



MICROSOFT ADVERTISING

# Health Insurance switching season insights

July 21<sup>st</sup>, 2020

Microsoft Advertising. Intelligent connections.



# Summary of findings



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.

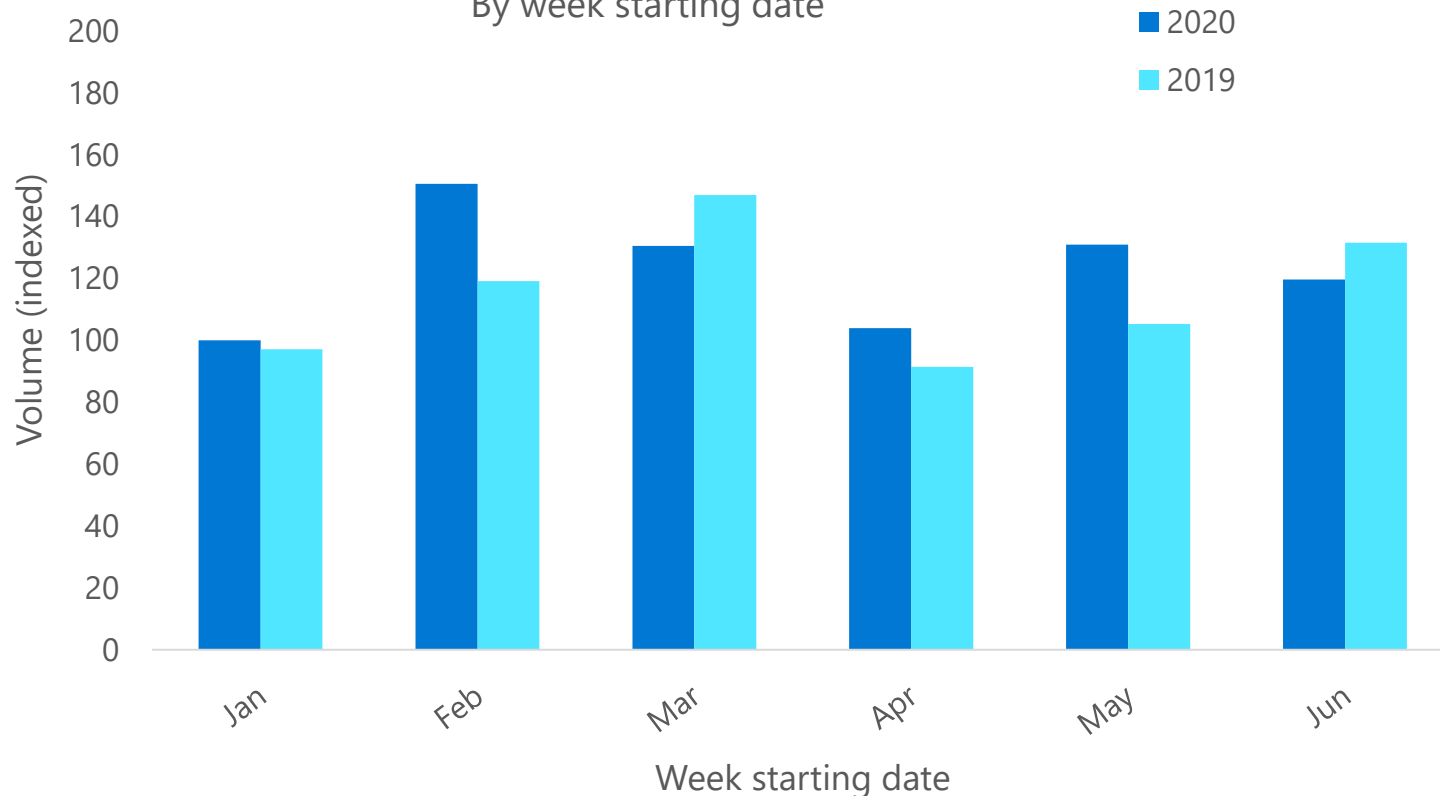


# State of the market



# The health insurance industry is highly seasonal, as expected volumes rose with the EOFY period

Health insurance searches, clicks and clicks  
year-over-year (YoY)  
By week starting date



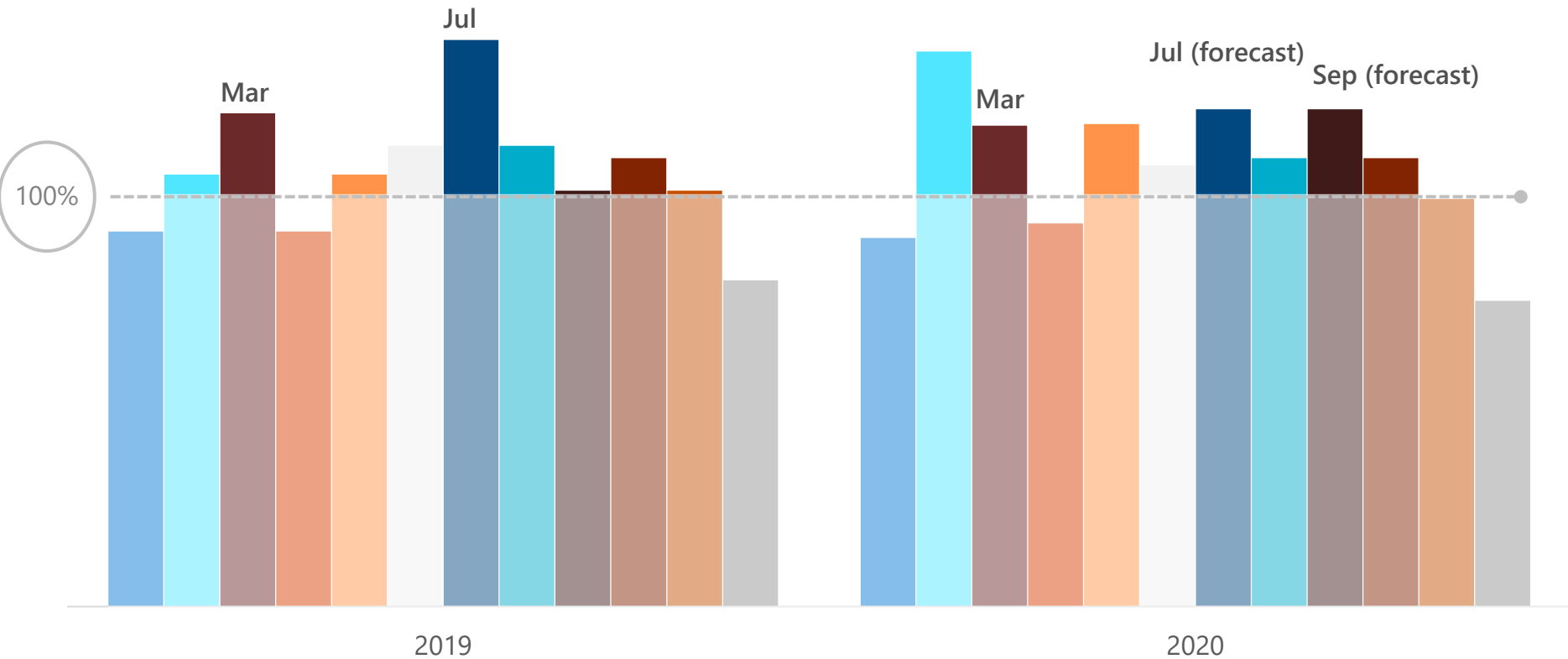
Source: Microsoft internal data | Health Insurance | Feb – Jul 2020 | Search volume | All Devices | O&O Core

## 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

Search volume index for health insurance terms by month  
2019 vs 2020 (2020 H2 forecasted)



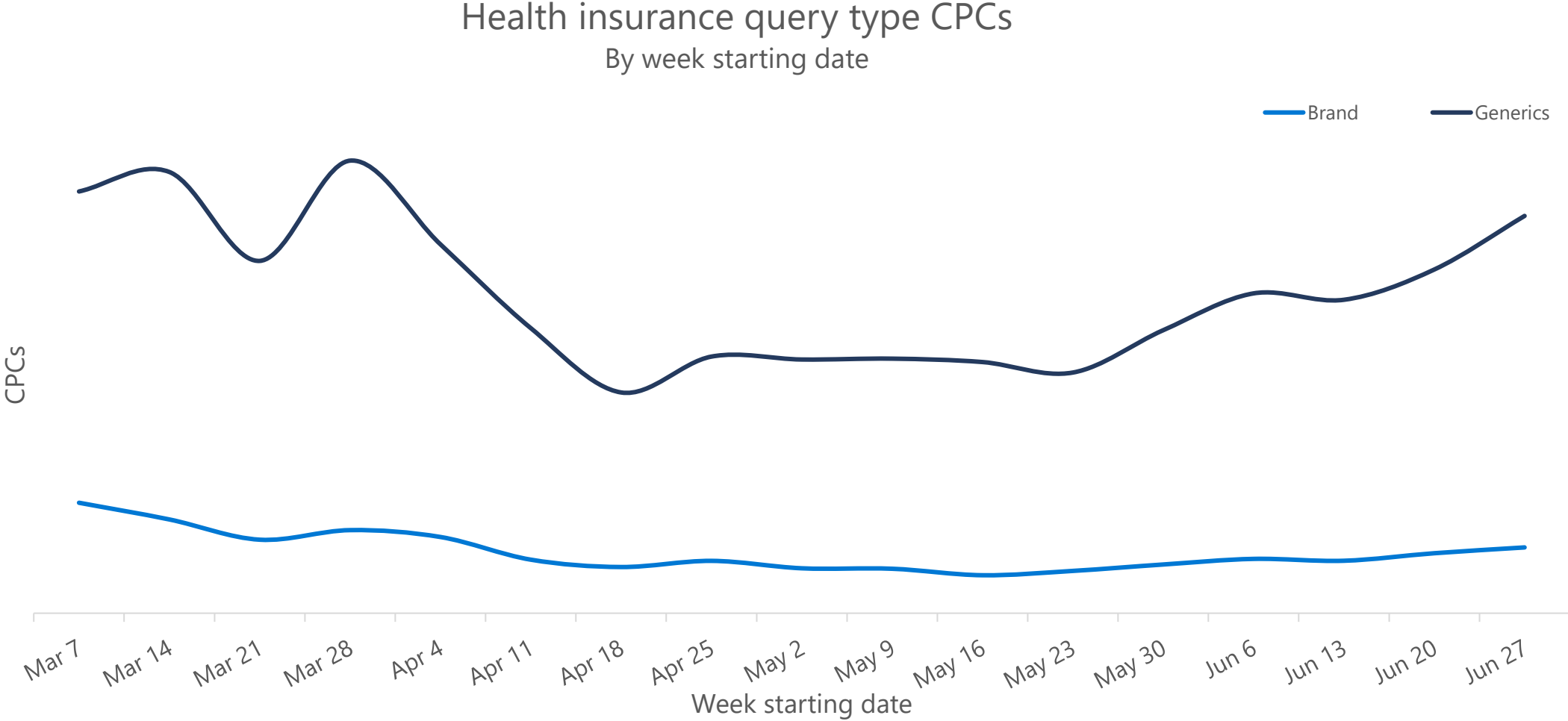
Traditionally, **March, June,** and **July** are the most active months for the health insurance industry

**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

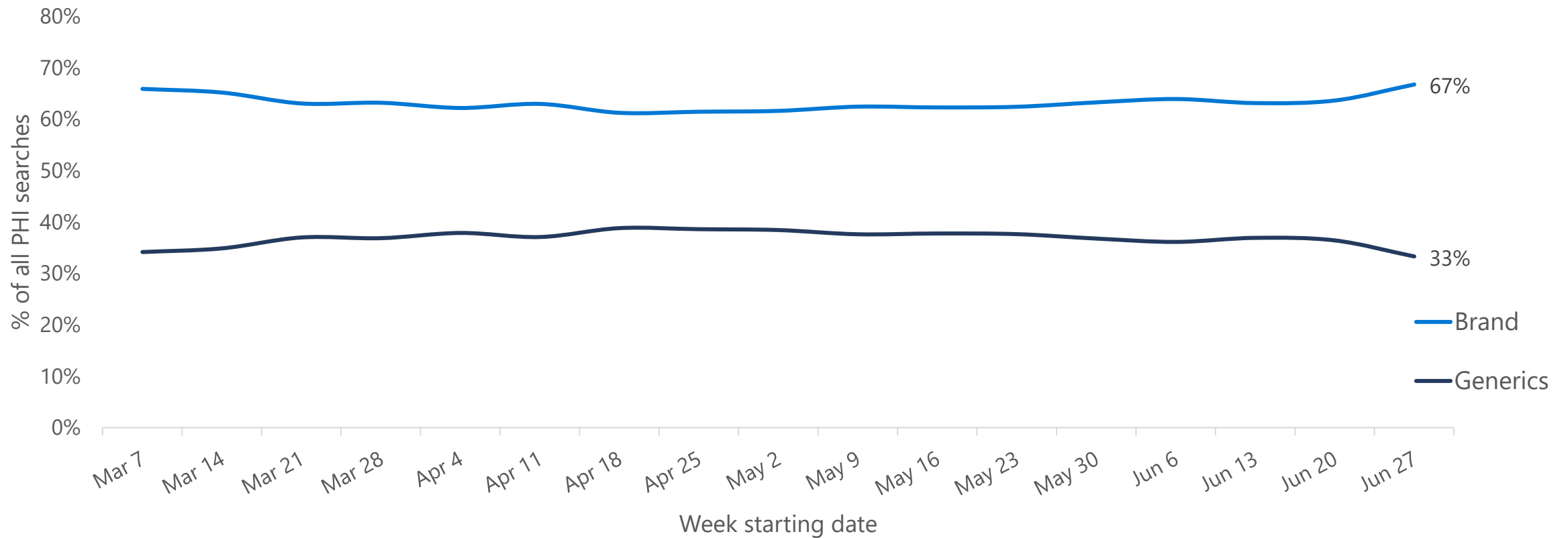
# Cost per click (CPC) trends highlight **increasing activity** and competition in the auction as the EOFY seasonality hits



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

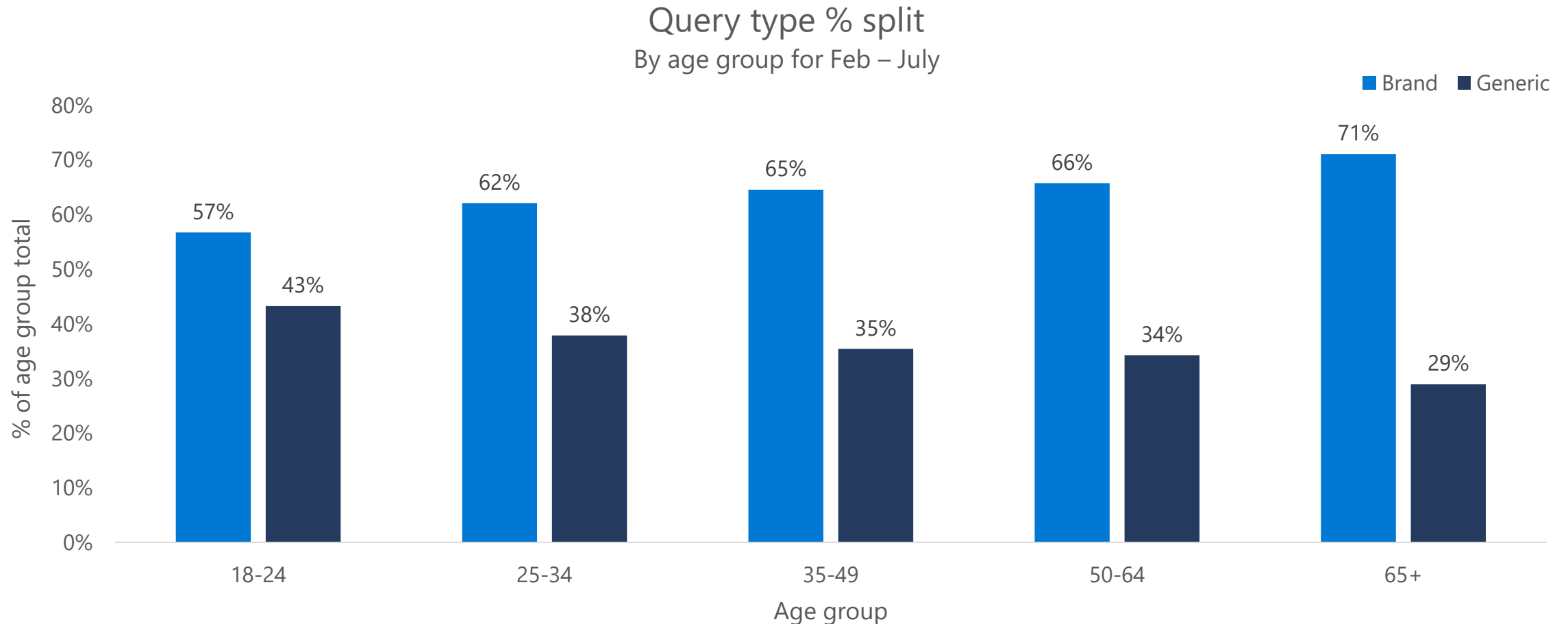
# Within the PHI category on Microsoft Search Network, over 1 in 3 searches is a Generic

Health insurance query type searches  
By week starting date



# Younger age groups are more likely to use generic terms

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



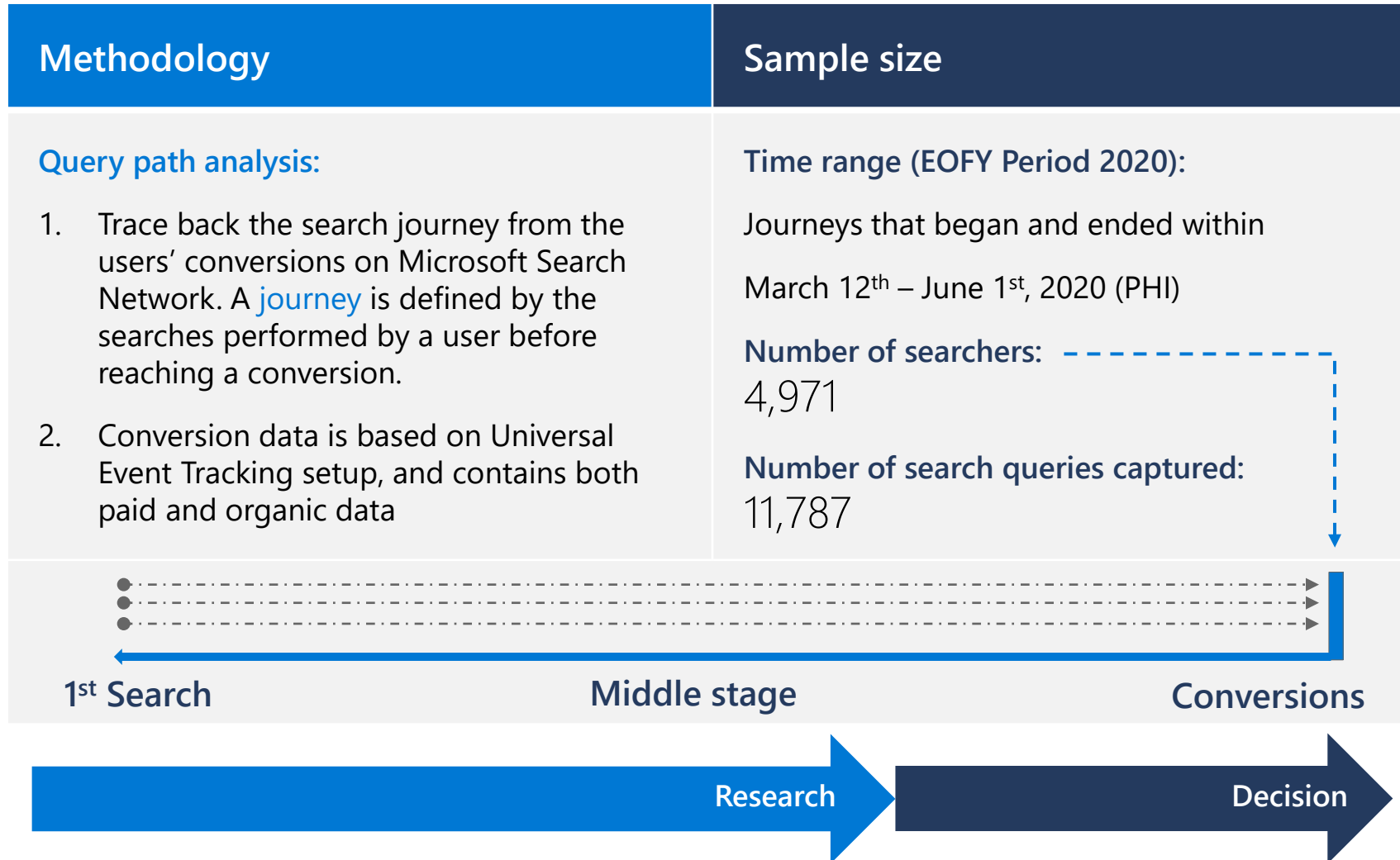




# Consumer search journey



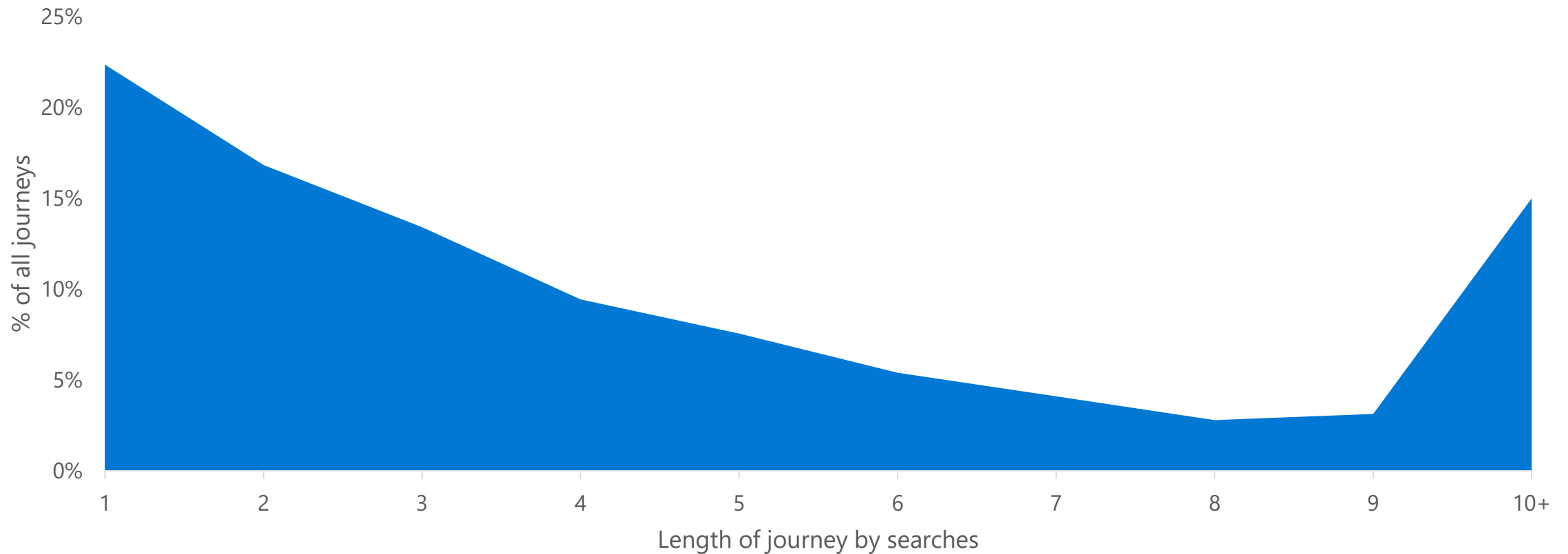
# Introducing methodology and sample size



# 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

Length of journey by searches  
Split by % of all journeys



# 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



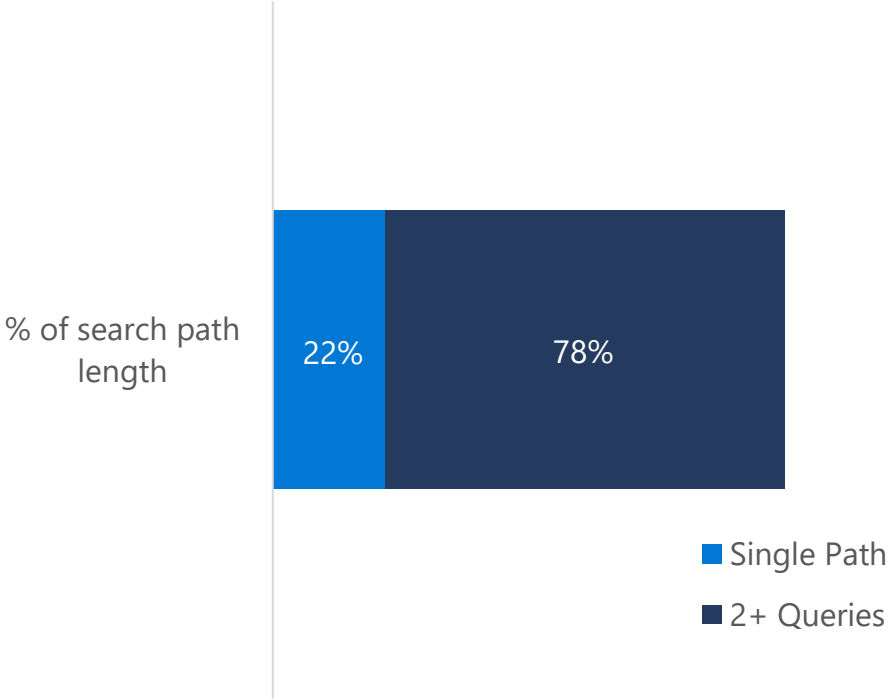
Source: Microsoft internal data | Query Path Analysis output | Health Insurance | March – Jun 2020 | Conversion and Search data | All Devices | Paid & Organic



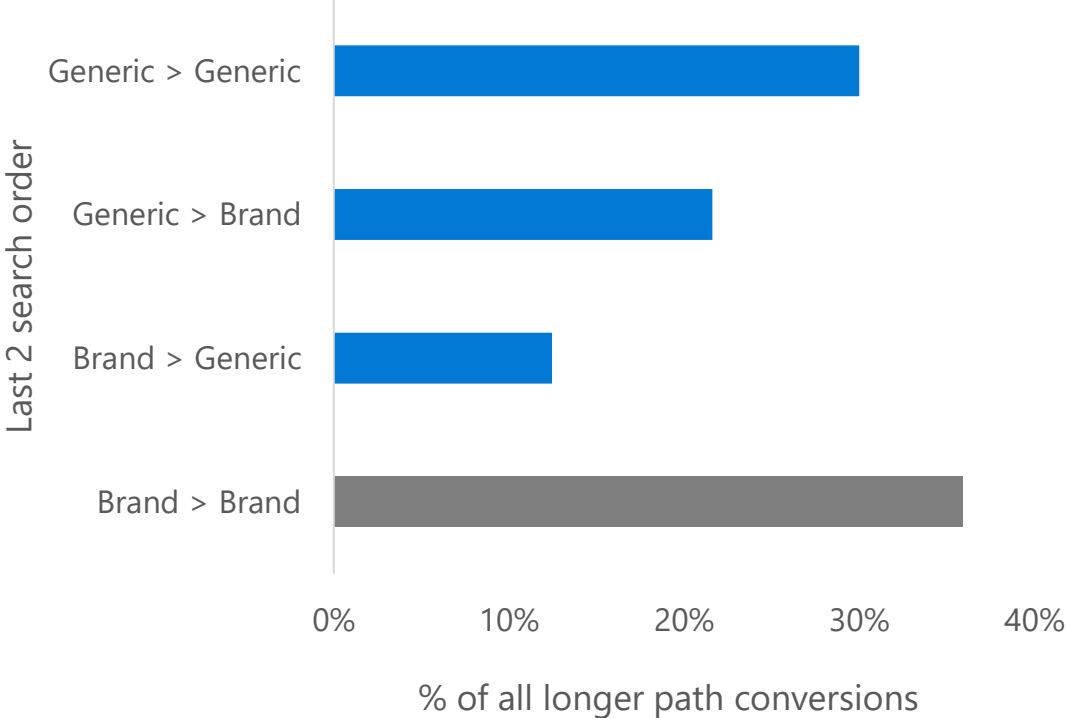
# Generic searches play a key role especially towards the end of the longer journeys

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



Last 2 searches for longer paths\*



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

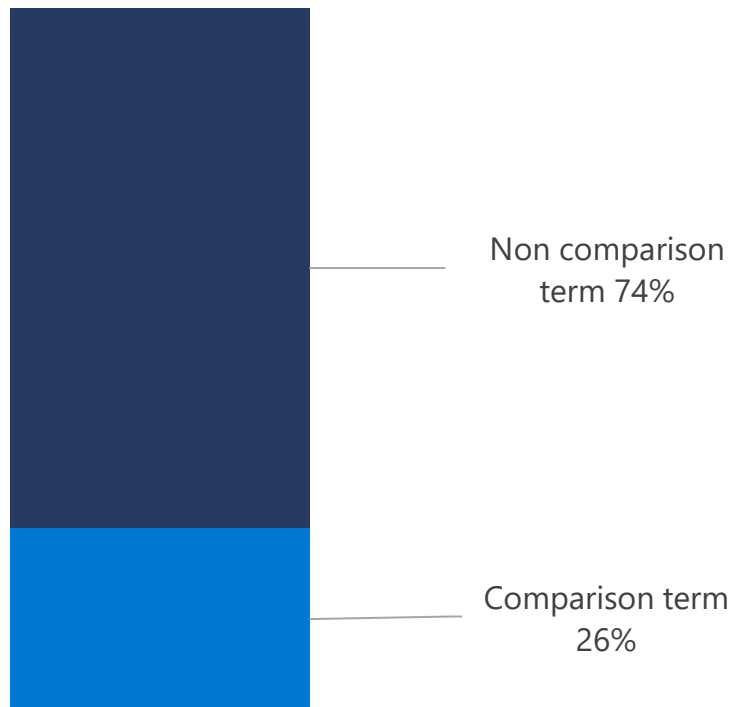


High value generics categories:

- **27%** comparison terms
  - "best", "compare", "comparison", "top", "cheapest"
- **22%** location terms
  - "australia", "queensland", "qld", "tasmania", "nsw", "victoria", "vic"
- **11%** extras/needs terms
  - "extras", "dental", "optical", "orthodontics", "psychiatric"
- **4%** group specific terms
  - "family", "couples", "singles", "pensioner", "nurses", "workers"

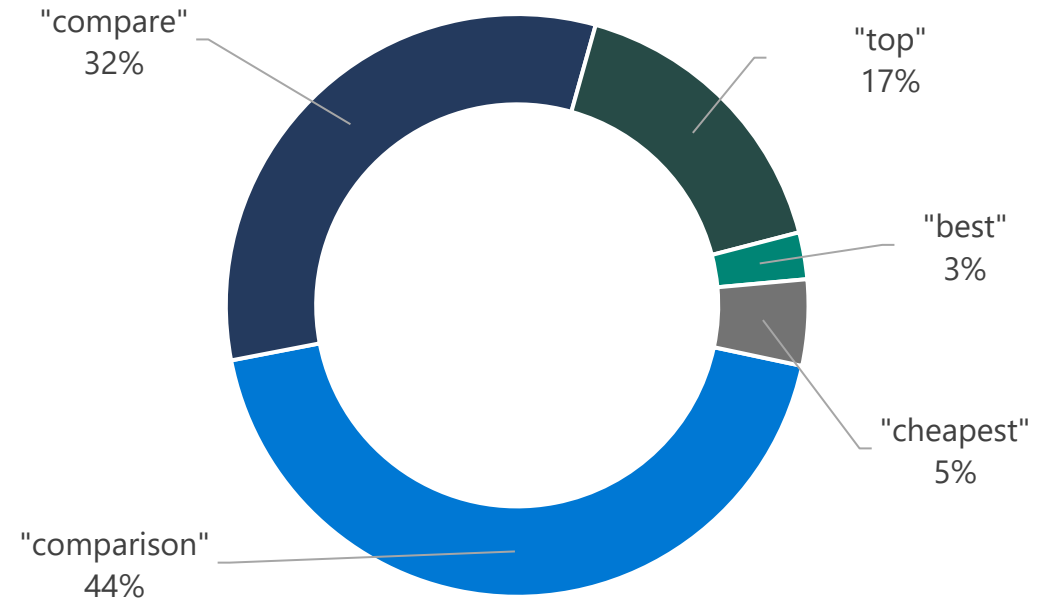
# Comparison queries have a strong presence in the first search, comprising 26% of generics

Generics as first searches  
comparison split



% Of First Searches

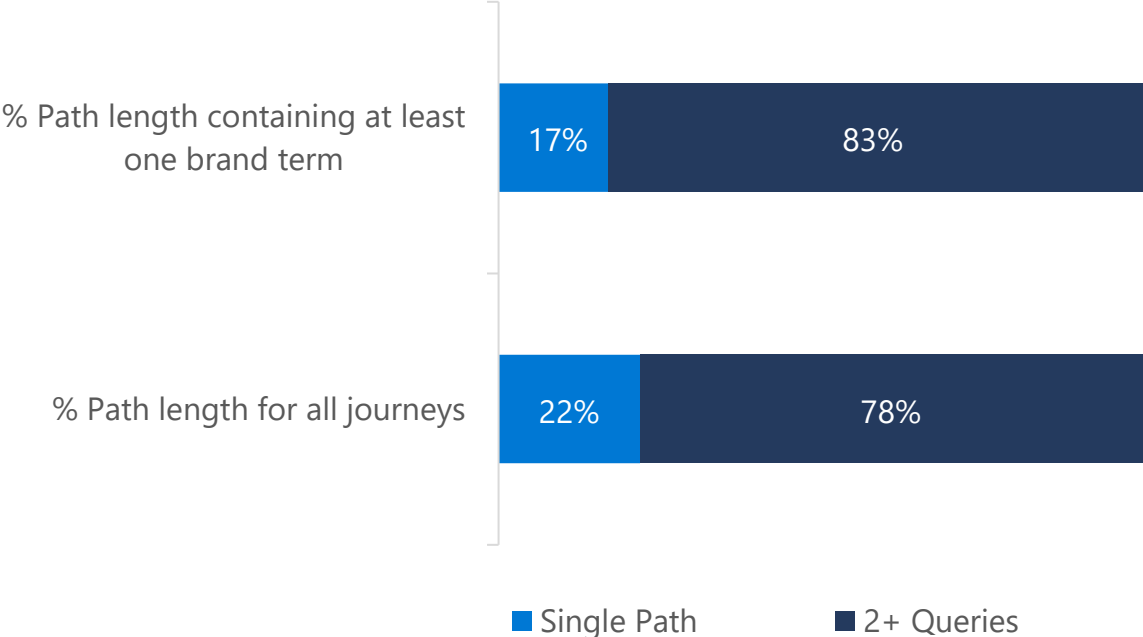
Comparison keywords split  
April - May search volume in journeys



# 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



Between the first search and conversion, customers on average consider

# 1-3 Brands



# 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

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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