



MICROSOFT ADVERTISING

Auto Insurance insights

August 17th, 2020

Microsoft Advertising. Intelligent connections.



Summary of findings



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.

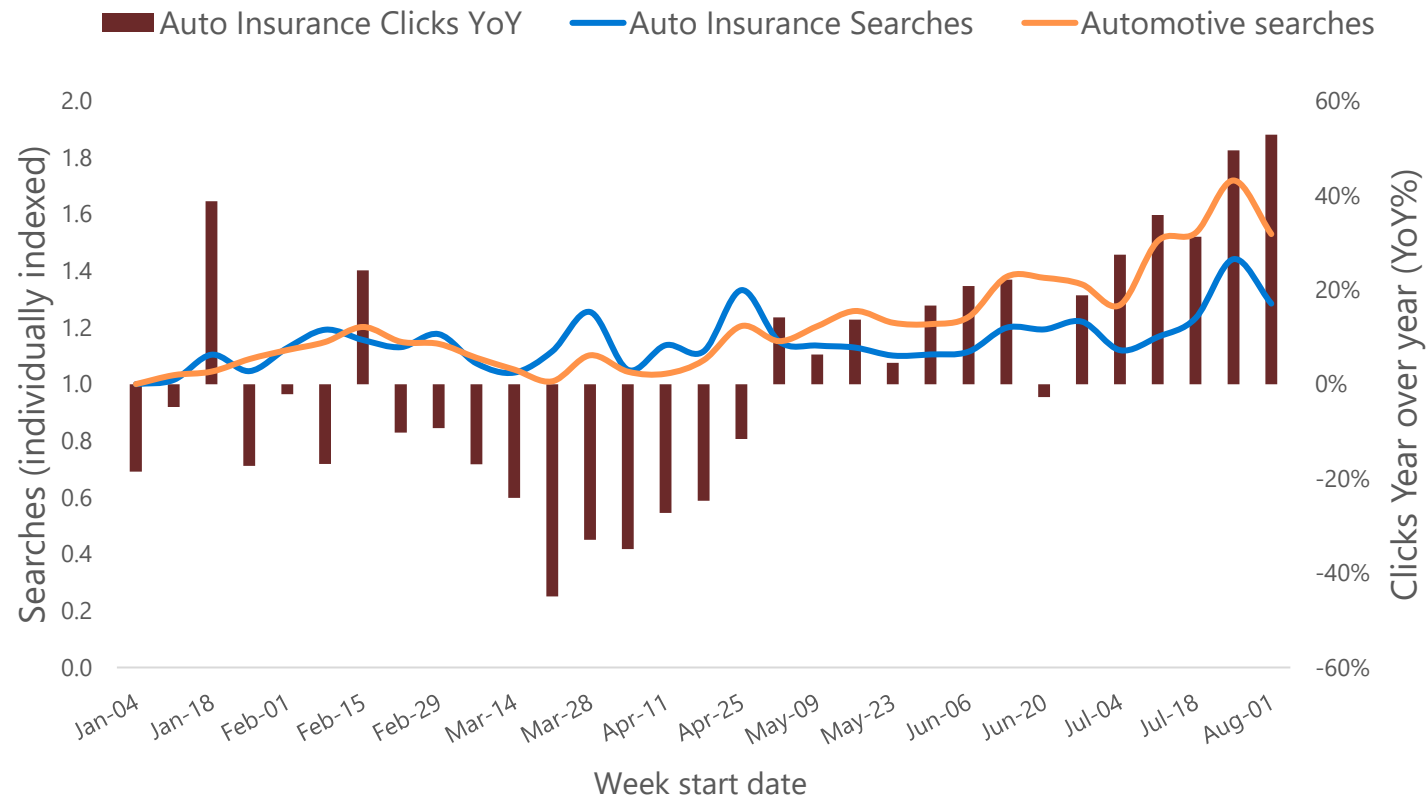


State of the market



The auto insurance industry is showing strong signs of recovery within the Microsoft Search Network through both search and click trends

Automotive searches, Auto Insurance searches and clicks year over year (YoY)
By week start date



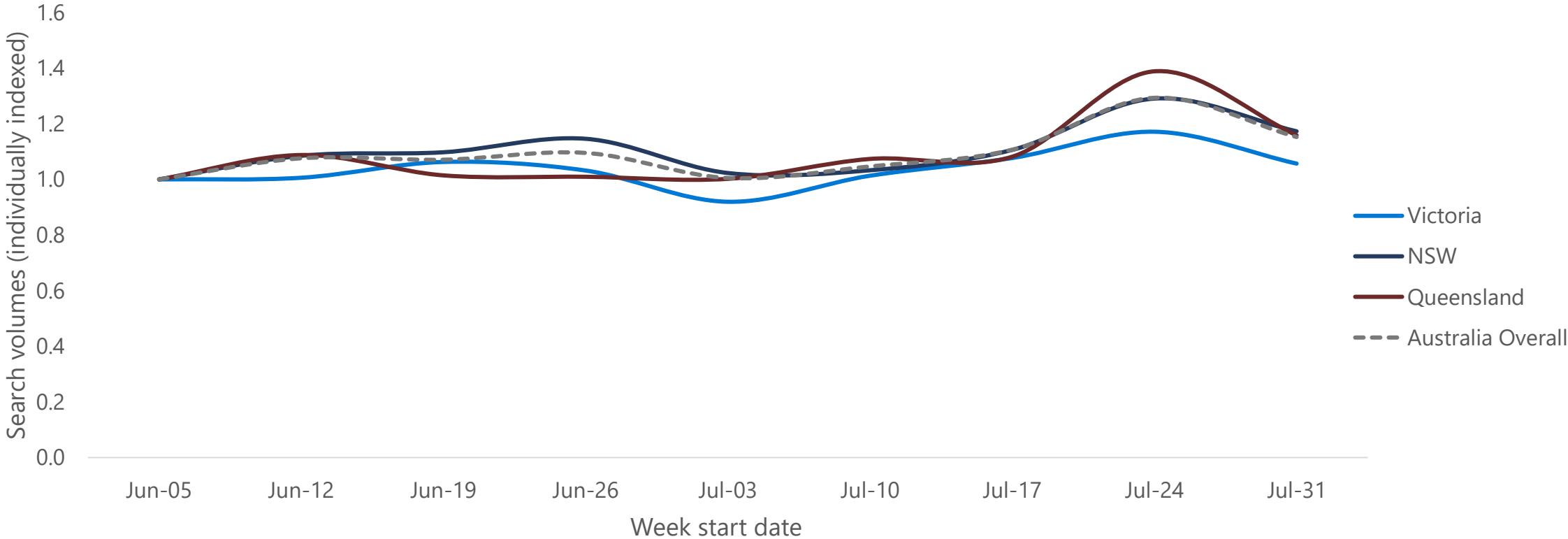
Key observations

1. The Australian used car market saw a strong rebound in prices in May¹ 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**

1. Source: Microsoft internal data | Auto Insurance | Jan – Aug 2020 | Search volume | All Devices

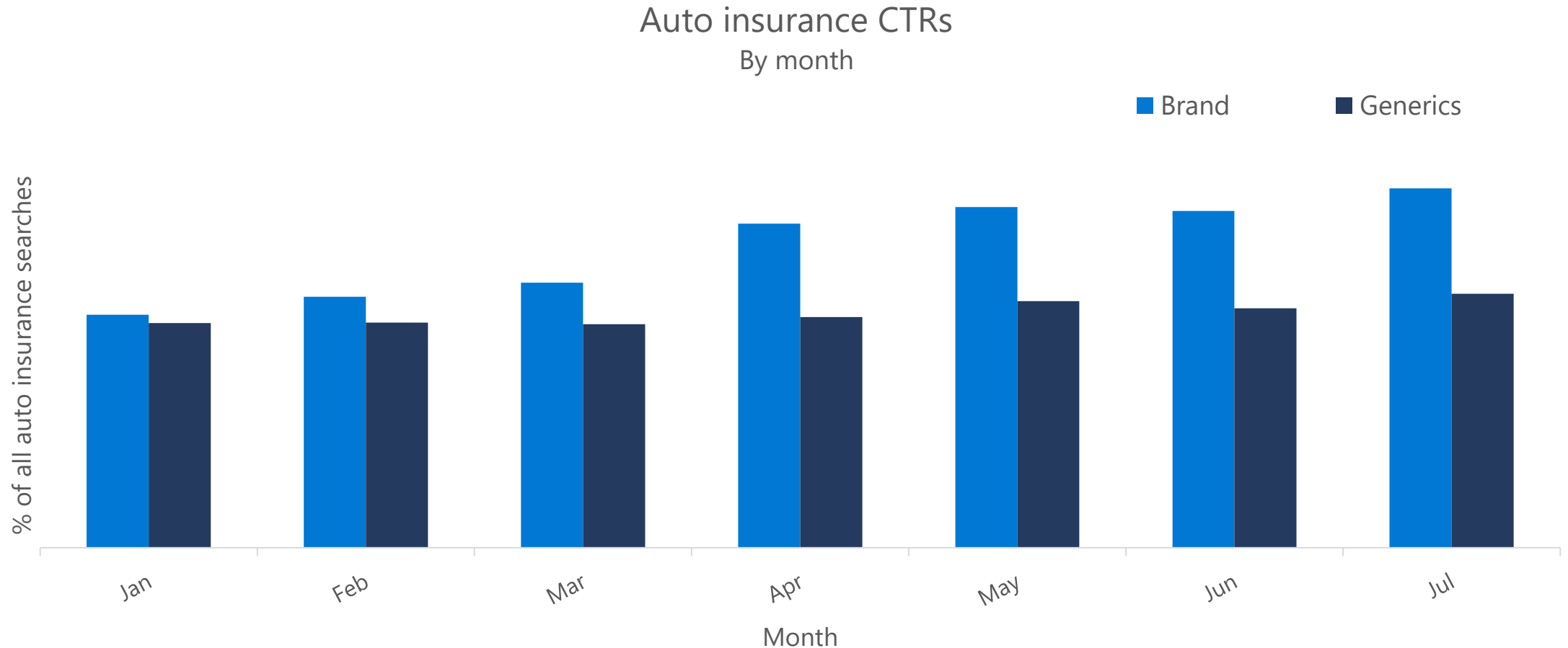
Despite the tightening of lockdown laws in Victoria, searches from the state remain relatively steady

Search volumes trends by major states
By weeks within June and July



Source: Microsoft internal data | Auto Insurance | Jun – Jul 2020 | Search volume | All Devices

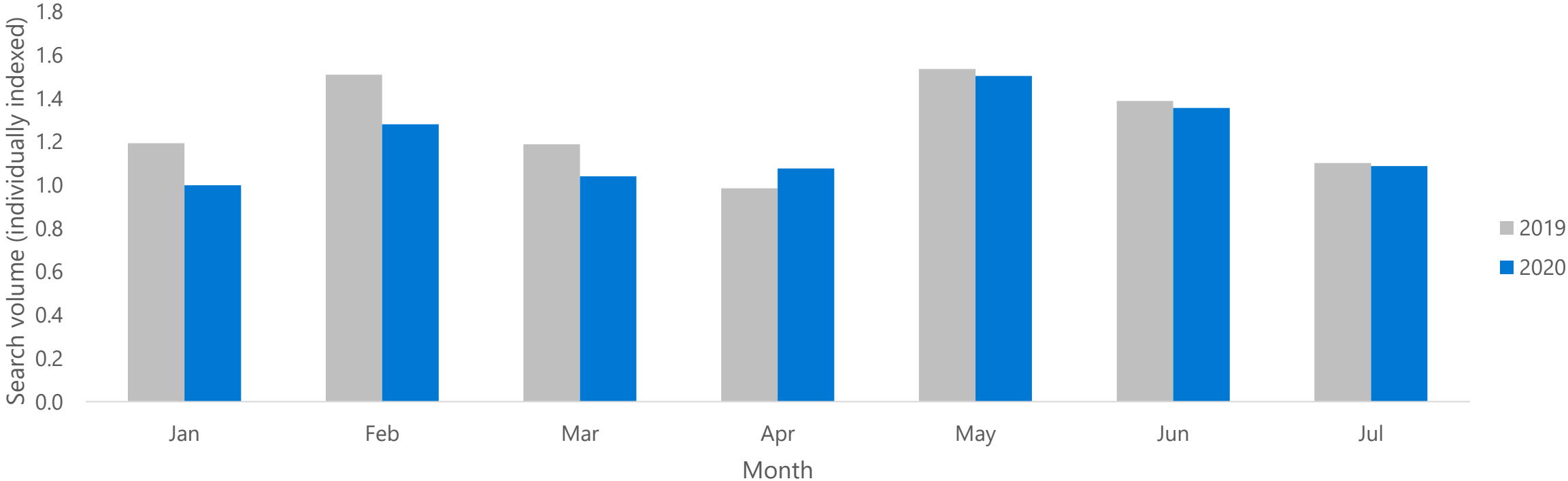
Users are showing higher levels of engagement with increasing click through rates (CTR) opening potential for greater return on investment



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

CTP specific query volumes vs overall query volumes
By month

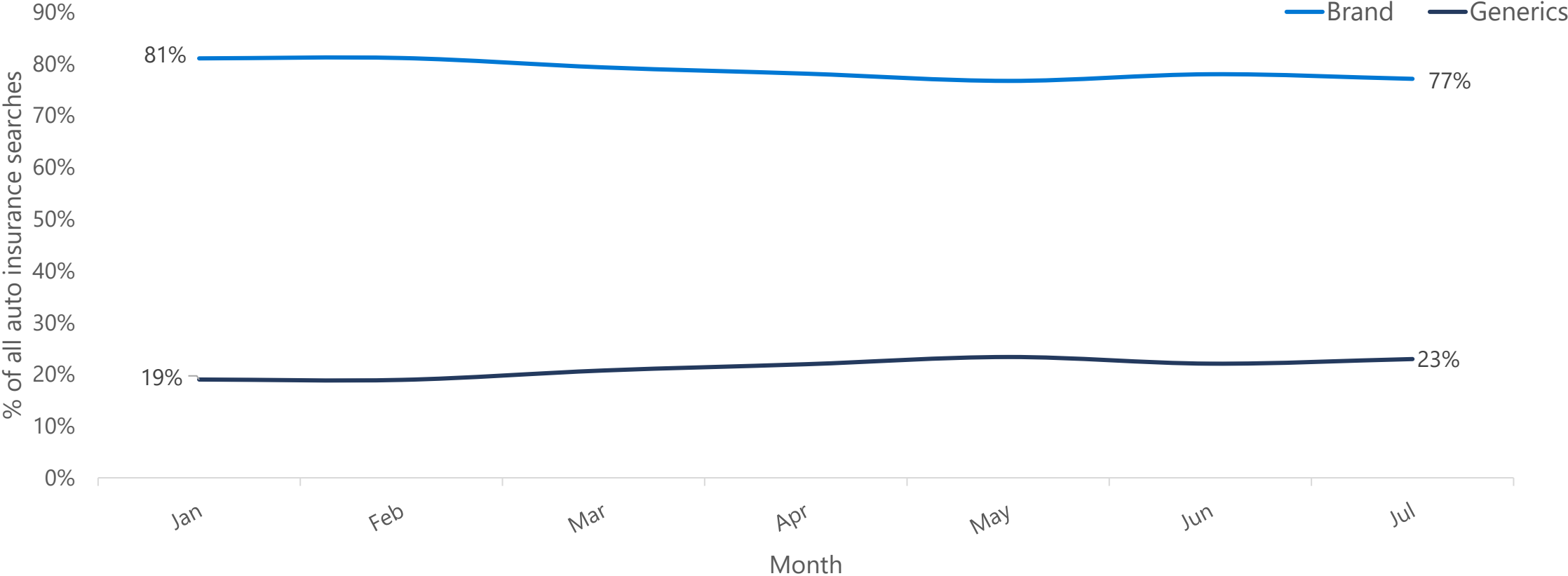


Source: Microsoft internal data | Auto Insurance | Jun – Jul 2020 | Search volume | All Devices | O&O Core

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

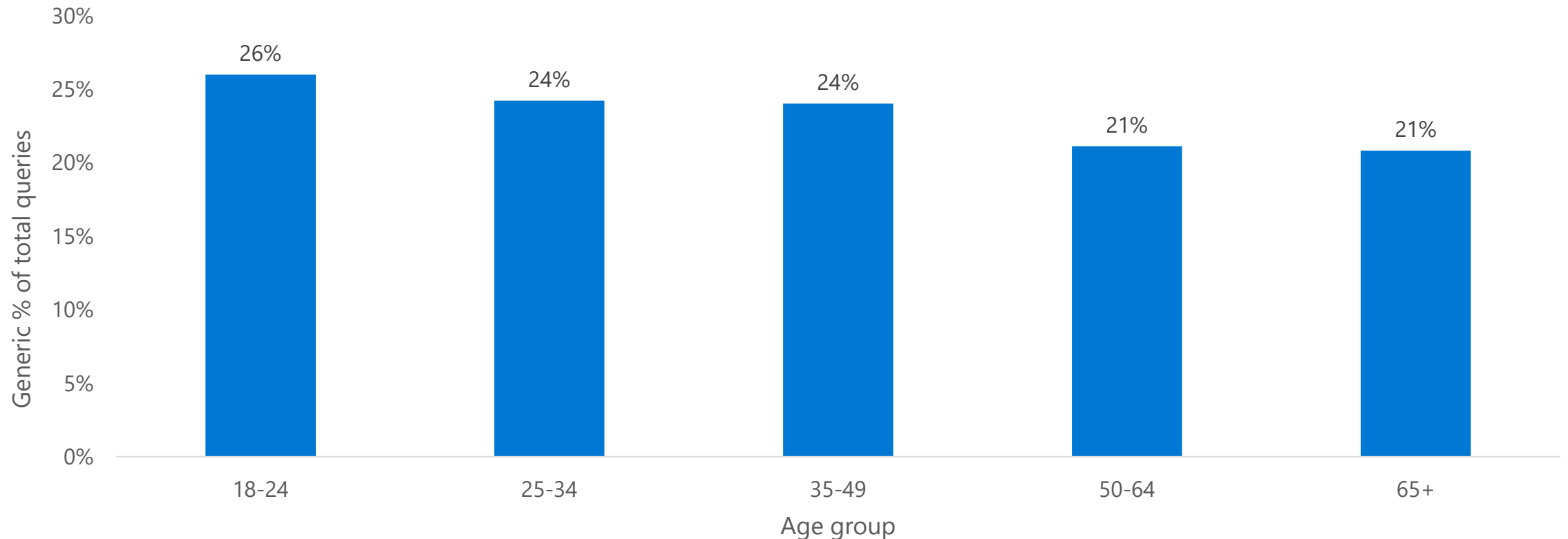


Source: Microsoft internal data | Auto Insurance | Jan – Jul 2020 | Search volume | All Devices | O&O Core

Younger age groups show less brand preference than older age groups

Use [demographic targeting](#) to optimise your brand and generic campaigns

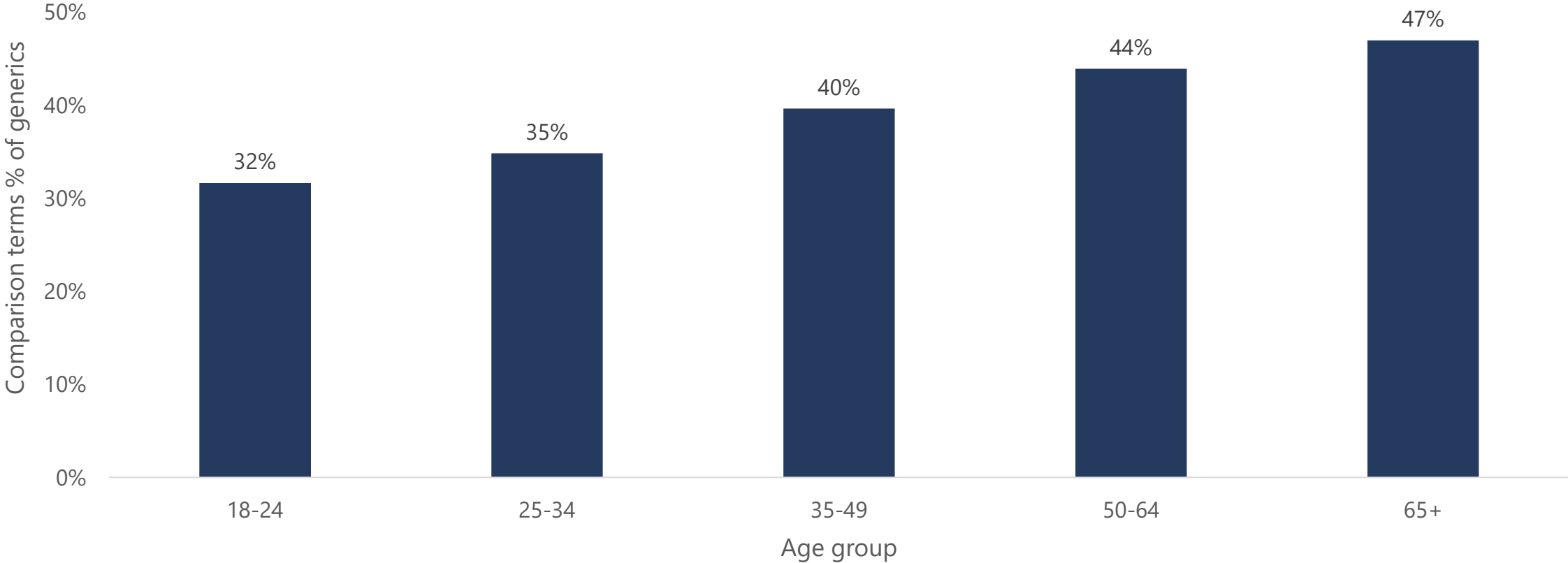
Generic searches % split of total
By age group for Jan – July



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

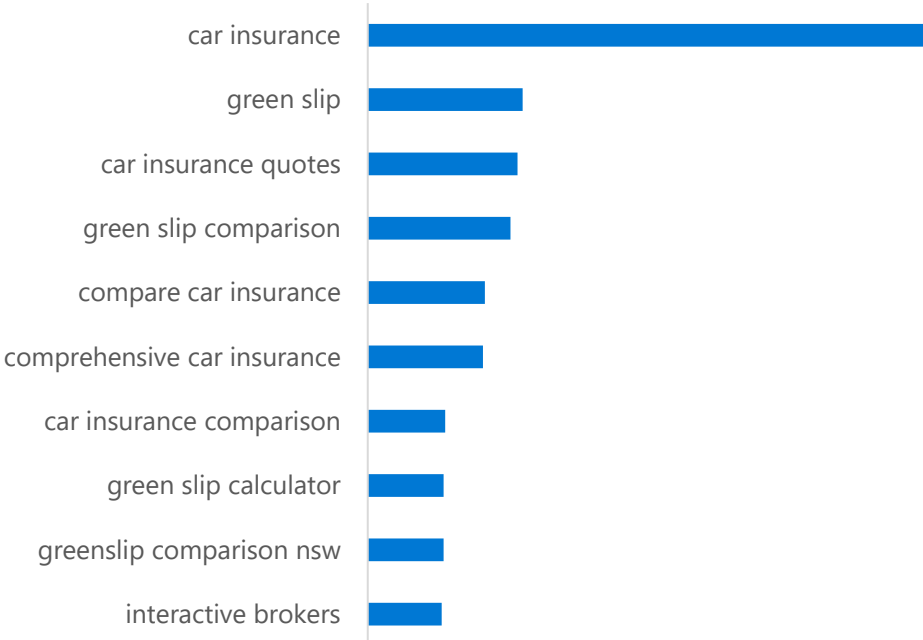


Source: Microsoft internal data | Auto Insurance | Jan – Aug 2020 | Search volume | All Devices | O&O Core

Investigating the generic/comparison term trends:

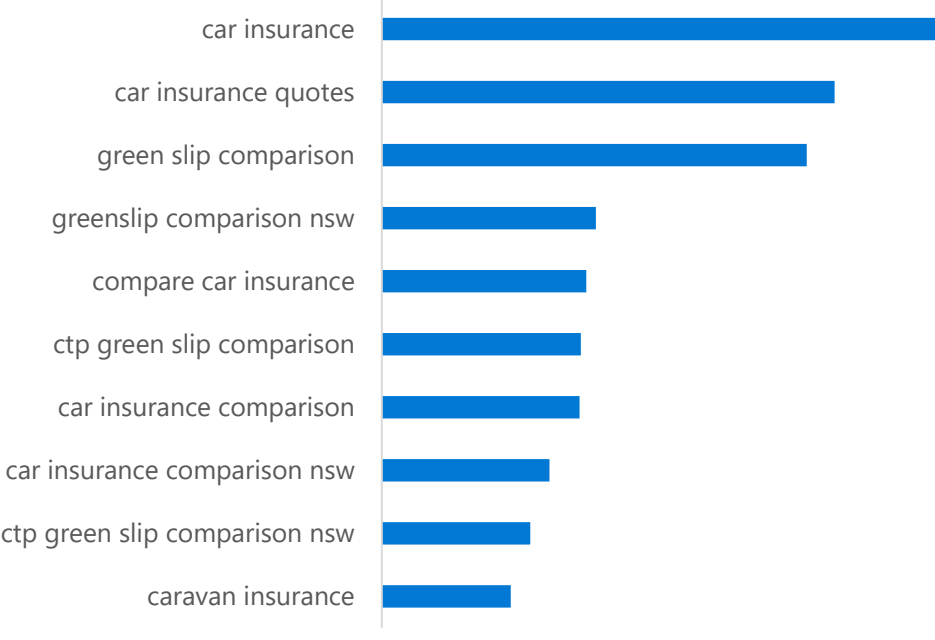
Younger ages index more on just searching for “car insurance” whereas older age groups focus on compulsory third party comparisons

Top 10 Queries (18-24)



Searches (indexed to “car insurance”)

Top 10 Queries (65+)



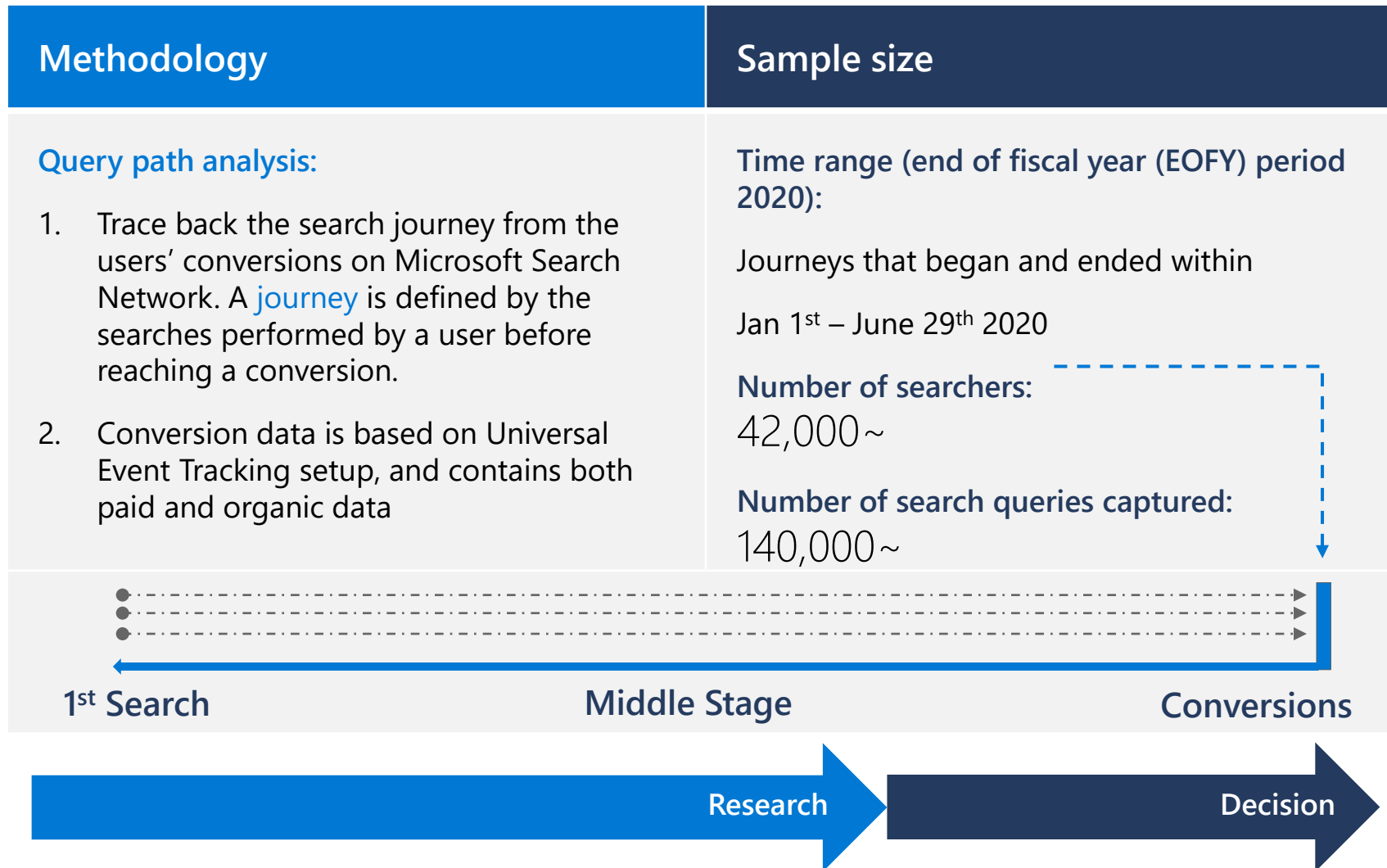
Searches (indexed to “car insurance”)



The consumer search journey



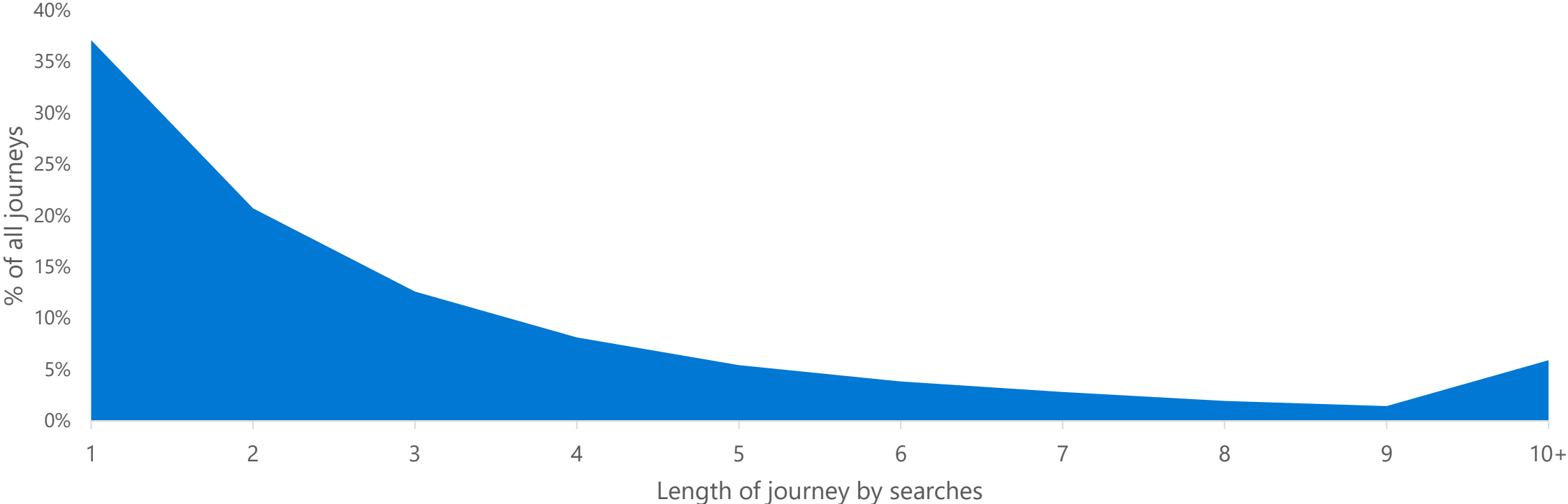
Introducing methodology and sample size



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



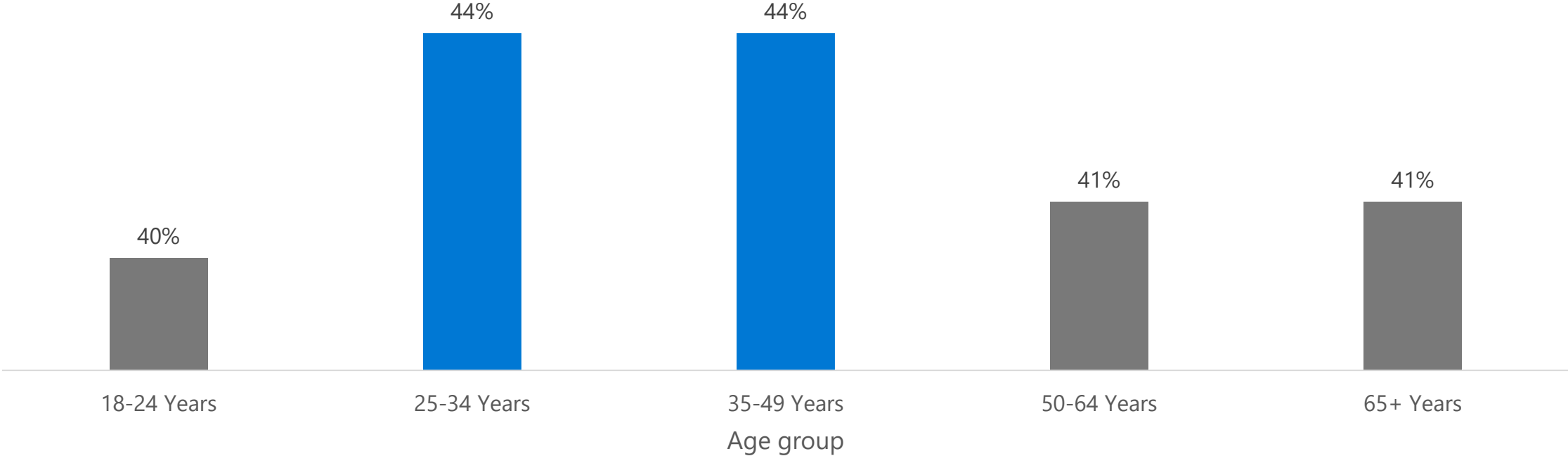
Source: Microsoft internal data | Query Path Analysis output | Auto Insurance | Jan – Jun 2020 | Conversion and Search data | All Devices | Paid & Organic



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



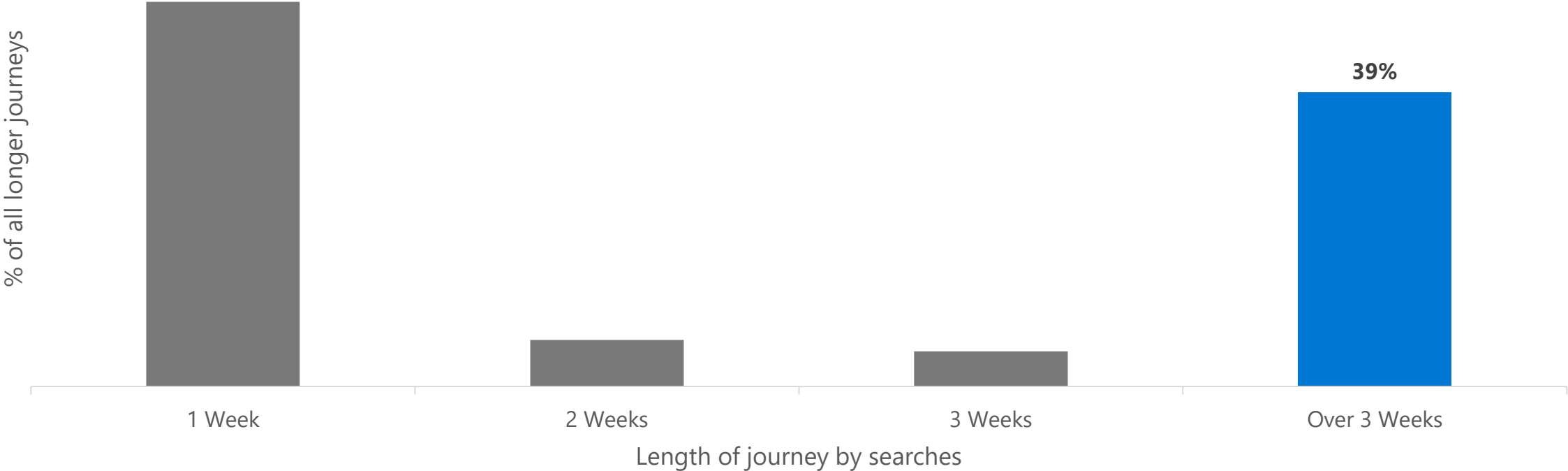
Source: Microsoft internal data | Query Path Analysis output | Auto Insurance | Jan – Jun 2020 | Conversion and Search data | All Devices | Paid & Organic



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%

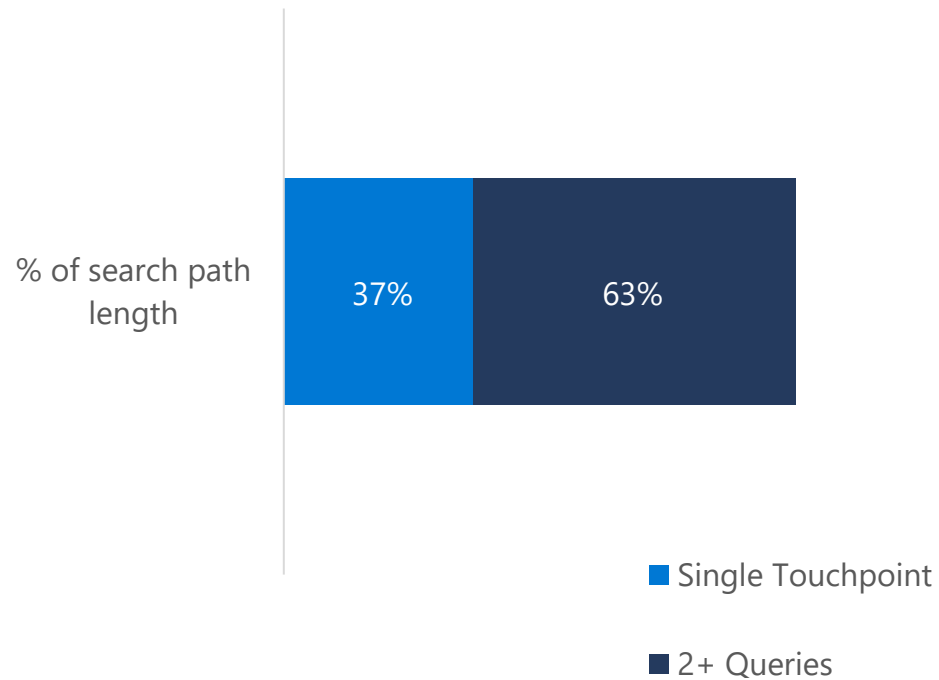
of all search journeys **end** with a Generic query



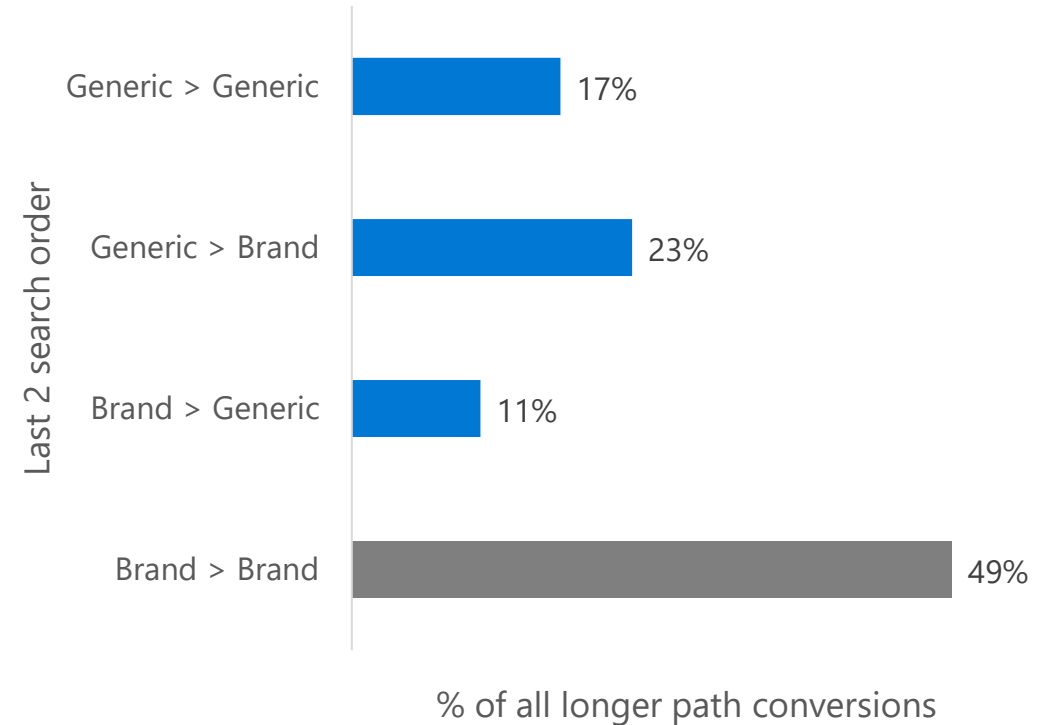
Generic searches remain a key role up till conversion with **1 in 2** journeys containing a generic query in the last 2 searches

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

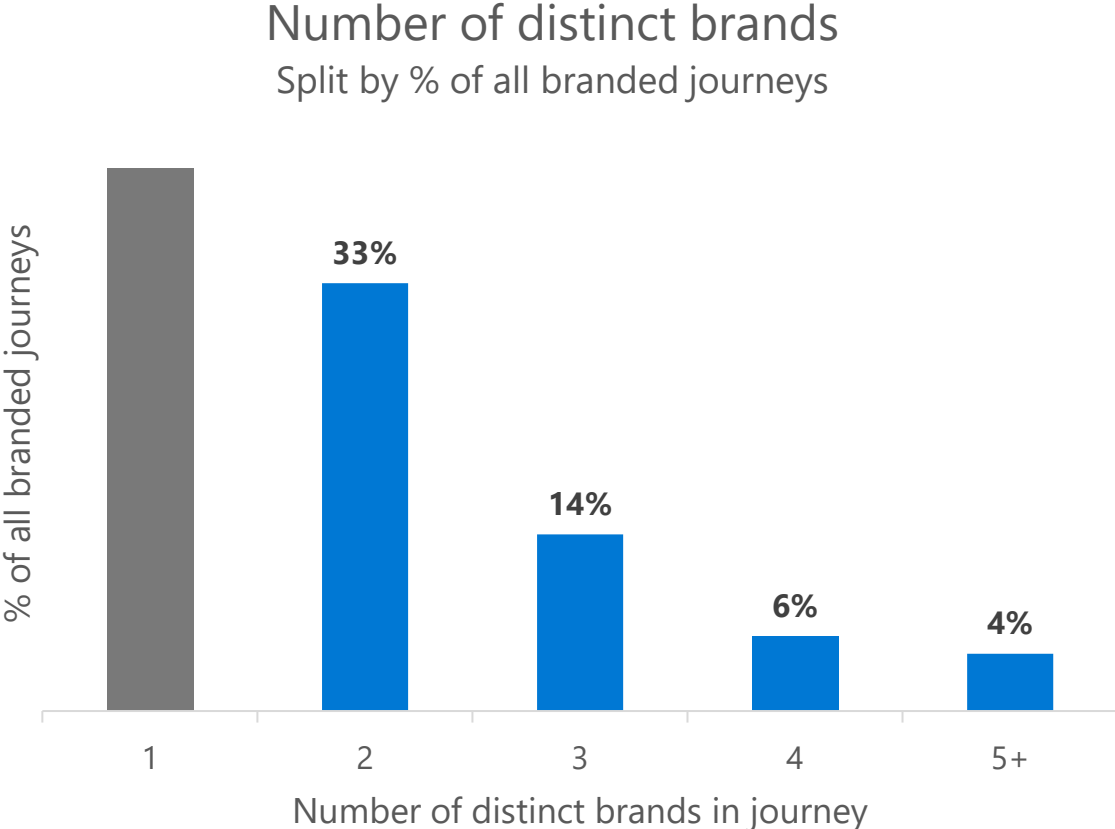


Last 2 searches for longer paths*



For journeys containing brand queries, these users shop around as over half of these journeys contain at least 2 different brands

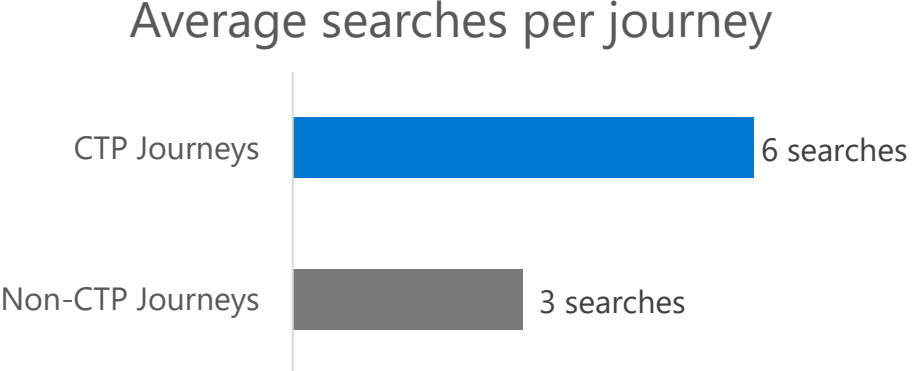
Remarketing may be a critical tool to remain top of mind for the undecided



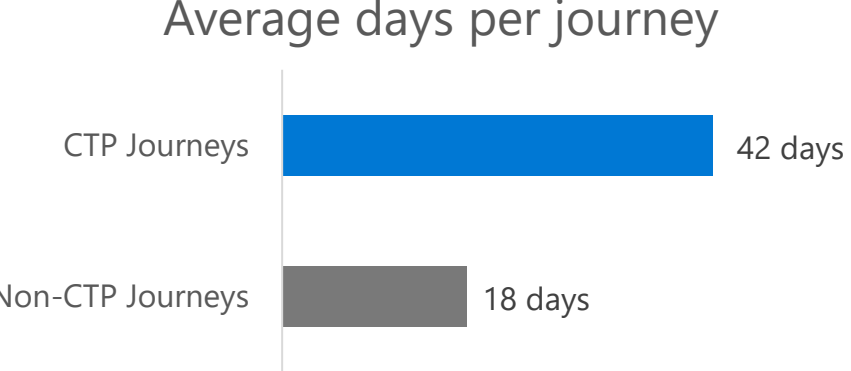
89%

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

Learn immediate and recovery-phase strategies, and how to approach new opportunities and optimize account health in the [Digital Advertiser's Guide to COVID-19](#)



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