



MICROSOFT ADVERTISING

Health Insurance Insights (Australia)

April 16th 2020

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Key changes in the industry

On Mar 25th Australia banned non-urgent elective surgeries for public and private hospitals to free up resources to combat the pandemic. Furthermore, major private health funds have delayed the scheduled premium hike for April 1st roughly 6 months and offered fee relief for select policyholders. It is vital that customers gain clarity on the importance of taking out health cover.



The original March switching seasonality would be expected to occur around October.



Hospital cover becomes the key product for potential policyholders.

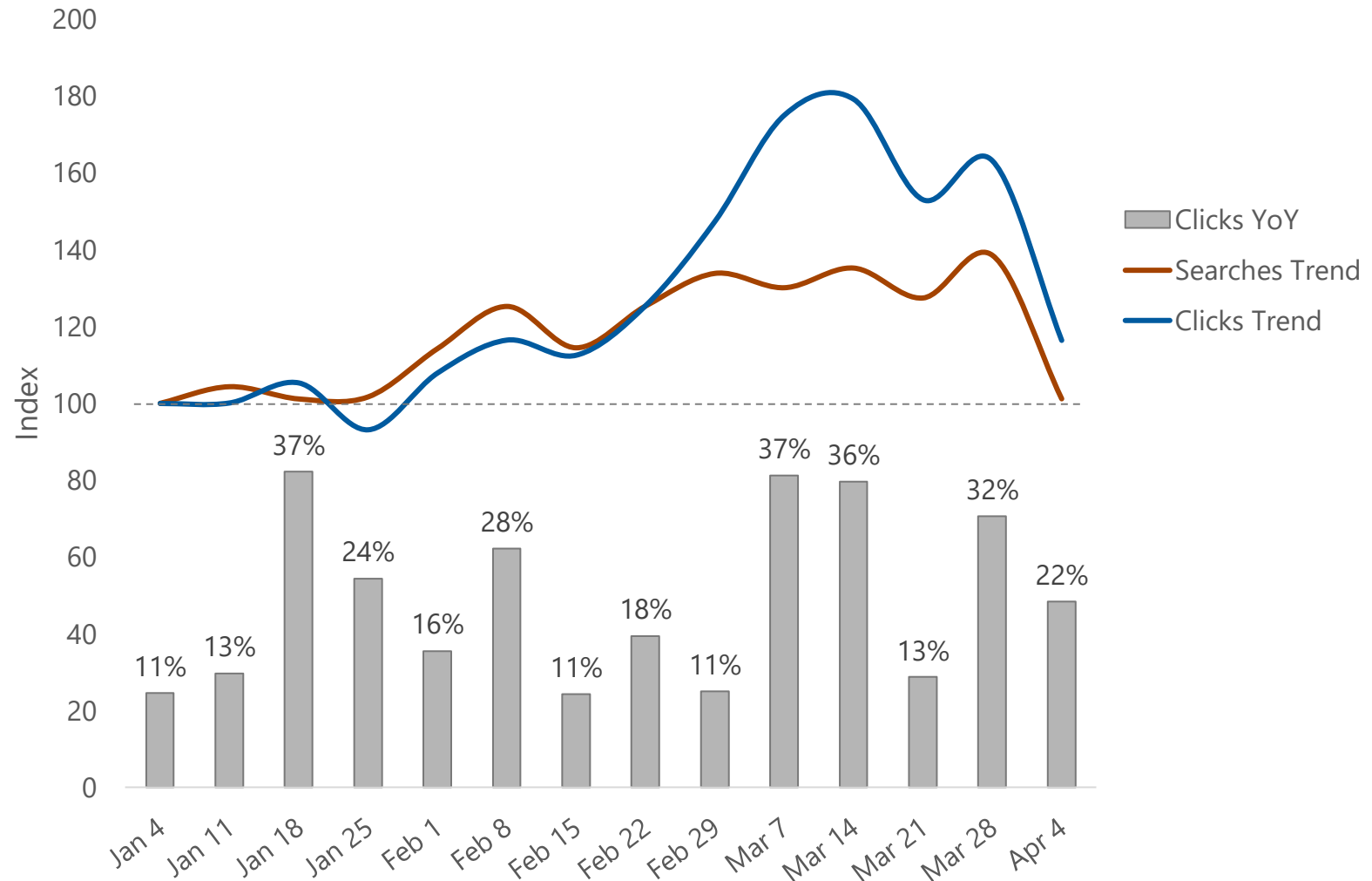


Insurers promoting extras cover need to tailor messaging and ensure clarity on what's provided, e.g. telehealth services.

Current performance

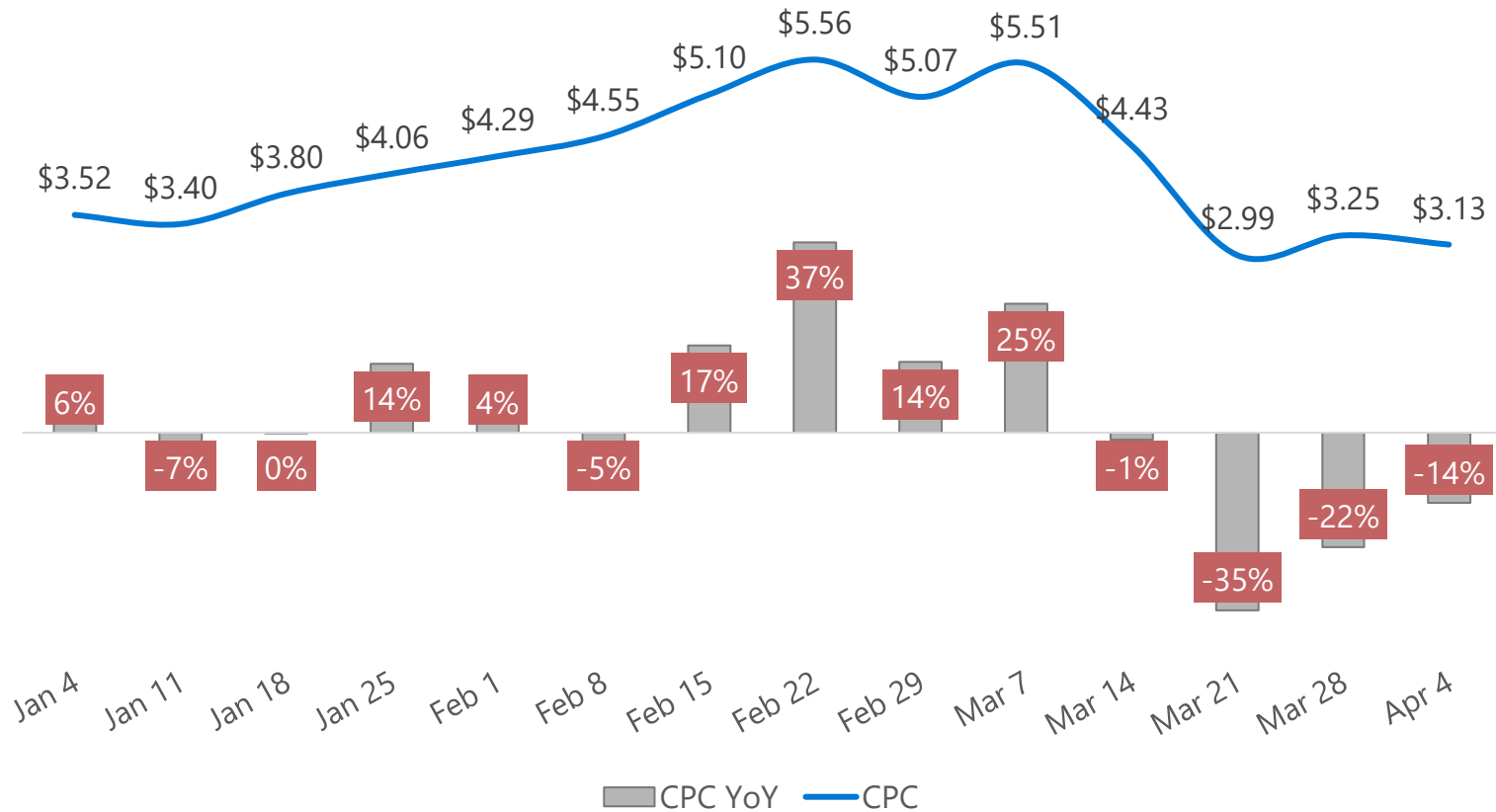
1. Searches and clicks have contracted in the last two weeks due to announcements that most non-essential elective surgery has been banned and the April 1 price hike has been pushed to roughly October 1.
2. Though volumes for the month of March have been disrupted by the noise from COVID-19, searches for March are still up **+26%** year on year (YoY).

Health insurance searches, clicks and clicks YoY by week



Lower CPCs offer an opportunity to increase return on investment

CPC and CPC YoY trends by week

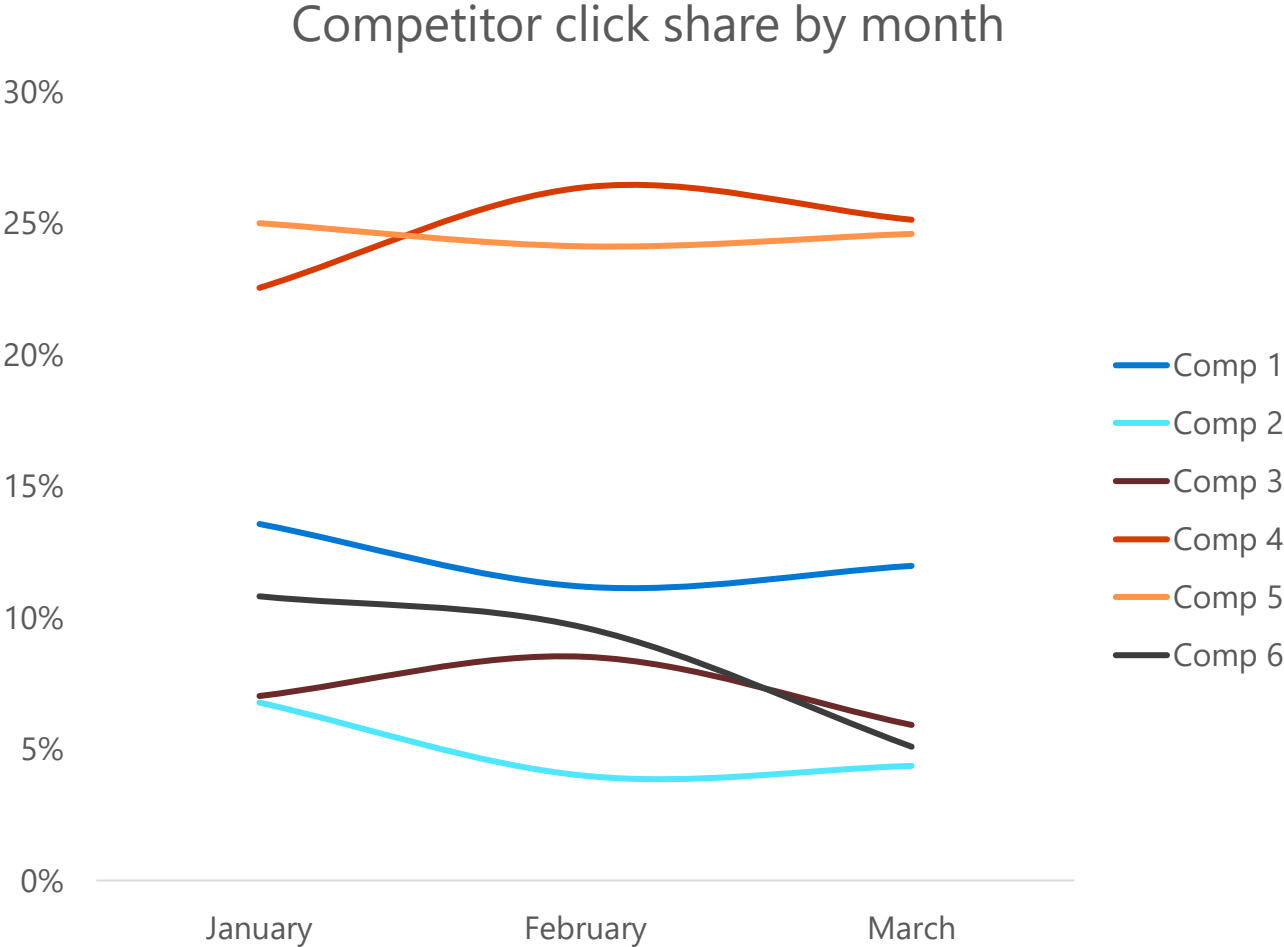


Post lock-down we've seen a substantial decrease in CPCs year over year up to -35%.

It is important to leverage this as an opportunity to retain your brand visibility.

Source: Microsoft Internal Data Jan – Mar 2019 and 2020, data across all devices.

Health insurance competitors are retaining their click share



The leading competitors in the market are showing no signs of slowing down or decreasing their position in the market.

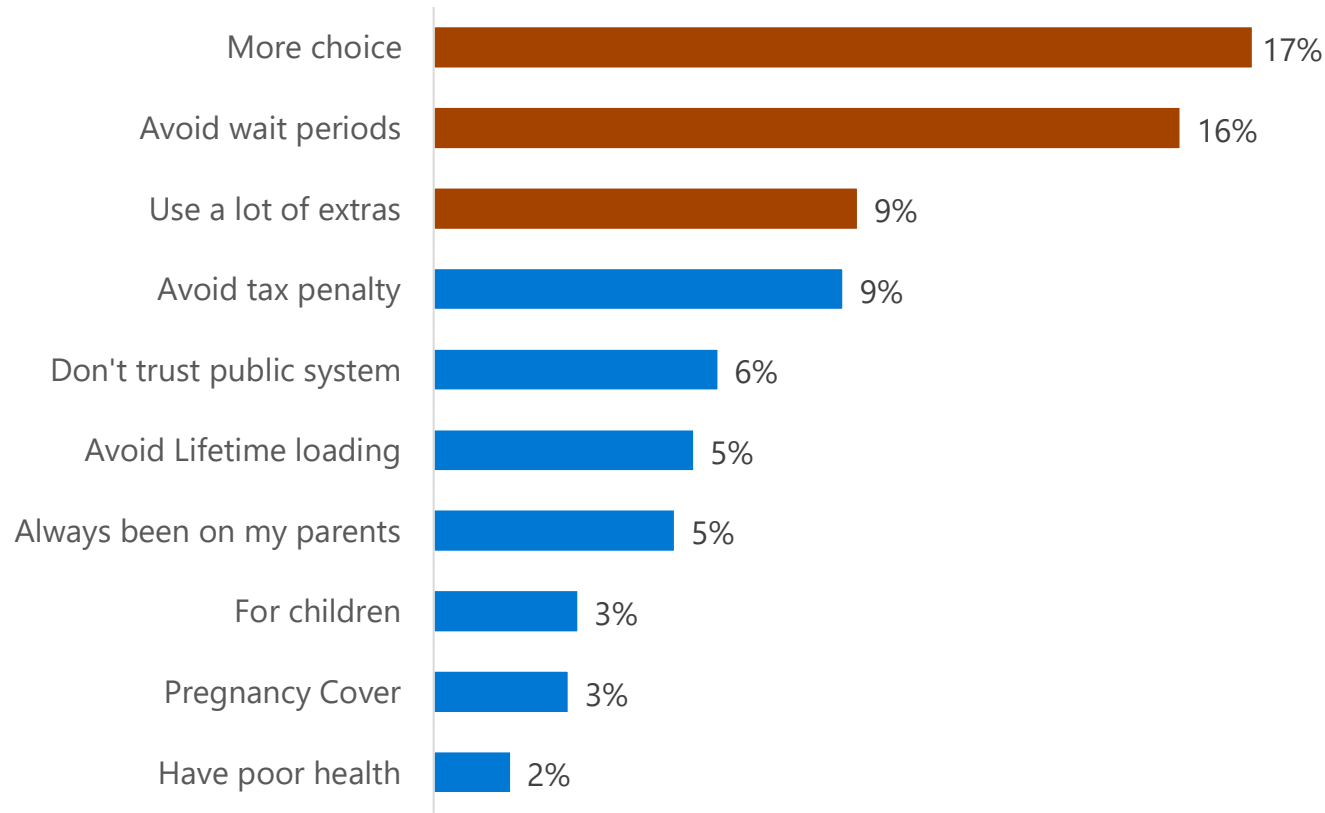
Action: Defend your click share with adequate investment to stay competitive.

Source: Microsoft internal data, January to March 2020. Data across all devices.



Tailor messaging as motivations for private health insurance cover have been disrupted

Reasons people take private health insurance
2019 (disrupted reasons in orange)



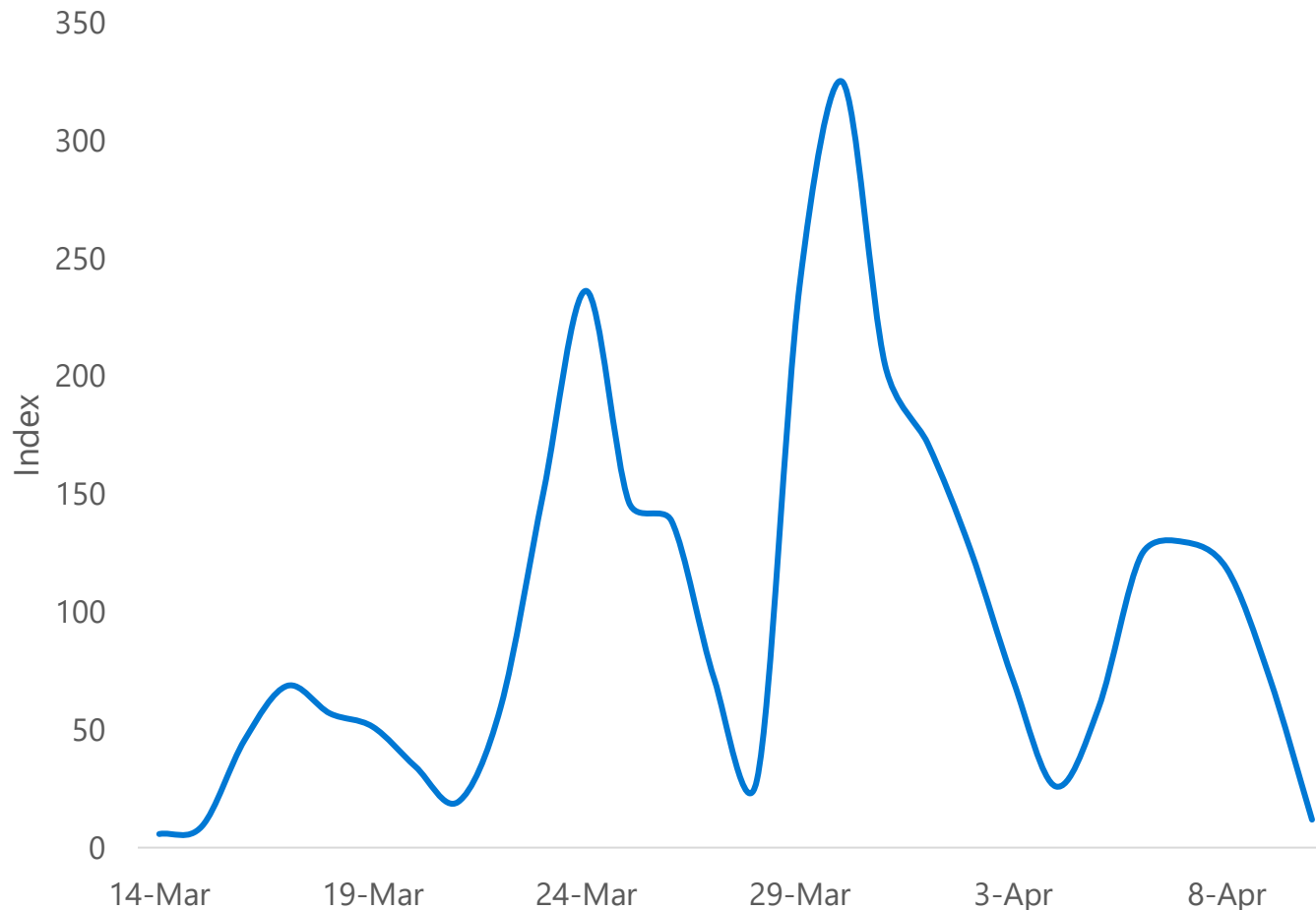
Health insurance isn't needed for COVID-19, and the usual benefits like shorter waiting lists for elective surgery and choosing your own doctor are currently less relevant.

23% of our network have household income in the top 25%, and this audience would be motivated to take out cover to avoid tax penalty.

Action: Adjust ad copy and campaigns to address the financial benefits of health insurance and potentially promote lower levels of hospital-only cover.

Government funded telehealth services may shift behaviours long-term

Telehealth* searches over last 30 days



Source: Media Release 11th March 2020. www.pm.gov.au

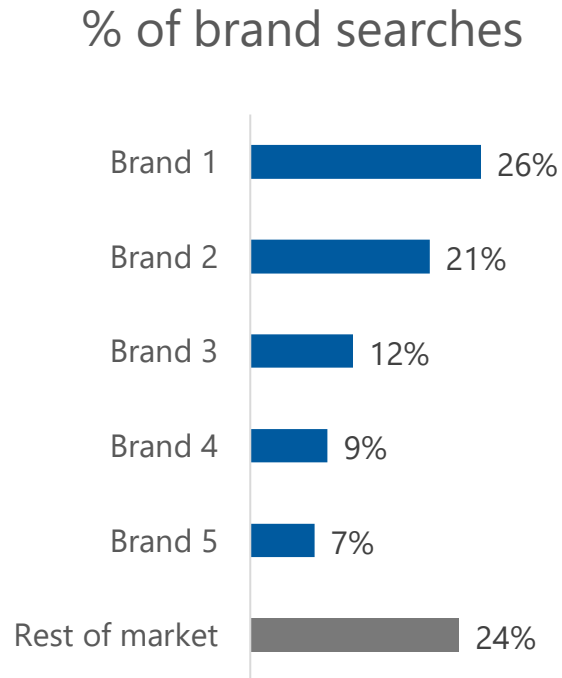
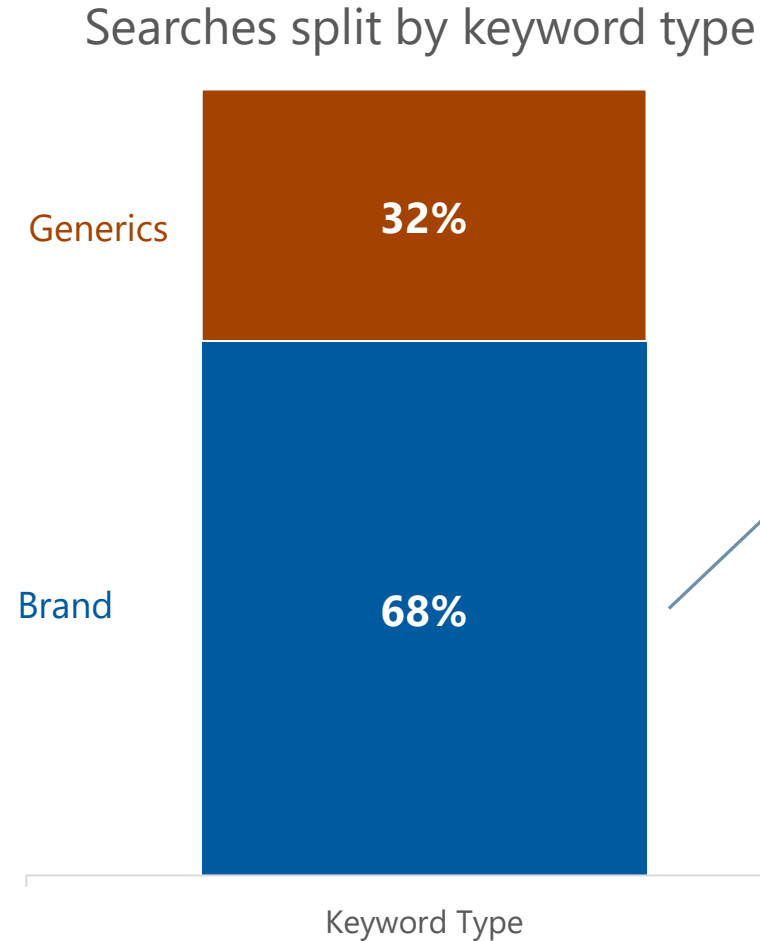
\$100m package under Medicare to fund health consultations via phone or video potentially make lasting impact on behaviours.

Similar lasting effect expected within other areas such as teleconferencing services Zoom and Webex.

Action:

Where applicable highlight telehealth and other relevant extras through ad copy within extras campaigns.

Health insurance is a brand keyword type dominated industry on our platform



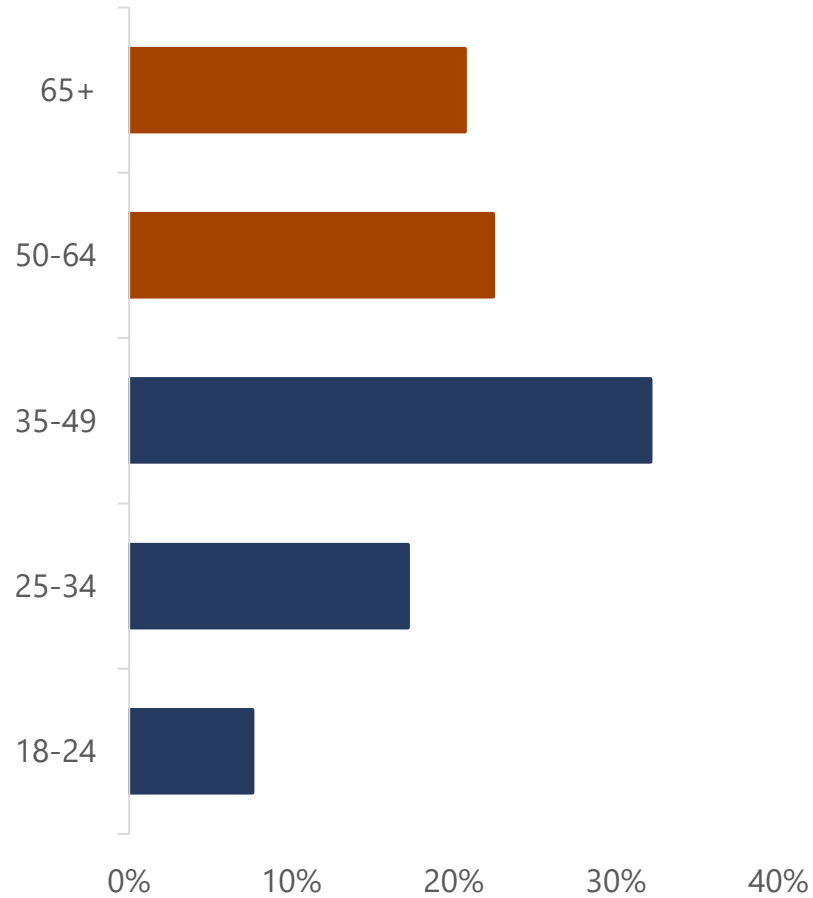
In March for the health insurance industry, 7 in 10 searches contained a [brand] term within it.

The top 5 insurers on our platform comprise **75%** of these searches.

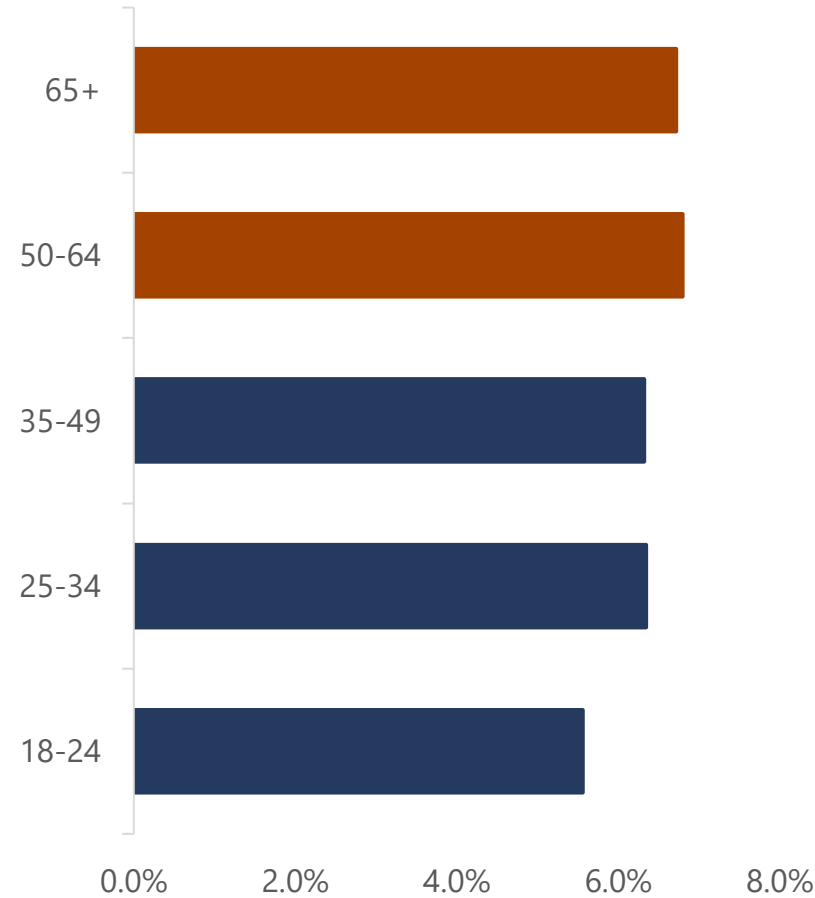
Action: Defend your brand in a brand centric market.

Varying levels in consumer engagement are clearly shown between age groups

Searches split by age group



CTR by age group

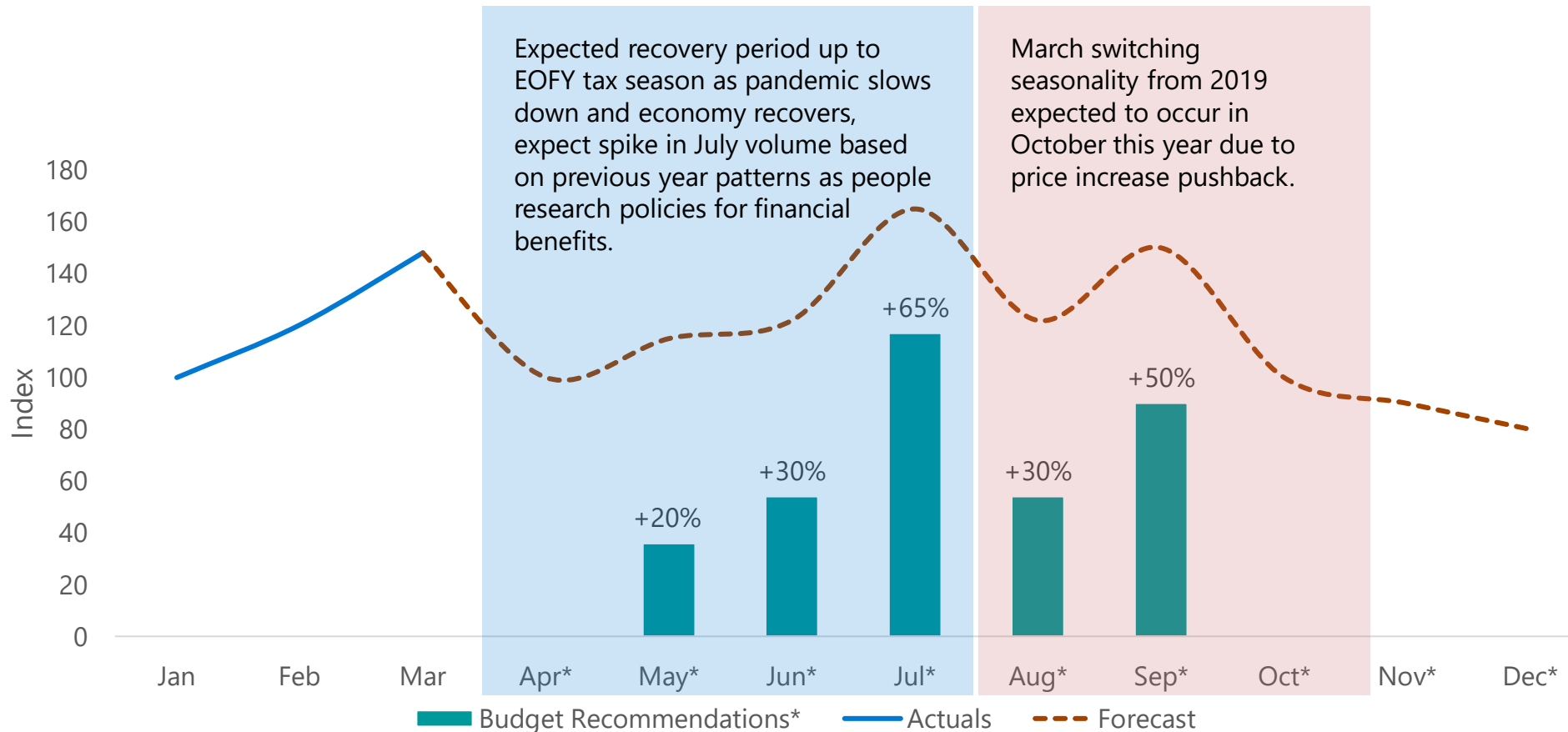


2 in 5 searches come from people 50 years of age and over.

Higher clickthrough rates (CTR) demonstrate stronger engagement from these demographics.

A forecast into Health Insurance for rest of the year

Search forecast with budget adjustment recommendations



Key points to track:

1. As the pandemic slows down in Australia, keep updated with government news on lockdown laws as this will impact consumer sentiment.
2. Due to the banning of most elective surgeries, cost savings for insurers have been encouraged to be passed on to customers in the form of reduced premiums.

Expect spikes in activity per these announcements.

*Budget recommendations are relative percentage values based on January budgets, e.g. we recommend 65% increase in budget in July compared to January. Source and Methodology: Microsoft Internal Data 2019 – 2020. Data represents all devices. Forecasts and trends based on values in similar times shown in 2019.



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