



MICROSOFT ADVERTISING INSIGHTS

Fueling the Future | the quest for electrified vehicles



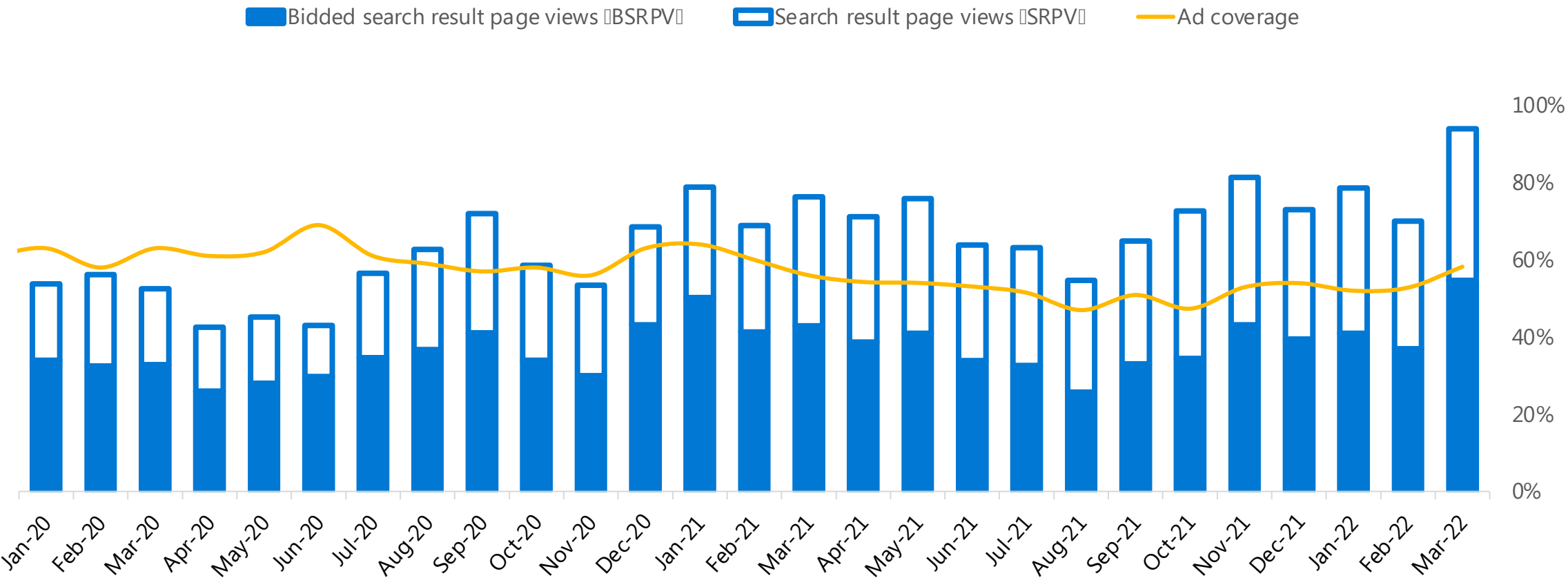
Microsoft Advertising. Great relationships start here.

Electrified marketplace

Consumer interest in electrified vehicles (EV) grew 27% year-over-year (YoY) in 2021; however, ad coverage lagged, down -11%

Most recently, electrified searches were up 34% MoM, but 42% did not trigger ads.

Electrified Searches

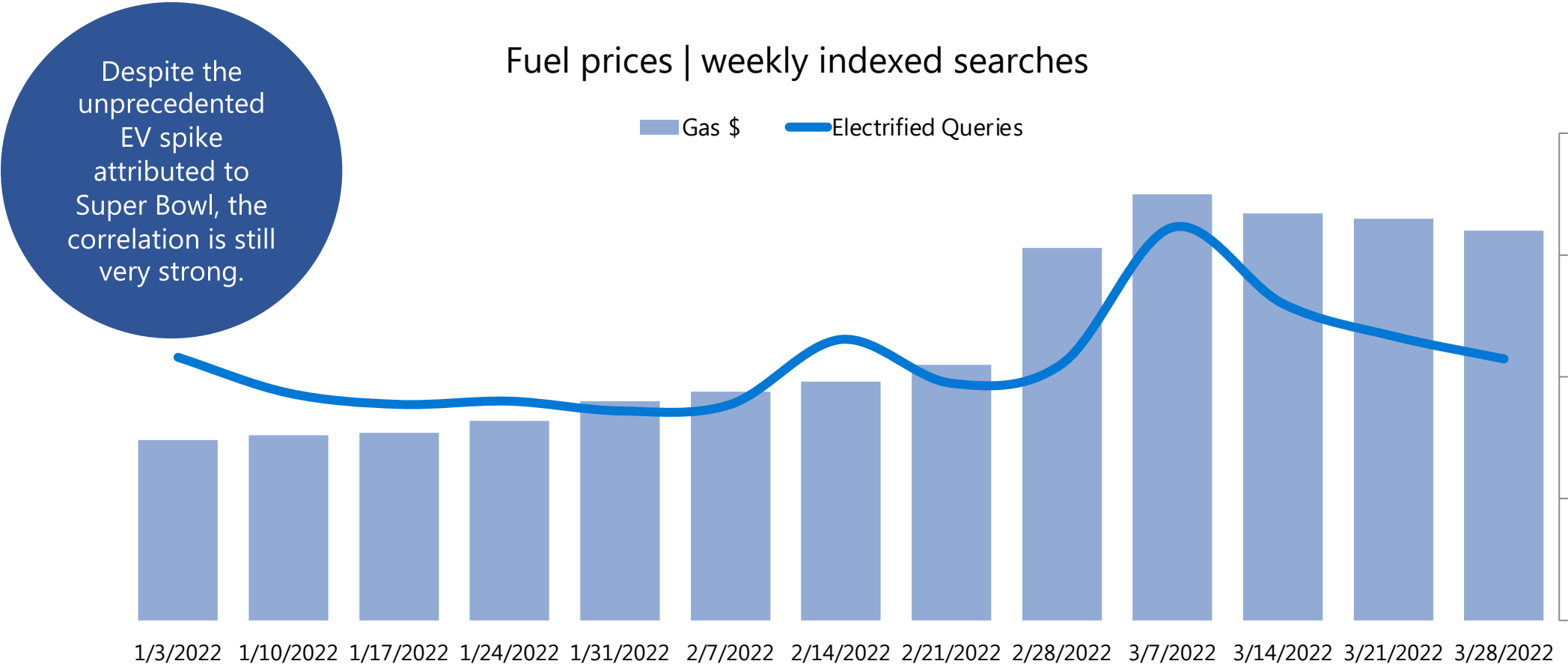


Source: Microsoft Internal Data, Jan 20 – Mar 22. Electrified searches include hybrid, plug-ins and electric brand and non-brand.
BSRPV = Bidded Search Results Page View



The rising cost of gas is influencing search behavior and transportation preferences

Electrified queries have a strong positive correlation with U.S. fuel prices.

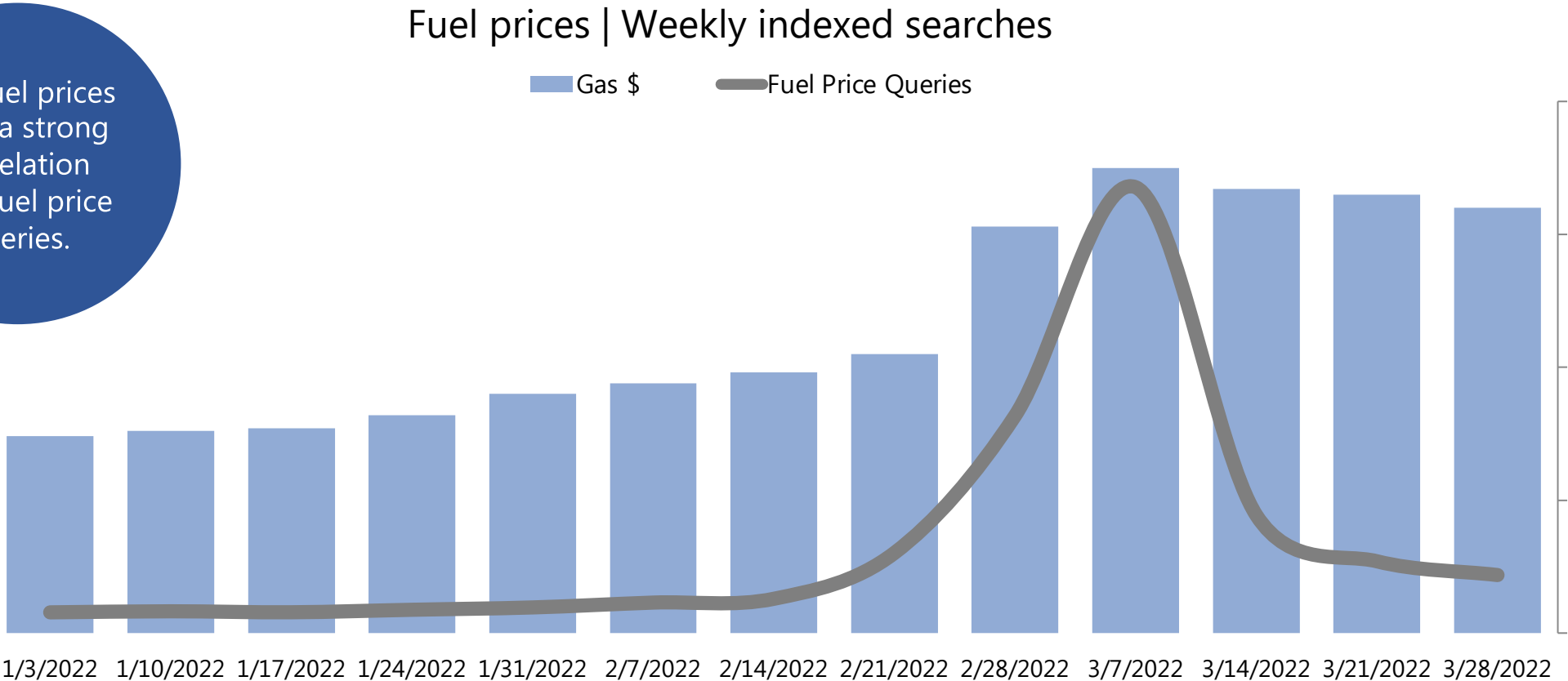


Source: Gasbuddy, Microsoft Internal Data O&O 2022 YTD; SRPVs indexed share against all queries.

The rising cost of gas is influencing search behavior and transportation preferences

Reach potential customers solving for the rising gas prices by exposing your EV lineup on fuel price searches

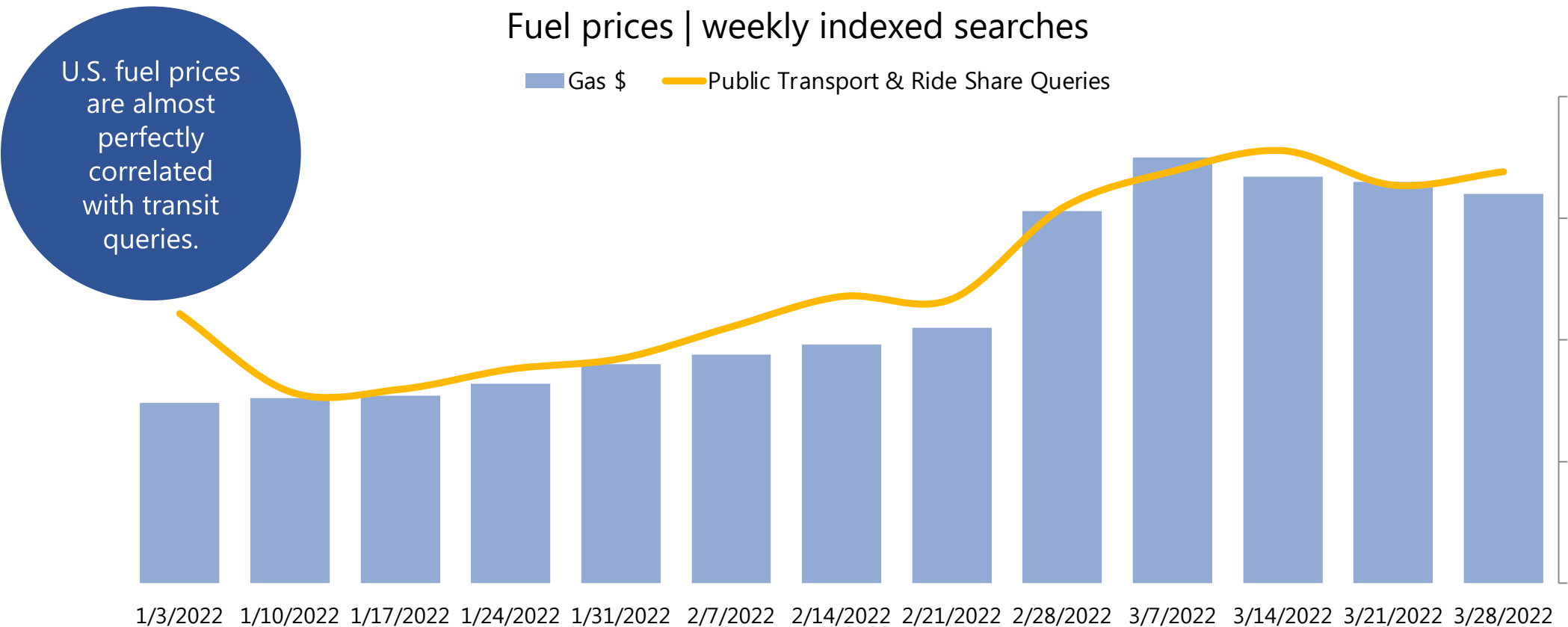
U.S. fuel prices have a strong correlation with fuel price queries.



Source: Gasbuddy, Microsoft Internal Data O&O 2022 YTD; SRPVs indexed share against all queries.

The rising cost of gas is influencing search behavior and transportation preferences

Reach potential customers solving for the rising gas prices by exposing your EV lineup on the Bus & Rail and Transportation in-market audiences



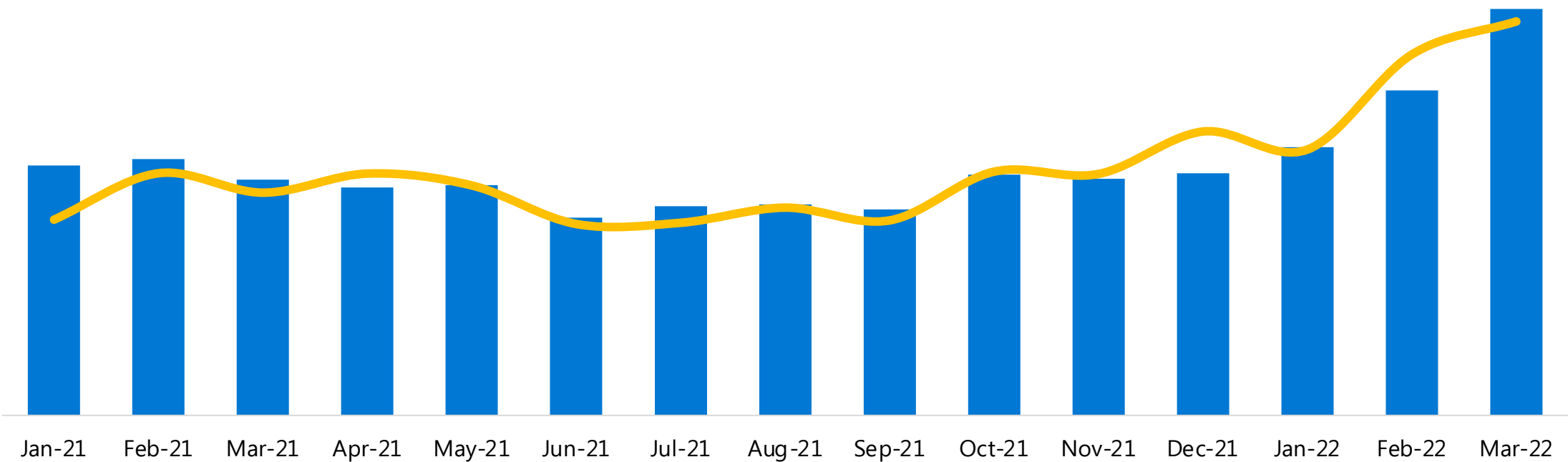
Source: Gasbuddy, Microsoft Internal Data O&O 2022 YTD; SRPVs indexed share against all queries.

Electrified clicks grew 25% month-over-month (MoM) and 72% YoY in March

Advertiser investment reflects how the industry is capitalizing on that growth

Electrified investment & clicks

Clicks Investment

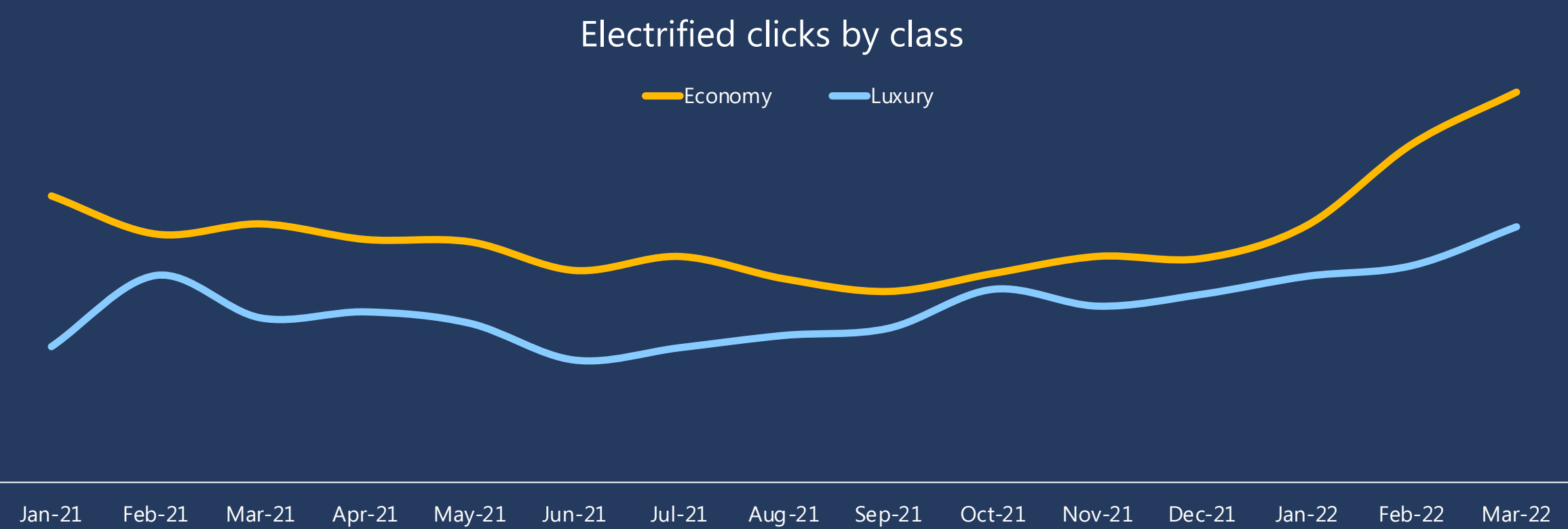


Source: Microsoft Internal Data Jan 21 – Mar 22. US.



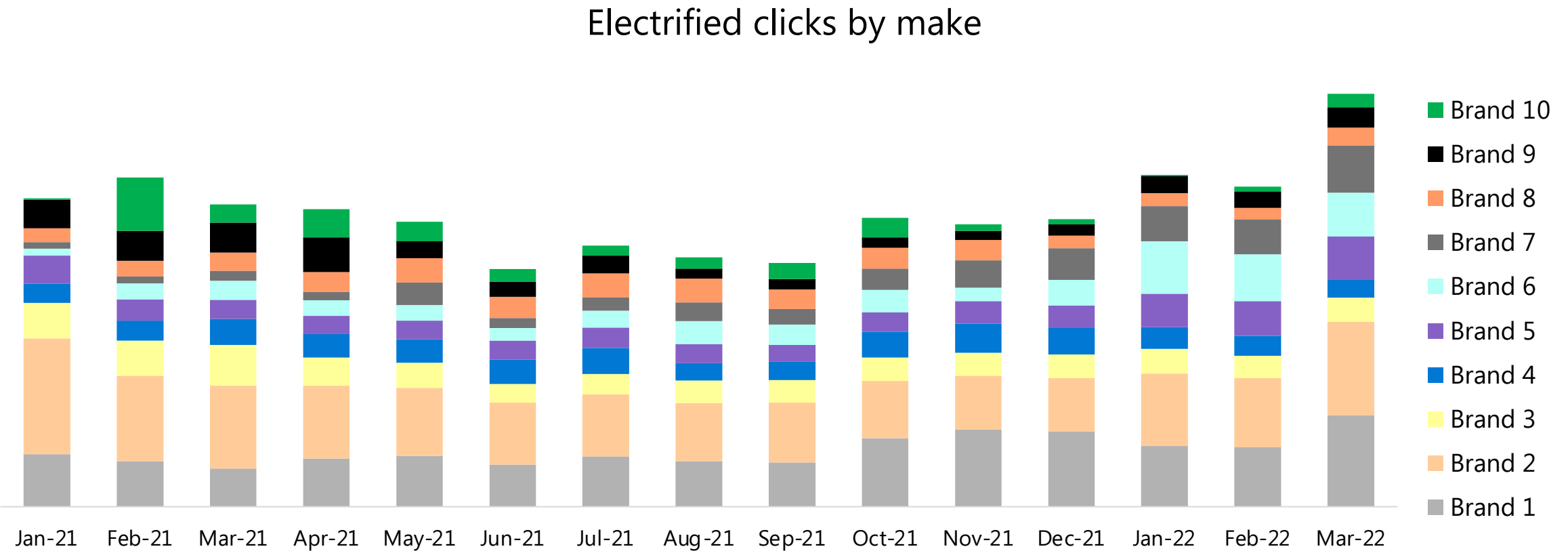
Electrified click growth is being driven by both economy and luxury makes

Luxury has seen steady growth, up 109% over the past 9 months. Meanwhile, Economy has accelerated more recently, up 104% over just the past 6 months and up 74% in the first 3 months to start the year.



Source: Microsoft Internal Data, Jan 21 – Mar 22. US.

Clicks have become more distributed in recent months, with a handful of makes leading the charge



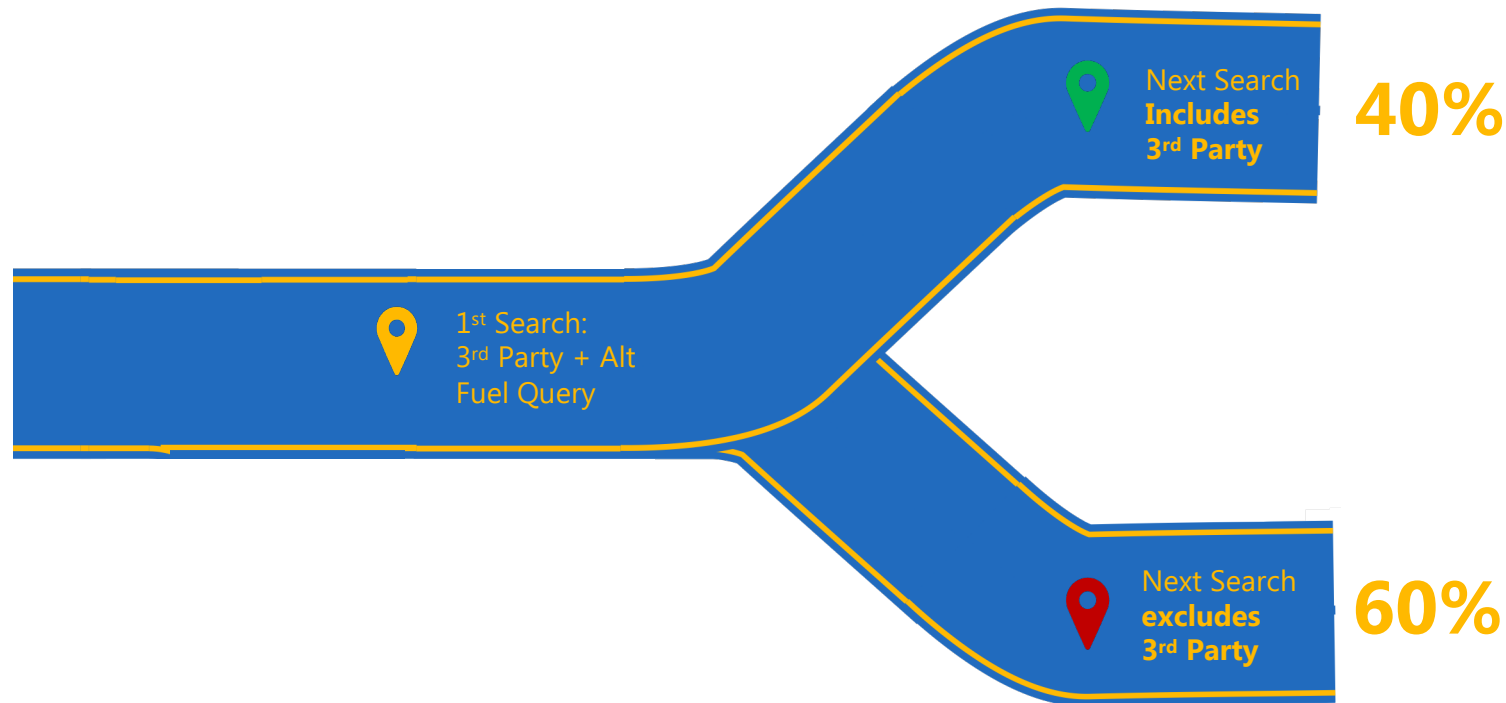
Source: Microsoft Internal Data Jan 21 – Mar 22. US.



The role of third parties

60% of electrified shoppers who search for 3rd party (3P) brands drop 3rd Party from their query in their next search

Third Party advertisers need to invest more in electrified searches, or else risk being left out of the increasingly prominent electrified journey

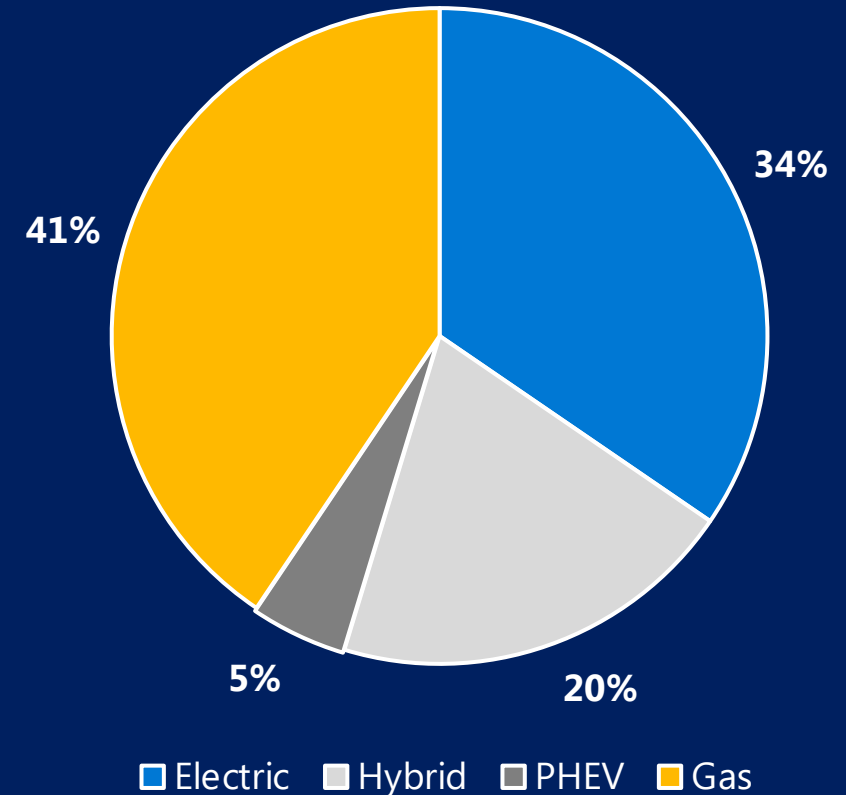


Electrified shoppers are 3x more likely to have searched for Hybrid vehicles versus EV/PHEV (plug in hybrid vehicles) models before searching for 3rd Party brand names. Consider tailoring ads on EV/PHEV keywords to prompt the same response (and subsequent search).

Pure gas model searches make up **41%** of 3rd Party shoppers' fuel-specific queries.

Source: Microsoft Internal Data, 2021.
Excludes aftermarket/parts & service.
¹3P shoppers defined by at least one click on a 3P ad; queries weighted by 3rd click share by user.

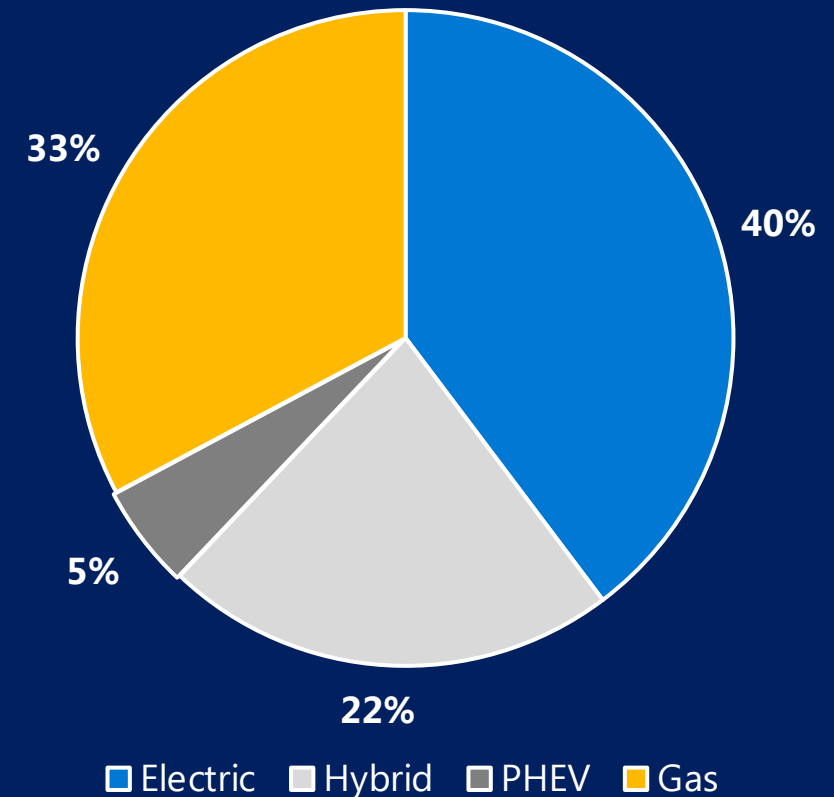
Weighted fuel type query volume
by 3rd party ad engagement



However, the *average* 3rd Party shopper¹ searches for EVs most frequently, exceeding pure Gas by 21%.

Source: Microsoft Internal Data, 2021.
Excludes aftermarket/parts & service.
¹3P shoppers defined by at least one click on a 3P ad; queries weighted by 3rd click share by user.

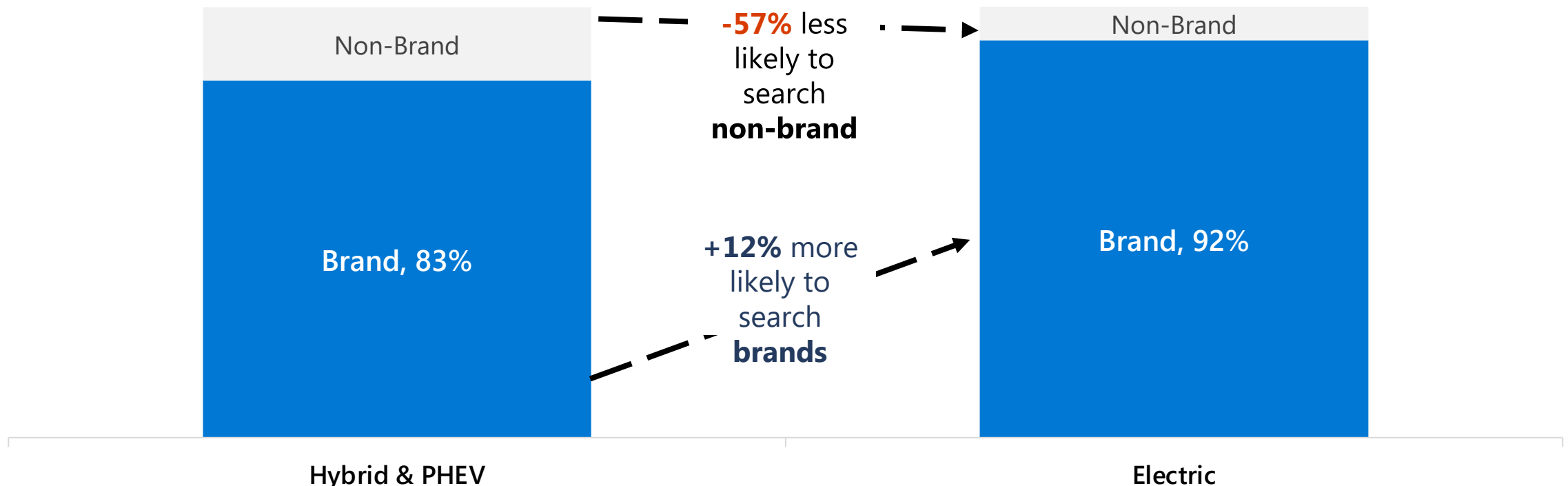
Weighted fuel type query volume by 3P ad engagement | By average 3P shopper



89% of 3rd Party shoppers' electrified-specific searches are branded

Hybrids and PHEVs are 2.3x more likely to be searched without a brand (original equipment manufacturer or 3P) modifier than EV queries.

Fuel query type | 3rd Party shoppers



Source: Microsoft Internal Data, 2021.
Excludes aftermarket/parts & service.

¹3P shoppers defined by at least one click a 3P ad; queries weighted by 3rd click share by user.

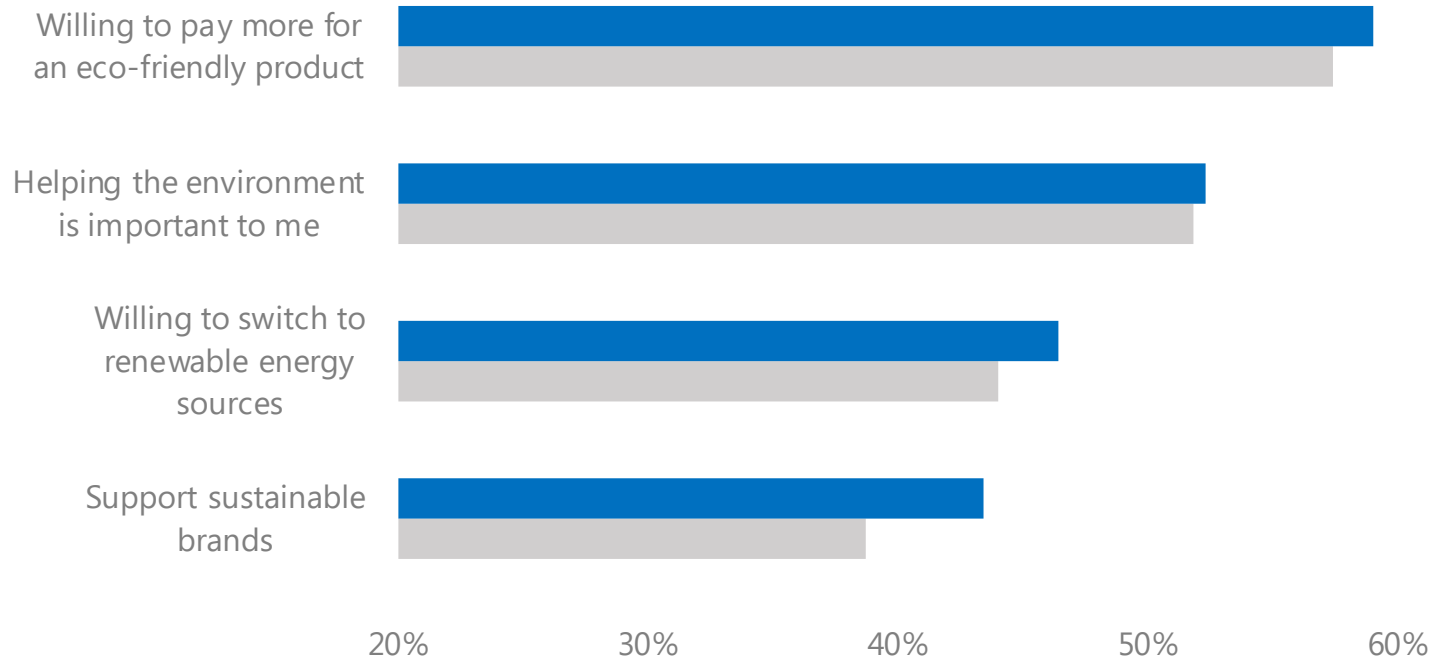
The electrified audience

Regardless of current vehicle ownership, many Microsoft vehicle shoppers value sustainability

Microsoft car buyers are 12% more likely to support sustainable brands than Google car buyers

% of in-market respondents¹ | sustainability values

■ Microsoft ■ Google



Additionally, 56% of Microsoft car shoppers indicated they were **more likely to be loyal to brands they like** in Q4.

Highlight sustainable features from your electrified line-up with video ads on the Microsoft Audience Network.

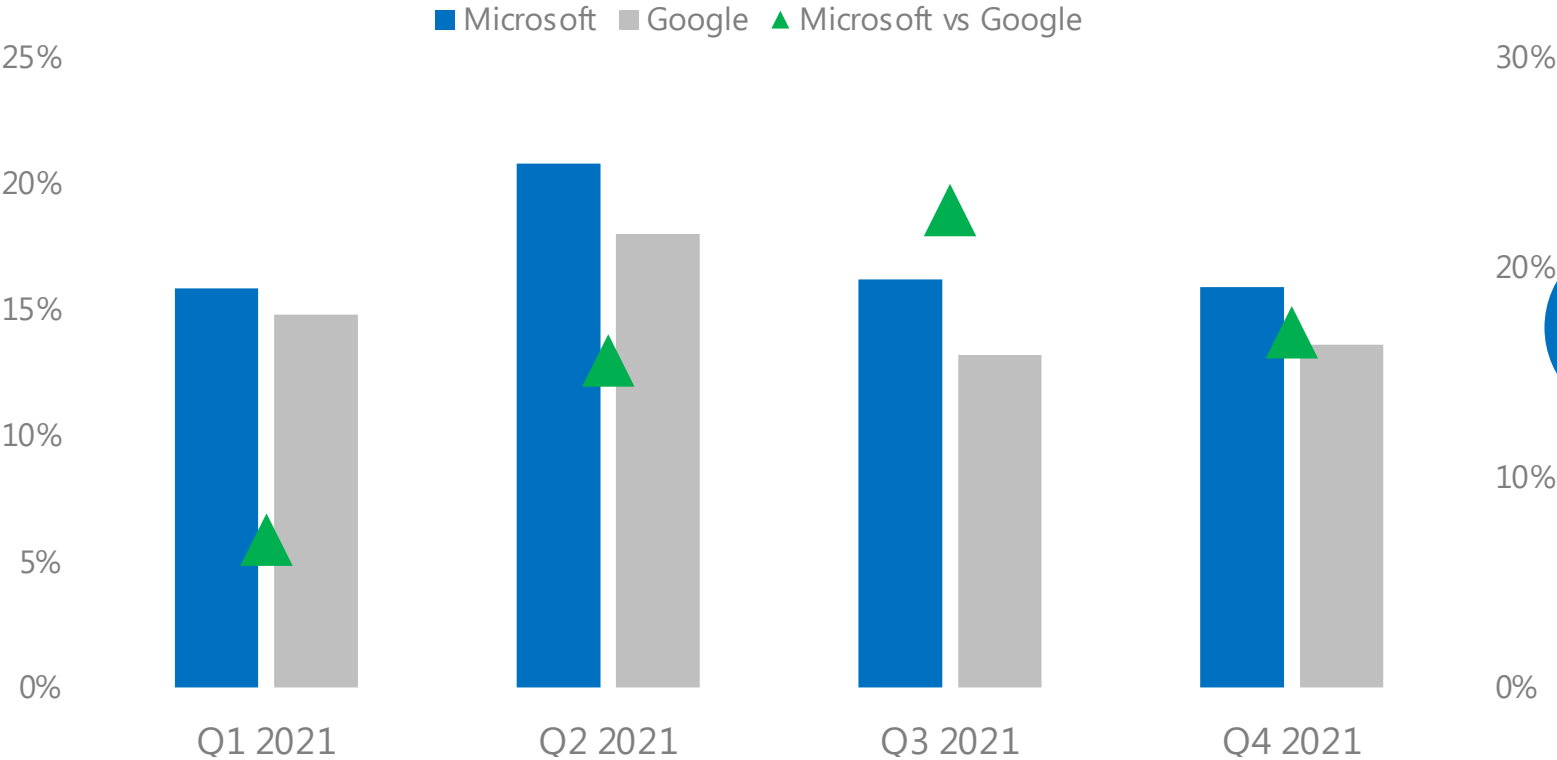
Source: US GWI 2021

¹ Plan to purchase a car in the next 3-6 months

Microsoft users consistently over-index in *share of electrified¹ vehicle owners* that are in-market-again as compared to Google users

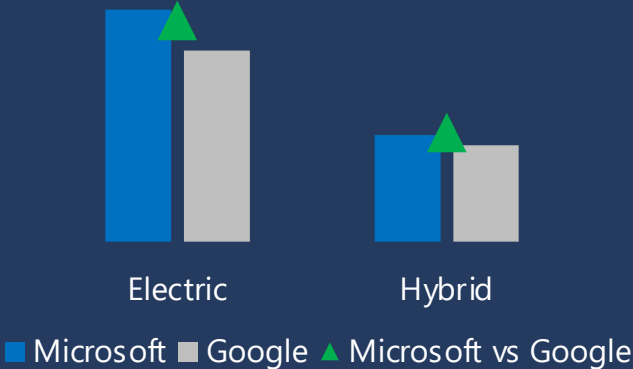
In Q4, Microsoft electrified vehicle owners were 17% more likely to be in-market for a vehicle than Google electrified vehicle owners

% of in-market respondents² | electrified vehicle owners



Source: US GWI 2021.
Δ: % Difference Microsoft vs Google with Google as the baseline.
¹ Electric or Hybrid | ² Plan to purchase a car in the next 3-6 months

Q4 | alternative fuel type owned

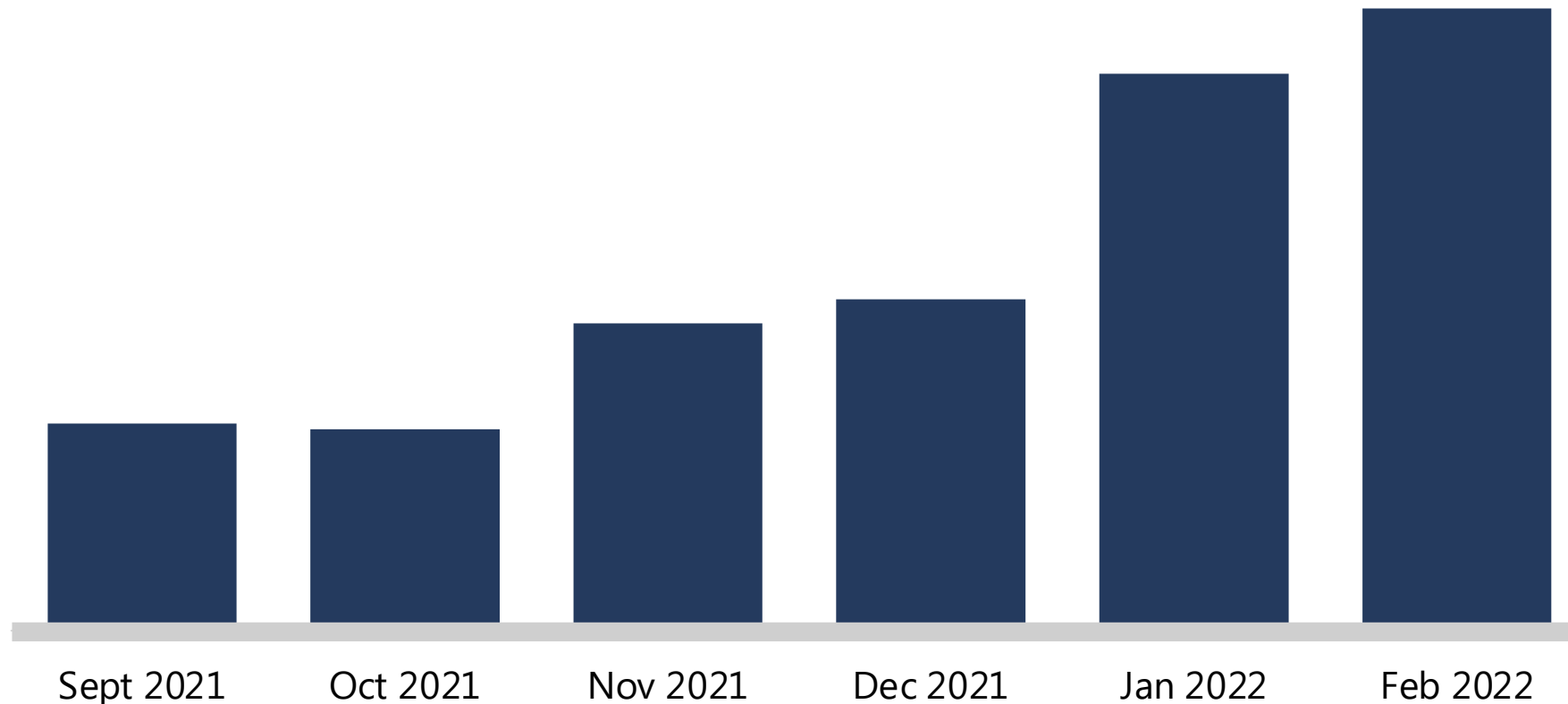


38% of Microsoft News (MSN) users indicated having **interest in owning an electric vehicle** in their lifetime².

The Hybrid & Alternative Vehicles In-Market Audience on the Microsoft Network increased **3x** in size over the **last 6 months**

Reach this rapidly growing in-market audience on the Audience Network for upcoming electrified model launches

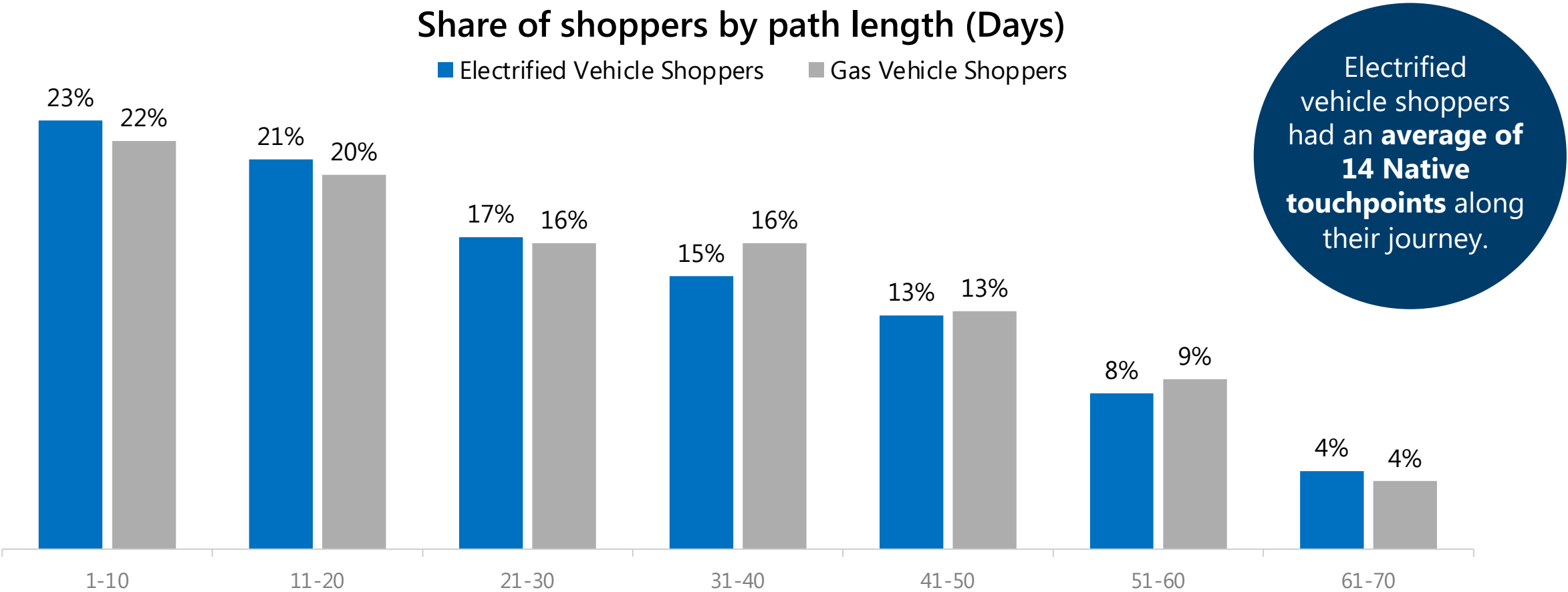
Hybrid & Alternative Vehicles In-Market Audience Size




The Autos & Vehicles in-market audience (IMA) grew **1.5x** in size over this period, while the Hybrid & Alternative Vehicles IMA grew at twice the rate.

With fewer choices, electrified vehicle shoppers were quicker to conclude their digital journey than exclusively gas vehicle shoppers.

Show up on Search & Native to effectively intersect these shoppers as they search for the right alternative.



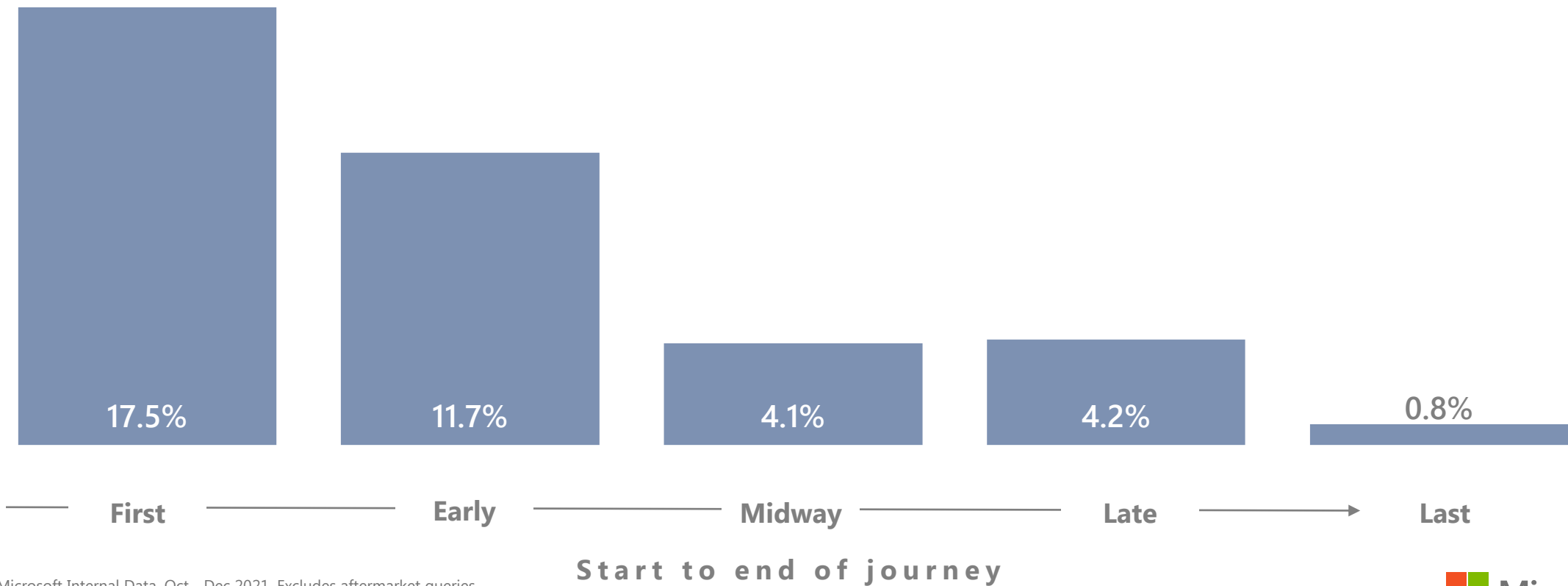
Source: Microsoft Internal Data. . Oct – Dec 2021. All journeys greater than 1 day

The shopper journey

38% of shoppers¹ who complete their journeys with an electrified query have searched non-brand terms

Nearly half of these shoppers² initiate their journey without a brand in mind

First non-brand search occurrence in journey



Source: Microsoft Internal Data. Oct - Dec 2021. Excludes aftermarket queries.

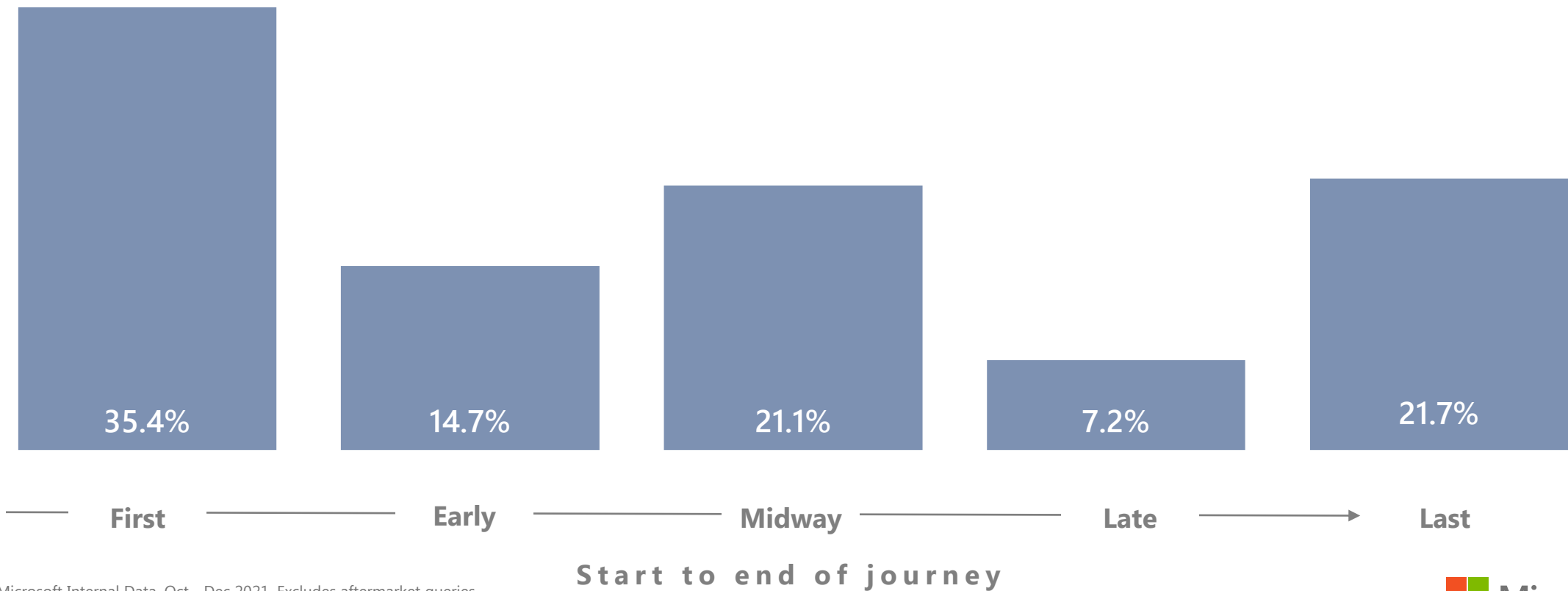
¹Last search of the user journey (ie no activity for at least 2 weeks) was electrified (brand or nb).

²Subset of last electrified searchers who included non-brand in their journeys.

50% of shoppers¹ who end their journeys with an electrified query convey interest in alt-fuels prior to the midpoint

The autos shopper can begin to consider electrified at any time during the path; your presence is critical during all touchpoints

First electrified search occurrence in journey



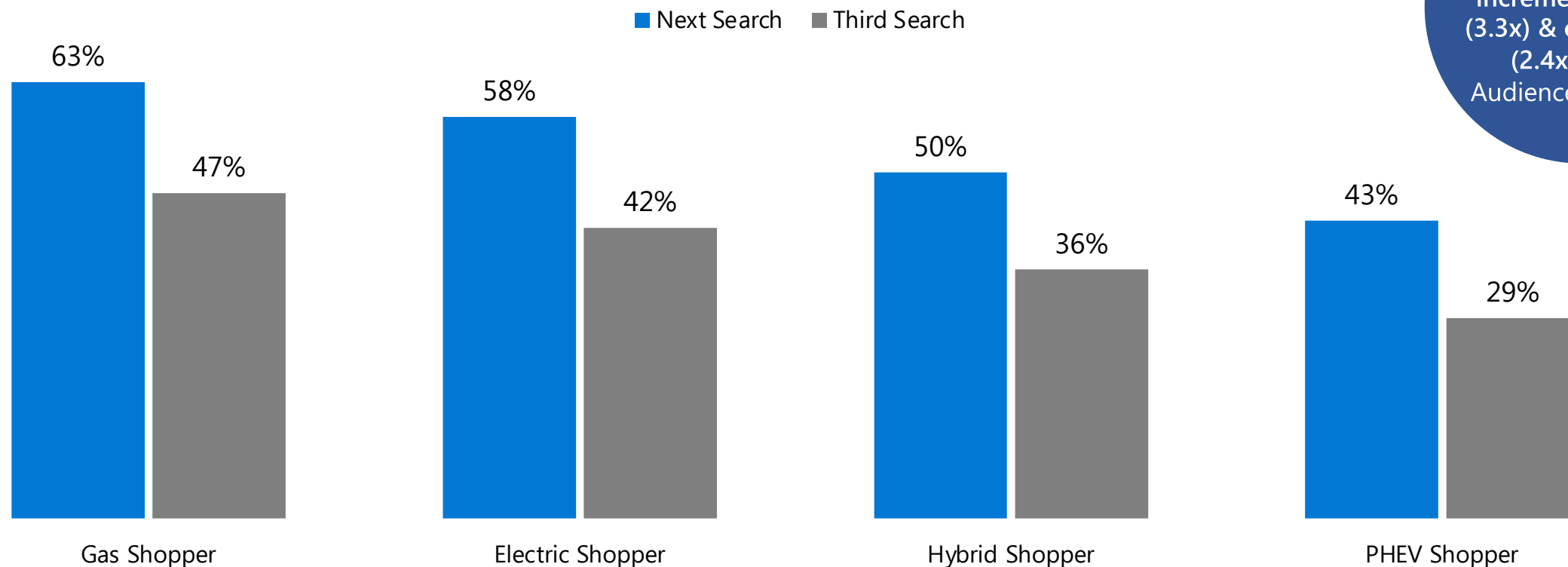
Source: Microsoft Internal Data. Oct - Dec 2021. Excludes aftermarket queries.

¹Last search of the user journey (ie no activity for at least 2 weeks) was electrified (brand or nb).

Hybrid and PHEV shoppers continue to have the lowest conviction on fuel type

Employ remarketing tactics to keep the Hybrid and PHEV audience engaged

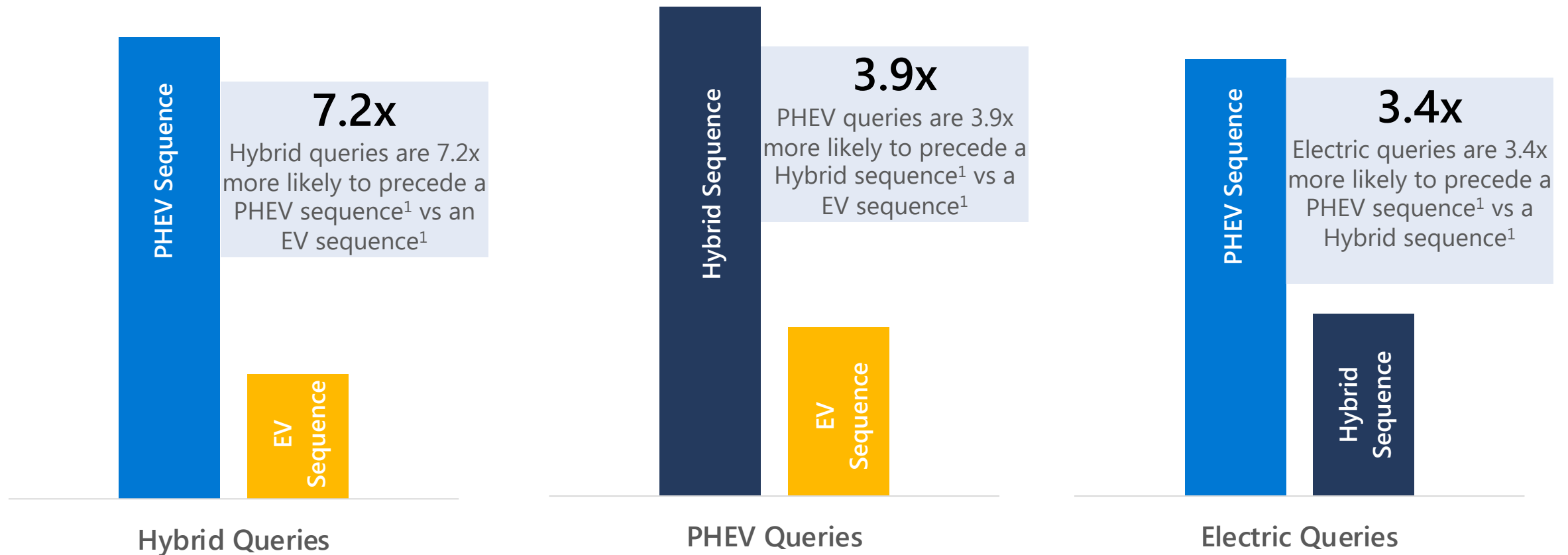
Share of shoppers searching for the same fuel type in the next query



Extend remarketing to Native to drive incremental traffic (3.3x) & conversions (2.4x) on the Audience Network¹.

There are clear affinities between fuel types even as shoppers cross-search alternative fuels

Expanding conquering strategies can be more fruitful when targeting a close fuel alternative



Source: Microsoft Internal Data. Oct - Dec 2021. Excludes aftermarket queries.

¹Fuel type sequence indicates the last of three searches was the mentioned fuel type.

Non-brand is 39% more likely to precede an electrified search than a gas search

Increase non-brand share of voice (SOV) in electrified campaigns and include both fuel and segment keywords



+49%

There are 49% more non-brand queries that precede a **phev** brand search than preceding a gas brand search.



+45%

There are 45% more non-brand queries that precede an **electric** brand search than preceding a gas brand search.

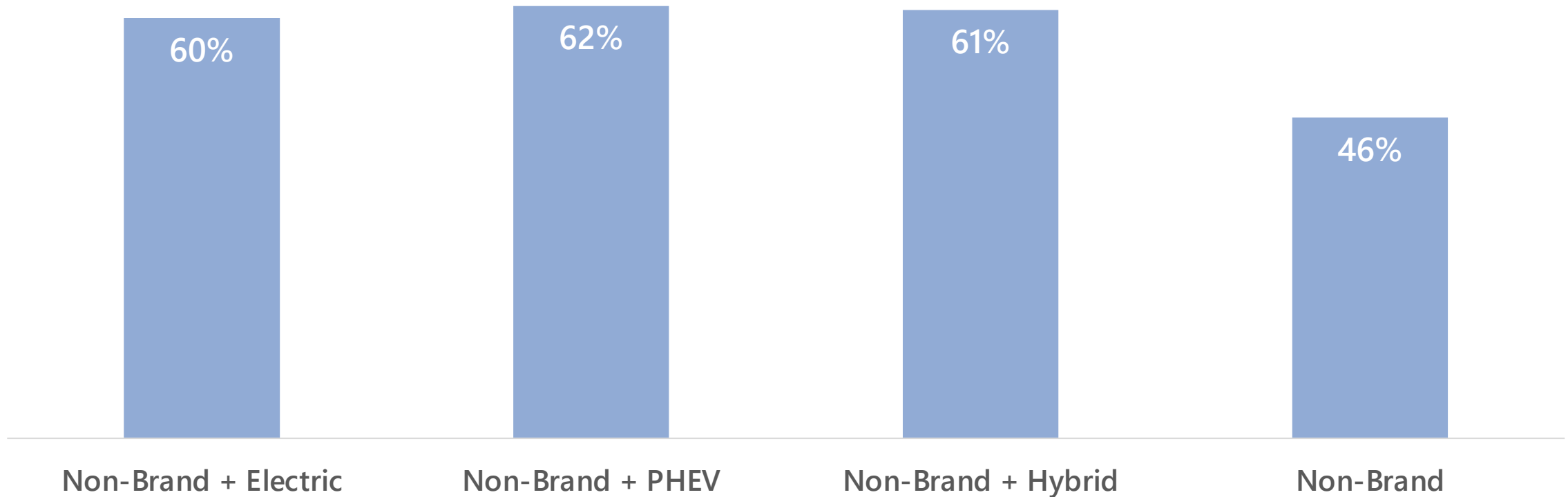


+27%

There are 27% more non-brand queries that precede a **hybrid** brand search than preceding a gas brand search.

Non-brand Fuel keywords lead shoppers to search brand more quickly than pure segment terms.

Share of shoppers moving from non-brand to brand by their third query

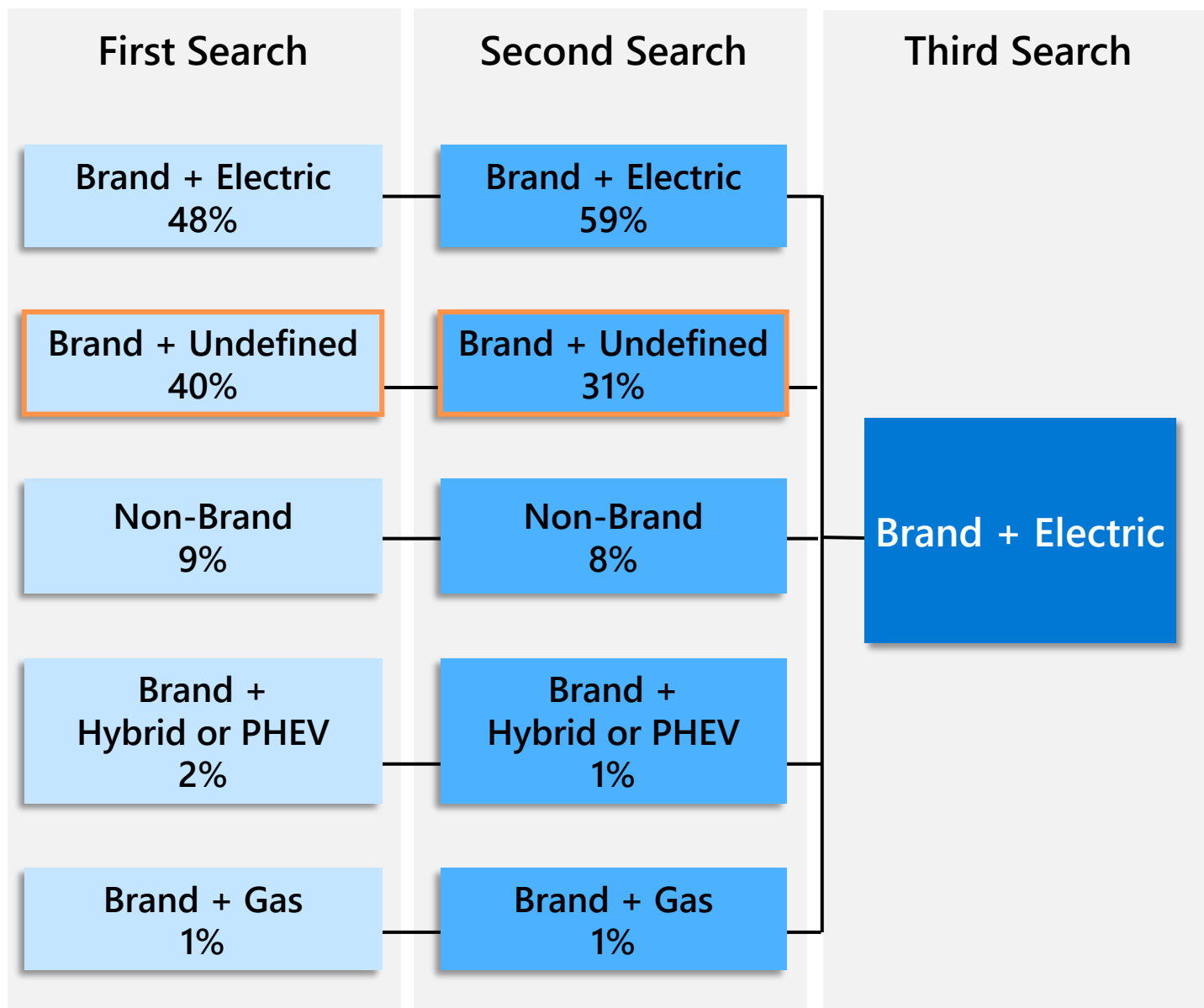


Shoppers are undecided on fuel type.
40% of shoppers searching for **Brand + Electric** were previously querying for **Brand + Undefined Fuel**.

new electric vehicles

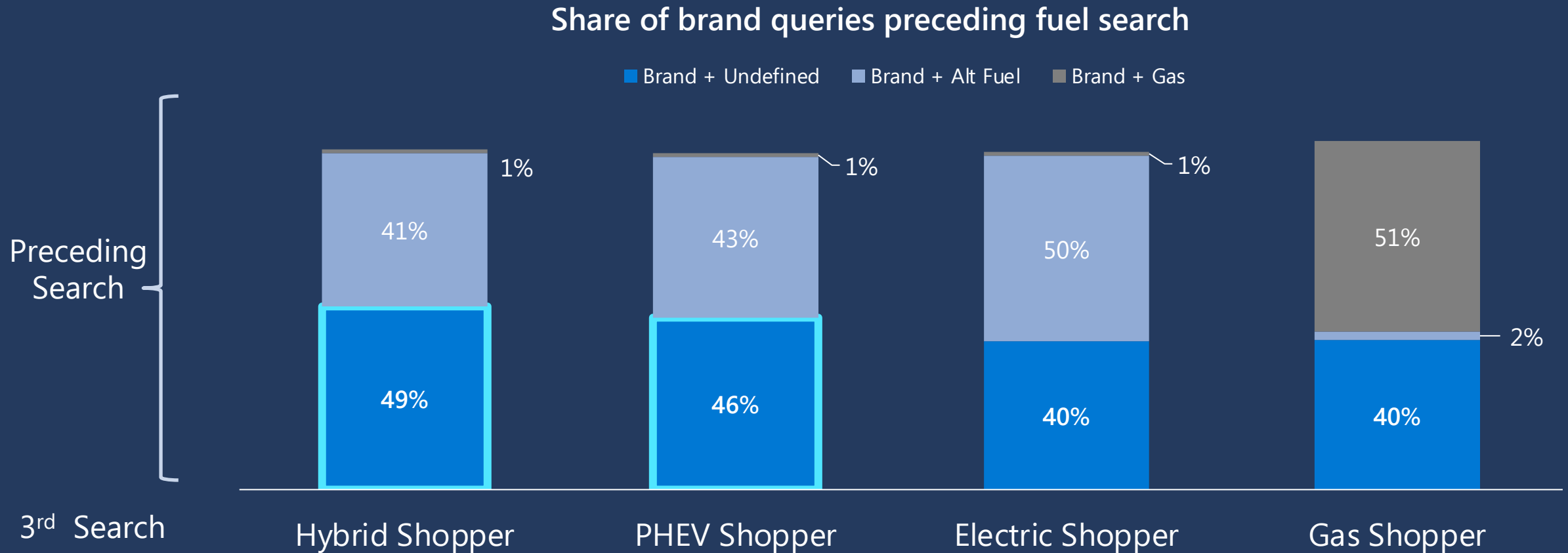


Sequences most commonly appearing in search patterns



A larger share of Hybrid and PHEV shoppers precede a fuel-specific query with an unspecified fuel type than Electric and Gas shoppers

Consider more upper-funnel strategies to influence the Hybrid and PHEV audience



Source: Microsoft Internal Data. Oct - Dec 2021. Excludes aftermarket queries.

Consumer interest in
alternative fuel vehicles is
growing.

There are now **2.5x** more models with
multiple fuel types than there are pure gas
models.

Shoppers search for electric models **22%**
more than they search for pure gas models.

Electrification – Key Learnings

As the marketplace shifts, consumer interest in electrified vehicles continues to increase, yet the coverage is lagging overall. There are unique opportunities for advertisers to get ahead of the curve by efficiently reaching these users across search, display, and native.

1

1 of 5 electrified consumers initiate their journey without a brand in mind and 64% without a fuel type specified. Ensure your electrified ads are serving on non-brand / undefined fuel type queries to provide direction to potential customers.

4

Showing up on search and native allows brands to intersect uncertain electrified shoppers and be there throughout their decision process.

2

Shoppers are undecided on fuel types, with Hybrid and PHEV shoppers leading the pack. Conquering against Hybrid, Electric, and PHEV will increase the likelihood of capturing undecided shoppers in their journey.

5

Microsoft users consistently over-index in the share of electrified vehicle shoppers compared to Google users. Leverage Bing and MSAN in electrified vehicle media plans to reach the *right* consumer.

3

60% of shoppers who have modified an electrified search with a 3P modifier will drop the 3rd party brand modifier in their next search.

6

The rising cost of fuel is driving search behavior and transportation searches. Get ahead of this shift and promote your electric lineup in less conventional forums.

To get actionable data, insights and best practices to help make decisions and grow your business, visit MicrosoftAdvertising.com/Insights



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