



MICROSOFT ADVERTISING

Bite-sized insights on Auto Insurance (AU)

Microsoft Advertising. Intelligent connections.



Key factors in the industry

1. Leading U.S. auto insurers are providing relief to their customers to assist with the financial impact driven by COVID-19. With fewer cars on the road, the number of accidents will have drastically reduced, leading to fewer insurance claims and 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



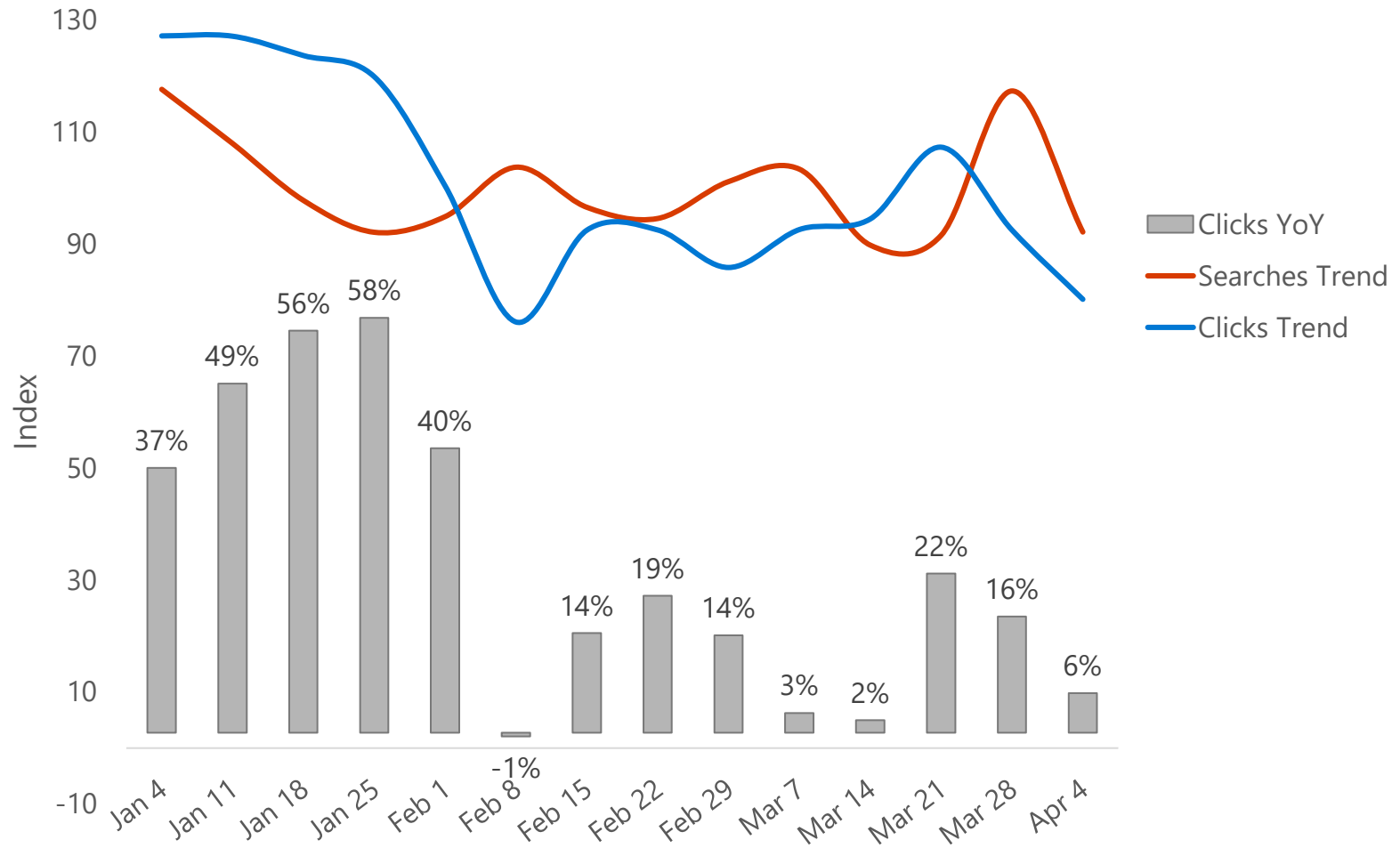
Source:

1. Yahoo Finance, April 22, 2020 <https://finance.yahoo.com/news/coronavirus-news-car-insurance-companies-171000527.html>
2. Caradvice.com.au, April 17, 2020 <https://www.caradvice.com.au/843367/australian-insurer-refunds-covid-19/>
3. Global Web Index Coronavirus Report April 2020,

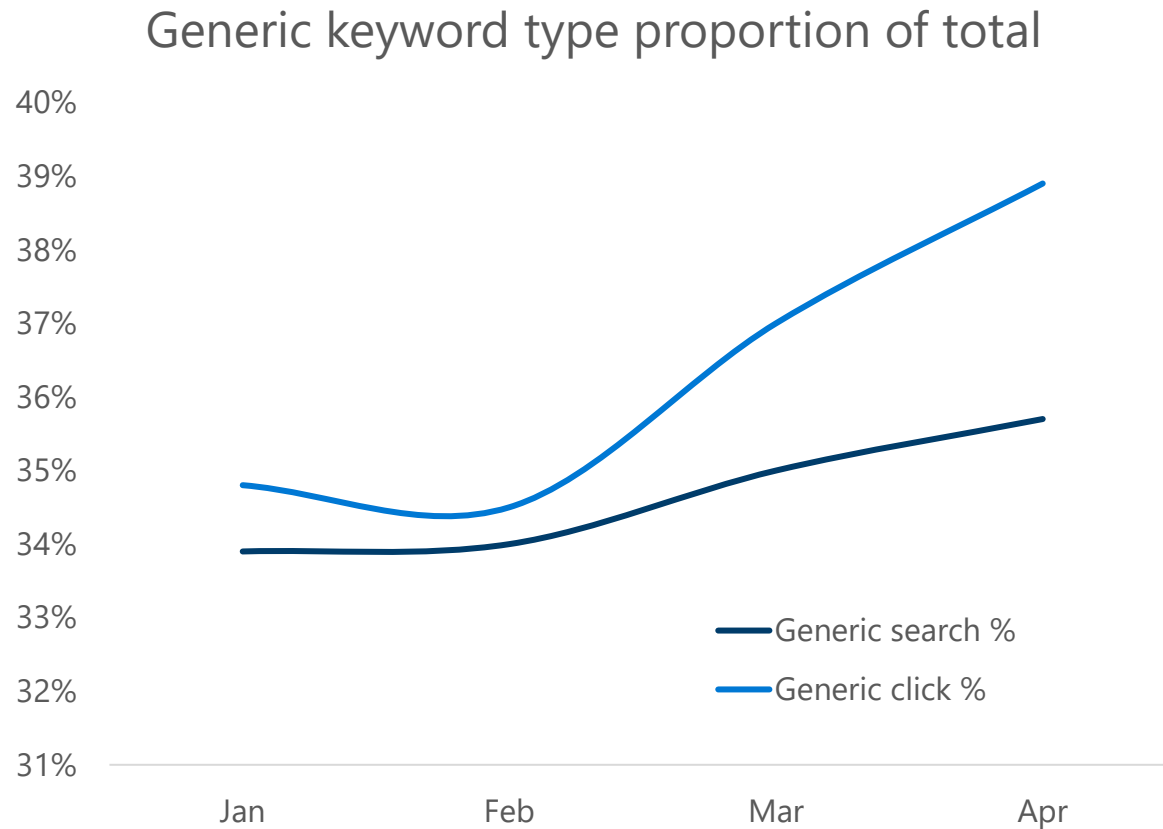
Current performance

1. 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 expectations comparing our insurers' responses to U.S. insurers.

Auto Insurance weekly searches, clicks and clicks YoY



People are becoming more brand agnostic when searching for policies



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

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

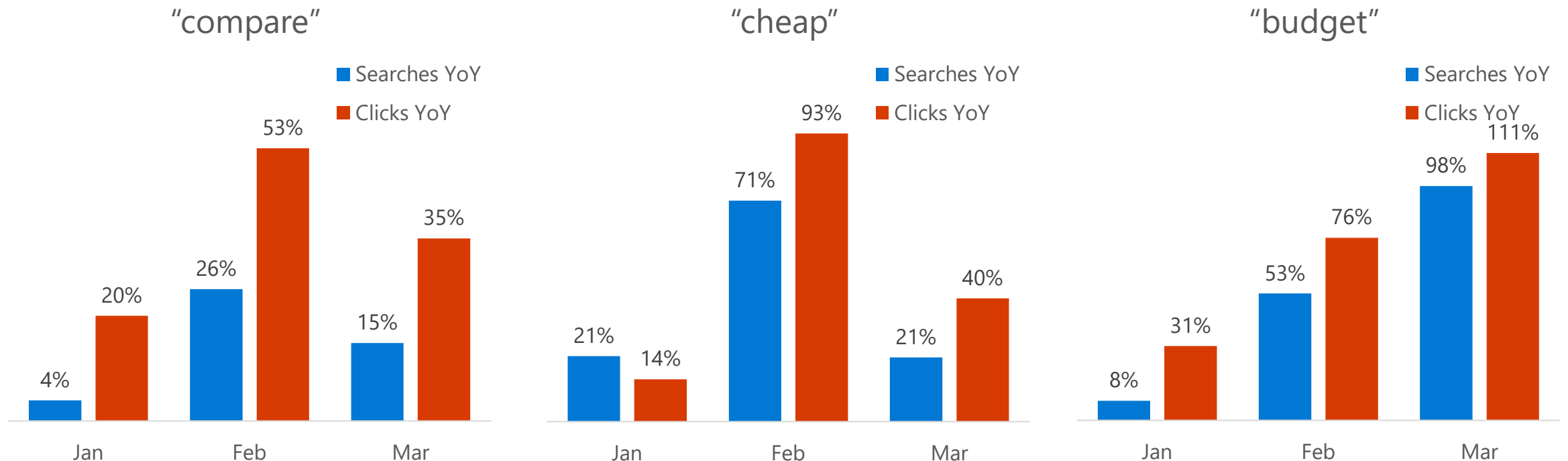
Largest movers in generics queries January – March:

- "comprehensive" queries +62%
- "green slip"-related queries +20%
- "quote"-related queries +6%

Price comparison shopping has been increasing in 2020 and is expected to continue

Users have grown increasingly price sensitive, seen by 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.

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



Source: Microsoft Internal Data Jan – Mar 2019 and 2020, data across all devices.

In the U.S. market, support from auto insurers has driven growth in traffic

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

Examples:

Allstate – 15% premium refund for April and May

Geico – 15% credit for auto policyholders for renewals between April and October

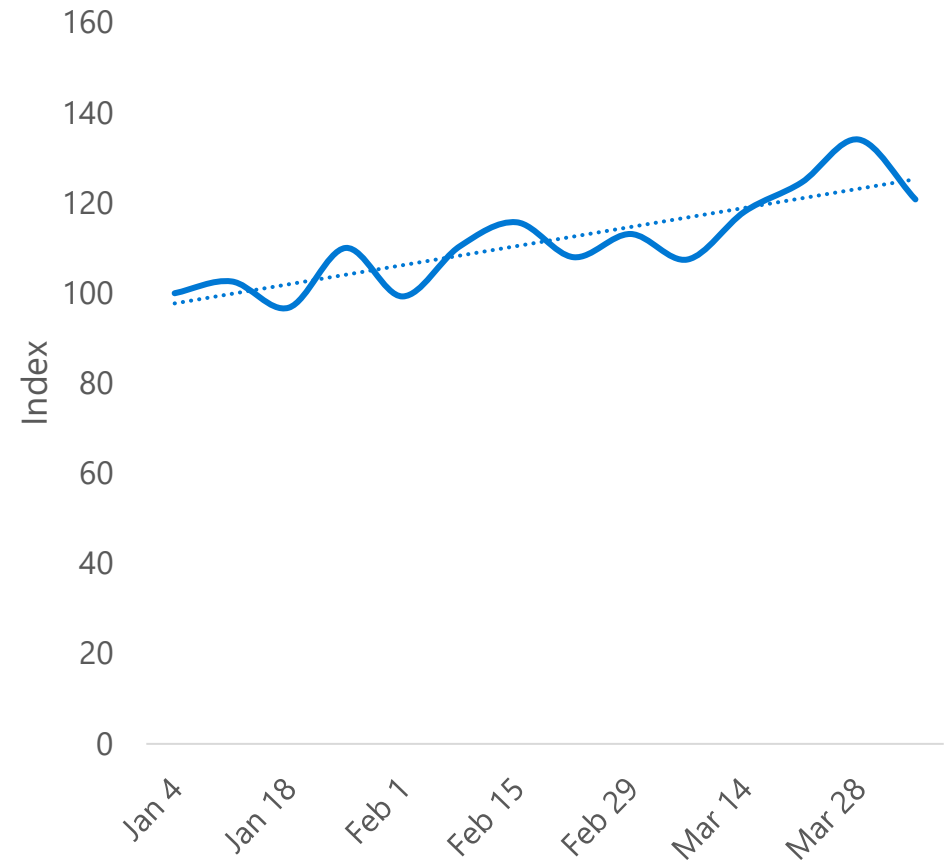
The Hartford – 15% payback given on two months premium for anyone with an active policy

Progressive – 20% credit for April 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 U.S. market, peaking at **34%** growth year to date within March

U.S. auto insurance searches



Similar level of support locally currently led by Youi

The Australian auto insurance industry is being urged to follow in the footsteps of the U.S. market

Youi pioneered 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”¹

+45%

Across our platform, we have seen an increase in daily brand-related search volume² after the 15% premium relief announcement (on the 17th April 2020)³

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

Source:

1. Insurance Business Australia, April 22, 2020.

2. Microsoft Internal Data, March – April 2020, Data represents PC & Tablet, O&O Network.

3. Insurance News Australia, April 17, 2020.

Global study highlights the 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

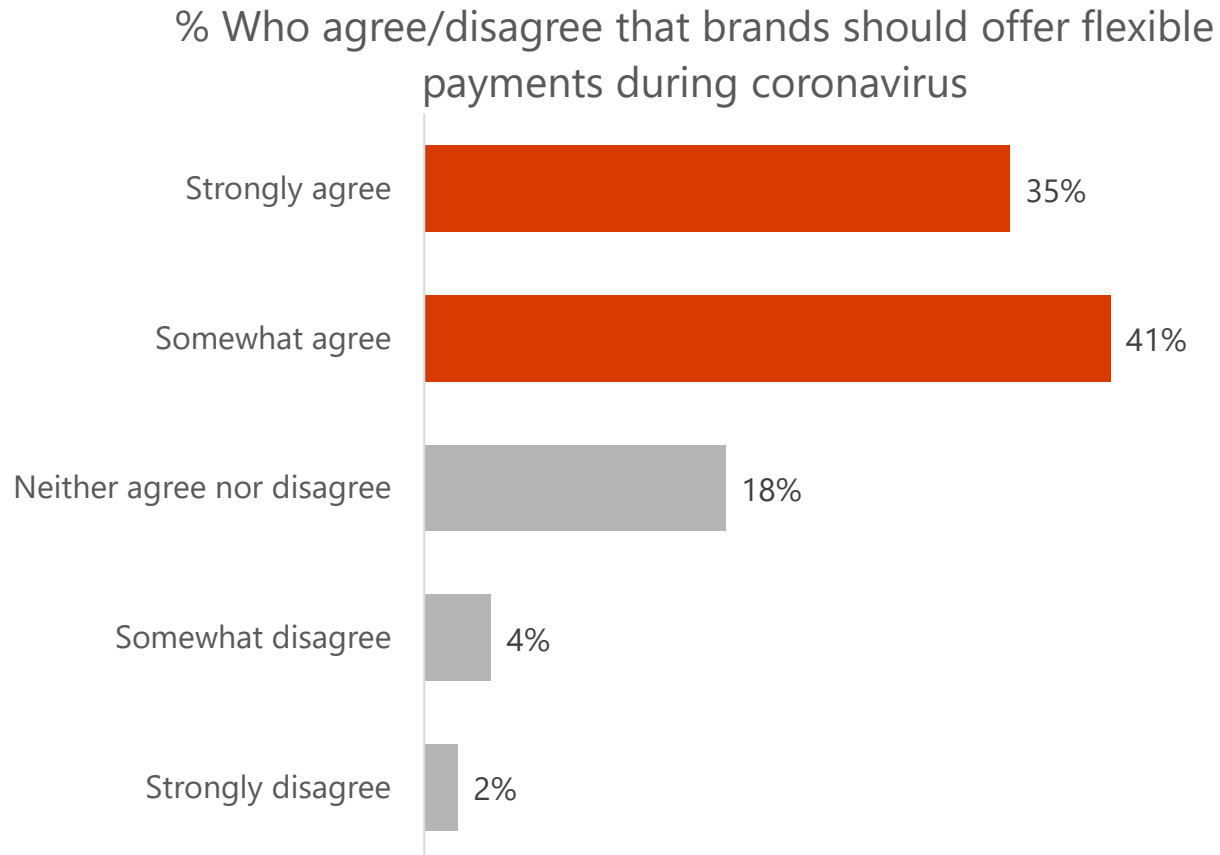
Brand expectations and % of respondents who agree

"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 COVID-19



The Global Web Index COVID-19 report for April further highlights that Australians value brands who are making their payment plans more flexible, especially given the economic situation

The study reveals that over **3 in 4** Australians value on the importance of flexible payment plans

Recommendation: Where applicable, highlight beneficial features and changes you've made to your payment options in your ad copy

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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