Car Insurance 2020

Insights and trends
November 30th is the deadline to switch car insurance contracts

This means that searches and clicks for car insurance will grow rapidly in the coming weeks

Our Microsoft Advertising insights are designed to help you to get the most out of your campaigns
Agenda

1. What happened last year?
2. User search patterns
3. Prepare for this year
4. Summary
1. What happened last year

Looking back
The hunt for car insurance heats up in October

- In 2019 searches and clicks grew tremendously and continuously since early October
- Conversions started to over-index by late October
- This means that users interested in car insurance intensified research and visited relevant websites beginning in October but took action mainly in the last five weeks before the deadline for insurance change approaches.

Source: Microsoft Advertising internal data; O&O Core / Mainline. Based on top 300 most clicked keywords in 2019 and indexed against weekly average.
Click through rate (CTR) increased as the deadline got closer

Mainline CPC & CTR

- Mainline cost per click (CPC) followed a wavy pattern in 2019 with peaks in early July, mid-September and again the last weeks of November.
- Mainline CTR increased towards the end of the car insurance season.

Source: Microsoft Advertising internal data; O&O Core / Mainline. Based on top 300 most clicked keywords in 2019.
Top keywords are generic and include ‘vergleich’

- Many of the top ten keywords included the term ‘vergleich’.
- The others are highly generic combining ‘versicherung’ with terms like ‘kfz’, ‘auto’ or ‘pkw’

Source: Microsoft Advertising internal data; Based on top 300 most clicked keywords in 2019.
Insurance providers captured 2/3 of clicks last year

• More than 2/3 of clicks went directly to insurance companies last year, multiple comparison portals made up 29% of the remaining clicks

• Looking at insurance providers only, the top 3 competitors made up half of all clicks, 15 other insurance companies shared the other half

• With a multitude of insurance companies gaining clicks, the marketplace in 2019 was highly competitive

Source: Microsoft Advertising internal data; Based on top 300 most clicked keywords in 2019
The competitive landscape from 2019 with insurance companies getting most clicks reveals huge differences in CPC and CTR.

CPC across average often translated into CTR above average.

Circle size is defined by number of clicks.

Source: Microsoft Advertising internal data; O&O Core / Mainline. Based on top 10 most clicked keywords in 2019.
New competitors emerged as the season progressed

- As the car insurance season evolved, some advertisers significantly increased their clicks in the last weeks.
- The dominant advertiser maintained its lead in clicks throughout the entire season.

Source: Microsoft Advertising internal data, O&O Core / Mainline. Based on top 300 most clicked keywords in 2019
2. User search patterns

How users find the right insurance
Example of a user path

FIRST / May 22
kfz versicherung preisvergleich

MIDDLE / June 29
- kfz versicherung online
- kfz versicherung online abschliessen

MIDDLE / July 1
- kfz versicherung ludwigsburg

MIDDLE / July 3
- Insurance Brand A Stuttgart
- wer zahlt haftpflichversicherung

MIDDLE / July 6
- kfz versicherung preisvergleich
- Insurance Brand B
- günstige kfz versicherung finden

Total paths in analysis: 4560

CONVERSION
LAST / July 7
- kfz versicherung günstig
2/3 of users need only 1 to 5 searches ...

- 85% of users searching for car insurance needed between 1 and 10 searches until they converted

Source: Microsoft Advertising internal data; Conversion path analysis; May 16 – July 31, 2020
.... but many take their time for research

- 58% of converting users needed at least two days until they reached a conversion
- Almost 40% took more than 10 days until they came to a decision

Source: Microsoft Advertising internal data; Conversion path analysis; May 16 – July 31, 2020
Searchers move from generic to brand, building preferences during research

- 70% of initial but only 48% of last (converting) searches are generic
- From first to last searches containing an insurance name grow from 16 to 31%
- For one click-conversions (Single) even 76% of searches are generic

Source: Microsoft Advertising internal data; Conversion path analysis; May 16 – July 31, 2020
Searchers explore their options – and often want other insurance types

- 24% visited multiple insurance websites before conversion
- 15% visited both an insurance website and a comparison portal before conversion
- 15% searching for car insurance also included other insurance types in their search paths.

- As expected, many users switch between insurance websites and comparison portals
- 15% show interest in other insurance types, with Haftpflicht and Rechtsschutz on top

Source: Microsoft Advertising internal data; Conversion path analysis; May 16 – July 31, 2020
3. Prepare for this year

Looking forward
2020: Early in the season increased activity

- Data from July and August 2020 show that interest in car insurance is significantly higher than last year.
- The economic impact of COVID-19 on private households could be an important factor this year influencing search behavior.

Source: Microsoft Advertising internal data; O&O Core. Based on top 300 most clicked keywords in 2019; Jul – Aug 2020 vs 2019.
Product research: Bing users trust price comparison and consumer review websites

- When researching products, Bing users visit price comparison (46%) and consumer review websites (33%)
- 32% also research on social networks
- Search engines with 76% are often the starting point for many researchers

Source: Global Web Index; Personal Finance Experts; Q1, 2020
Remarketing: Attracting the undecided

- When using remarketing, click-through and conversion rates for auto insurance providers are significantly higher compared to regular campaigns.
- Cost per action (CPA) is less than 1/3 of the costs when remarketing is implemented.

Source: Microsoft Advertising internal data; Auto insurance vertical. June 2020
Age and gender targeting help to reach your core audience

- The age group of 50 – 64 is most active searching for car insurance
- Almost 2/3 of searchers for car insurance are male

Source: Microsoft Advertising internal data; Insurance vertical; April – August 2020
The more extensions the better

- CTR increases with every extension added.
- Combinations with Enhanced Sitelinks (ESL) and Callout and/or Structured Snippets perform well and are often used.

Source: Microsoft Advertising internal data; Insurance vertical; O&O Core / Mainline ads. July 2020
4. Summary

What to do now
Expect clicks to increase in early October and apply sufficient budget

Expect increased competition in November and adjust campaigns accordingly

Searchers are looking for other insurance types, which provides unique upsell opportunities

Users start with generic terms and build brand preferences during their journey

Remarketing is essential to attract undecided users with longer search paths

Searchers for car insurance are mostly male and aged 50 – 64. Use age and gender targeting.

Many searchers compare prices and/or services. Use callouts to highlight your offerings.
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