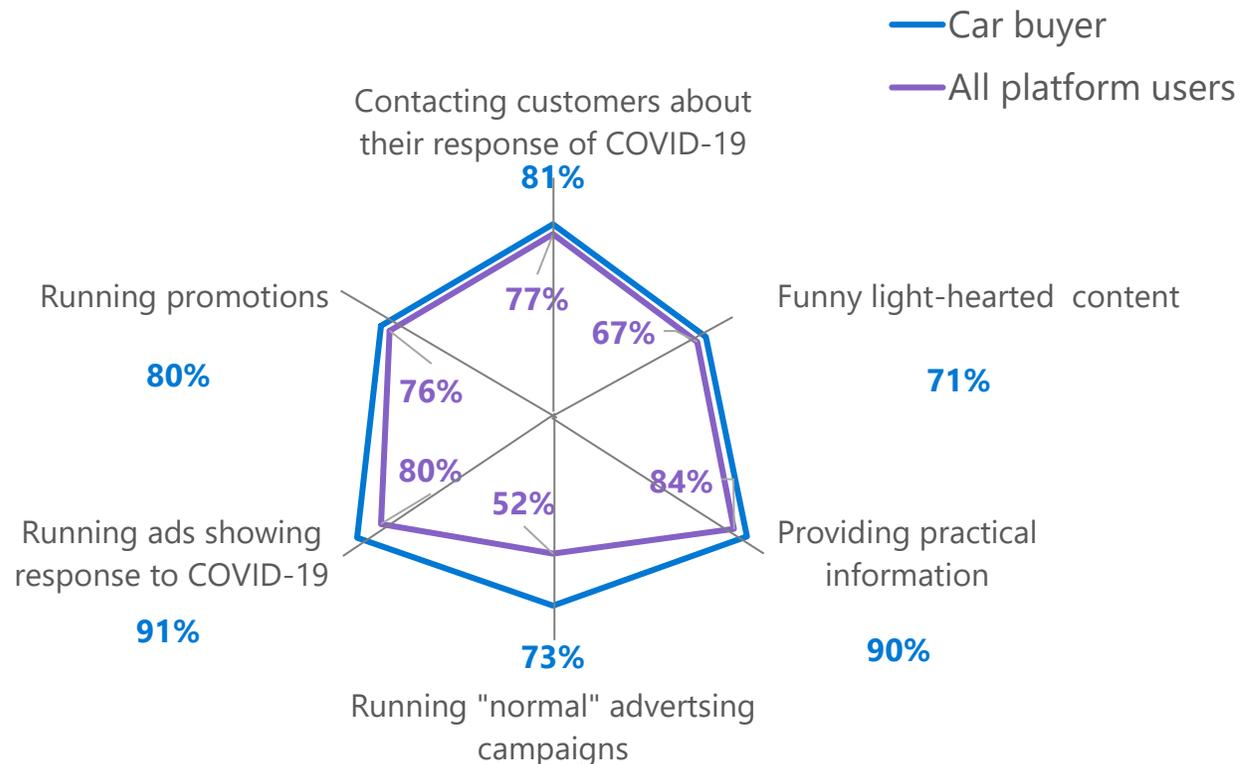
Top 5 purchase drivers



Compared to other search engines, searchers on Microsoft Search Network are more responsive to deals and discounts (+4%) and are slightly more loyal to brands (+2%)

# Stay connected with your customer at this critical time

% agree or somewhat agree brands' advertising activities during COVID-19 outbreak



Compared to all platform users, car buyers on Microsoft search network are more accepting of brands running normal advertising activities (73% vs 52%)

They are also expecting to see COVID-19 response ads from car brands (91% vs 80%)

# Key takeaways

1. The market is expected to have a strong rebound - make sure your ads are online
2. There's an opportunity to respond to increasing consumer demand early and benefit from softer competition
3. Highlight your contactless delivery options and promotions in your ad creatives

# 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](#)



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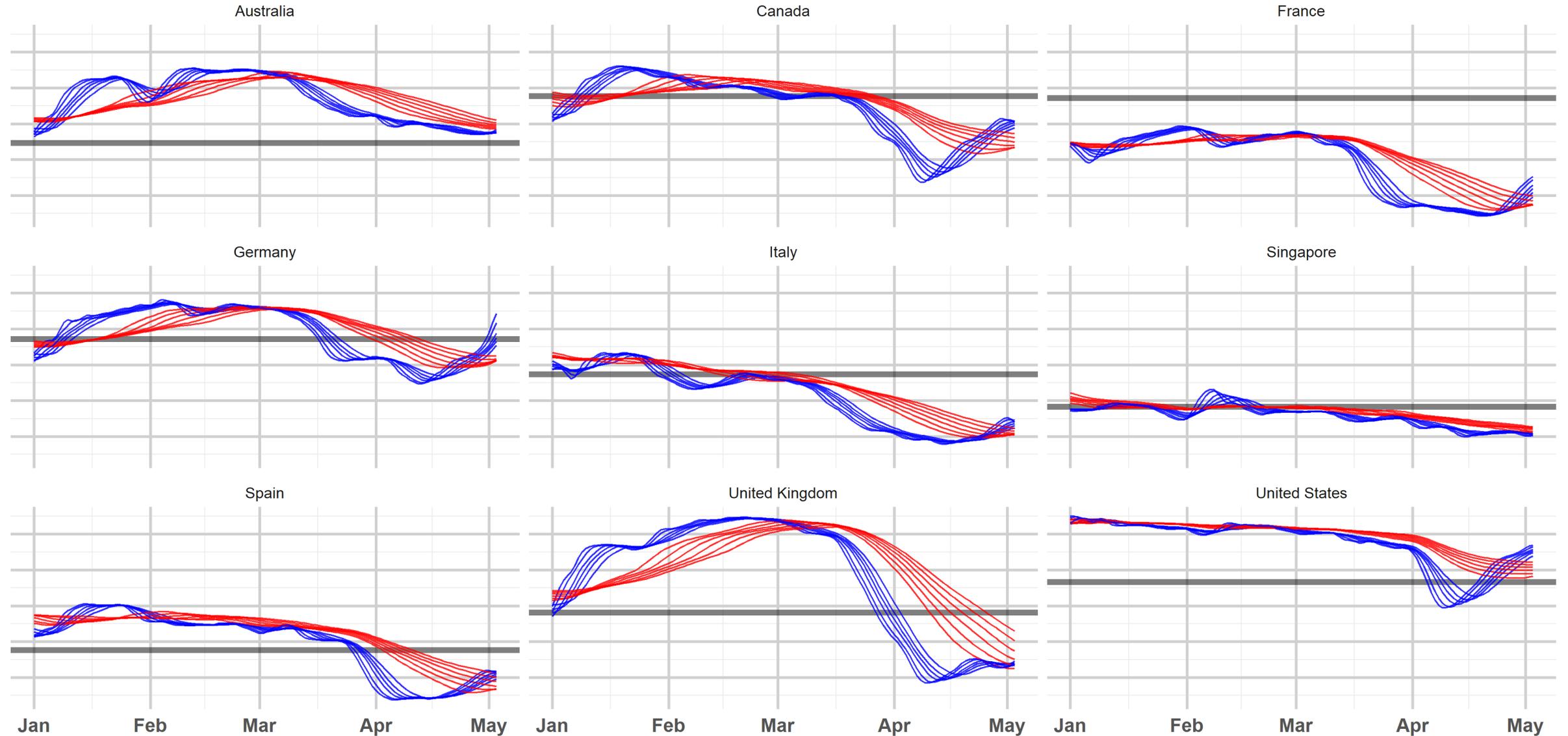
[advertising.microsoft.com](https://advertising.microsoft.com)

# Appendix

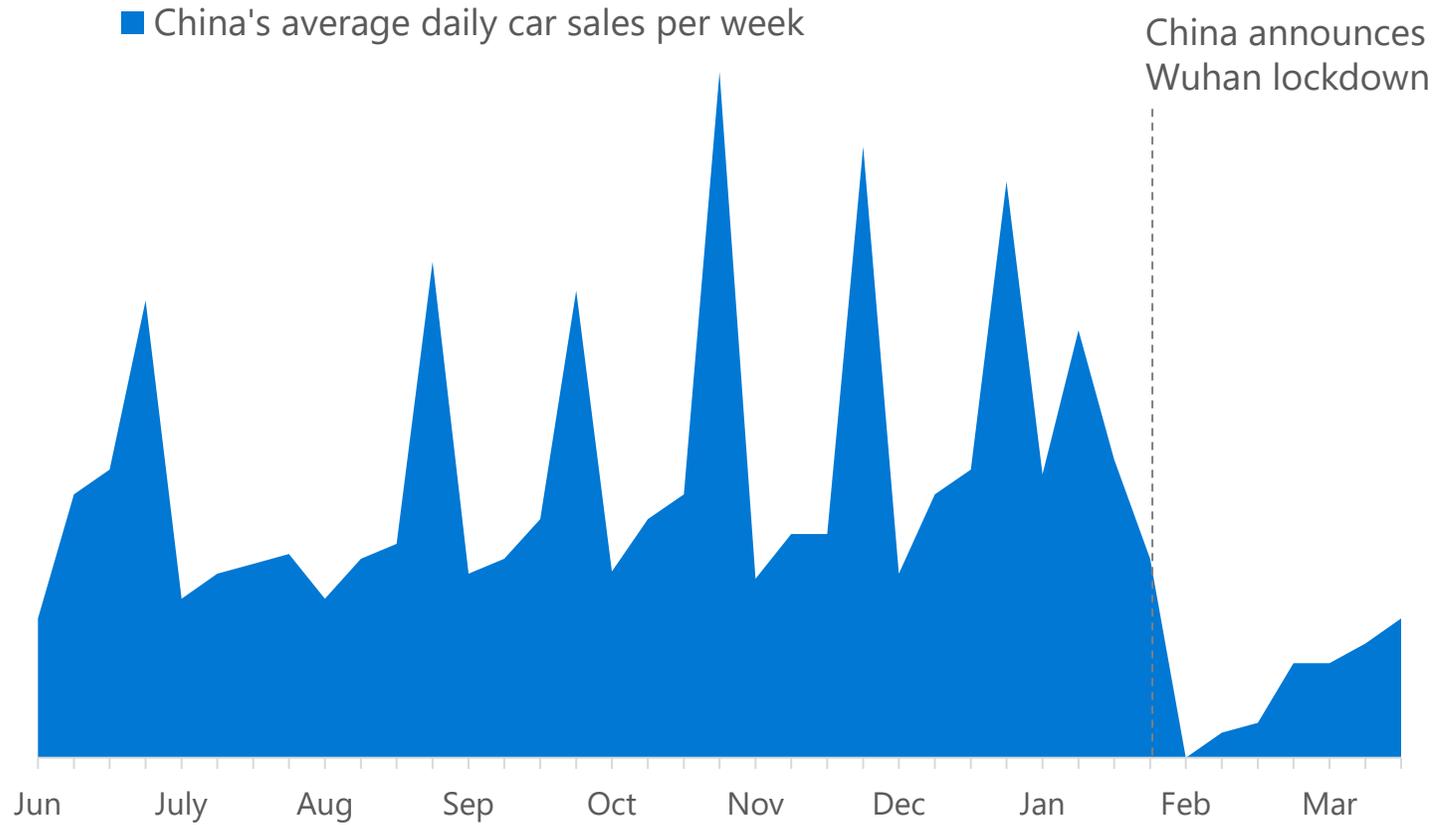
# Autos Marketplace Rebound Gauge, Global, Short Window

When short term averages crest long term averages, this is a strong signal the marketplace is reversing

— Median of May '19 and May '18  
3, 5, 8, 10, 12, 15-day moving averages  
30, 35, 40, 45, 50, 55-day moving averages



# Auto sales in China have started to recover as the virus spread locally slows



Statistics in China suggest that consumers are willing to again spend on big-ticket items soon after emerging from isolation and lockdowns