



Automotive trends (AU)

Microsoft Advertising. Intelligent connections.



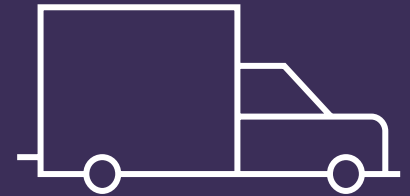
Summary of findings



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 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		 Marketplace index is showing some stability
 Germany		
 Italy		 Marketplace index is showing negative momentum
 Singapore		
 Spain		
 United Kingdom		

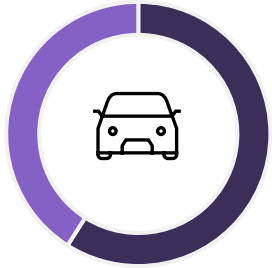
 Marketplace index is a composite metric built to reflect search volume, advertiser participation in the auctions, auction activity reflective of cost-per clicks (CPCs), and searcher intent

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.”

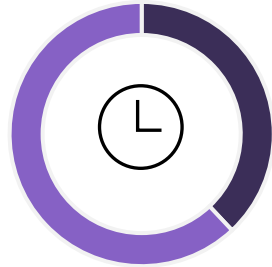
“About 99% of China’s auto showrooms were back in business as of April 3, with consumer traffic running at about 66% of normal levels.”

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



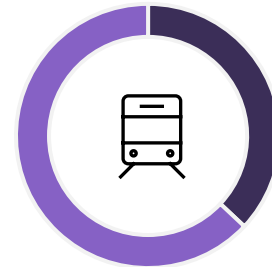
59%

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



38%

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



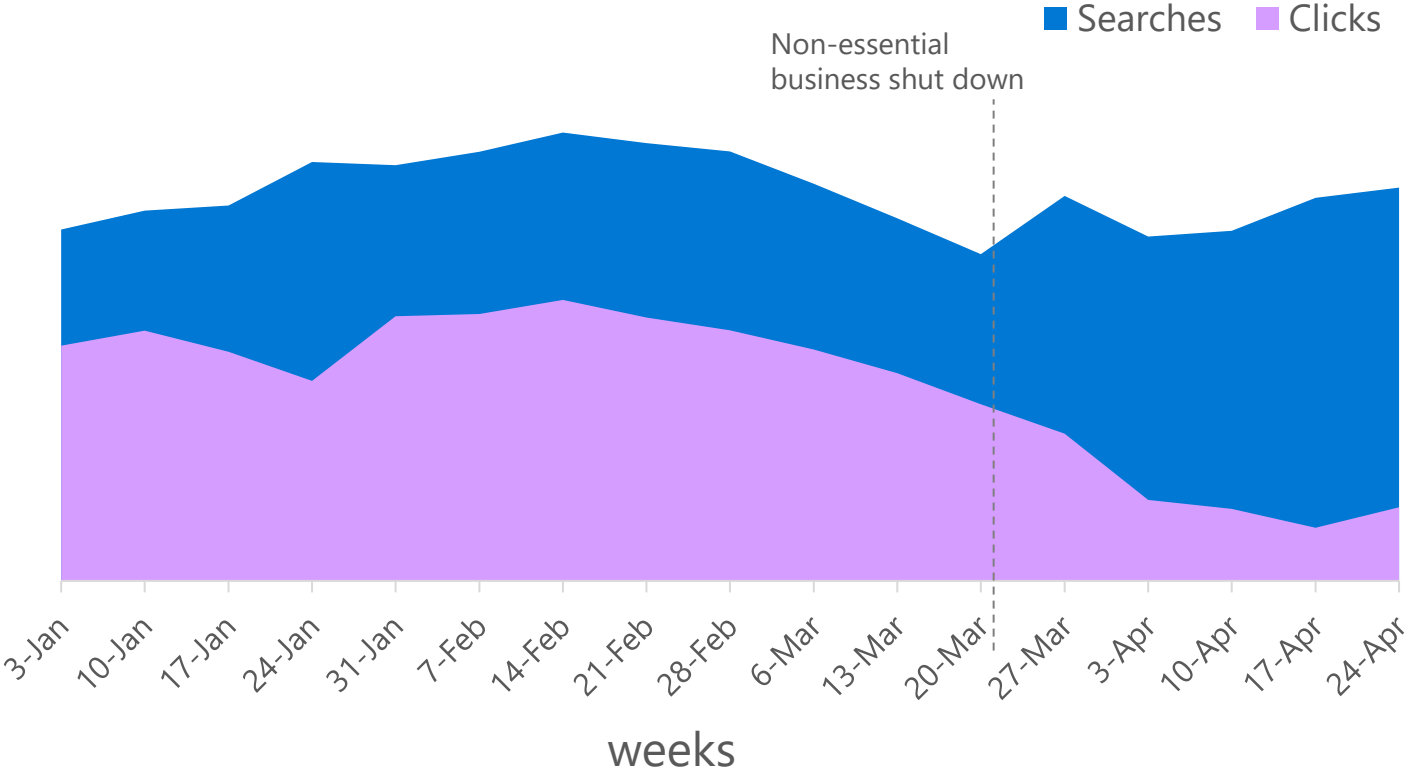
37%

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 is yet to take advantage of this, presenting an opportunity for brand to capture consumers searching for Autos.

Microsoft Internal Data, Automotive vertical, AU, January-Apr 18, 2019; January-Apr 24, 2020

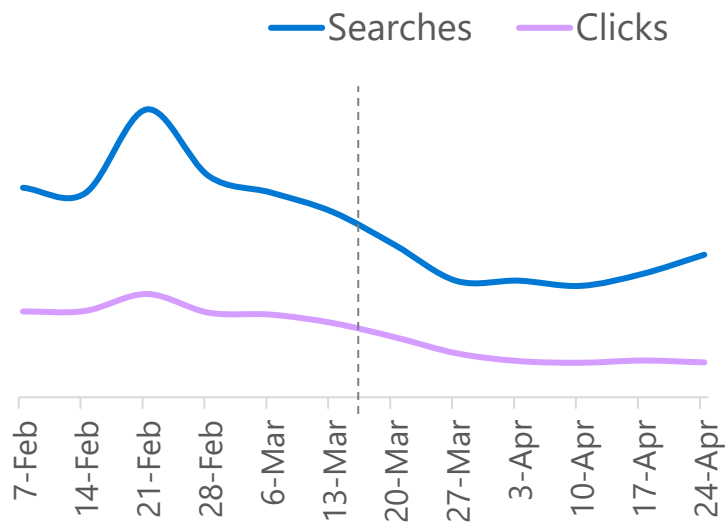


What are they searching?

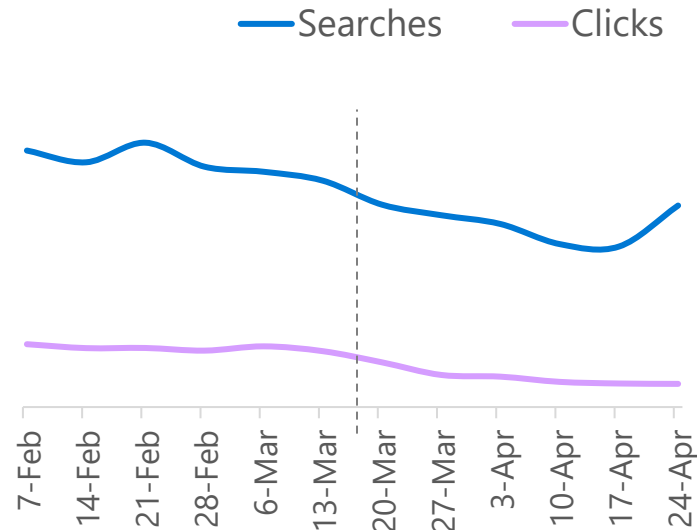
Searches for 'economy' and 'luxury' car brands are recovering gradually, while searches for 'aggregators' are almost back to pre-pandemic level

Weekly search & click index by brand type

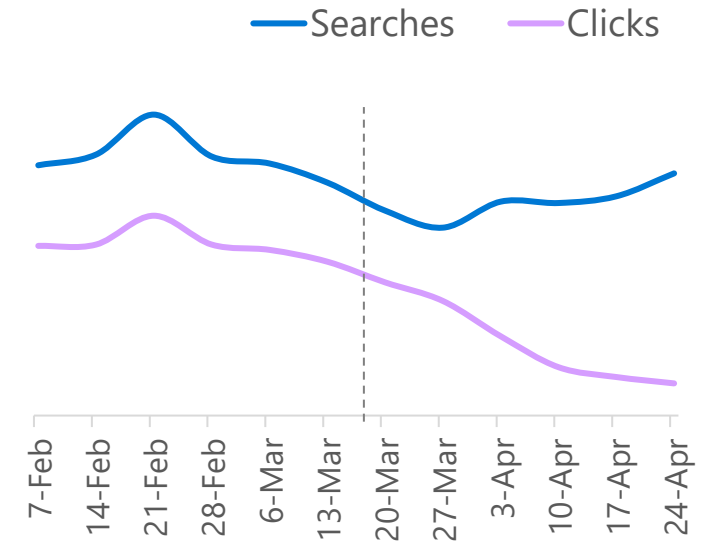
Economy



Luxury



Aggregator

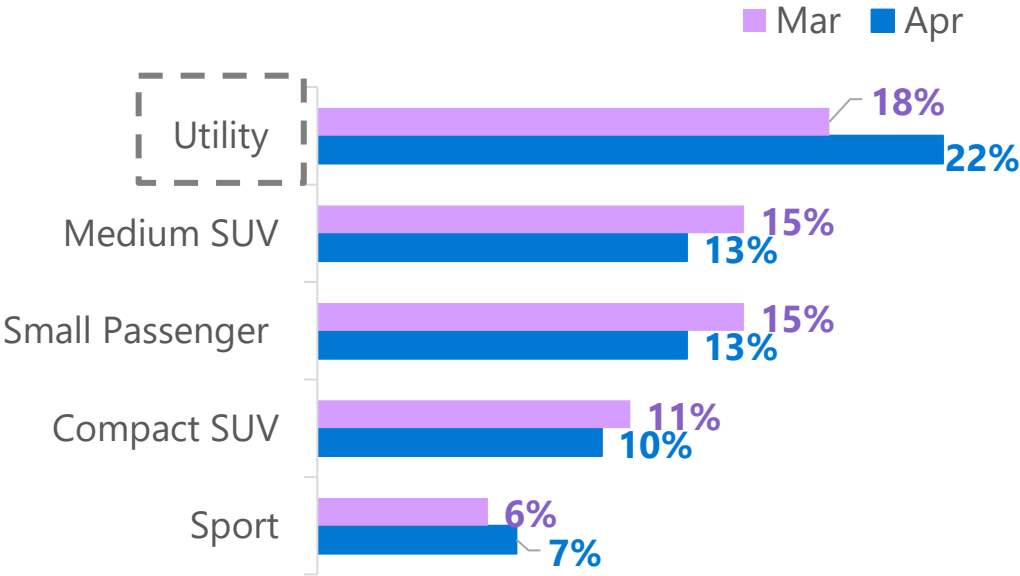


weeks

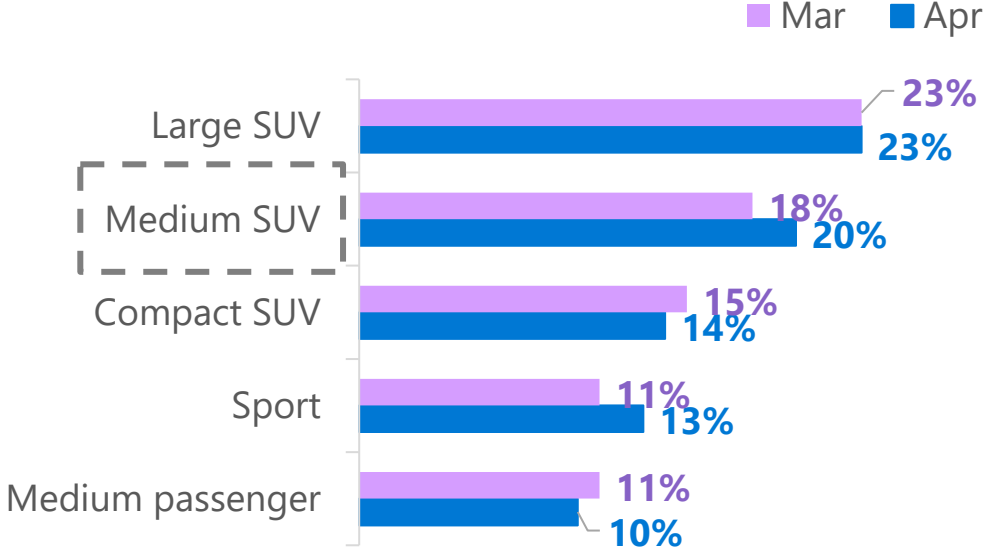
Compared to March, utility vehicles and medium SUVs are gaining more attention

Search share by popular body type and brand class

Economy

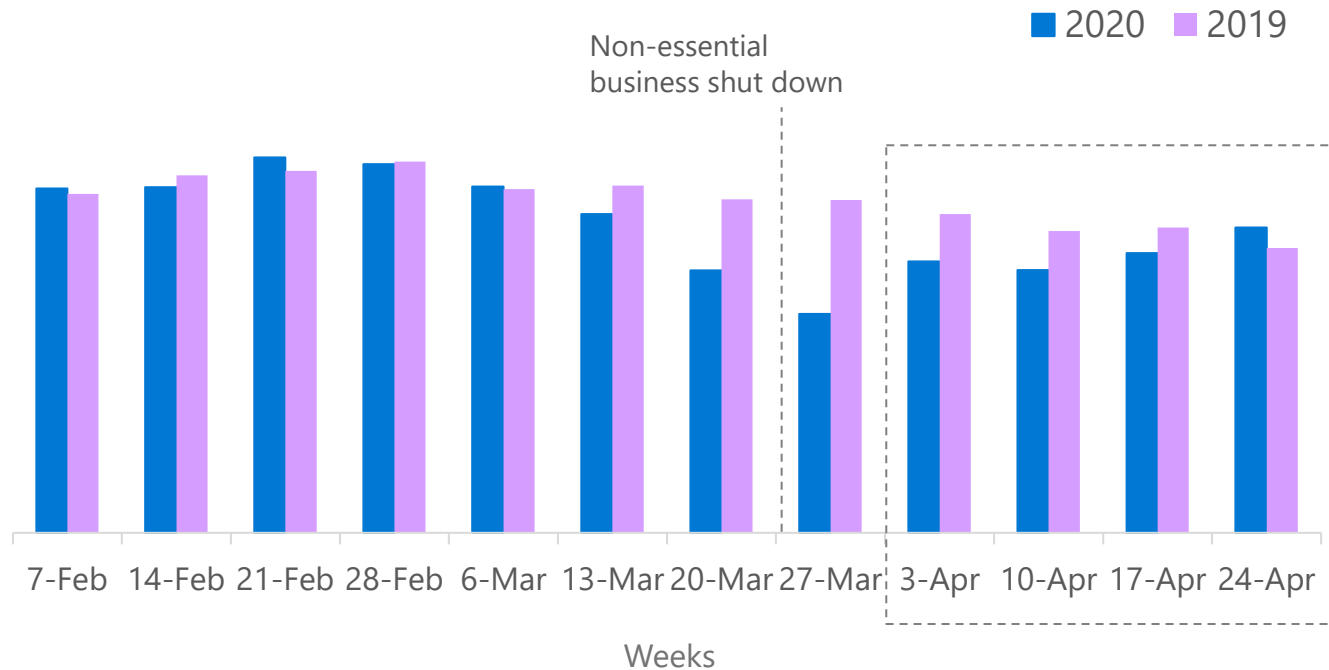


Luxury



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

Weekly search index

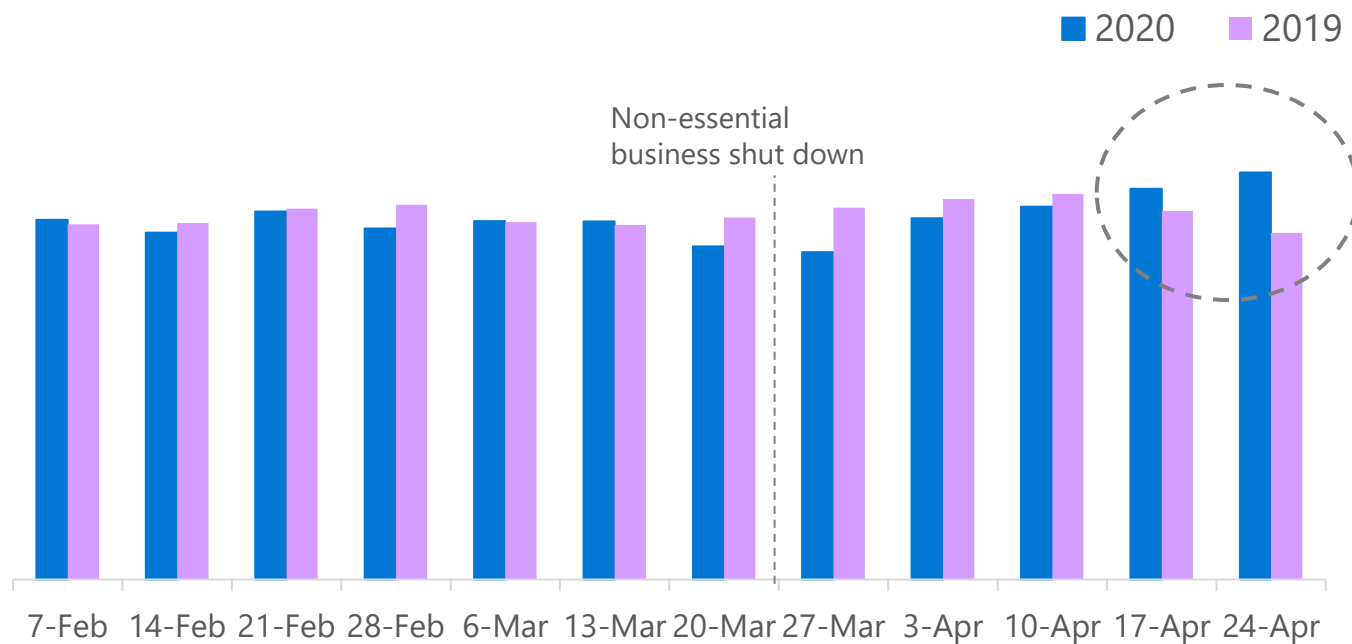


Incentive queries along with direct searches for aggregator sites are driving early recovery

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

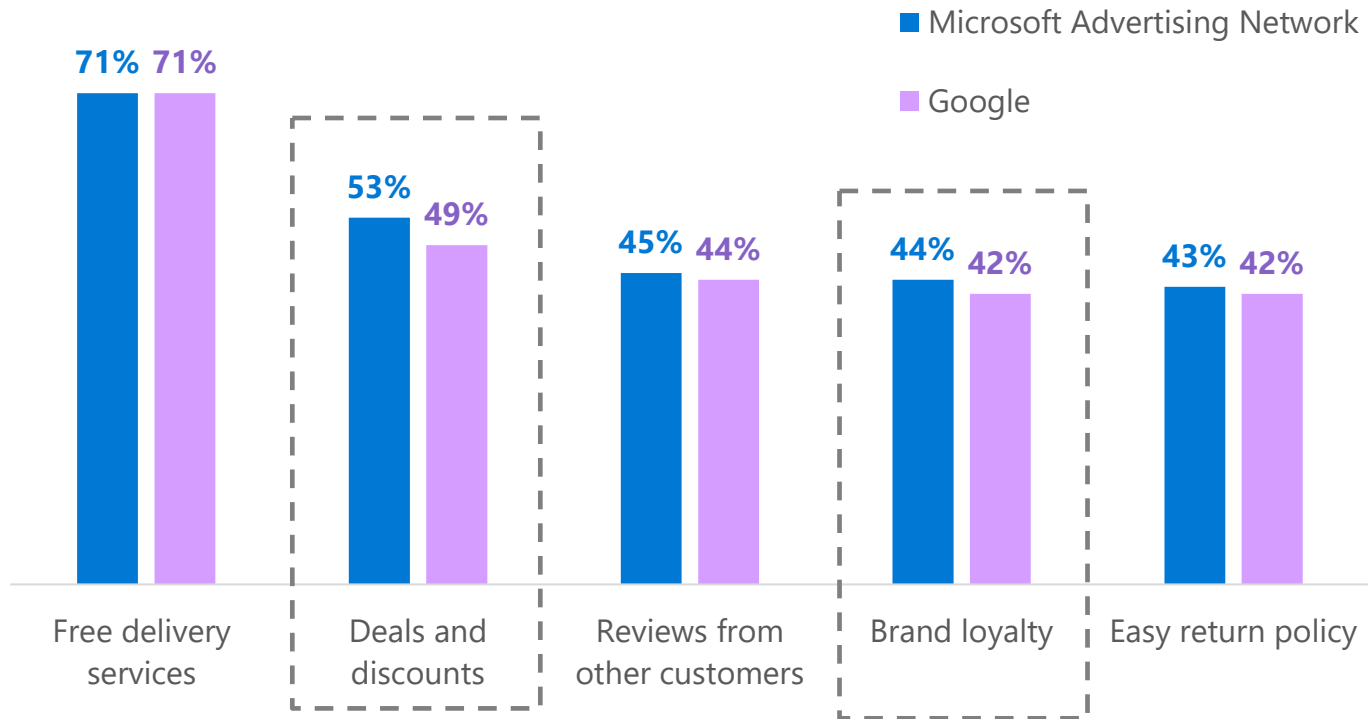


In the last two weeks, total searches surpassed last year with over 15% year-over-year (YoY) growth

Searches grew 5% WoW after lock down

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

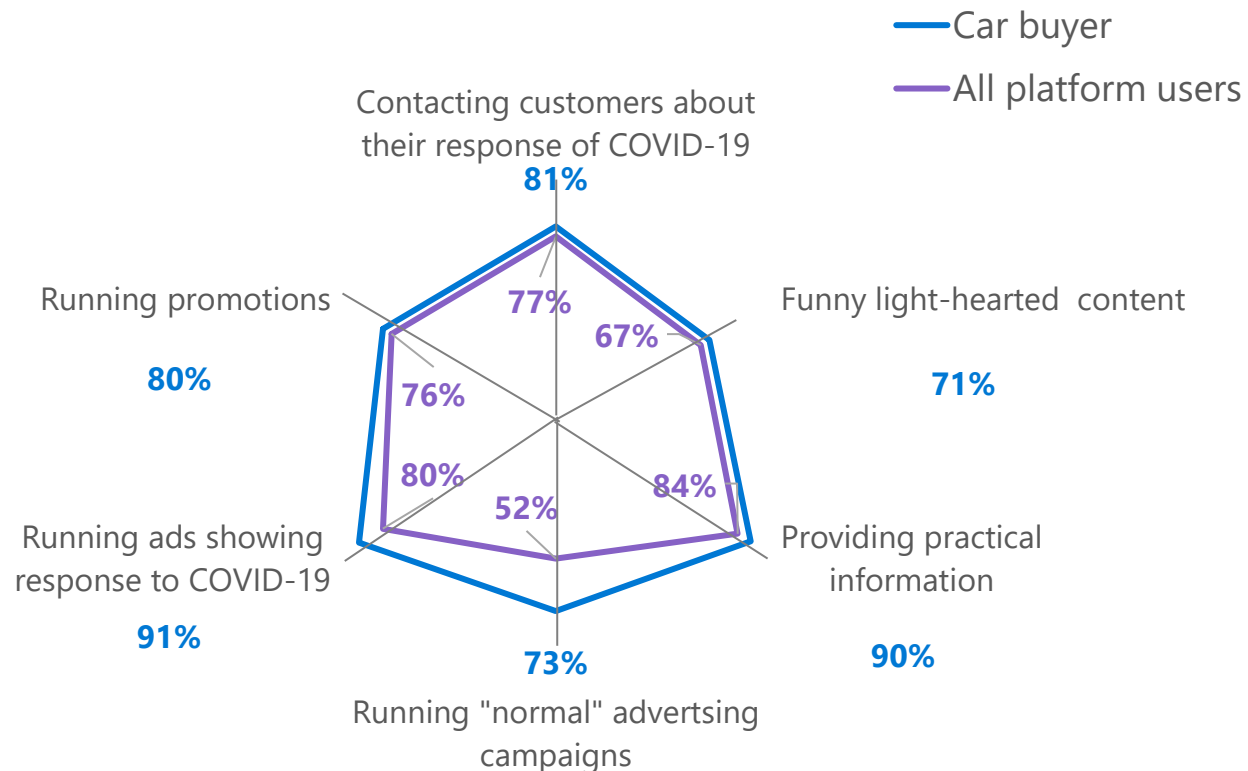
Top 5 purchase drivers



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 with 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 re-bounce, 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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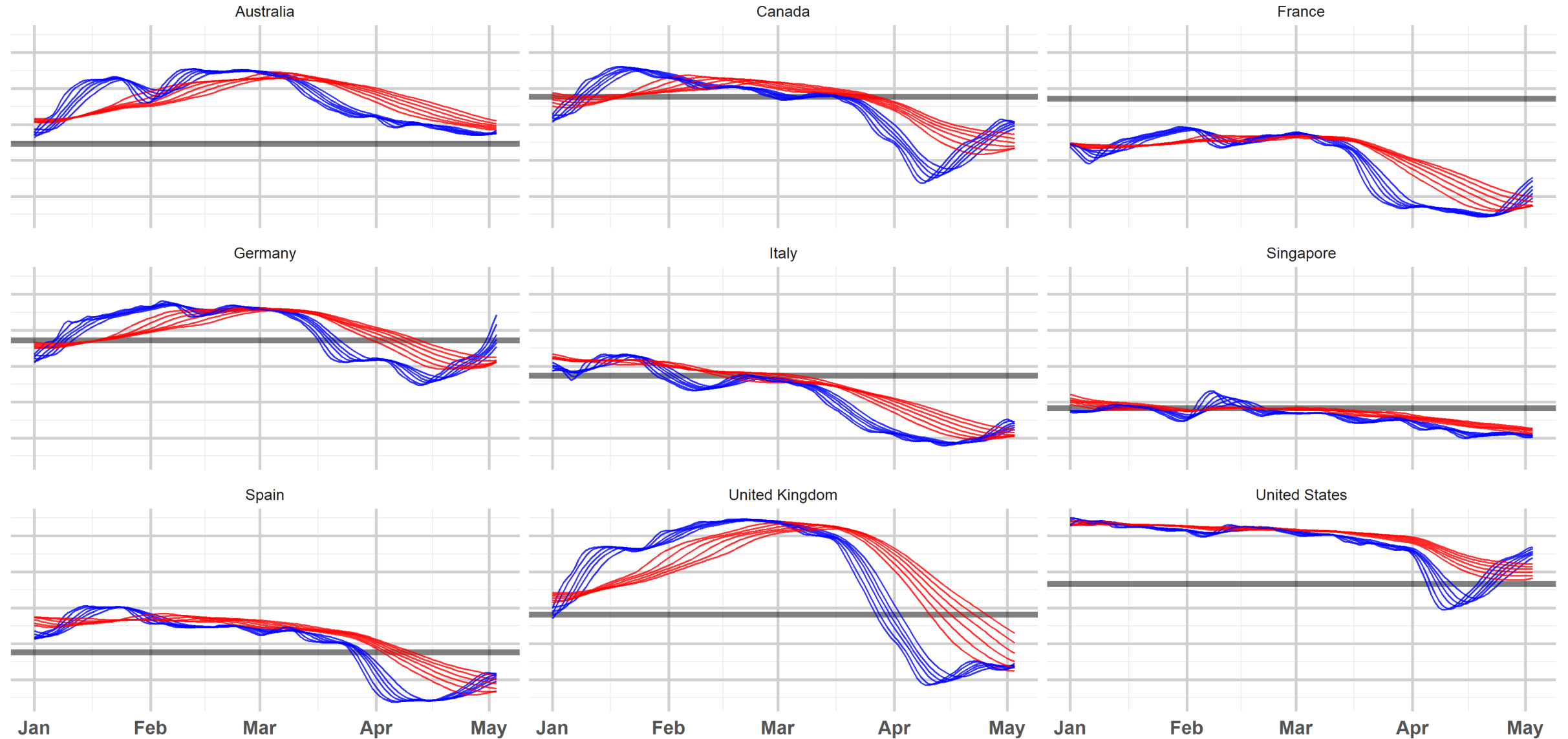
advertising.microsoft.com

Appendix

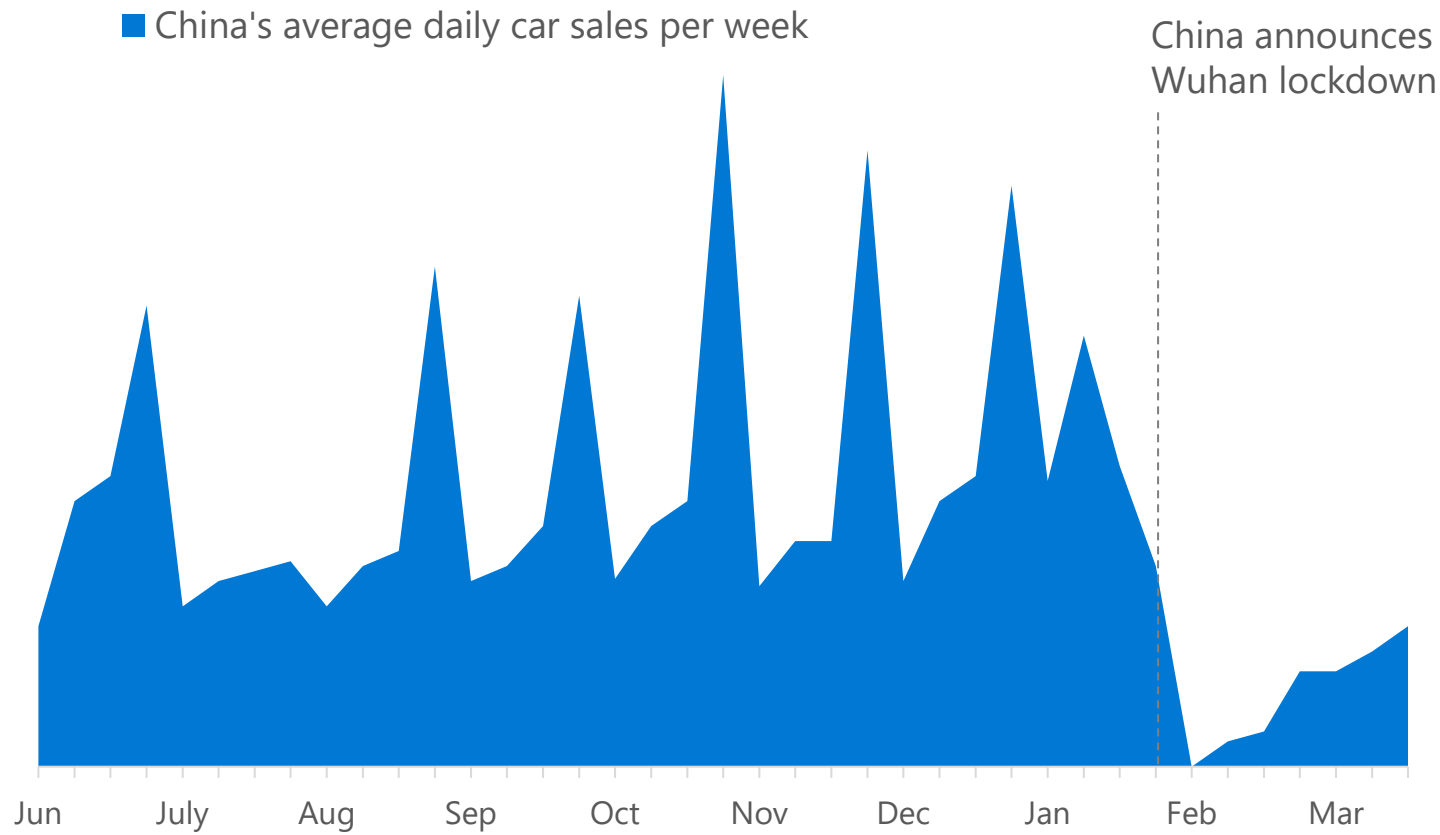
Autos Marketplace Rebound Gauge, Global, Short Window

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 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