



MICROSOFT ADVERTISING

Autos consumer sentiment: new & used in-market clicks (U.S.)

Microsoft Advertising. Intelligent connections.



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

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

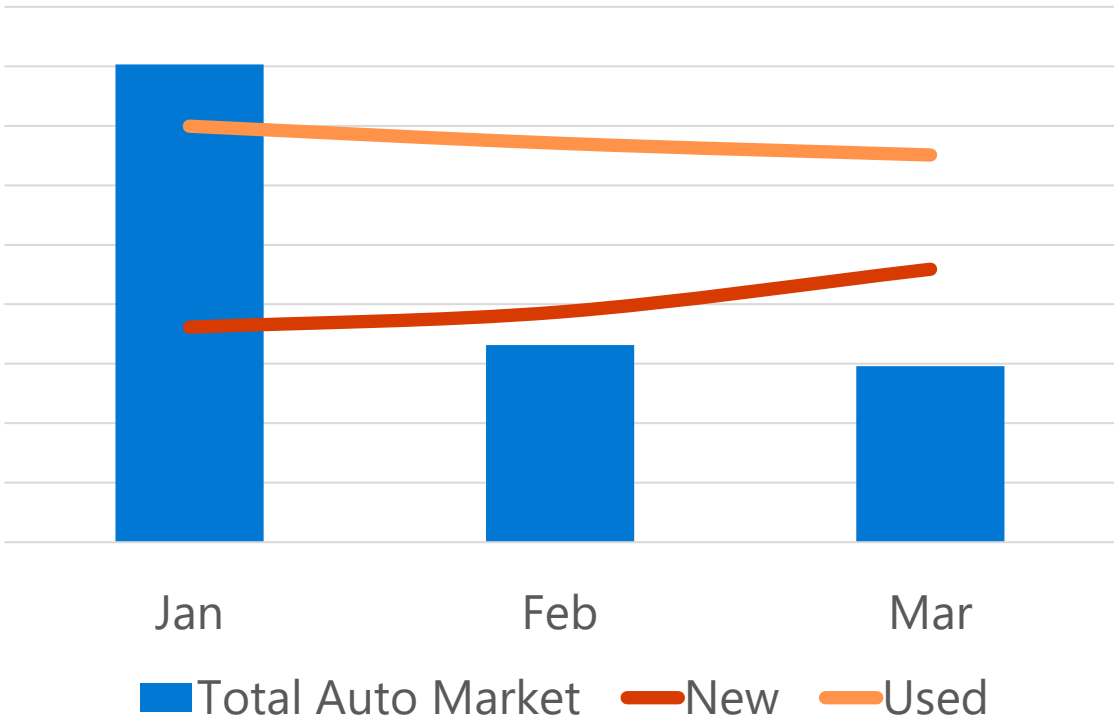
Category	KW modifier	KW type	Example modifiers	Example KWs	Analysis: 'new'	Analysis: 'used'	Analysis: 'lux'	Analysis: 'economy'	Analysis: 'non-lux'
new	new	Segment (non-brand)	new, 2020, 2021	new car	x		x		x
new	new	Make / Model	new, 2020, 2021	new ford, 2020 bmw, new bolt	x		x	x	x
used	used	Make / Model	used, preowned, cpo, 2018	used ford, used camry		x		x	x
used		Make / Model		ford aerostar, oldsmobile		x	x	x	x
economy*		Make / Model		ford, jeep, silverado	x	x		x	x
luxury*	luxury	Segment (non-brand)	luxury	luxury car	x	x	x		
luxury*		Make / Model		lexus, rdx, range rover	x	x	x		

*Must include modifier to be eligible in the analysis.

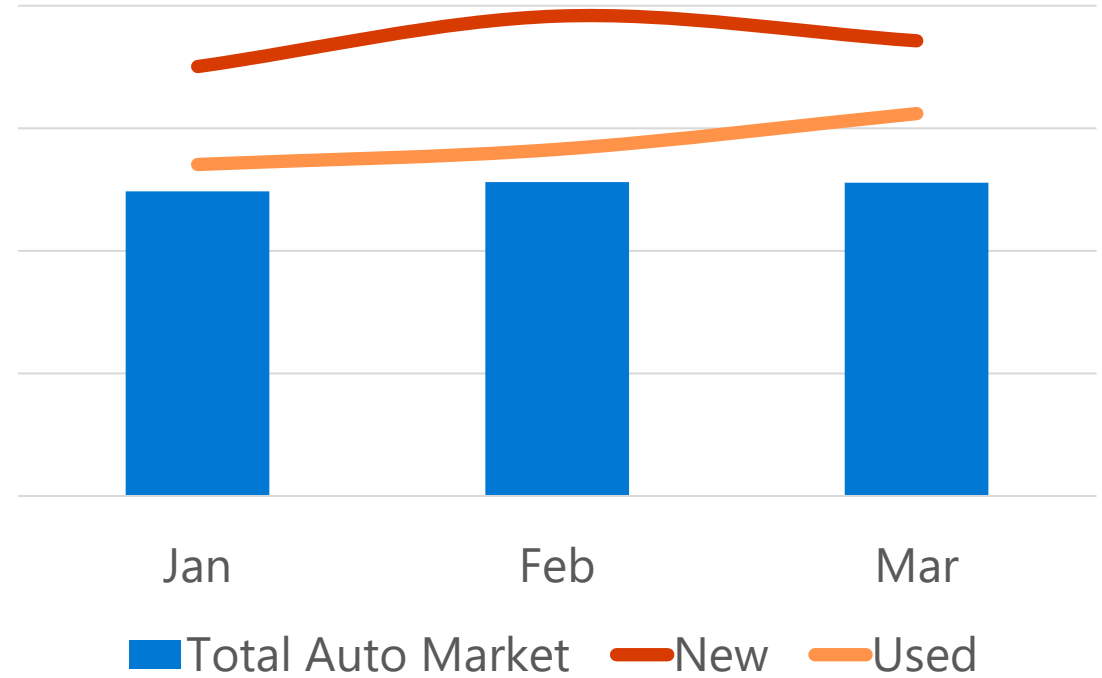
MoM clicks for 'new' vehicles outpaced total autos market click growth by +18.7 percentage points (PP), while 'used' clicks fell by -2.8PP

Opportunity exists with declining costs per click (CPCs) for 'new' clicks, while 'used' CPCs have increased

Clicks



CPC

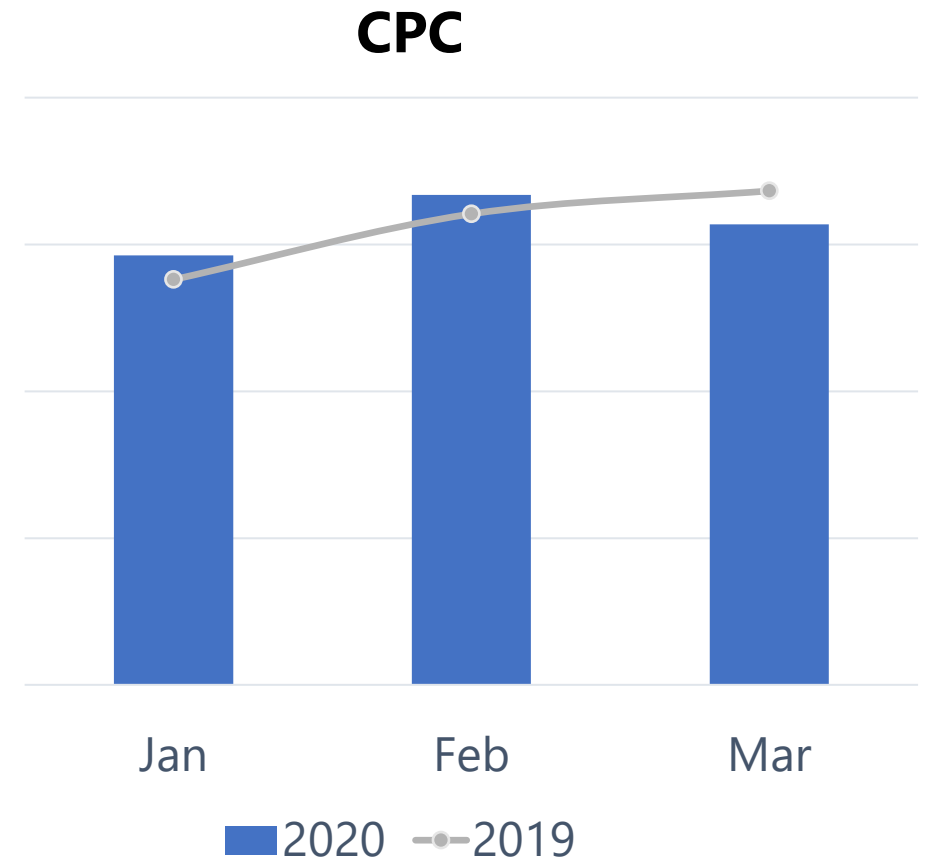
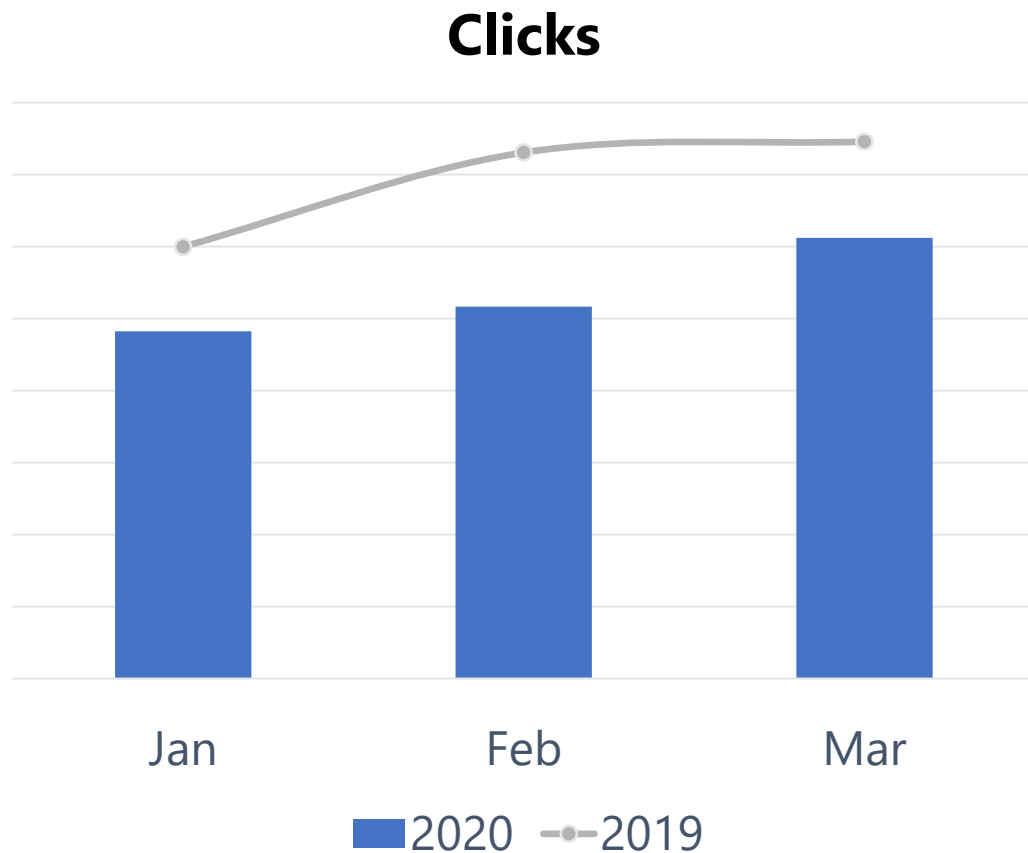


Source: Microsoft Internal Data Jan 1 – Mar 31, 2019 and Jan 1 – Mar 31, 2020. Economy, non-lux, and lux metrics based on inclusion of either new or used KWs; all clicks have been averaged daily.

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

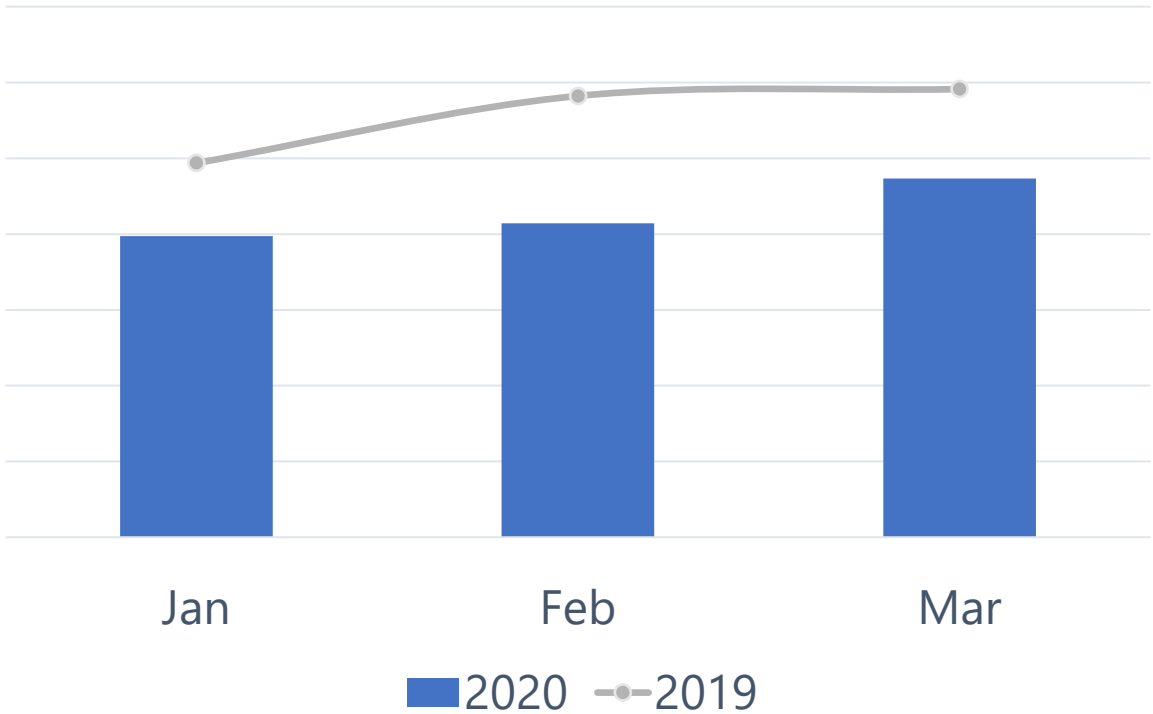


Source: Microsoft Internal Data Jan 1 – Mar 31, 2019 and Jan 1 – Mar 31, 2020.
Economy, non-lux, and lux metrics based on inclusion of either new or used KWs; all clicks have been averaged daily.

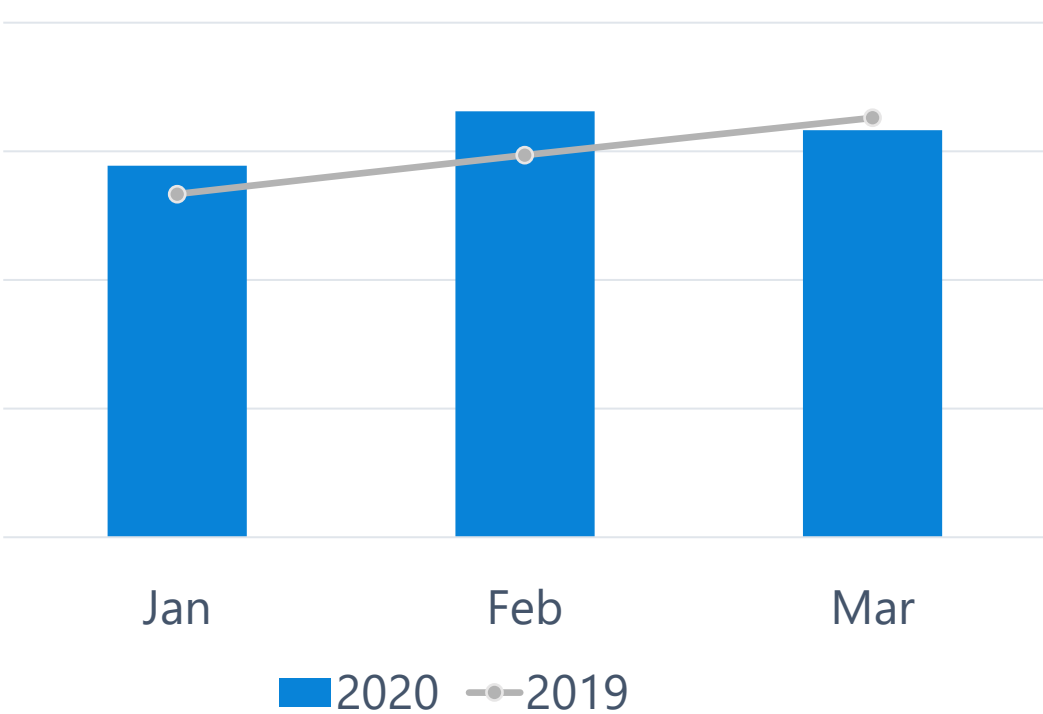


Clicks for 'new + non-luxury' vehicles are up +14.2% from February to March 2020 and +19.0% since January, driven by brand keywords
Brand CPCs are down by -5.9% MoM and overall density is down -3.4%, affording advertisers additional clicks during this time

Clicks



CPC



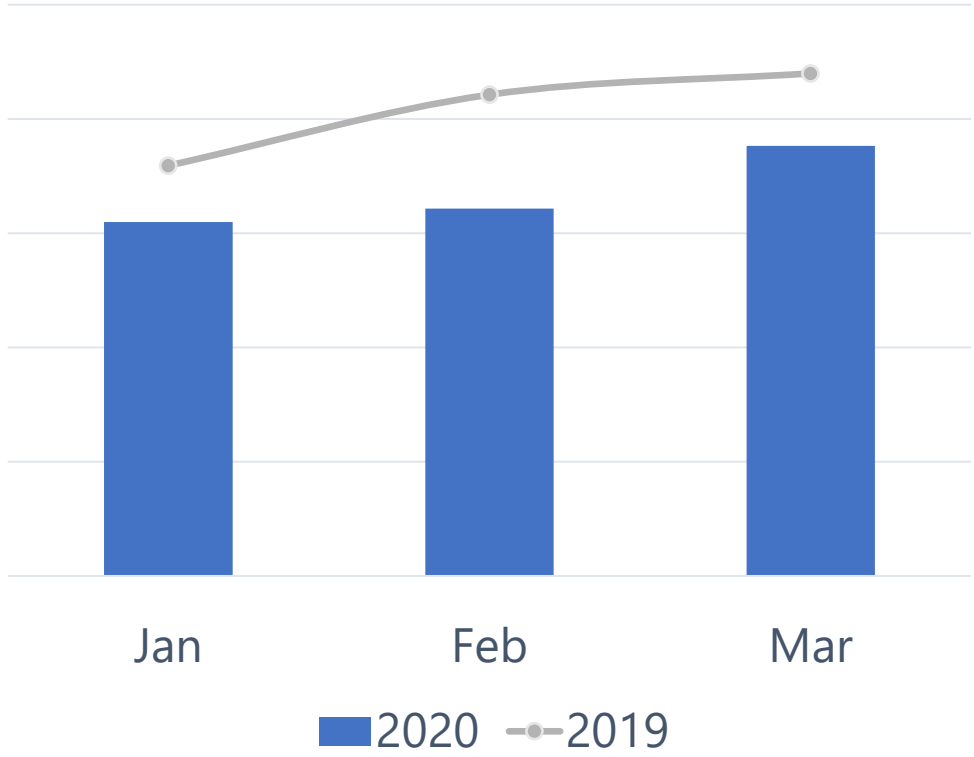
Source: Microsoft Internal Data Jan 1 – Mar 31, 2019 and Jan 1 – Mar 31, 2020.
 Economy, non-lux, and lux metrics based on inclusion of either new or used KWs; all clicks have been averaged daily.



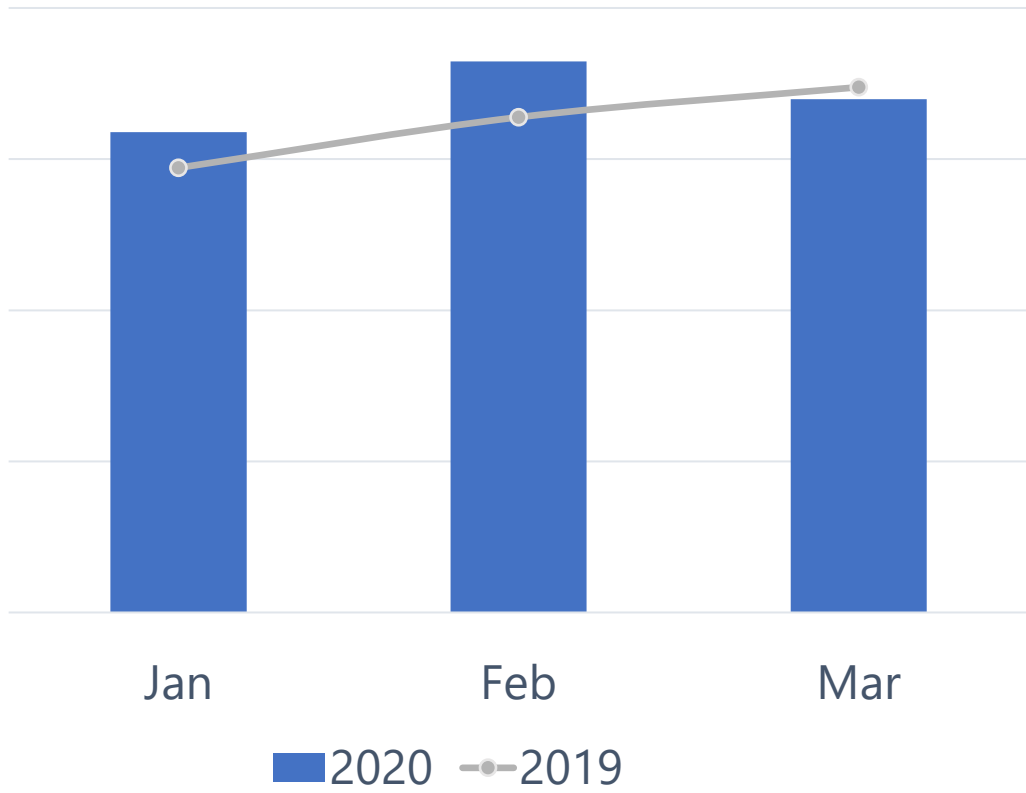
Clicks for 'new + economy' vehicles are up by +17.0% from February to March 2020 and +21.5% since January

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

Clicks



CPC

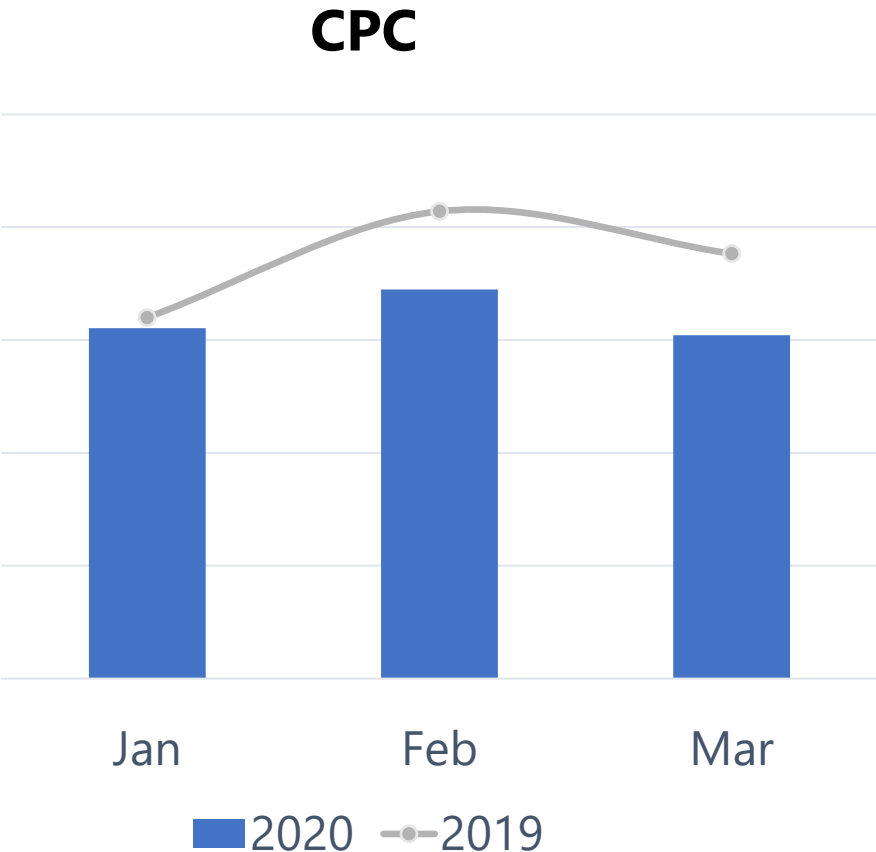
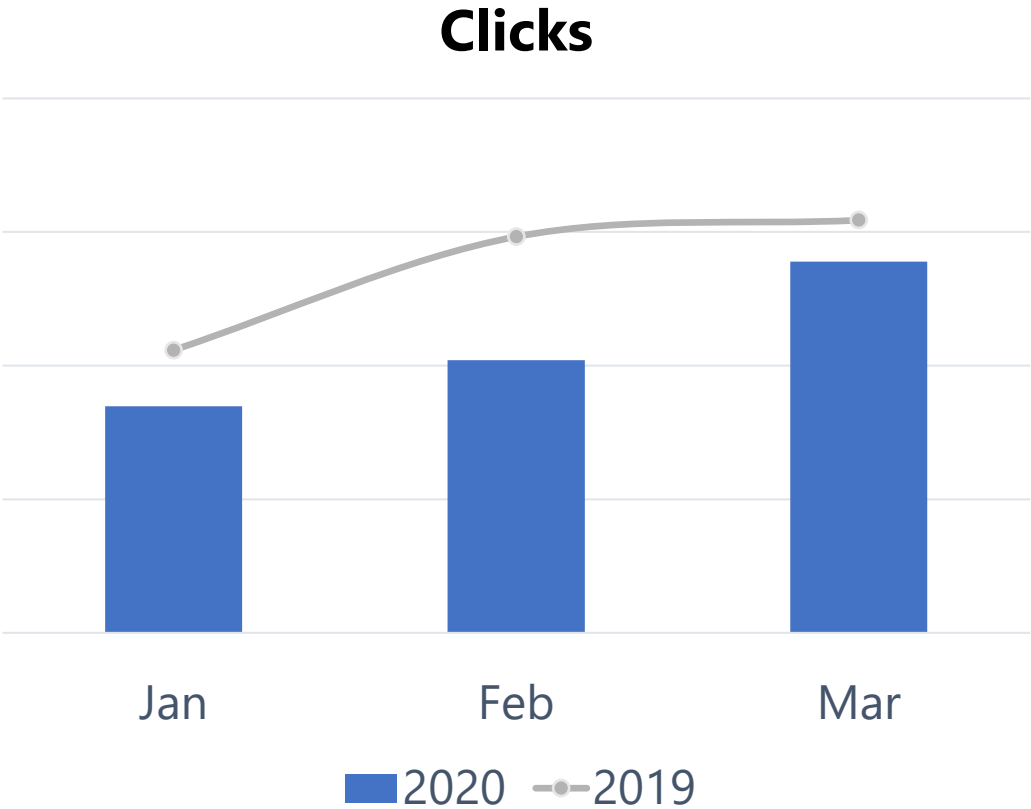


Source: Microsoft Internal Data Jan 1 – Mar 31, 2019 and Jan 1 – Mar 31, 2020. Economy, non-lux, and lux metrics based on inclusion of either new or used KWs; all clicks have been averaged daily.



Clicks for '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



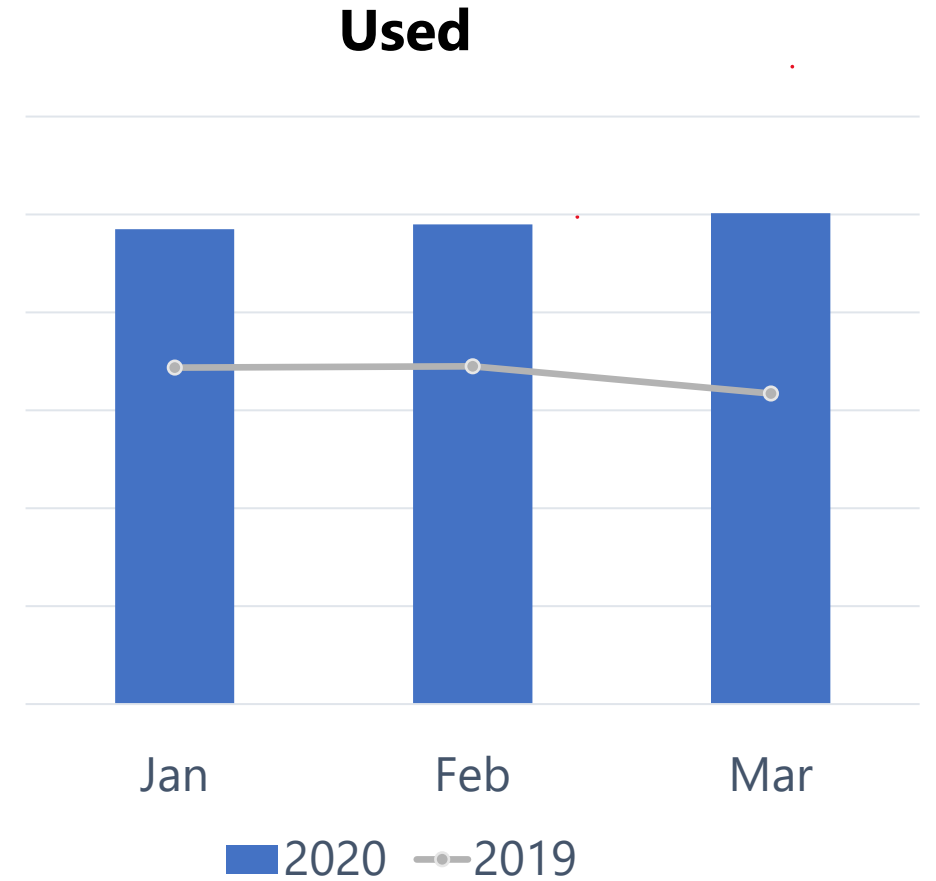
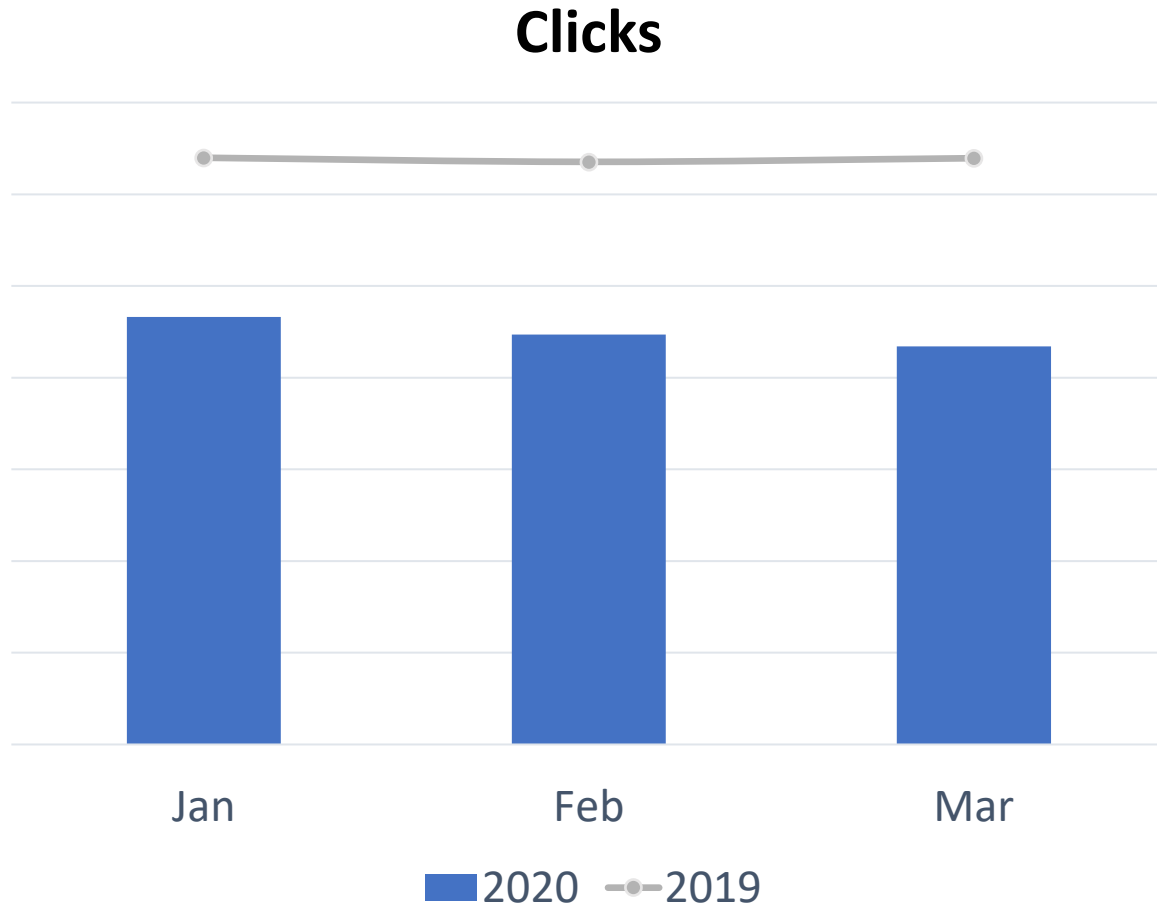
Source: Microsoft Internal Data Jan 1 – Mar 31, 2019 and Jan 1 – Mar 31, 2020. Economy, non-lux, and lux metrics based on inclusion of either new or used KWs; all clicks have been averaged daily.



MoM trend analysis: used

Clicks for 'used' vehicles are down -2.9% MoM as 3rd-party visits fall

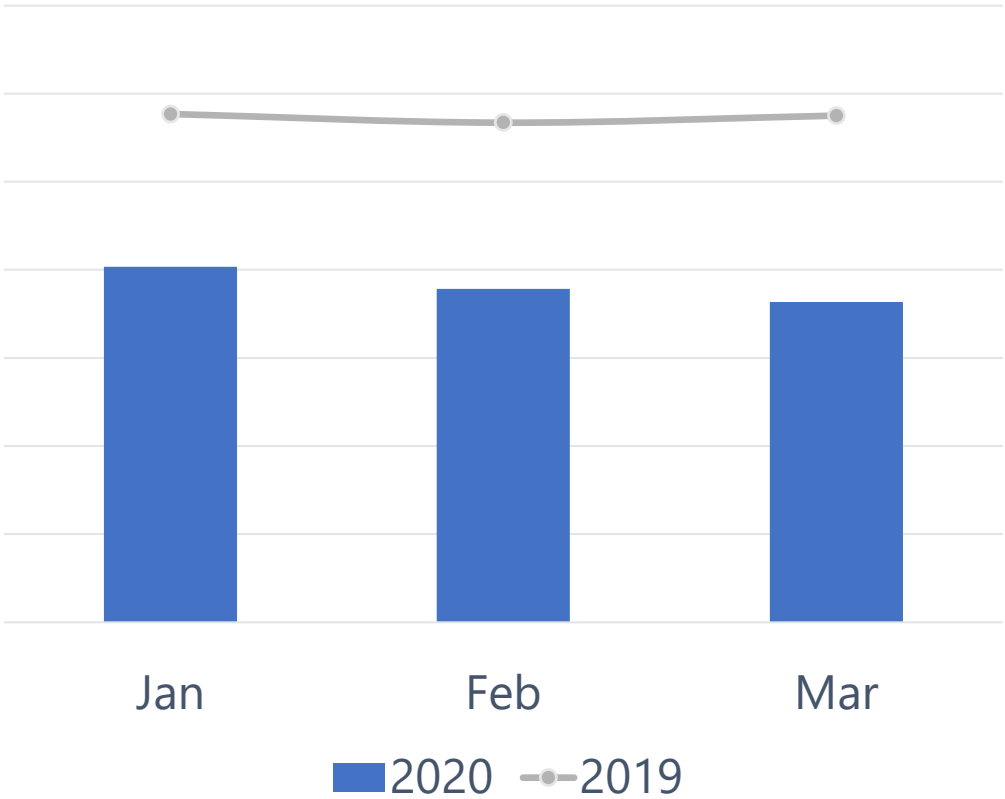
Despite continued investment, 3rd-party efficiencies plummeted (CPCs jumped +14.4% MoM effecting a -9.7% drop in clicks), pushing the category down



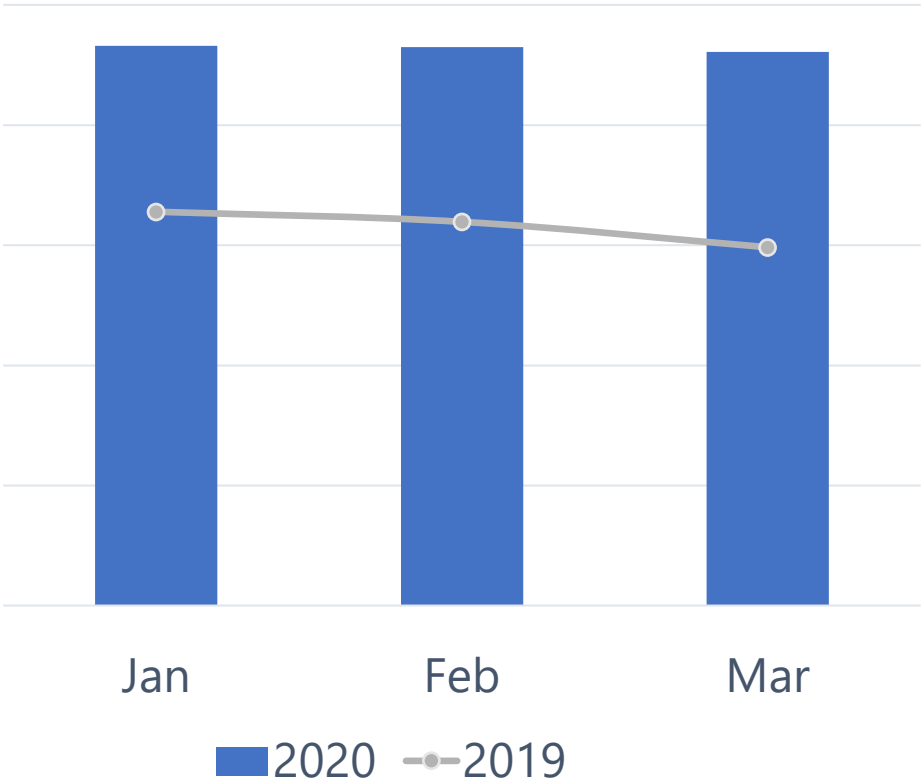
Source: Microsoft Internal Data Jan 1 – Mar 31, 2019 and Jan 1 – Mar 31, 2020.
Economy, non-lux, and lux metrics based on inclusion of either new or used KWs; all clicks have been averaged daily.

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

Clicks



CPC



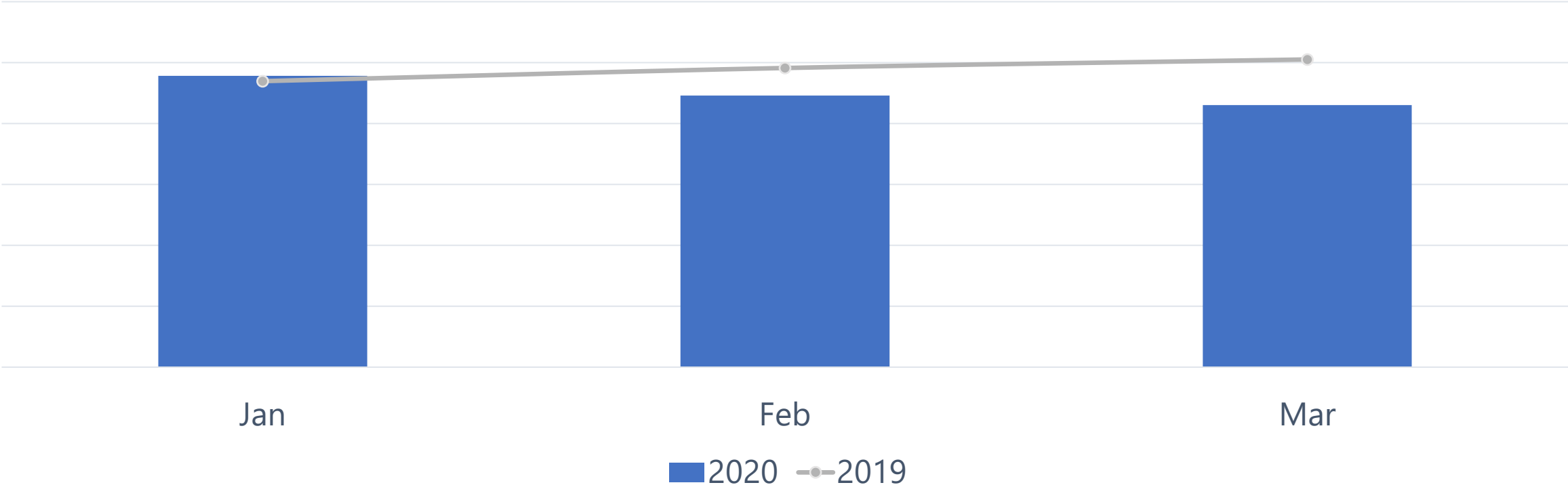
Source: Microsoft Internal Data Jan 1 – Mar 31, 2019 and Jan 1 – Mar 31, 2020.
Economy, non-lux, and lux metrics based on inclusion of either new or used KWs; all clicks have been averaged daily.



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



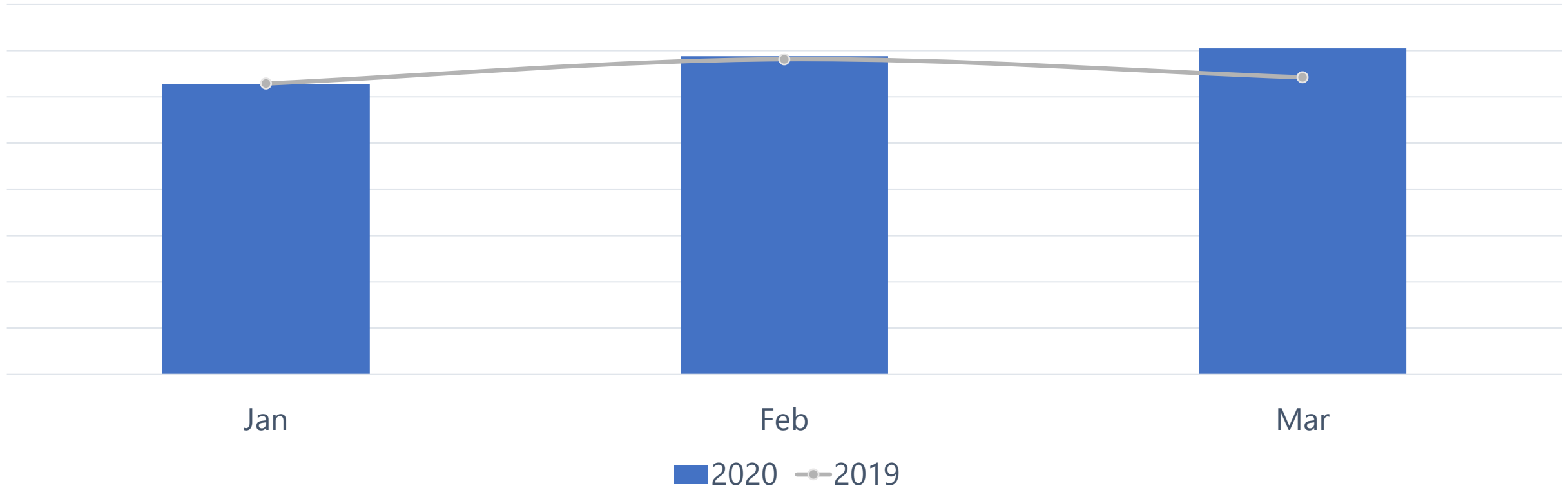
Source: Microsoft Internal Data Jan 1 – Mar 31, 2019 and Jan 1 – Mar 31, 2020. Economy, non-lux, and lux metrics based on inclusion of either new or used KWs; all clicks have been averaged daily.



Clicks for 'used + 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

Clicks

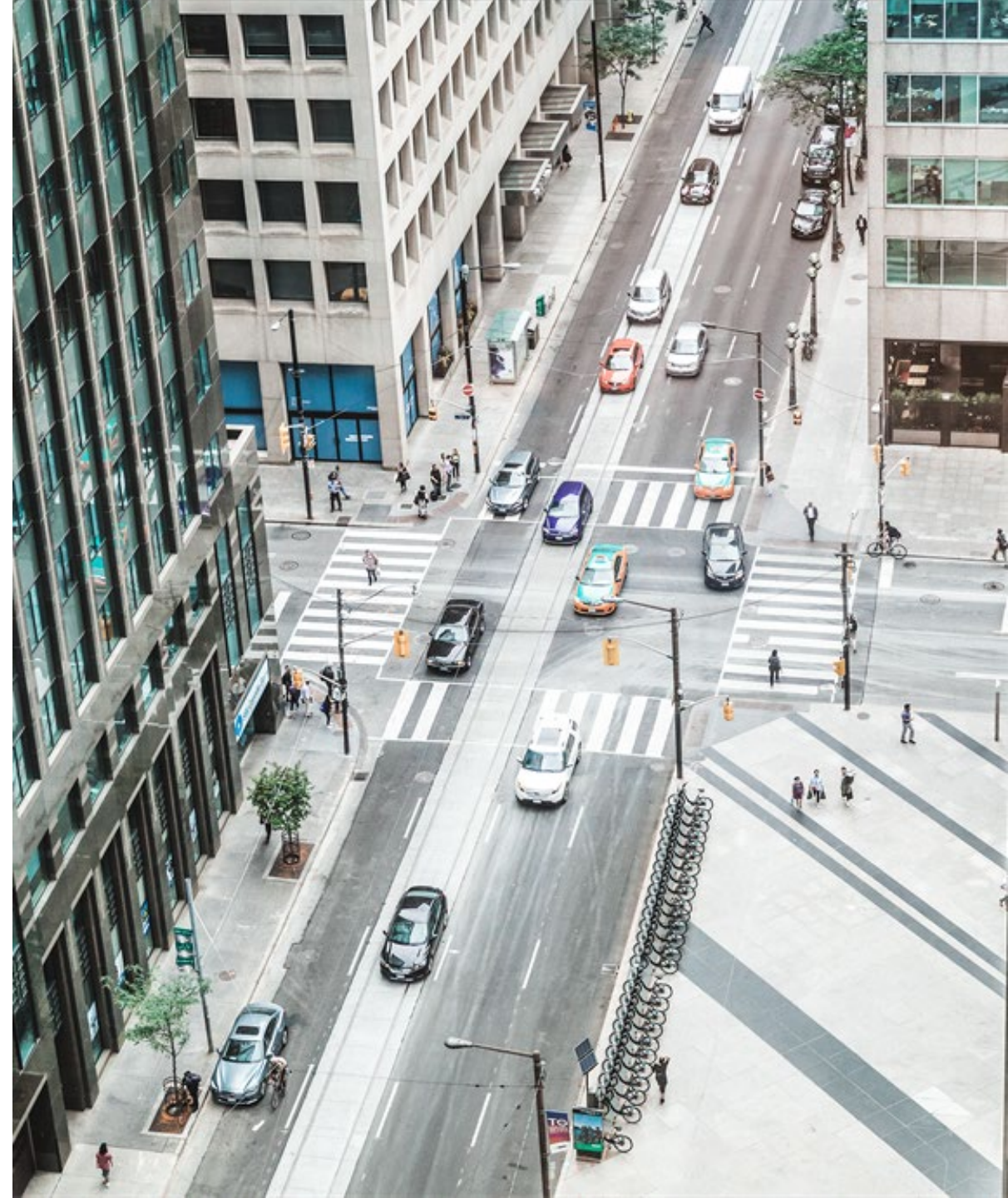


Source: Microsoft Internal Data Jan 1 – Mar 31, 2019 and Jan 1 – Mar 31, 2020.
Economy, non-lux, and lux metrics based on inclusion of either new or used KWs; all clicks have been averaged daily.

Appendix

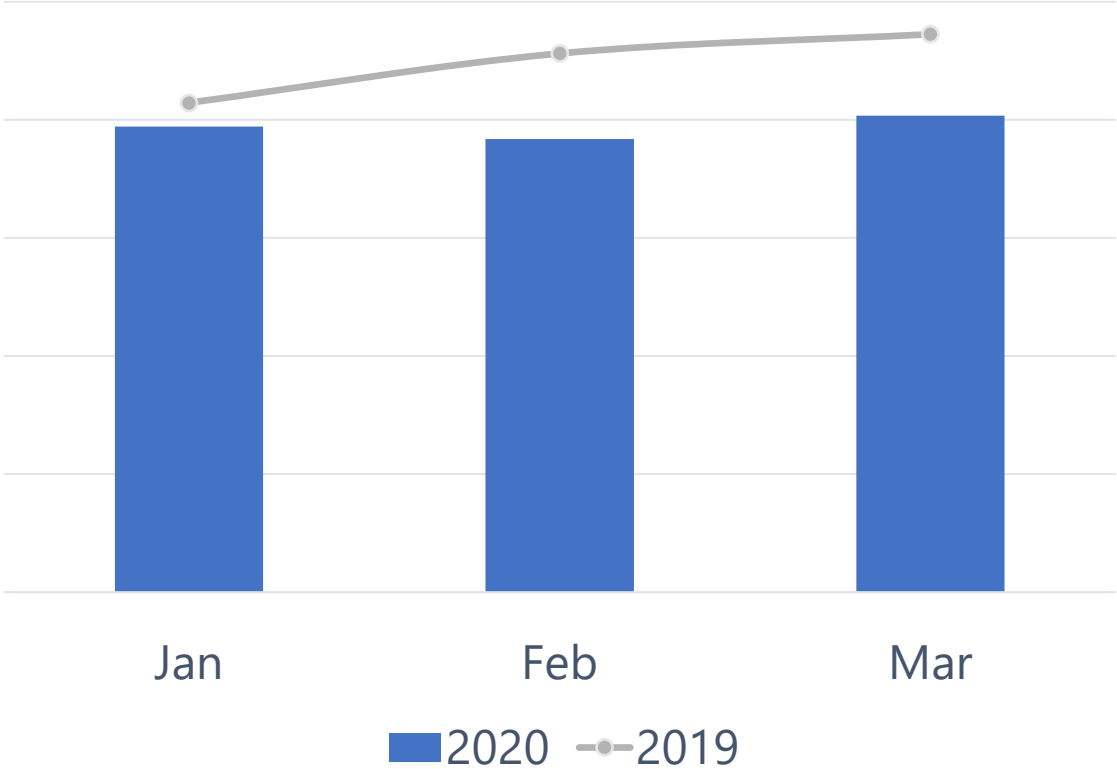
Year over year, year to date

- **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

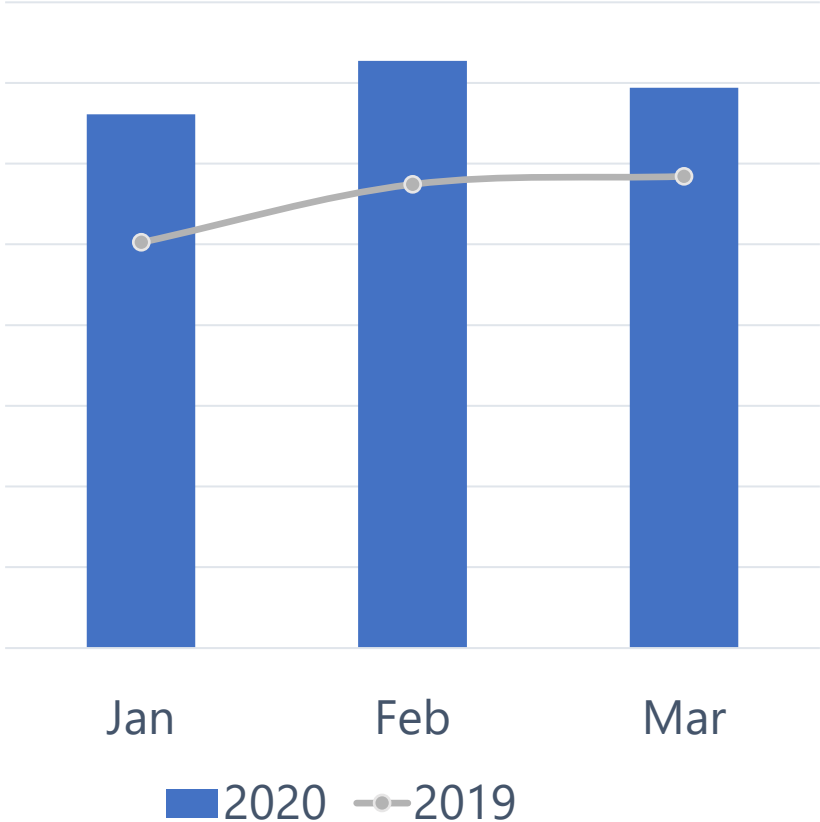


Daily average clicks for 'economy' ('new' or 'used' modified) vehicle KWs are up by +5.1% from February to March 2020 and down by -12% YoY YTD CPCs are down by -3.8% from February to March 2020

Clicks



CPC

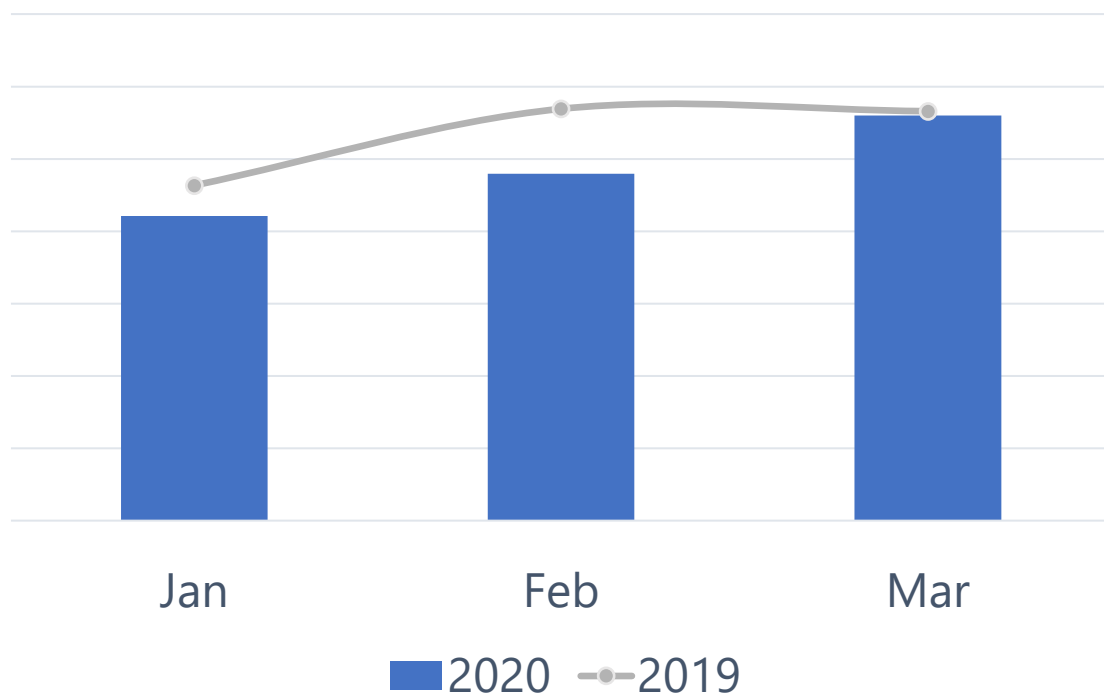


Source: Microsoft Internal Data Jan 1 – Mar 31, 2019 and Jan 1 – Mar 31, 2020. Economy, non-lux, and lux metrics based on inclusion of either new or used KWs; all clicks have been averaged daily.

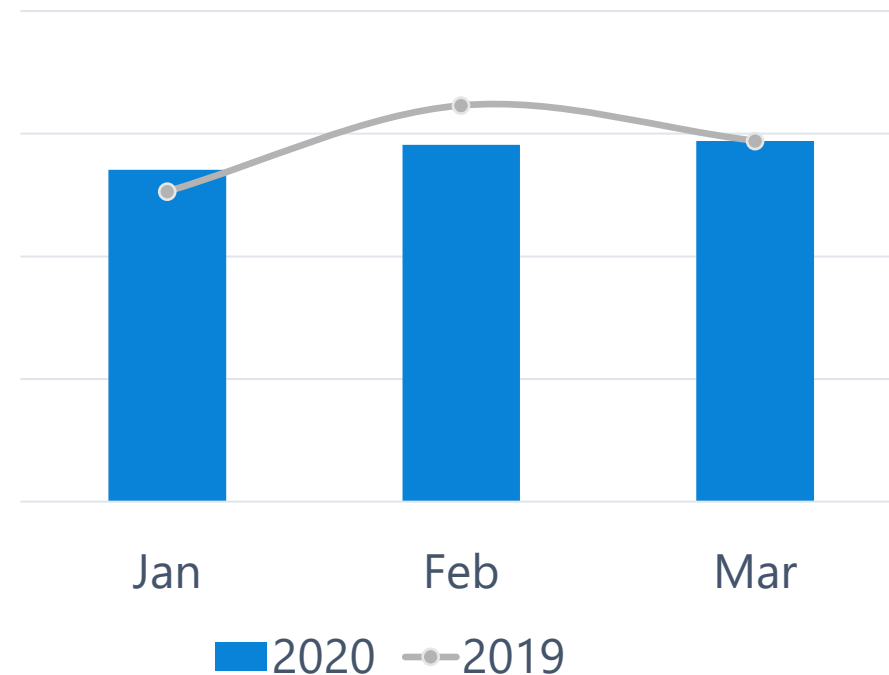


Daily average clicks for 'luxury' ('new' or 'used' modified) vehicle KWs are up by +16.8% from February to March 2020 and down by -8.6% YoY YTD
CPCs are up by +0.9% from February to March 2020 and down by -1.4% YoY YTD

Clicks



CPC



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.

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](#)

