Autos consumer sentiment: new & used in-market clicks (U.S.)
In March 2020, the average daily clicks jumped +19% month over month (MoM) on ‘new’ modified vehicle keywords.

‘used’ keywords have seen a -3% decline.
Click trends directly correspond with ad saturation and effective pricing fluctuations
Month over month

- Daily average clicks for ‘new’ vehicles increased +19% MoM, while ‘used’ vehicle clicks were down -3%

- The nature of the advertiser is influencing trends; original equipment manufacturers (OEM) Tier I advertisers are primary drivers of ‘new’ clicks while third parties own the ‘used’ market

- Cost effective opportunities are available for ‘new’ all-up, ‘new + non-luxury,’ ‘new + economy,’ ‘new + luxury’ and ‘used + economy’
MoM trend analysis
Keywords (KW) analyzed reference table

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

<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>
<th>Analysis: 'non-lux'</th>
</tr>
</thead>
<tbody>
<tr>
<td>new</td>
<td>new</td>
<td>new</td>
<td>Segment (non-brand)</td>
<td>new, 2020, 2021</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>new</td>
<td>new</td>
<td>Make / Model</td>
<td>new, 2020, 2021</td>
<td>new ford, 2020 bmw, new bolt</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>used</td>
<td>used</td>
<td>Make / Model</td>
<td>used, preowned, cpo, 2018</td>
<td>used ford, used camry</td>
<td>x</td>
<td>x</td>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>used</td>
<td></td>
<td>Make / Model</td>
<td></td>
<td>ford aerostar, oldsmobile</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>economy*</td>
<td></td>
<td>Make / Model</td>
<td></td>
<td>ford, jeep, silverado</td>
<td>x</td>
<td>x</td>
<td></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>
<td></td>
</tr>
<tr>
<td>luxury*</td>
<td></td>
<td>Make / Model</td>
<td></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.

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.
MoM clicks for ‘new’ vehicles outpaced total autos market click growth by +18.7 percentage points (PP), while ‘used’ clicks fell by –2.8PP
Opportunity exists with declining costs per click (CPCs) for ‘new’ clicks, while ‘used’ CPCs have increased

Economy, non-lux, and lux metrics based on inclusion of either new or used KWs; all clicks have been averaged daily.
MoM trend analysis: ‘new’
Clicks for ‘new’ vehicles are up +18.6% from February to March 2020, a significantly stronger increase than +2.1% MoM in 2019
MoM click growth was driven by OEM brand investment, likely attributed to a decrease in competition (-4.2% decline in density; -5.1% drop in CPCs) and an intent to reassure customers during uncertainty

Economy, non-lux, and lux metrics based on inclusion of either new or used KWs; all clicks have been averaged daily.
Clicks for ‘new + non-luxury’ vehicles are up +14.2% from February to March 2020 and +19.0% since January, driven by brand keywords. Brand CPCs are down by -5.9% MoM and overall density is down -3.4%, affording advertisers additional clicks during this time.

Economy, non-lux, and lux metrics based on inclusion of either new or used KWs; all clicks have been averaged daily.
Clicks for ‘new + economy’ vehicles are up by +17.0% from February to March 2020 and +21.5% since January.

CPCs are down by -5.9% MoM, affording OEMs additional clicks during this time.

Economy, non-lux, and lux metrics based on inclusion of either new or used KWs; all clicks have been averaged daily.
Clicks for ‘new + luxury’ vehicles are up +36.1% from February to March 2020 and up +63.9% since January

CPCs are down -10.0% MoM in March, triggered by declining competition (ad density dropped -6.9% MoM) and a significant shift toward branded keyword coverage.

Economy, non-lux, and lux metrics based on inclusion of either new or used KWS; all clicks have been averaged daily.
MoM trend analysis: used
Clicks for ‘used’ vehicles are down -2.9% MoM as 3rd-party visits fall. Despite continued investment, 3rd-party efficiencies plummeted (CPCs jumped +14.4% MoM effecting a -9.7% drop in clicks), pushing the category down.

Source: Microsoft Internal Data Jan 1 – Mar 31, 2019 and Jan 1 – Mar 31, 2020. Economy, non-lux, and lux metrics based on inclusion of either new or used KWs; all clicks have been averaged daily.
Clicks for ‘used + non-luxury’ vehicles were down -3.9% MoM in March. Although overall CPCs were flat, third-party costs jumped +15.9% MoM, effectively driving -8.7% fewer clicks to their sites in March compared to February.

Source: Microsoft Internal Data Jan 1 – Mar 31, 2019 and Jan 1 – Mar 31, 2020. Economy, non-lux, and lux metrics based on inclusion of either new or used KWs; all clicks have been averaged daily.
Clicks for ‘used + economy’ vehicles are down -3.5% from February to March 2020 and –7.6% year over year (YoY) year to date (YTD).

Third-party investment remained relatively flat, but OEMs fell across the board. Highest volume KWs with most significant declines include: ‘used accord,’ ‘used honda accord,’ ‘used jeep grand Cherokee,’ ‘used honda accord sedan’ and ‘used toyota.’

### Clicks

<table>
<thead>
<tr>
<th>Month</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feb</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Economy, non-lux, and lux metrics based on inclusion of either new or used KWs; all clicks have been averaged daily.
Clicks for ‘used + luxury’ vehicles were up +2.4% from February to March 2020 and +3.5% YoY YTD

Although 3rd parties drew back spend by -16.3%, OEM Tier I shifted gears with +26.8% greater investment in cost per order (CPO), effectively becoming the primary gainer of ‘used+lux’ clicks
Appendix
Year over year, year to date

• **Daily average of January 1, 2020 to March 31, 2020** (compared to daily average of January 1, 2019 to March 31, 2019)

  • Overall, the daily average clicks for ‘new’ and ‘used’ vehicles were down compared to the same period last year, at –22% and –30%, respectively

  • Clicks for ‘economy brand’ and ‘luxury’ (inclusive of a ‘new’ or ‘used’ modifier) are down YoY, at -12% and -9%, respectively

Source: Microsoft Internal Data Jan 1 – Mar 31, 2019 and Jan 1 – Mar 31, 2020. Economy, non-lux, and lux metrics based on inclusion of either new or used KWs; all clicks have been averaged daily.
Daily average clicks for ‘economy’ (‘new’ or ‘used’ modified) vehicle KWs are up by +5.1% from February to March 2020 and down by -12% YoY YTD.

CPCs are down by -3.8% from February to March 2020.

<table>
<thead>
<tr>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>CPC</td>
<td></td>
</tr>
<tr>
<td>$0.29</td>
<td></td>
</tr>
<tr>
<td>$0.49</td>
<td></td>
</tr>
<tr>
<td>$0.69</td>
<td></td>
</tr>
<tr>
<td>$0.89</td>
<td></td>
</tr>
<tr>
<td>$1.09</td>
<td></td>
</tr>
<tr>
<td>$1.29</td>
<td></td>
</tr>
<tr>
<td>$1.49</td>
<td></td>
</tr>
<tr>
<td>$1.69</td>
<td></td>
</tr>
<tr>
<td>$1.89</td>
<td></td>
</tr>
</tbody>
</table>

Economy, non-lux, and lux metrics based on inclusion of either new or used KWs; all clicks have been averaged daily.
Daily average clicks for ‘luxury’ (‘new’ or ‘used’ modified) vehicle KWs are up by +16.8% from February to March 2020 and down by -8.6% YoY YTD. CPCs are up by +0.9% from February to March 2020 and down by -1.4% YoY YTD.

Economy, non-lux, and lux metrics based on inclusion of either new or used KWs; all clicks have been averaged daily.
The daily average of both ‘non-luxury brand’ and ‘luxury’ (inclusive of a ‘new’ or ‘used’ modifier) are showing positive momentum, with MoM click growth at 5% and 17%, respectively.

The daily average for year-over-year clicks for ‘non-luxury brand’ and ‘luxury’ are down year-to-date by -12% and -9%, respectively.
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