Auto Insurance insights
August 17th, 2020

Microsoft Advertising. Intelligent connections.
Australia is seeing a strong rebound in the automotive sector, particularly used cars. This can be attributed to the general public's caution towards public transport due to health concerns. We are seeing volume growth within our Automotive (Auto) and Auto Insurance industry.

Generic keywords play a vital role for users throughout their journey when researching for Auto Insurance and throughout all stages of the journey (start, middle and end stages prior to conversion).

For many of our consumers, the research and decision journey is both a long and complex. Leveraging remarketing audiences creates potential to remain top of mind as the user moves through the funnel.
State of the market
The auto insurance industry is showing strong signs of recovery within the Microsoft Search Network through both search and click trends

**Key observations**

1. The Australian used car market saw a strong rebound in prices in May and this is reflected in our Automotive search volumes. Searches for Auto insurance correlates with this, peaking at +44% within the month of July vs pre-COVID-19.

2. Though clicks were heavily impacted during the initial months of COVID-19, we have seen solid recovery and growth YoY across the month of June and July, with the most recent two weeks (weeks starting July 25 and Aug 1) showing clicks over 50% YoY.
Despite the tightening of lockdown laws in Victoria, searches from the state remain relatively steady.
Users are showing higher levels of engagement with increasing click through rates (CTR) opening potential for greater return on investment

### Auto insurance CTRs
By month

<table>
<thead>
<tr>
<th>Month</th>
<th>Brand</th>
<th>Generics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feb</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apr</td>
<td></td>
<td></td>
</tr>
<tr>
<td>May</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jun</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jul</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Microsoft internal data | Auto Insurance | Jan – Jul 2020 | Search volume | All Devices | O&O Core
High seasonality in **May** and **June** seen over last two years for searches relating to compulsory third party (CTP)/green slips

CTP query volumes were up **50% in May** and **42% in June** in 2020 compared to the start of the year.

**Diagram:**

CTP specific query volumes vs overall query volumes

By month

[Graph showing search volume (individually indexed) by month for 2019 and 2020.]

Source: Microsoft internal data | Auto Insurance | Jun – Jul 2020 | Search volume | All Devices | O&O Core
Generics continue playing an important role in user research

Over 1 in 5 searches is a generic query across the Microsoft Search Network

Auto Insurance searches split by query type
By month

Source: Microsoft internal data | Auto Insurance | Jan – Jul 2020 | Search volume | All Devices | O&O Core
Younger age groups show less brand preference than older age groups

Use **demographic targeting** to optimise your brand and generic campaigns

![Generic searches % split of total](chart)

*Source: Microsoft internal data | Auto Insurance | Jan – Jul 2020 | Search volume | All Devices | O&O Core*
Older age groups are more likely to search with comparison keywords

Almost 1 in 2 generic searches from the 65+ age group contains a comparison term

### Comparison queries search % of total generic

By age group for Feb – July

<table>
<thead>
<tr>
<th>Age group</th>
<th>Comparison terms % of generics</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-24</td>
<td>32%</td>
</tr>
<tr>
<td>25-34</td>
<td>35%</td>
</tr>
<tr>
<td>35-49</td>
<td>40%</td>
</tr>
<tr>
<td>50-64</td>
<td>44%</td>
</tr>
<tr>
<td>65+</td>
<td>47%</td>
</tr>
</tbody>
</table>
Investigating the generic/comparison term trends:

Younger ages index more on just searching for “car insurance” whereas older age groups focus on compulsory third party comparisons.

Source: Microsoft internal data | Auto Insurance | Jan – Aug 2020 | Search volume | All Devices | O&O Core
The consumer search journey
## Introducing methodology and sample size

<table>
<thead>
<tr>
<th>Methodology</th>
<th>Sample size</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Query path analysis:</strong></td>
<td><strong>Time range (end of fiscal year (EOFY) period 2020):</strong></td>
</tr>
<tr>
<td>1. Trace back the search journey from the users’ conversions on Microsoft</td>
<td>Journeys that began and ended within</td>
</tr>
<tr>
<td>Search Network. A <strong>journey</strong> is defined by the searches performed by a</td>
<td>Jan 1&lt;sup&gt;st&lt;/sup&gt; – June 29&lt;sup&gt;th&lt;/sup&gt; 2020</td>
</tr>
<tr>
<td>user before reaching a conversion.</td>
<td><strong>Number of searchers:</strong></td>
</tr>
<tr>
<td>2. Conversion data is based on Universal Event Tracking setup, and contains</td>
<td>42,000~</td>
</tr>
<tr>
<td>both paid and organic data</td>
<td><strong>Number of search queries captured:</strong></td>
</tr>
<tr>
<td></td>
<td>140,000~</td>
</tr>
</tbody>
</table>

### Diagram:

1. **1<sup>st</sup> Search**
2. **Middle Stage**
3. **Conversions**

**Research** → **Decision**

---

Source: Microsoft internal data | Query Path Analysis output | Auto Insurance | Jan – Jun 2020 | Conversion and Search data | All Devices | Paid & Organic
Users on average convert within 3 searches, and over 1 in 3 of conversions happen after just 1 search. A short journey makes it critical to be in the auction when customers enter the purchase funnel.

Length of journey by searches

Split by % of all journeys

Source: Microsoft internal data | Query Path Analysis output | Auto Insurance | Jan – Jun 2020 | Conversion and Search data | All Devices | Paid & Organic
Users aged between 24-49 are more likely to make instant conversions. Leverage demographic targeting and bid boosting to ensure you capture these customers.

Single touchpoint % of total
Split by age group

<table>
<thead>
<tr>
<th>Age group</th>
<th>18-24 Years</th>
<th>25-34 Years</th>
<th>35-49 Years</th>
<th>50-64 Years</th>
<th>65+ Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source: Microsoft internal data</td>
<td>40%</td>
<td>44%</td>
<td>44%</td>
<td>41%</td>
<td>41%</td>
</tr>
</tbody>
</table>
For longer journeys, 39% of users take over 3 weeks to convert. Leverage Remarketing audiences to stay top of mind throughout the search journey.

Length of journey by weeks
Split by % of all longer journeys

1. Longer journeys refer to journeys that take longer than a single search to convert, comprising about 63% of the dataset. For the remaining slides, journeys refer to longer journeys only, as single touchpoints will be excluded in the remaining analysis.

Source: Microsoft internal data | Query path analysis output | Auto Insurance | Jan – Jun 2020 | Conversion and Search data | All Devices | Paid Search
Within auto insurance, generic queries are crucial during the purchase journey.

Over 70% of all journeys contain at least 1 Generic query.

48% of all search journeys begin with a Generic query.

39% of all search journeys end with a Generic query.

Source: Microsoft internal data | Query Path Analysis output | Auto Insurance | Jan – Jun 2020 | Conversion and Search data | All Devices | Paid & Organic
Generic searches remain a key role up till conversion with 1 in 2 journeys containing a generic query in the last 2 searches.

Whilst brand preference would be expected at this stage with 49% converting on two final brand searches, that preference is less apparent for the other half of our audience.

**Length of search path**

- 37% Single Touchpoint
- 63% 2+ Queries

**Last 2 searches for longer paths**

- Generic > Generic: 17%
- Generic > Brand: 23%
- Brand > Generic: 11%
- Brand > Brand: 49%

Source: Microsoft internal data | Query Path Analysis output | Auto Insurance | Jan – Jun 2020 | Conversion and Search data | All Devices | Paid & Organic
For journeys containing brand queries, these users shop around as over half of these journeys contain at least 2 different brands. Remarketing may be a critical tool to remain top of mind for the undecided.

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

89% of branded search journeys with at least two distinct brands convert on brands different to the initial brand.
Users that searched for compulsory third party (CTP)/green slips on average take longer to reach a conversion

Given the seasonality of CTP-related queries from the earlier slide, this indicates users begin researching for a CTP policy much earlier than they plan to convert.

Go do: Ensure you accommodate for the longer search journeys within your advertising strategy.
Key takeaways

1. Fight for presence in the auction, as 37% of conversions happen within a single touchpoint, so don’t miss out!

2. Ensure adequate budgeting for Generics. Generic queries remain common within non-single touchpoint journeys, as 70% of these journeys contained at least 1 generic, and over half of these journeys contained a generic within the final two searches to conversion.

3. For users who spend longer within their journeys, leveraging remarketing audiences creates the opportunity to remain top of mind
Strategies and recommendations
