Health Insurance switching season insights

July 21st, 2020
Despite numerous disruptions caused by COVID-19 (i.e. delay of premium increase or ban on elective surgeries), our search traffic has not been greatly affected.

Health Insurance remains a highly seasonal industry on the Microsoft Search Network, with volumes rising for end of fiscal year (EOFY) and expected to rise before premium price increases.

Generic keywords play a vital role for younger users when researching health insurance. It’s less apparent the older the age group.
State of the market
The health insurance industry is highly seasonal, as expected volumes rose with the EOFY period

Key observations looking back
1. End of June/July is traditionally one of the bigger volume periods within the private health insurance (PHI) industry, evidenced by a search volume growth of +35% from ending week of May to ending week of June

2. COVID-19 was expected to lead to negative impact on search traffic and interest from March to May. Given that historically April-May volumes are softer, this year’s volume weakness is in line with historical trend and is an indicator of resilience within the Microsoft Search Network.
Take advantage of the PHI seasonality to carefully plan your budget

Traditionally, March, June, and July are the most active months for the health insurance industry.

Looking forward: Due to the disruption of COVID-19 and the delay of price increases until October, we expect higher than usual volumes in September before the price increase.

This is based on the assumption that September volumes will replicate the usual March volume spike before the April price increase in previous years.

H2 forecasts based on previous year monthly performance.
Source: Microsoft internal data | Health Insurance | Feb – Jul 2020 | Search volume | All Devices | O&O Core
Cost per click (CPC) trends highlight increasing activity and competition in the auction as the EOFY seasonality hits.

Health insurance query type CPCs
By week starting date

Source: Microsoft internal data | Health Insurance | Feb – Jul 2020 | Search volume | All Devices | O&O Core
Within the PHI category on Microsoft Search Network, over 1 in 3 searches is a Generic

Health insurance query type searches
By week starting date

% of all PHI searches

Brand
Generics

Source: Microsoft internal data | Health Insurance | Feb – Jul 2020 | Search volume | All Devices | O&O Core
Younger age groups are more likely to use generic terms

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

Source: Microsoft internal data | Health Insurance | Feb – Jul 2020 | Search volume | All Devices | O&O Core
Consumer search journey
Introducing methodology and sample size

<table>
<thead>
<tr>
<th>Methodology</th>
<th>Sample size</th>
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<tbody>
<tr>
<td><strong>Query path analysis:</strong></td>
<td><strong>Time range (EOFY Period 2020):</strong></td>
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<tr>
<td>1. Trace back the search journey from the users’</td>
<td>Journeys that began and ended within</td>
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<tr>
<td>conversions on Microsoft Search Network. A journey</td>
<td>March 12th – June 1st, 2020 (PHI)</td>
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<tr>
<td>is defined by the searches performed by a user before reaching a conversion.</td>
<td>Number of searchers: 4,971</td>
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<tr>
<td>2. Conversion data is based on Universal Event</td>
<td>Number of search queries captured: 11,787</td>
</tr>
<tr>
<td>Tracking setup, and contains both paid and</td>
<td></td>
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<tr>
<td>organic data</td>
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Source: Microsoft internal data | Query Path Analysis output | Health Insurance | March – Jun 2020 | Conversion and Search data | All Devices | Paid & Organic
1 in every 5 health insurance conversions happens after just 1 search

A short journey makes it critical to be in the auction when consumers first enter the purchase funnel

Source: Microsoft internal data | Query Path Analysis output | Health Insurance | March – Jun 2020 | Conversion and Search data | All Devices | Paid & Organic
Generic queries are of utmost importance in the health insurance purchase journey
The search journey is complex with an average of 11 days to finish a conversion. Over half of these journeys contain at least 1 Generic query.

47%
Of all search journeys begin with a Generic query

42%
of all search journeys end with a Generic query

Source: Microsoft internal data | Query Path Analysis output | Health Insurance | March – Jun 2020 | Conversion and Search data | All Devices | Paid & Organic
Generic searches play a key role especially towards the end of the longer journeys

For the journeys that were longer than a single search, 2 in 3 conversions contained a generic query in the last 2 searches

Length of search path

<table>
<thead>
<tr>
<th>% of search path length</th>
<th>Single Path</th>
<th>2+ Queries</th>
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<tbody>
<tr>
<td>22%</td>
<td></td>
<td></td>
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<tr>
<td>78%</td>
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Last 2 searches for longer paths*

- Generic > Generic
- Generic > Brand
- Brand > Generic
- Brand > Brand

% of all longer path conversions

Source: Microsoft internal data | Query Path Analysis output | Health Insurance | March – Jun 2020 | Conversion and Search data | All Devices | Paid & Organic
Health insurance research is complex due to multiple influencing factors

Leverage the “high value” generic keywords to win customers’ minds

High value generics categories:

- **27%** comparison terms
  - “best”, “compare”, “comparison”, “top”, “cheapest”

- **22%** location terms

- **11%** extras/needs terms
  - “extras”, “dental”, “optical”, “orthodontics”, “psychiatric”

- **4%** group specific terms
  - “family”, “couples”, “singles”, “pensioner”, “nurses”, “workers”

Source: Microsoft Advertising Internal Data, all devices, Jan 1– Apr 4, 2019 v. 2020,
Comparison queries have a strong presence in the first search, comprising **26%** of generics.
Customers who use brand terms in their research, on average, have longer conversion paths

Leverage **Remarketing audiences** to stay top of mind throughout the search journey

**Length of search path**

- % Path length containing at least one brand term:
  - 17% Single Path
  - 83% 2+ Queries

- % Path length for all journeys:
  - 22% Single Path
  - 78% 2+ Queries

Between the first search and conversion, customers on average consider **1-3 Brands**

Source: Microsoft internal data | Query Path Analysis output | Health Insurance | March – Jun 2020 | Conversion and Search data | All Devices | Paid & Organic
Key takeaways

1. Fight for **presence in the auction**, as 22% of conversions happen within short journeys

2. Always be there to inform and influence, widen your reach by expanding your generics keyword list. This is particularly important for targeting the highly valuable younger audience segment.

3. Invest in **comparison terms** due to generate high exposure to consumers in their first search
Strategies and recommendations
