



Microsoft Advertising Insights Health Insurance seasonality in Australia

Microsoft Advertising. Intelligent connections.



Summary of findings



The health insurance industry has seen several positive signals including reforms targeting affordability, a hopeful start for 2021



User activity on the Microsoft Search Network has been resilient, especially given the disruption of the pandemic

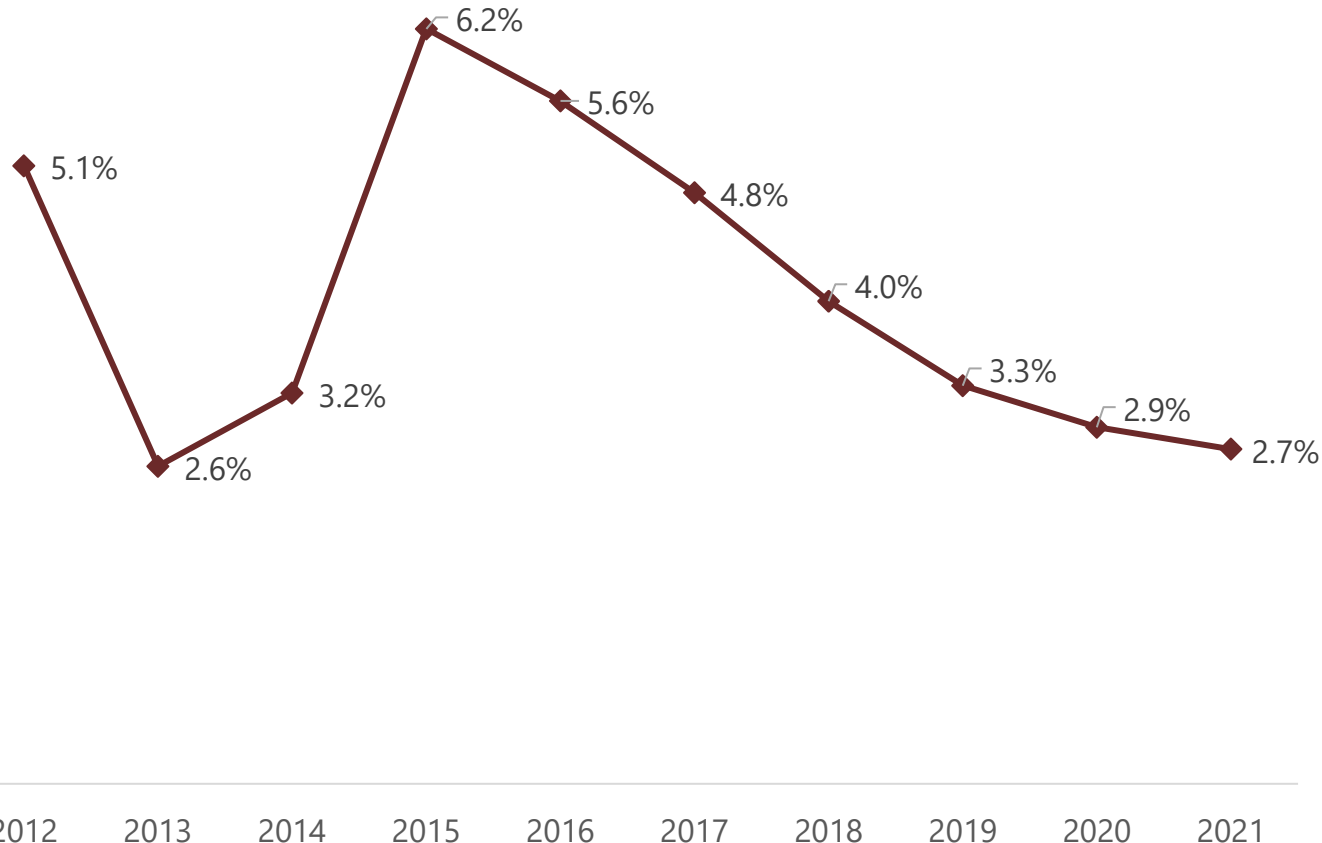


Seasonality is very prominent within this space, so careful and detailed preparation will be needed

There are many Microsoft Advertising features that you can leverage which will assist with engaging your customers in the market, just in time for the upcoming peak seasonality

The industry has showed recent signs of positivity, a welcome start to the new year

Average health insurance rate rise in Australia



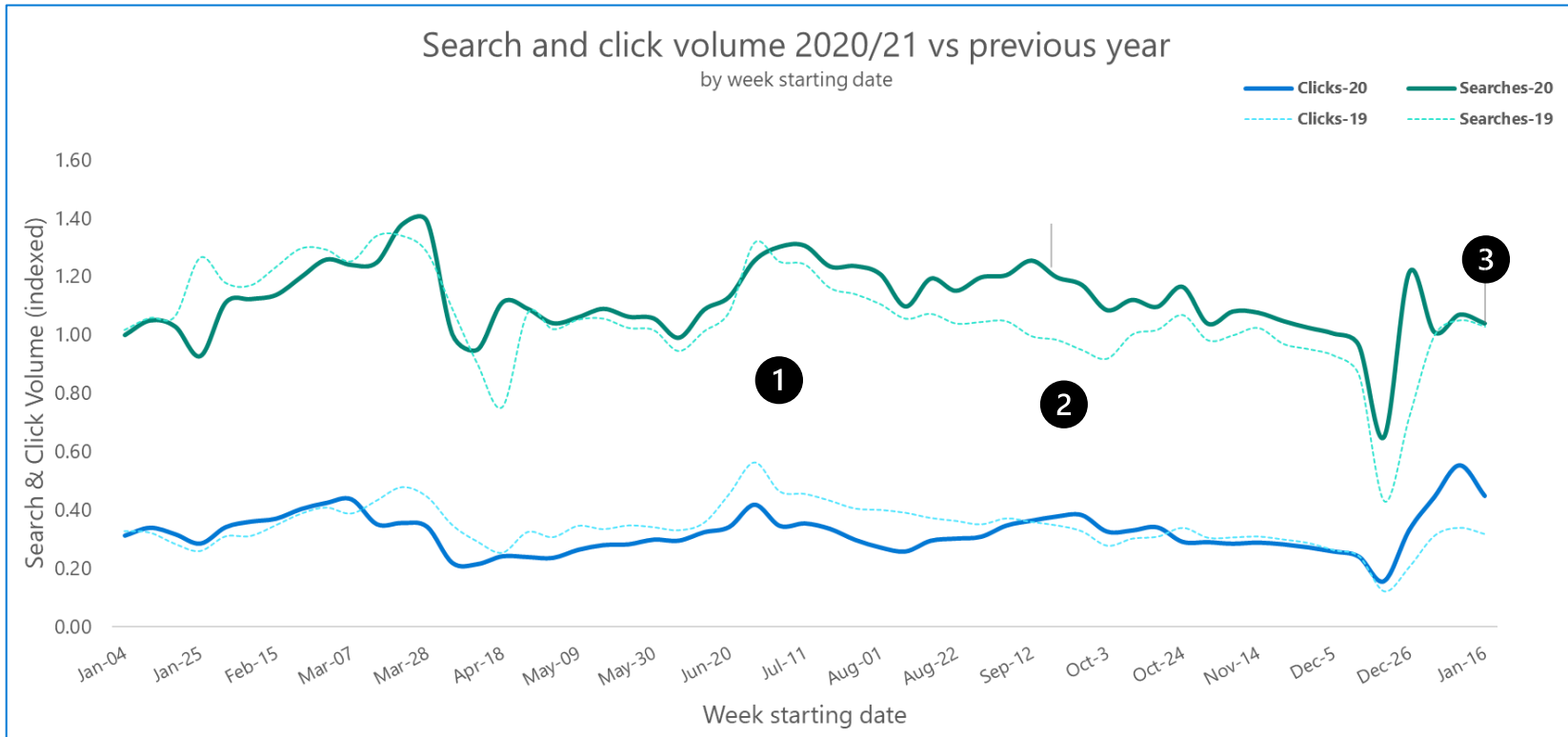
Data Source: APRA <https://www.apra.gov.au/quarterly-private-health-insurance-statistics>

Key positive signals for 2021

1. The average premium increase this year will be the lowest compared to the previous 8 years
2. Beginning April 1st, the maximum age for dependents will be raised to 31; this will help to increase affordability and keep younger people insured
3. September 2020 Australian Prudential Regulation Authority (APRA) data shows an increase in policy holders of roughly 53,000 compared to the previous quarter

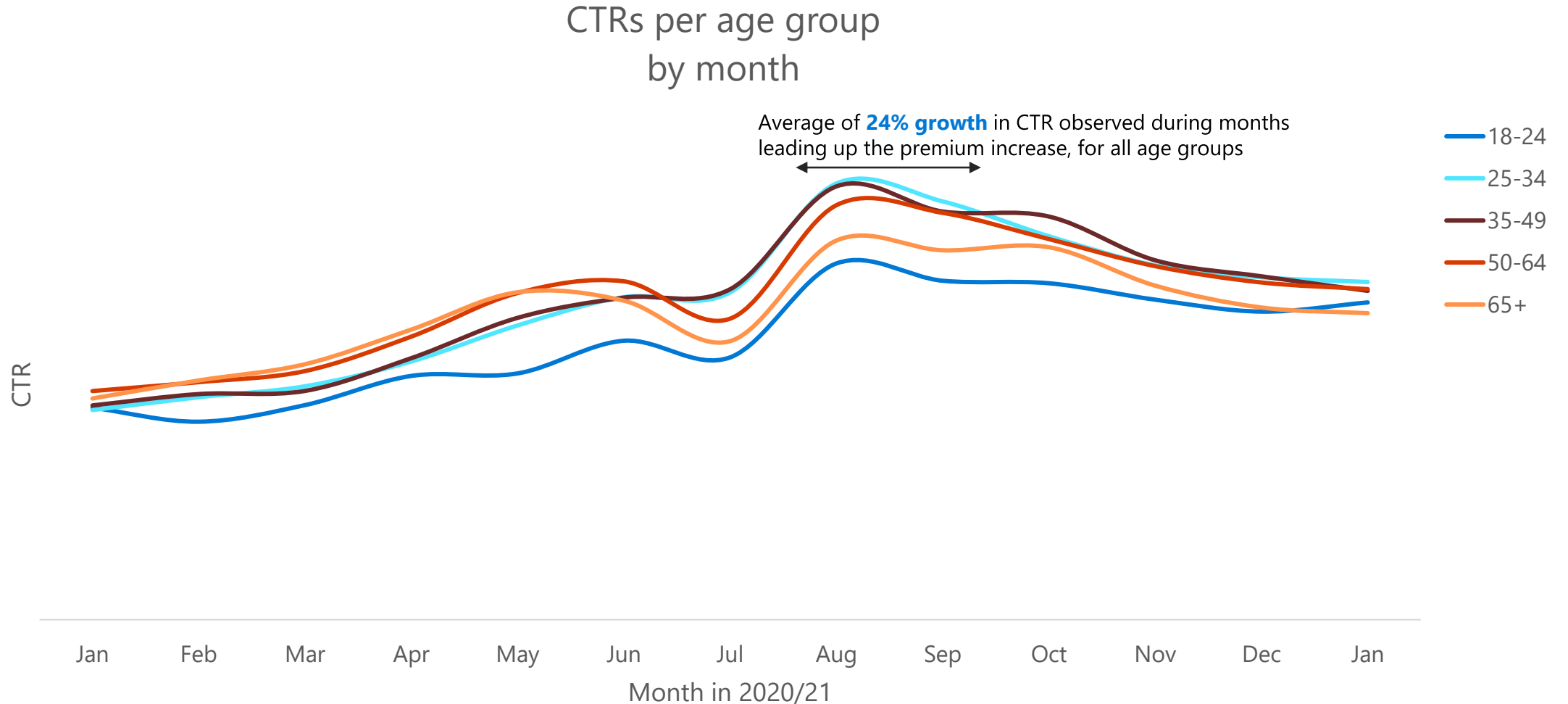
These positive signals within the industry will be monitored within the current economic climate

Seasonality continues to play an important role in search and click volume



1. High volumes show end of fiscal year (EOFY) seasonality for users focusing on Medicare levy surcharge
2. Growth in September to October search and click volumes year over year (YoY) driven by the late switching seasonality from the October 1st delayed premium increase
3. Fast recovery post holiday period and search and click growth YoY in the first few weeks of 2021 show a strong start to the second half of the financial year

Within these seasonal months leading up to a premium increase, a rise in click through rates (CTRs) also indicates heightened user engagement

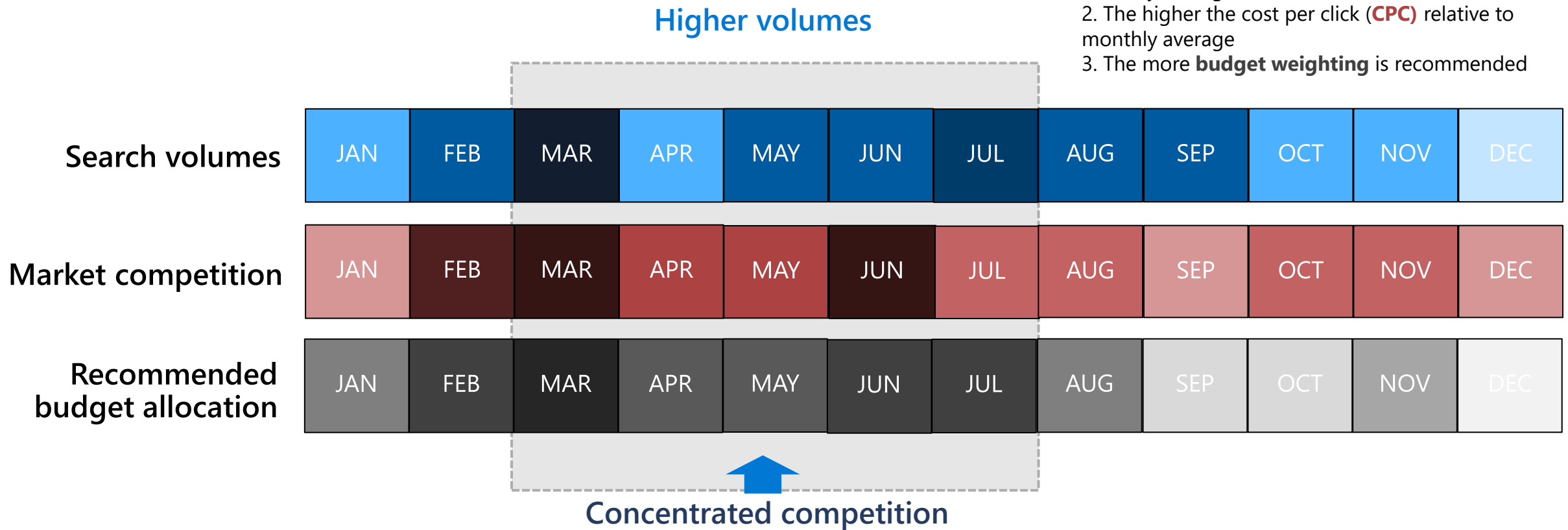


Use search volume and competitive market data to flight budget throughout the year

How to read the chart:

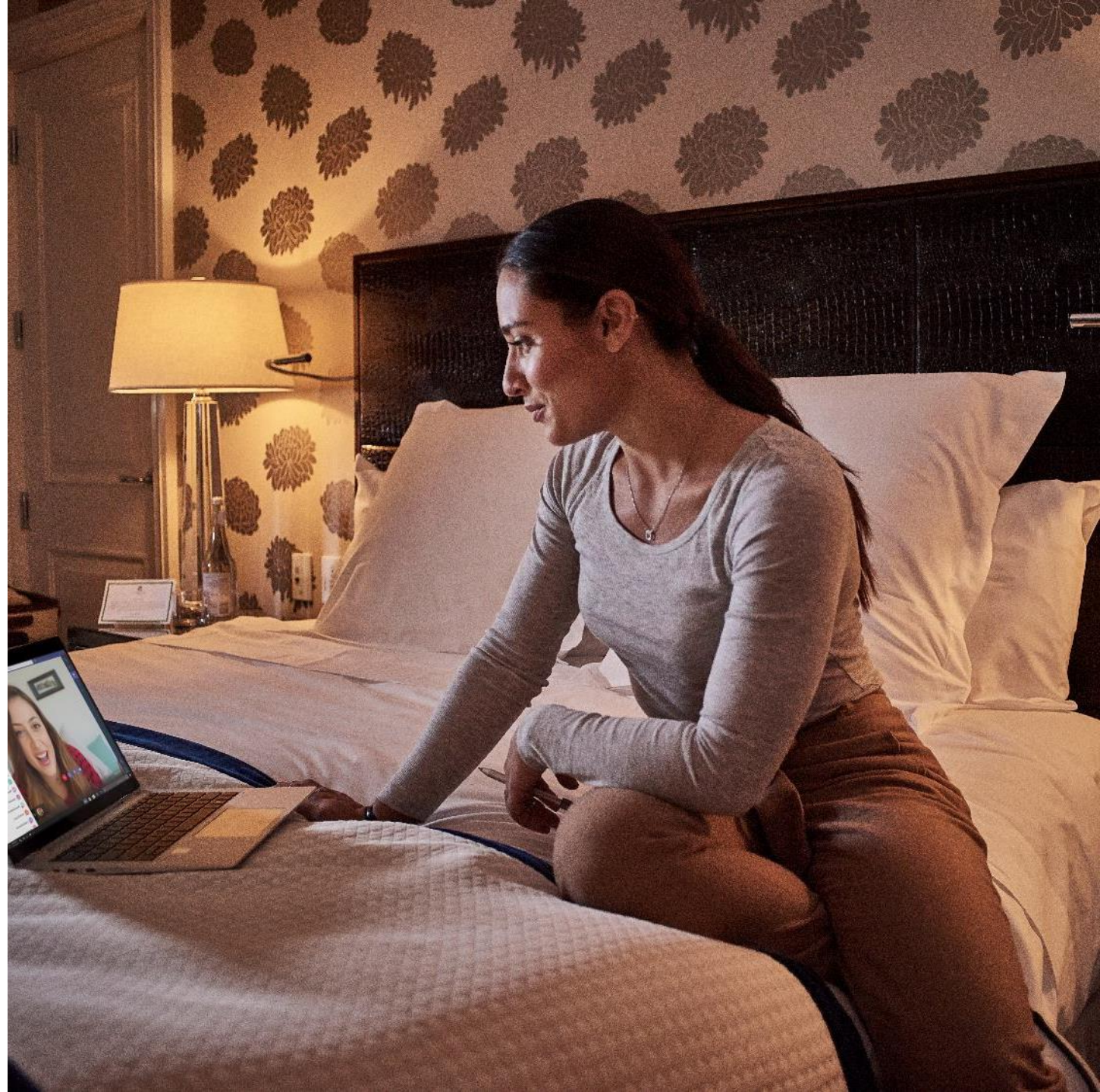
The **darker** the opacity highlights

1. The higher the **search volumes** are relative to the monthly average
2. The higher the cost per click (**CPC**) relative to monthly average
3. The more **budget weighting** is recommended





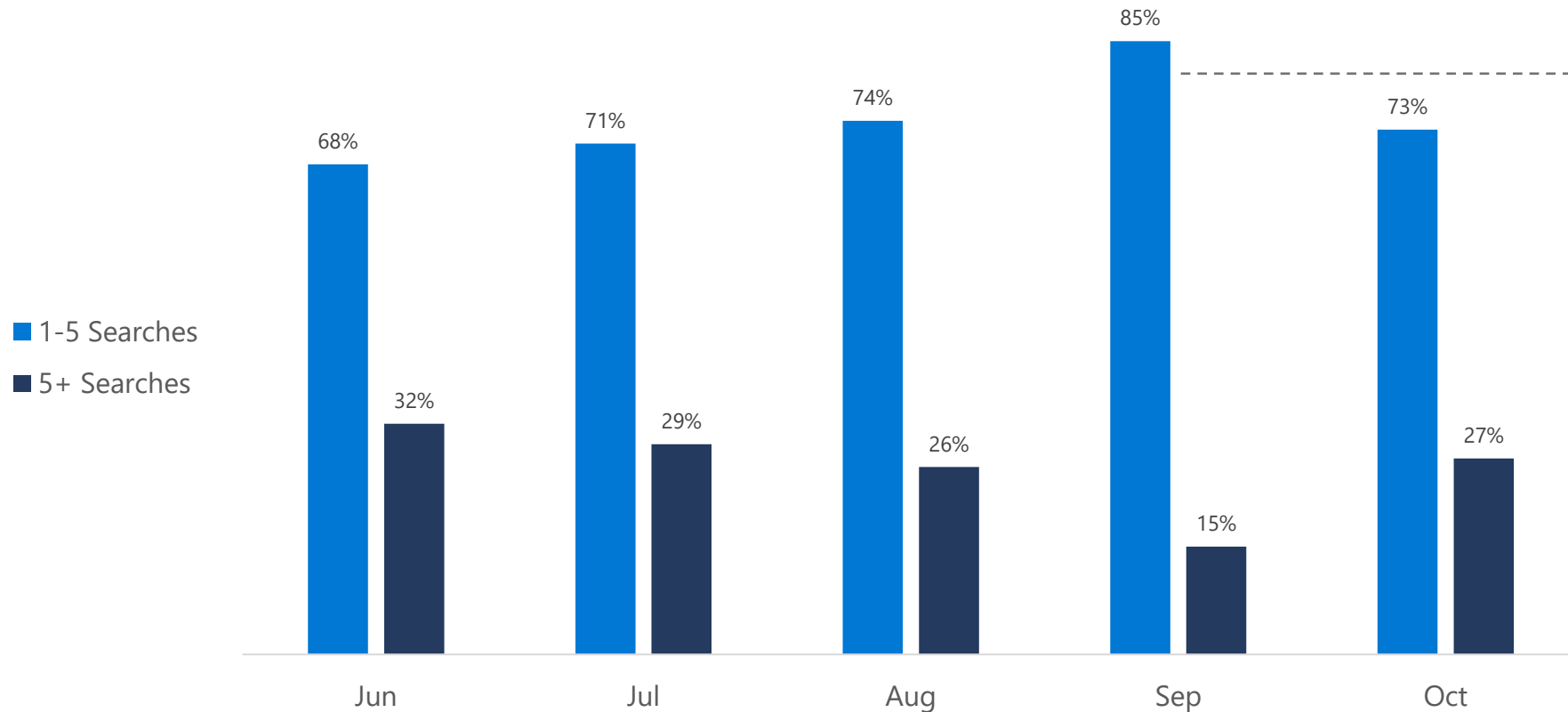
The user search Journey



The path to conversion is shortest during switching season (September)

Maintain main line presence during June and July due to the expected fast paced nature of conversions

% of all journeys by search length
by month



The proportion of journeys that convert in 1-5 searches is **19% higher** during September vs. monthly average*

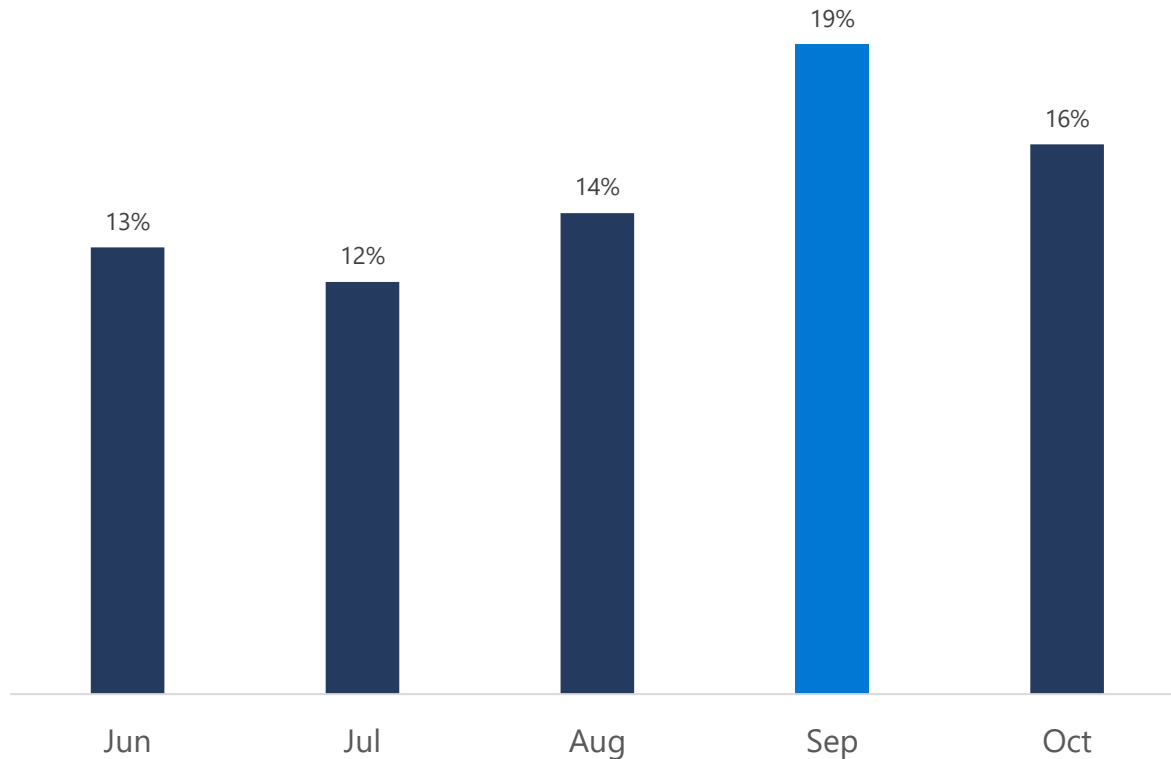
*Monthly average is the average % of journeys within that month for June, July, August, and October 2020.

Source: Microsoft internal data | Query Path Analysis output | Health Insurance | Jun – Oct 2020 | Conversion and Search data | All Devices | Paid & Organic

Users actively shop around for the best deal in switching season

Shown below through click uplift in generics and comparison-based queries

Generics as % of total health insurance clicks
by month



Query click uplift in September*

"health insurance"	+28%
"private health insurance"	+27%
"health insurance comparison"	+49%
"compare health insurance"	+249%
"medicare levy"	+420%
"medicare levy surcharge"	+435%
"private health insurance comparison"	+46%
"health insurance comparison Australia"	+214%
"top 10 health insurance Australia"	+287%
"health insurance compare"	+56%

*Relative to the average of June, July, August and October

Source: Microsoft internal data | Query Path Analysis output | Health Insurance | Jun – Oct 2020 | Conversion and Search data | All Devices | Paid & Organic

Most users are undecided in the research phase

Increase chances to win over the minds of undecided by leveraging remarketing audiences

28%

of all search journeys involved **at least two distinct** brands

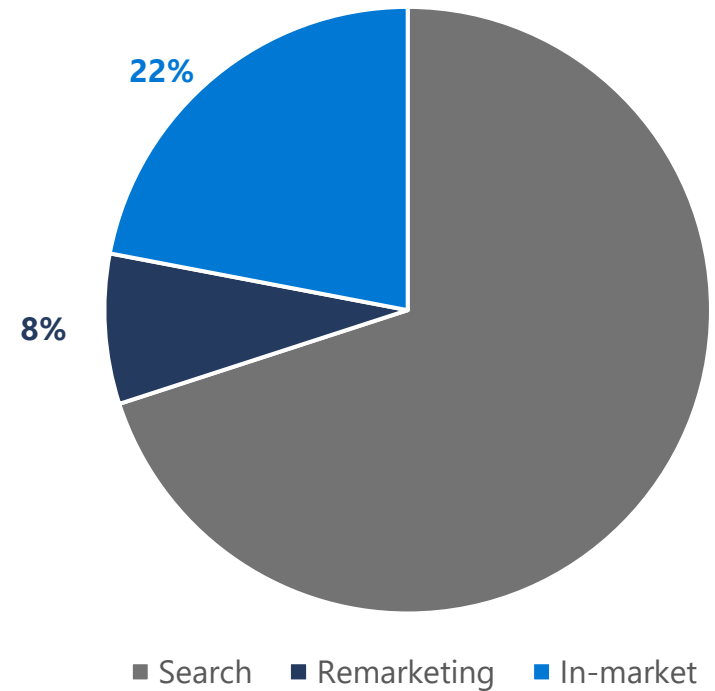
91%

of these journeys convert on **different brand** to the initial searched brand



Leverage audience marketing solutions to reach consumers with strong purchase intent

Switching season September conversions by Audience Type



Data Source: Microsoft internal data | Query Path Analysis output | Health Insurance | Sep 2020 | Conversion and Search data | All Devices | Paid & Organic

Key learnings and actions

Allocate budgets accordingly to the seasonal periods:

Advertisers will need to ensure campaigns are equipped for the increased search volume and competition, especially in March, June and July.

Ensure visibility on generic keywords:

Generic keywords form a sizeable portion of user activity, especially during the seasonal months (15-20% higher in proportion of total brand/generic volume).

Implement remarketing for recent visitors:

Create remarketing lists with **more recent frequencies** (e.g. 1, 3, 7, 14, 30 days) to target consumers as they shop around for the best deal. Leverage the Audience Network to target these customers.

Fight for presence in the auction:

User journeys are getting shorter and converting within less searches, especially during seasonal periods.

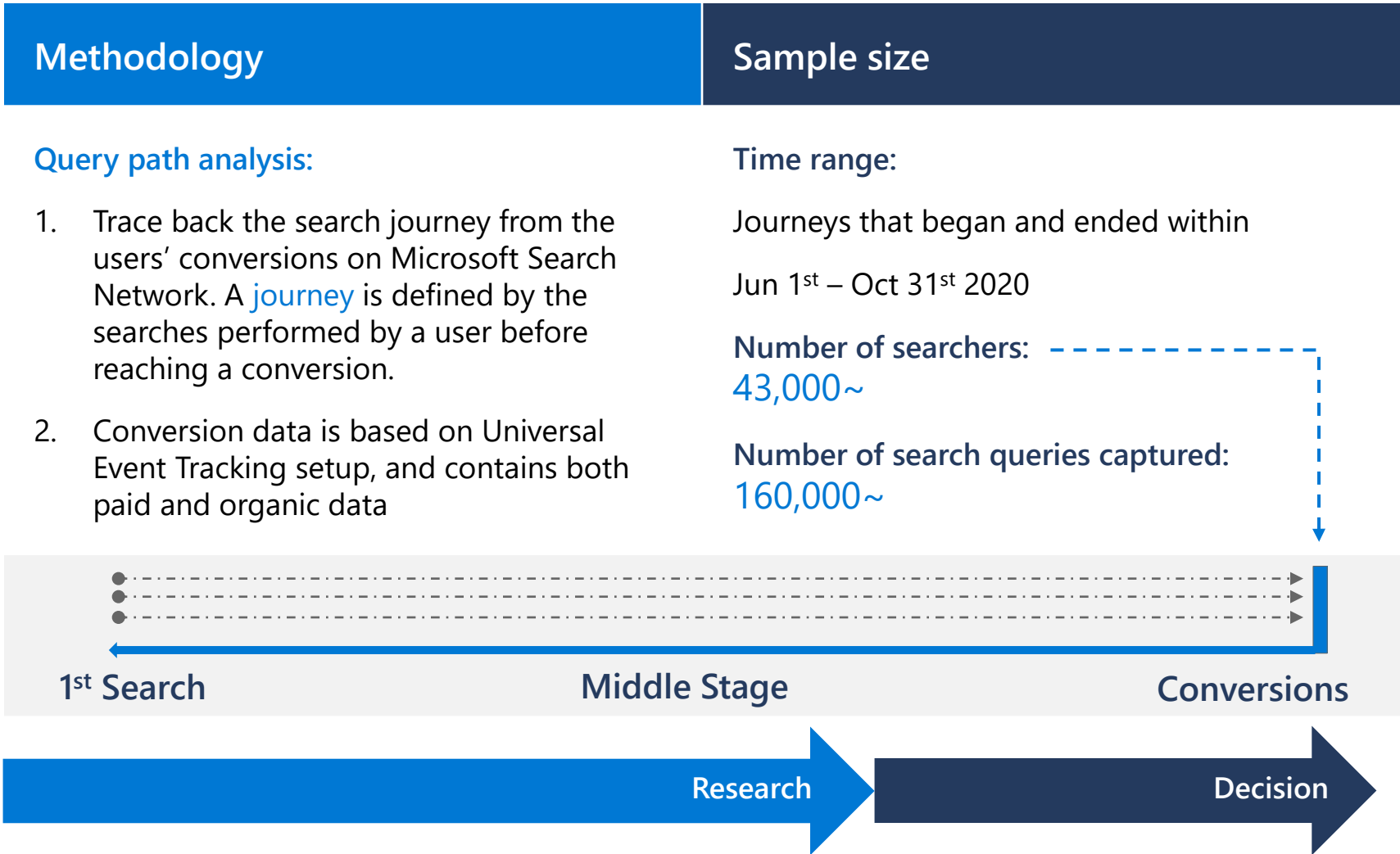
To get actionable data, insights and best practices to help make decisions and grow your business, visit MicrosoftAdvertising.com/Insights



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User Journey methodology and sample size



Ad copy analysis methodology

- Due to the large number of ads analyzed and the significant number of words/phrases surfaced, phrases and words analyzed were bucketed.

Most buckets mirror the variation of the phrase itself, e.g. plurals, different tense, etc.

Others could be synonyms or same intent, e.g. "brand" includes all major brands in the sub-vertical.

Performance – Indicator of click performance (Probability of click)

Analysis Date Range – March 2020 & Sept 2020 | Ads Analysed – 11,000