Autos consumer sentiment – ‘new’ & ‘used’ searches (U.S.)
Recent 2020 trends

• **April 4, 2020 to May 3, 2020** (compared to prior 30-day period of March 5, 2020 to April 3, 2020)
  
  • Overall searches for ‘new’ vehicles are down by -35% for the current 30-day period (compared to prior 30-day period), while ‘used’ vehicle queries are up by 10%
  
  • ‘new + economy’ is down by -20% for the most recent trend, while ‘used + economy’ is significantly outperforming with +24% growth
  
  • ‘new + luxury’ searches are down by -60% for the most recent period, while ‘used + luxury’ is significantly outperforming with +13% growth

Source: Microsoft Internal Data Jan. 1, 2020 – May 3, 2020,
Pre- and Post-COVID-19 2020 trends

- **March & April 2020** (compared to January & February 2020)
  - Overall searches for ‘new’ vehicles are up by +9% for March & April 2020 (compared to January & February 2020), while ‘used’ vehicle queries are down by -10%
  - ‘new + economy’ is up by +7% for March & April, while ‘used + economy’ is slightly underperforming with -3% growth
  - ‘new + luxury’ searches are up by +5% for the most recent period, while ‘used + luxury’ is significantly underperforming with -31% growth
  - Post-COVID-19 trends are showing strength with ‘new’ queries, likely due to surges in original equipment manufacturer (OEM) new car purchase incentives in March. This is followed by a shift in consumer behavior in April to ‘used’ vehicles, likely driven to rising unemployment.

Source: Microsoft Internal Data Jan. 1, 2020 – May 3, 2020, Search volume averaged daily
2020 trend analysis: ‘new’
Searches for ‘new’ vehicles for the current 30-day trend are down –35% compared to the prior 30-day period*

Although overall ‘new’ search trends are down, several queries are emerging with significant improvement in April over March, with over half of these searches at the UV model level.

*Current 30-day period is Apr. 4, 2020 to May 3, 2020 and is compared to Mar. 5, 2020 to Apr. 3, 2020.
**Prior 30-day period is Mar. 5, 2020 to Apr. 3, 2020 and is compared to Feb. 4, 2020 to Mar. 4, 2020.

Inclusive of all devices and all network data in the U.S., with query analysis averaged daily.

See Appendix for list of new and used keywords.
Searches for ‘new + economy’ vehicles for the current 30-day period are down -20% compared to the prior 30-day period*

Several of the highest volume queries with most significant declines between March and April contained year modifiers; whereas many of the top query gainers included ‘new’ in their search

Current 30-day period is down -20%; a decline over the prior 30-day period of +21%**

*Current 30-day period is Apr. 4, 2020 to May 3, 2020 and is compared to Mar. 5, 2020 to Apr. 3, 2020.
**Prior 30-day period is Mar. 5, 2020 to Apr. 3, 2020 and is compared to Feb. 4, 2020 to Mar. 4, 2020

Inclusive of all devices and all network data in the U.S. with query analysis averaged daily

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

See Appendix for list of new and used keywords
Searches for ‘new + luxury’ vehicles for the current 30-day period are down -60% compared to the prior 30-day period*, likely due strong purchase incentive focus in March. OEMs should consider promoting relief efforts and strengthening incentives to regain interest.

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**Prior 30-day period is Mar. 5, 2020 to Apr. 3, 2020 and is compared to Feb. 4, 2020 to Mar. 4, 2020
Inclusive of all devices and all network data in the U.S. with query analysis averaged daily
Economy and luxury searches based on inclusion of either new or used search terms
See Appendix for list of new and used keywords
2020 year-to-date (YTD) trend analysis: ‘used’
Searches for ‘used’ vehicles for the current 30-day trend are up +10% compared to the prior 30-day period*

The top emerging queries showing significant improvement in April over March were either non-brand or third-party

Source: Microsoft Internal Data Jan. 1, 2020 – May 3, 2020,
*Current 30-day period is Apr. 4, 2020 to May 3, 2020 and is compared to Mar. 5, 2020 to Apr. 3, 2020
**Prior 30-day period is Mar. 5, 2020 to Apr. 3, 2020 and is compared to Feb. 4, 2020 to Mar. 4, 2020
Inclusive of all devices and all network data in the U.S., with query analysis averaged daily
See Appendix for list of new and used keywords
Searches for ‘used + economy’ vehicles for the current 30-day period are up +24% compared to the prior 30-day period*

Many of the top query gainers in April over March were branded trucks; while many of the queries with the largest declines were branded cars.

Current 30-day period is up +23.5%; an improvement over the prior 30-day period of -17%**
Searches for ‘used + luxury’ vehicles for the current 30-day period are up +13% compared to the prior 30-day period*, likely due strong purchase incentive focus in March.

OEMs should consider promoting relief efforts and strengthening incentives to regain interest.

*Current 30-day period is Apr. 4, 2020 to May 3, 2020 and is compared to Mar. 5, 2020 to Apr. 3, 2020;
**Prior 30-day period is Mar. 5, 2020 to Apr. 3, 2020 and is compared to Feb. 4, 2020 to Mar. 4, 2020
Emerging and trending queries
Emerging query analysis
Listed are queries showing the greatest positive momentum and statistical significance for growth in April over March

- **Non-brand new cars:** ‘new car deals’, ‘new hybrid cars’
- **Non-brand luxury new cars:** ‘new luxury cars under 50k’, ‘new 2020 luxury sedan models’ and ‘2020 new deals luxury sedan car under 20k’
- **Non-brand used cars:** ‘cheap used cars’, ‘buying used car sale under $3000’, ‘used car best dealer’ and ‘used cars sale under $1000’
- **Non-brand trucks:** ‘new pricing pickup trucks’
- **Non-brand luxury UV:** ‘new luxury suvs’
Emerging queries: makes

- **BMW:** ‘new 2020 bmw x5’
- **Buick:** ‘new buick convertible’
- **Cadillac:** ‘all new 2020 ct5 luxury sedan’, ‘all new Cadillac ct5’, ‘new 2020 Cadillac ct5 sedan’, ‘new ct5 luxury sedan’ and ‘new 2020 ct5 luxury sedan’
- **Chevrolet:** ‘affordable used corvette’
- **Hyundai:** ‘all new 2020 kona sedan’, ‘new 2020 sonata’
- **Jeep:** ‘all new 2020 jeep grand cherokee’, ‘grand cherokee all new 2020’ and ‘new 2020 grand cherokee pricing’
- **Lincoln:** ‘all new lincoln navigator’, ‘all new navigator price’, ‘all new 2020 lincoln navigator’, and ‘new 2020 lincoln navigator’
- **Toyota:** ‘new toyota sports car’
- **Volkswagen:** ‘all new 2020 volkswagen atlas’, ‘new 2020 volkswagen atlas prices’, ‘new Volkswagen atlas’, and ‘new volkswagen atlas prices’
- **Volvo:** ‘all new volvo xc40’, ‘all new volvo xc90’, ‘brand new volvo xc40’, ‘new volvo xc40’, and ‘new volvo xc90’

Emerging queries: third parties

- **Carvana:** ‘carvana used cars’
- **Kelley Blue Book:** ‘kelly blue book values used trucks’
Query performance
Queries seeing the largest gains / declines by number of searches in April over March

<table>
<thead>
<tr>
<th>Top five queries with largest gains</th>
<th>Top five queries with largest declines</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Used + Economy:</strong> ‘used toyota tacoma’, ‘used accord’, ‘used ford f 150’, ‘2013 scion fr s’ and ‘used honda cr v’</td>
<td><strong>Used + Economy:</strong> ‘2019 nissan rogue’, ‘used chevrolet silverado’, ‘used jeep grand cherokee’, ‘used honda accord’, and ‘used chevrolet camaro’</td>
</tr>
</tbody>
</table>

Source: Microsoft Internal Data Jan. 1, 2020 – May 3, 2020, Inclusive of all devices and all network data in the U.S. with query analysis averaged daily Economy and luxury searches based on inclusion of either new or used search term
KEY TAKEAWAYS
With over half of states in the U.S. under restrictions, the automotive industry remains critical to allowing essential workers to get safely to their jobs. Consider these strategies to reach consumers and allow essential activities to continue.

- For the overall ‘new’ audience, queries with UVs showed strength in April over March
  - Include ad copy relating to UVs

- For the ‘new + economy’ audience, queries with the ‘new’ modifier showed strength in April over March
  - Prioritize keywords using the ‘new’ modifier

- For the ‘new + luxury’ audience, queries at the model level showed strength in April over March
  - Include ad copy that speaks to branding at the model level

- For the overall ‘used’ audience, non-brand queries showed strength in April over March
  - Include ad copy relating to a non-brand strategy

- For the ‘used + economy’ audience, queries at the model level showed strength in April over March, in addition to queries featuring trucks
  - Prioritize keywords for branding at the model level
  - Include ad copy that speaks to trucks

- For the ‘used + luxury’ audience, queries at the non-brand level showed strength in April over March
  - Prioritize keywords at the non-brand level
Shoppers are modifying their searches for new and used vehicles to address the current COVID-19 crisis

Albeit low volume, this reflects shifts in search patterns
### Keywords analyzed reference table

**Category of analysis, keyword (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) / make / model 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 economy.
- Note: standalone keywords with undefined new / used intent (eg cars, ford, luxury suv) are not considered in the analysis.

<table>
<thead>
<tr>
<th>Category</th>
<th>KW Modifier</th>
<th>KW Type</th>
<th>Example Modifiers</th>
<th>Example KWs</th>
<th>Analysis: New</th>
<th>Analysis: Used</th>
<th>Analysis: Lux</th>
<th>Analysis: Economy</th>
</tr>
</thead>
<tbody>
<tr>
<td>new</td>
<td>new</td>
<td>Segment (non-brand) / Make / Model</td>
<td>new, 2020, 2021</td>
<td>new car, new ford, 2020 bmw</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>used</td>
<td>used</td>
<td>Segment (non-brand) / Make / Model</td>
<td>used, preowned, cpo, 2018</td>
<td>used car, used ford, 2019 camry</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>economy*</td>
<td></td>
<td>Make / Model</td>
<td>ford, jeep, silverado</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>luxury*</td>
<td>luxury</td>
<td>Segment (non-brand)</td>
<td>luxury</td>
<td>luxury car</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>luxury*</td>
<td></td>
<td>Make / Model</td>
<td>lexus, rdx, range rover</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Must include modifier to be eligible in the analysis.
Please note:
30-Day current trend analysis
• Current 30-day period is calculated by taking the:
  (Sum of searches of May 3 to April 4) / (Sum of searches of March 5 to April 3) – 1
• Prior 30-day period is calculated by taking:
  (Sum of searches of March 5 to April 3) / (Sum of searches of February 4 to March 4) – 1

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

Emerging query analysis:
• Queries were identified by using statistically significant growth of at least one standard deviation in search volume for April over March

Query performance analysis:
• Queries were identified by looking at search volume growth for April over March
Strategies and recommendations
