Bite sized insights on Auto Insurance (Australia)
Key factors in the industry

1. Leading US auto insurers are providing relief to their customers to assist with the financial impact driven by COVID19. With fewer cars on the road, the number of accidents will have drastically reduced which would lead to fewer insurance claims, allowing insurers to pass premium refunds.¹

2. This has been largely met with positive feedback and has since seen Youi, an Australian insurer take a similar approach.²

3. Similar support is very much expected here in Australia. Based on global research, most Australians will be favouring insurers whose advertising campaigns revolve around empathy and support.³

Source:
3. Global Web Index Coronavirus Report April 2020,
1. Overall on the Microsoft Search Network we see that clicks have been higher year over year (YoY). This was consistently very strong during the month of January.

2. In recent weeks, the steady gap between traffic and clicks signals lower priority. This is potentially due to customers feeling a lack of need for auto insurance given the lockdown situation, or mismatched expectation comparing our insurers responses to US insurers.
People are becoming more brand agnostic when searching for policies

In a brand centric market, non-brand related queries have been steadily increasing in both search volume and clicks. The generics proportion of total clicks have been up 12% since the start of year.

This rise shows a steady decline in brand attachment by users as users are searching more broadly.

Largest movers in generics queries Jan – Mar:
- “comprehensive” queries +62%
- “green slip” related queries +20%
- “quote” related queries +6%

Source: Microsoft Internal Data Jan – Mar 2019 and 2020, data across all devices.
Price comparison shopping seeing an increase in 2020, expected to continue

Users have grown increasingly price sensitive, seen by year over year (YoY) growth in searches containing these terms. As drivers stop using their cars and personal finances are impacted, more people are looking to save when it comes to car insurance.

Action: Given the economic situation, focus on savings, discounts and value for money in your ad copy.

![Graphs showing search trends for “compare”, “cheap”, and “budget” terms.](source: Microsoft Internal Data Jan – Mar 2019 and 2020, data across all devices.)
In the US market, support from auto insurers have driven growth in traffic

US insurers are helping policyholders during these difficult times through payment plans, pausing non-renewal cancellations, non-payment cancellations, and premium refund programs.

Few examples:

- **Allstate** – 15% premium refund for April and May
- **Geico** – 15% credit for auto policyholders for renewals between Apr and Oct
- **The Hartford** – 15% payback given on two months premium worth for anyone with an active policy
- **Progressive** – 20% credit for Apr and May premiums
- **Metlife** – 15% refund for April and May based on monthly premiums

This support has driven steady search growth on the Microsoft Advertising platform within the US market, peaking at **34%** growth year to date within March.

Similar level of support locally currently led by Youi

The Australian auto insurance industry is being urged to follow in footsteps of US market.

Youi pioneers a similar approach in Australia, launching a three-month 15% premium relief for all existing and new customers.

Youi CEO stated the initiative received positive feedback from “both existing but also new customers switching to us as they recognize their driving behavior has changed”.

Across our platform, we have seen an increase in daily brand-related search volume post 15% announcement (on the 17th April, 2020)

The question remains whether other Australian providers will follow suit to Youi and the US market.

Source:
2. Microsoft Internal Data, March – April 2020, Data represents PC & Tablet, O&O Network.
Global study highlights importance of empathetic advertising within difficult times

Results from Kantar’s study on 25,000 global respondents show very little expectation (8%) that brands should stop advertising.

For brands that continue advertising, clear majority of consumers expect advertisers to make a positive contribution to society.

Brand expectations and % of respondents who agree

“Talk about how the brand is helpful in the new everyday life”: 77%

“Inform about their efforts to face the situation”: 75%

“Offer a reassuring tone”: 70%

Another report reaffirms positive sentiment to advertisers responding to COVID19

The Global Web Index coronavirus report for April further highlights that Australian’s value brands who are making their payment plans more flexible, especially given the economic situation.

Study reveals that over 3 in 4 Australians value on the importance of flexible payment plans.

Action: Where applicable, highlight beneficial features and changes you’ve made to your payment options in your ad copy.

Source: Global Web Index Coronavirus findings report April 2020.
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