



MICROSOFT ADVERTISING INSIGHTS

# Australian Home and Contents Insurance insights

Microsoft Advertising. Intelligent connections.



# Summary of findings



There are many positive factors driving growth in Australia's Home and Contents insurance (H&CI) market, such as the low RBA (Reserve Bank of Australia) cash rate.



Optimize your performance across the different sub-categories and demographic groups by leveraging Microsoft Advertising features.



Rising premiums have translated into an increase in generics and comparison queries as users shop around more.

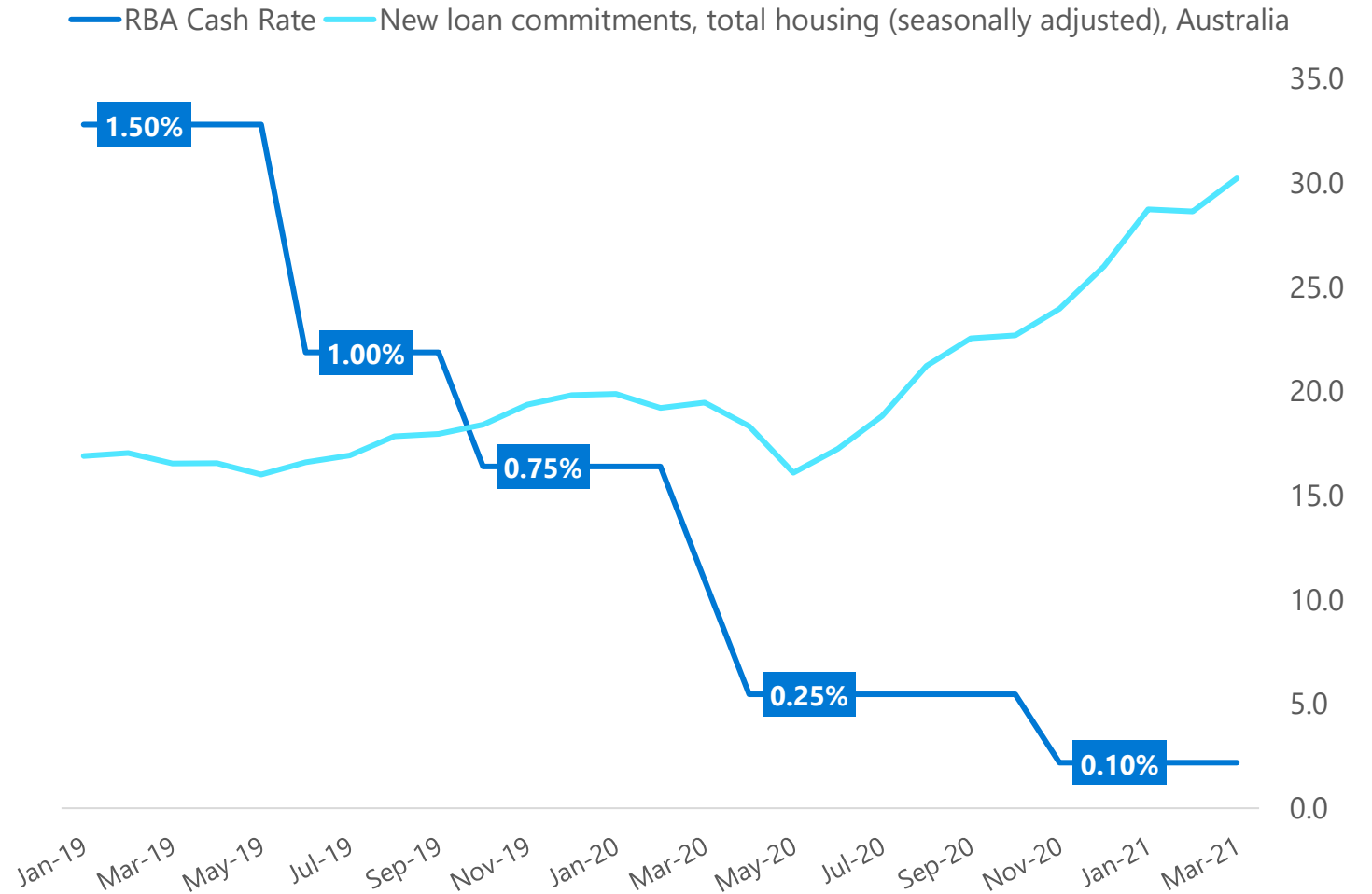
# Industry findings

The low cash rate introduced in response to the COVID-19 pandemic has seen a big surge in the amount of new homes being bought.

This translates to an increase in Home & Contents policies being taken out.

## RBA cash rate target vs new loan commitments (\$bn)

By month



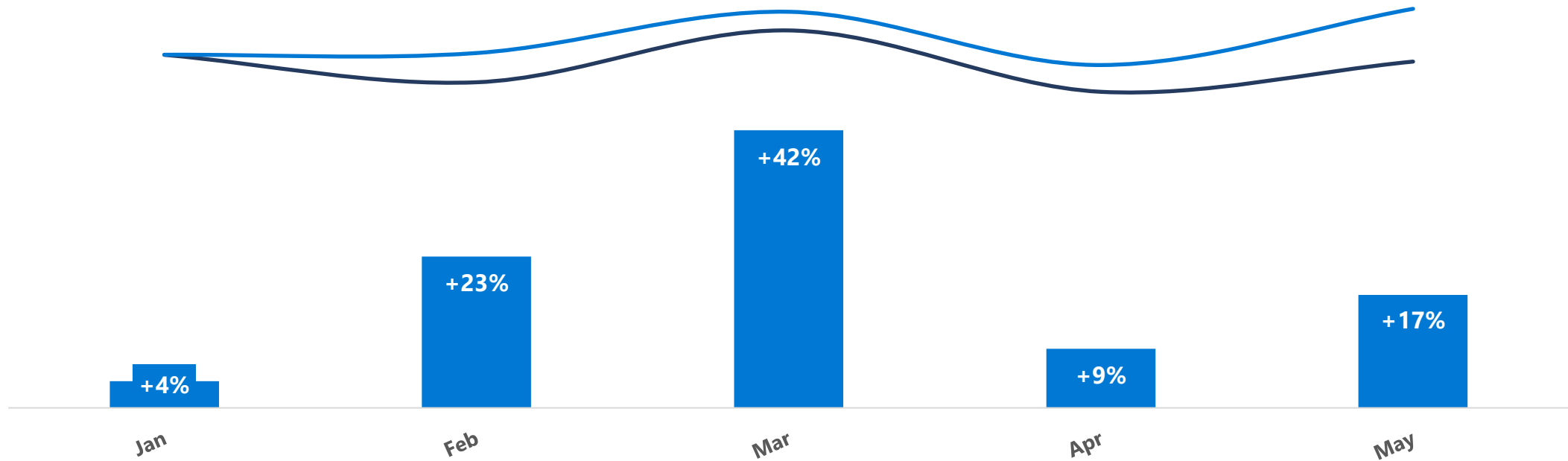
Data Source: ABS Lending Indicators March 2021, RBA Cash Rate

# Home & Contents Insurance (H&CI) is showing strong growth in 2021, with clicks up **+18% YoY YTD**

## H&CI searches, clicks, and clicks YoY

by month

Clicks YoY   Searches   Clicks

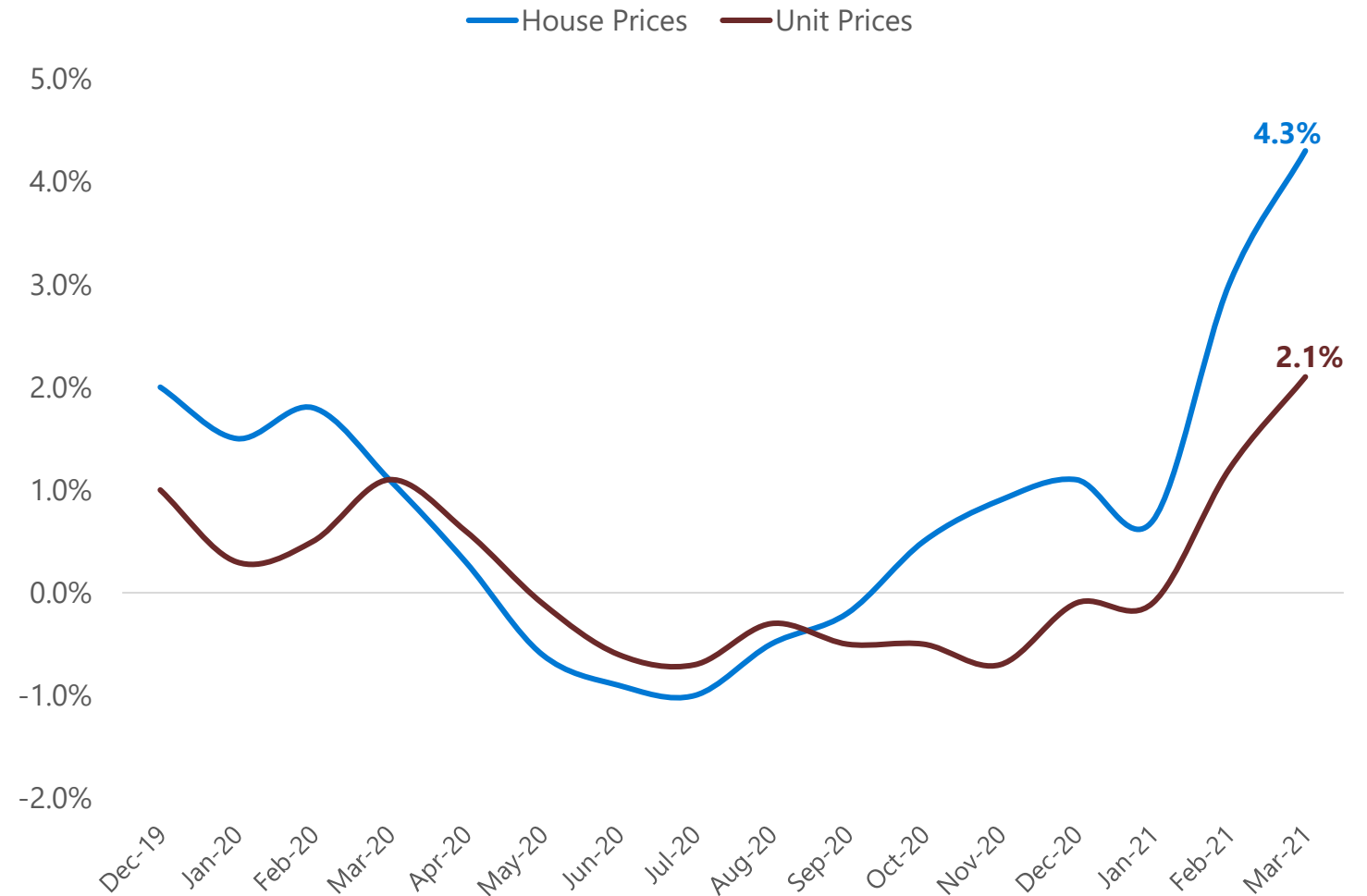


# Industry findings

This increase in demand for housing has caused a rise in house prices, which are making residential properties, especially in the inner city, expensive for many.

As a result, apartment living has become more common, which in turn is more focused towards strata and contents insurance.

### Sydney median house and unit price % change in values by month



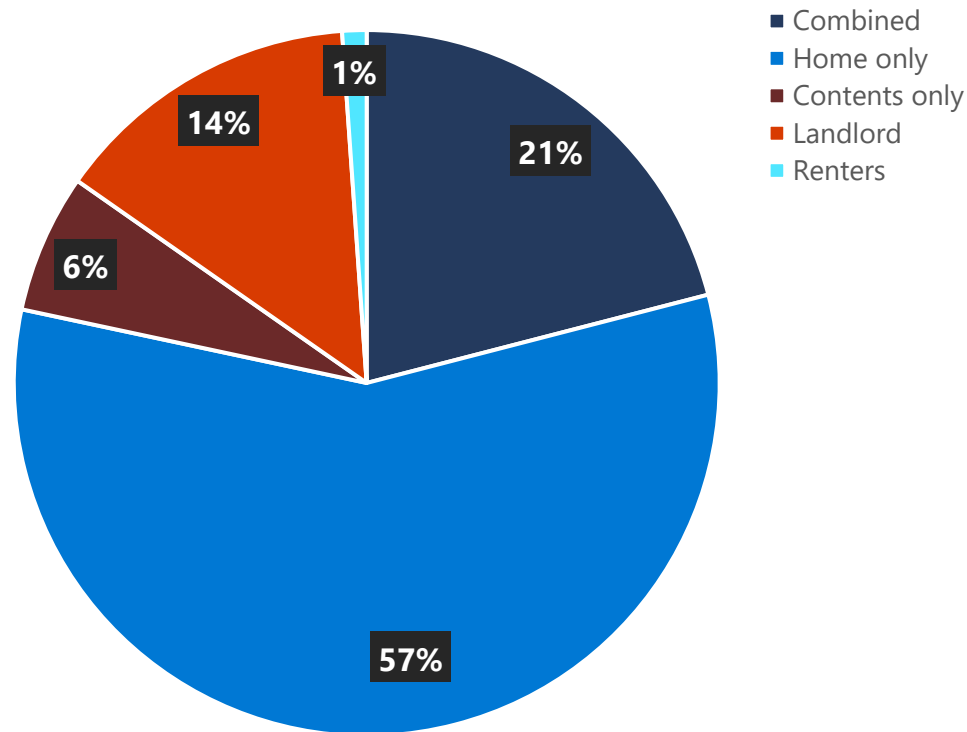
Data Source: ABS Lending Indicators January 2021

# Click growth is driven by house only and landlord sub-categories

Align your bids and budgets proportionately amongst the sub-categories

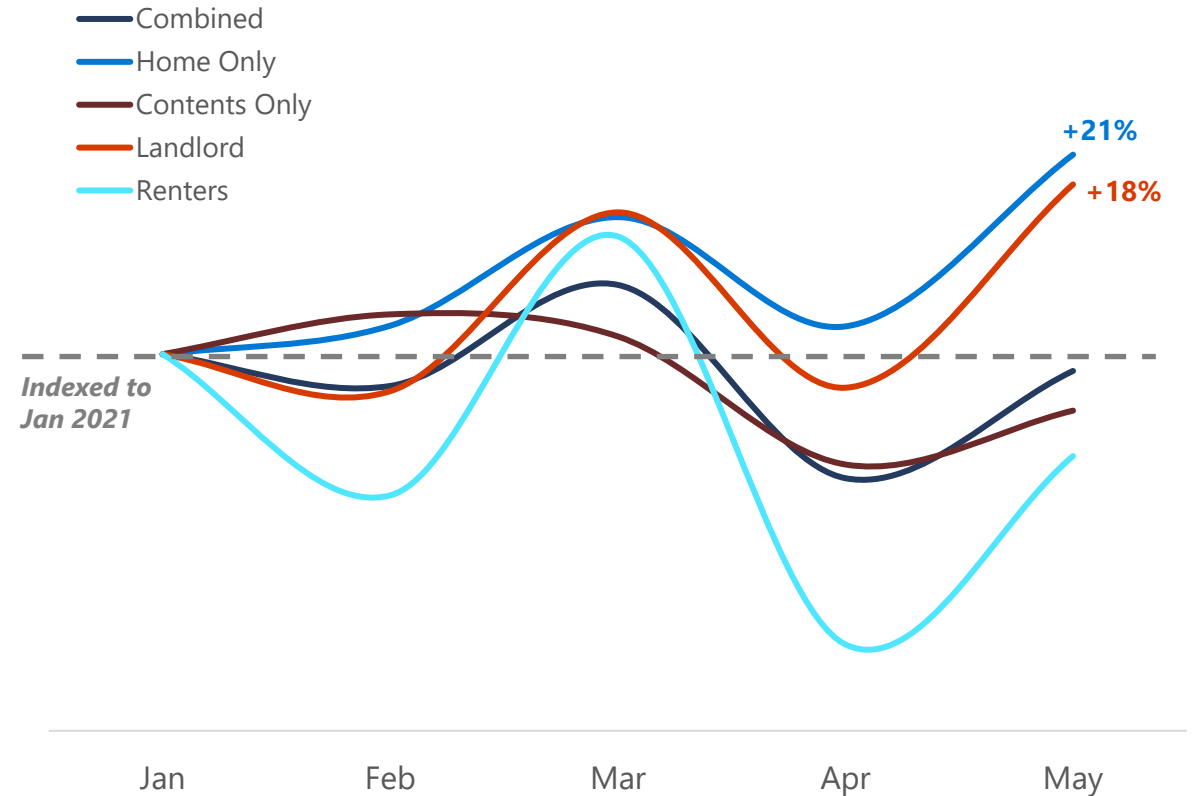
## H&C marketplace click % split

by query category\*



## H&CI sub-category indexed click volume

by month



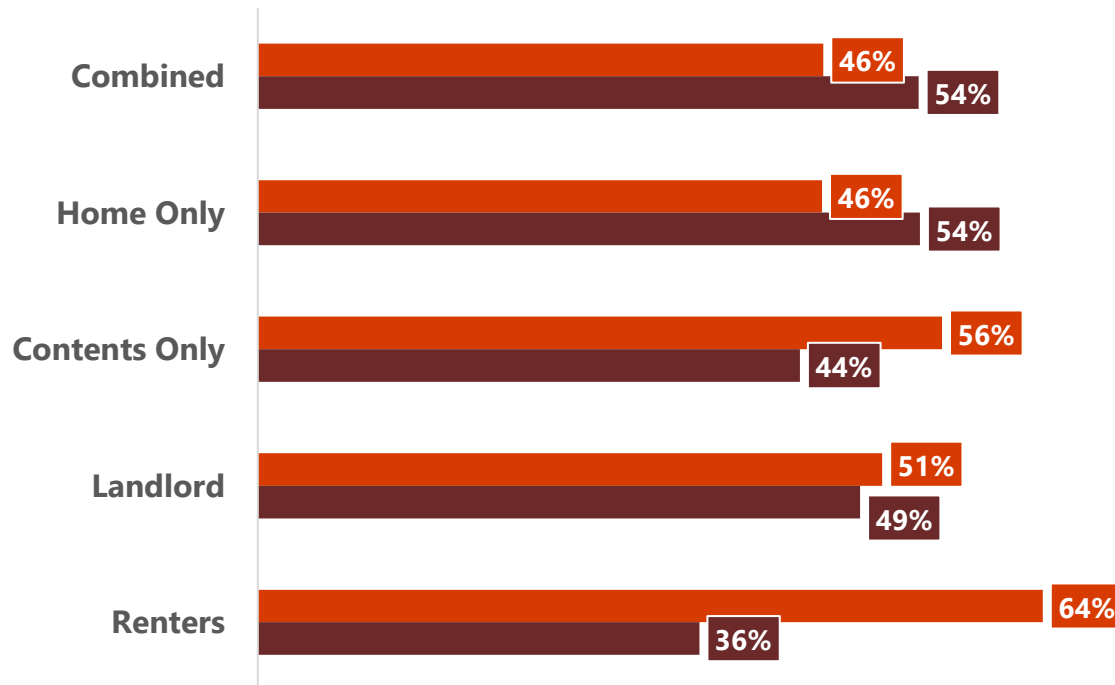
# Sub-categories differ in appeal depending on age groups and genders

Leverage age and gender bid modifiers to maximise results across your product categories

## Age group % clicks

by query category

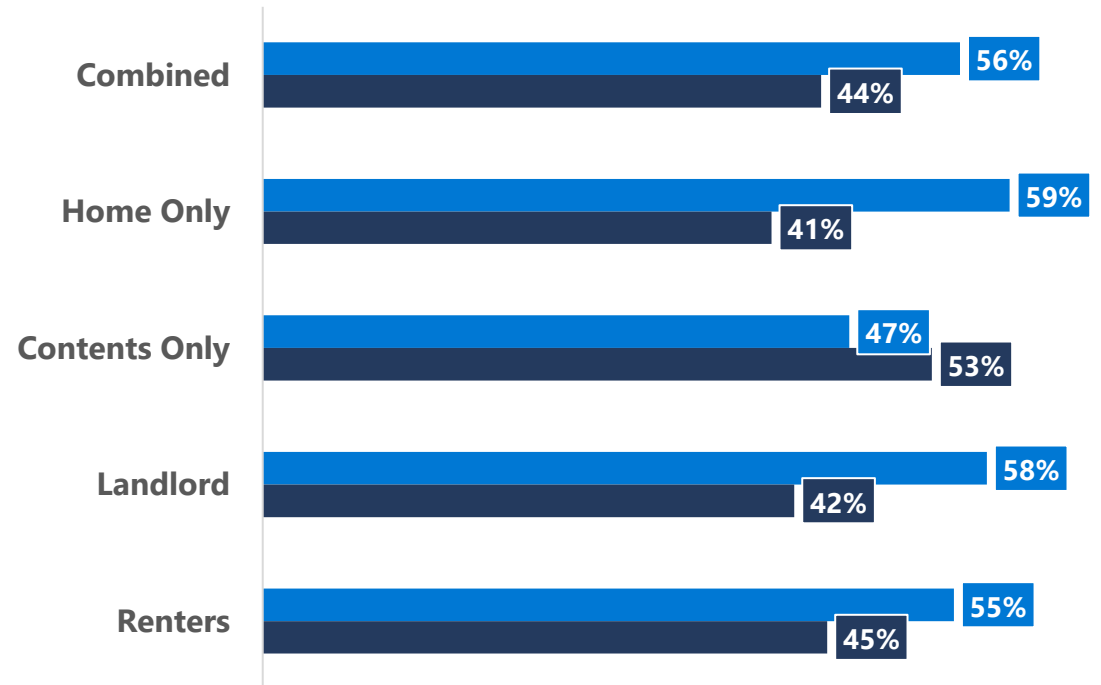
Under 50 Over 50



## Male vs female % clicks

by query category

Male Female



# Industry findings

---

The severe natural disasters that have occurred in Australia over the past few years have adversely affected the industry's performance. Home and contents insurance premiums in response to this higher risk are now priced into the Australian Market e.g. following recent floods, some parts of Queensland have risen by over 100%.

This rise in insurance premiums results in Australian's spending more time [shopping around and comparing prices](#) across the different policies available.

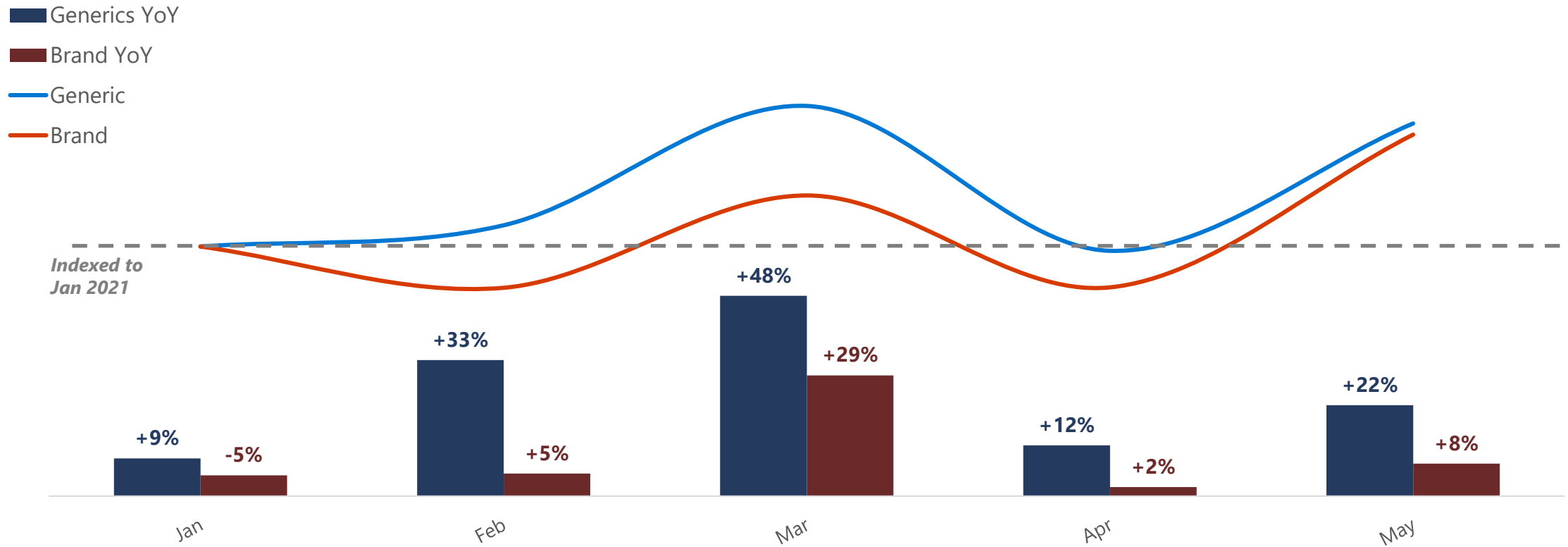


# Rising premiums have led to a **24% increase** in generic clicks this year

Focus your investment into generic queries, they drive **2 in every 3 clicks**

## Indexed H&CI generic/brand clicks, click YoY

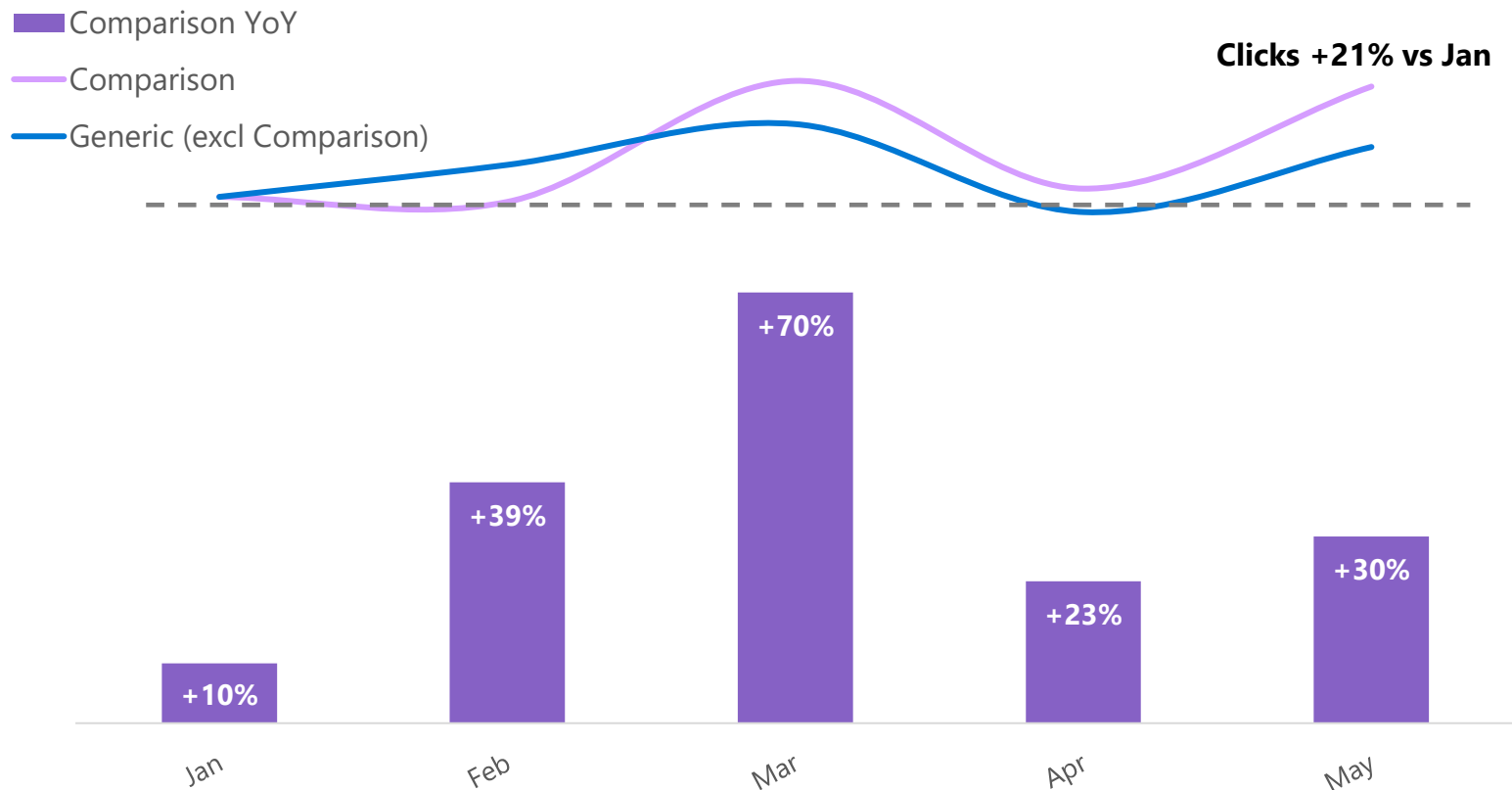
By month



# Our users are shopping around more, shown by increased click activity in comparison terms

## Indexed H&CI comparison clicks, click YoY

By month



Top generic queries with highest click uplift (2021 YTD vs 2020)

### Comparison queries

Queries containing "best" +65%

Queries containing "comparison" +45%

Queries containing "cheap" +20%

Queries containing "compare" +15%

### Generic (excl comparison) queries

Combined queries +20%

Home/house only +25%

Contents only +5%

Landlord +30%

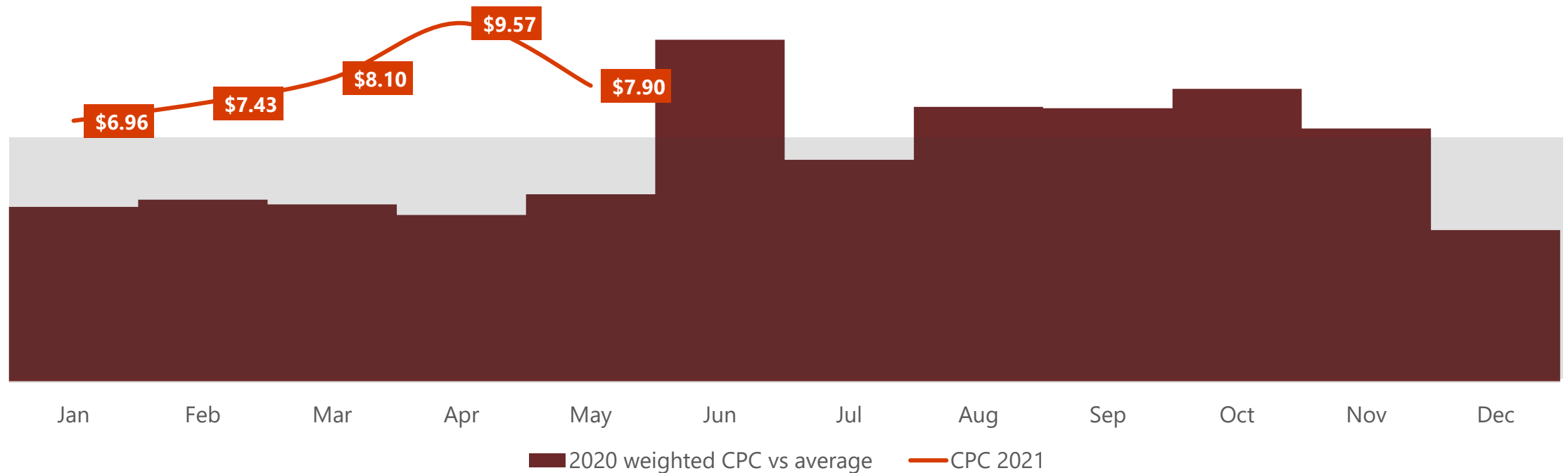
Renters/apartment +15%

# Be prepared for increased competition during H2

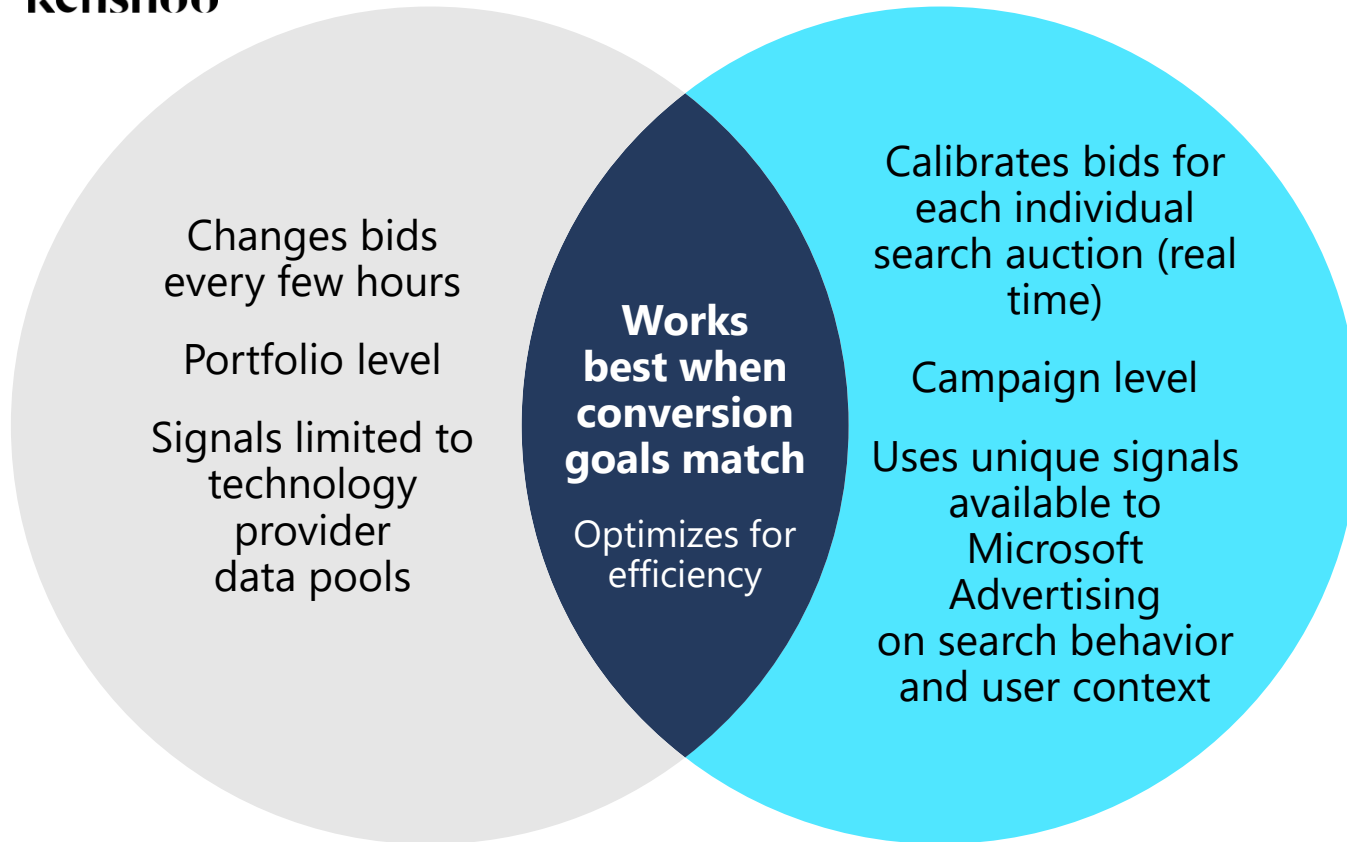
Maintain your bids at competitive levels to retain mainline presence

## Cost per clicks with 2020 seasonality

by month



# eCPC is now the default bid strategy on Microsoft Advertising



In a highly competitive market:

1. Provide the system all the necessary signals for effective optimisation
2. Ensure the **same conversion points setup** on both Microsoft Advertising and your Bid Management Platform for efficiency

# Top 50 brand and generic keywords – H&CI Insurance (May 2021)

Consider these keywords when strategizing for the rest of the year



# Key takeaways and actions

1. The search marketplace on Microsoft Advertising is showing a **strong YoY growth** in line with the surging housing market demand.
2. Paid search space is getting more competitive in 2021 with CPCs poised to increase over the next couple of months. Don't miss out and ensure you're bidding for **mainline presence**.
3. eCPC is now the default bid strategy on Microsoft Advertising. Make sure **UET is implemented and conversion goals are aligned** on both Microsoft and your bid management platform to optimize results.
4. Different products with Home and Contents Insurance resonate differently for different age groups and genders. **Optimize your bid modifiers** based on your strategy to maximise results.
5. Rising insurance premiums over the last few years have pushed customers to spend more time comparing prices and offers. Refer to the missing keywords and incorporate those in addition to your product and brand keyword set **ensure full keyword coverage**.

To get actionable data, insights and best practices to help make decisions and grow your business, visit [MicrosoftAdvertising.com/Insights](https://MicrosoftAdvertising.com/Insights)



Microsoft Advertising. Intelligent connections.