

# **ADVERTISING EFFECTIVENESS ON THE INSURANCE PATH TO PURCHASE**

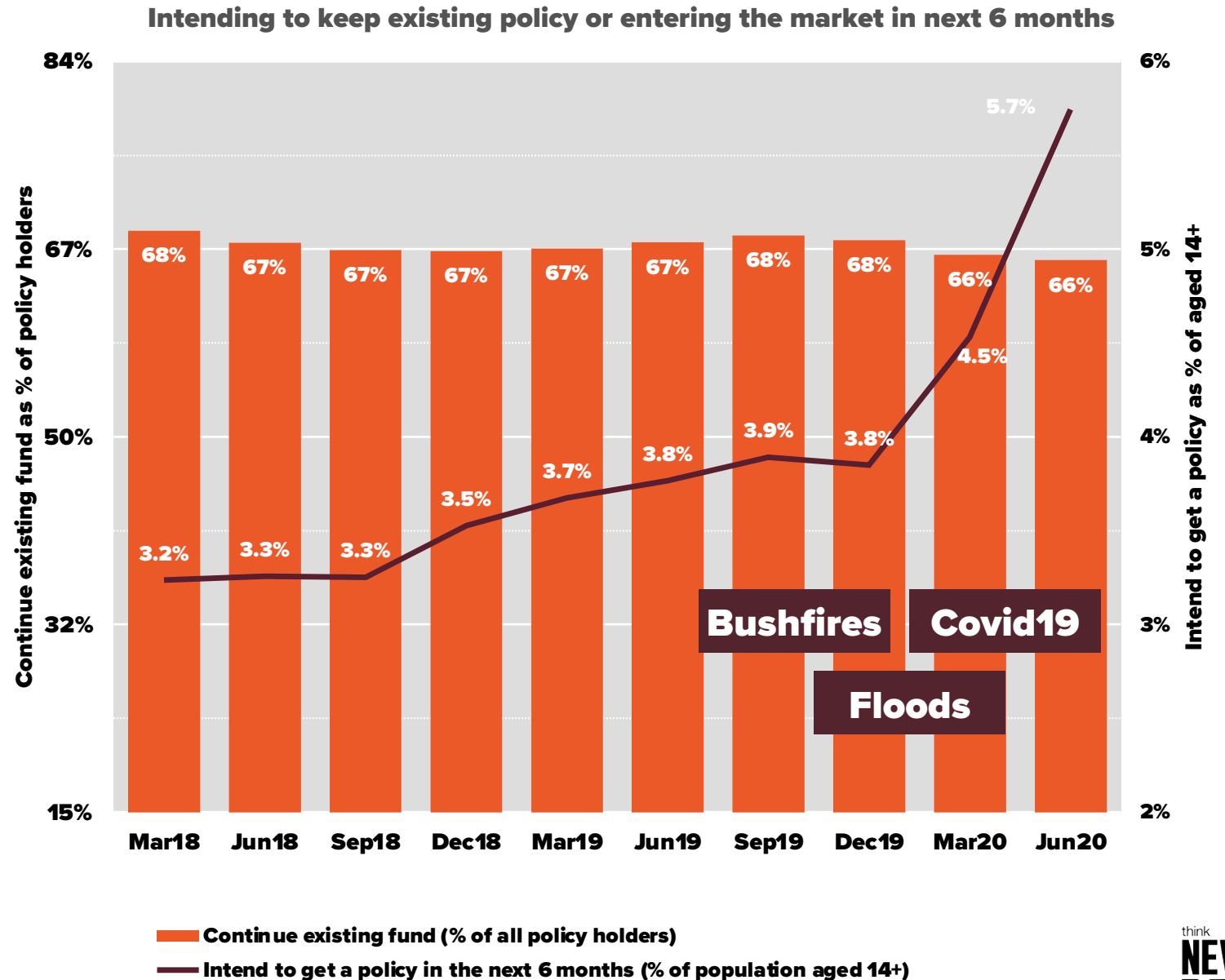
# Insurance: 2020 brings new interest to a low-involvement category

- Behavioural economics experts suggest life events such as moving house, starting a new job or getting divorced have the greatest impact on consumer behaviour.
- From catastrophic bushfires to the pandemic and an ongoing recession, 2020 will long represent a major life event for many, permanently shifting purchase behaviours and attitudes.
- The health and financial crises have highlighted an often-forgotten purchase category with consumers' anxious thoughts turning to insurance.
- Health insurance, home and contents insurance, life insurance, income protection insurance – all once part of a low interest category – have become critically important to Australians facing an uncertain future.



# Health insurance sees a surge in consumer interest

- Historically, consumers have paid little attention to insurance with many policies simply rolling over from year to year.
- COVID-19 has triggered a significant number of Australians to consider the benefits of health insurance.
- 5.6m Australians searched the internet for 'health & medical' information in the last month.
- Search volumes are up almost 25% year on year.



Note: Not displaying policy holders who are unsure of what they will do or intend to drop out of the market. Data is rolling 12 months which therefore smooths a clear increase experienced since Dec19  
Source: emmaTM, 12 months to June 2020. Readership based on last four weeks. Survey conducted by Ipsos Connect, people 14+. ALSO Nielsen Consumer & Media View (CMV), Nielsen Digital Panel, 4 weekly periods to June 2020, people 14+ calibrated to Digital Content Ratings (DCR) Jun 2020 People 14+.

# **SPOTLIGHT ON HEALTH INSURANCE**

# Health insurance: the largest consumer-focused insurance type in Australia



**LIFE**

**\$14.9bn**  
total market

**HEALTH**

**\$24.9bn** total market  
**\$17.5bn** hospital  
**\$6.5bn** 'Extras'

**GENERAL**

**\$23.2bn**  
consumer-orientated  
insurance:

- Motor vehicle insurance
- Household insurance
- CTP greenslip insurance
- Travel
- Consumer credit

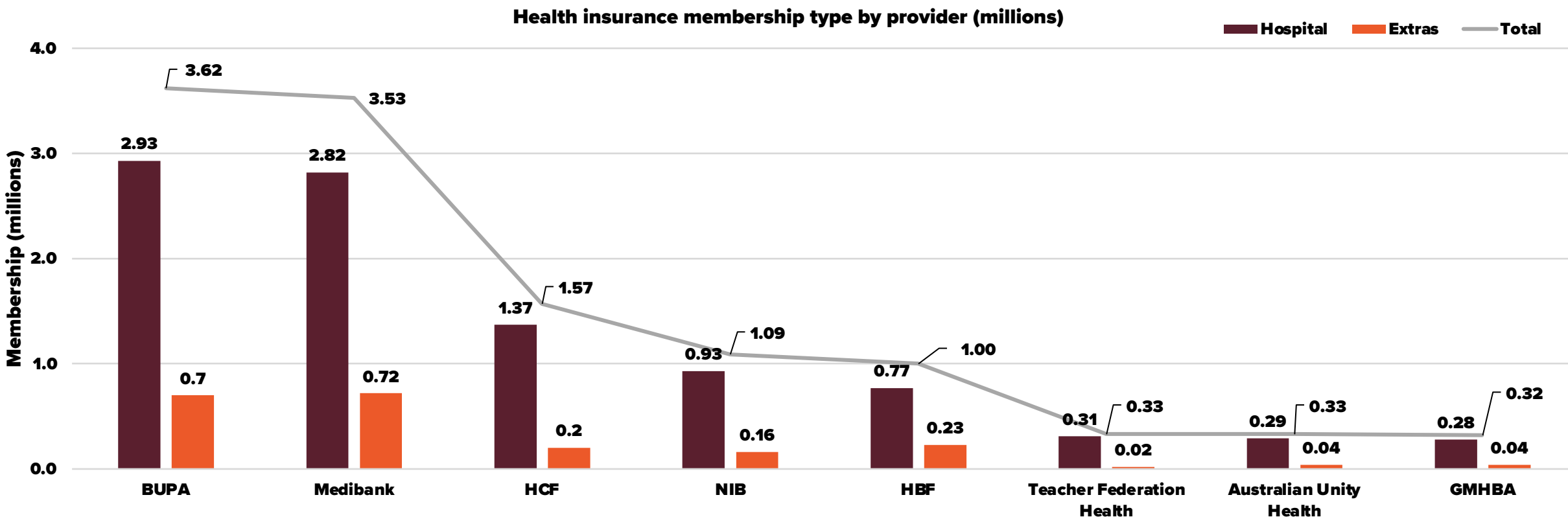
• **13.5m Australians**  
have health insurance

• **11.2m Australians**  
have hospital cover

• **2.3m** have general  
treatment &  
ambulance cover

• **Each policy holder**  
spends approximately  
**\$1,800** per annum on  
insurance premiums

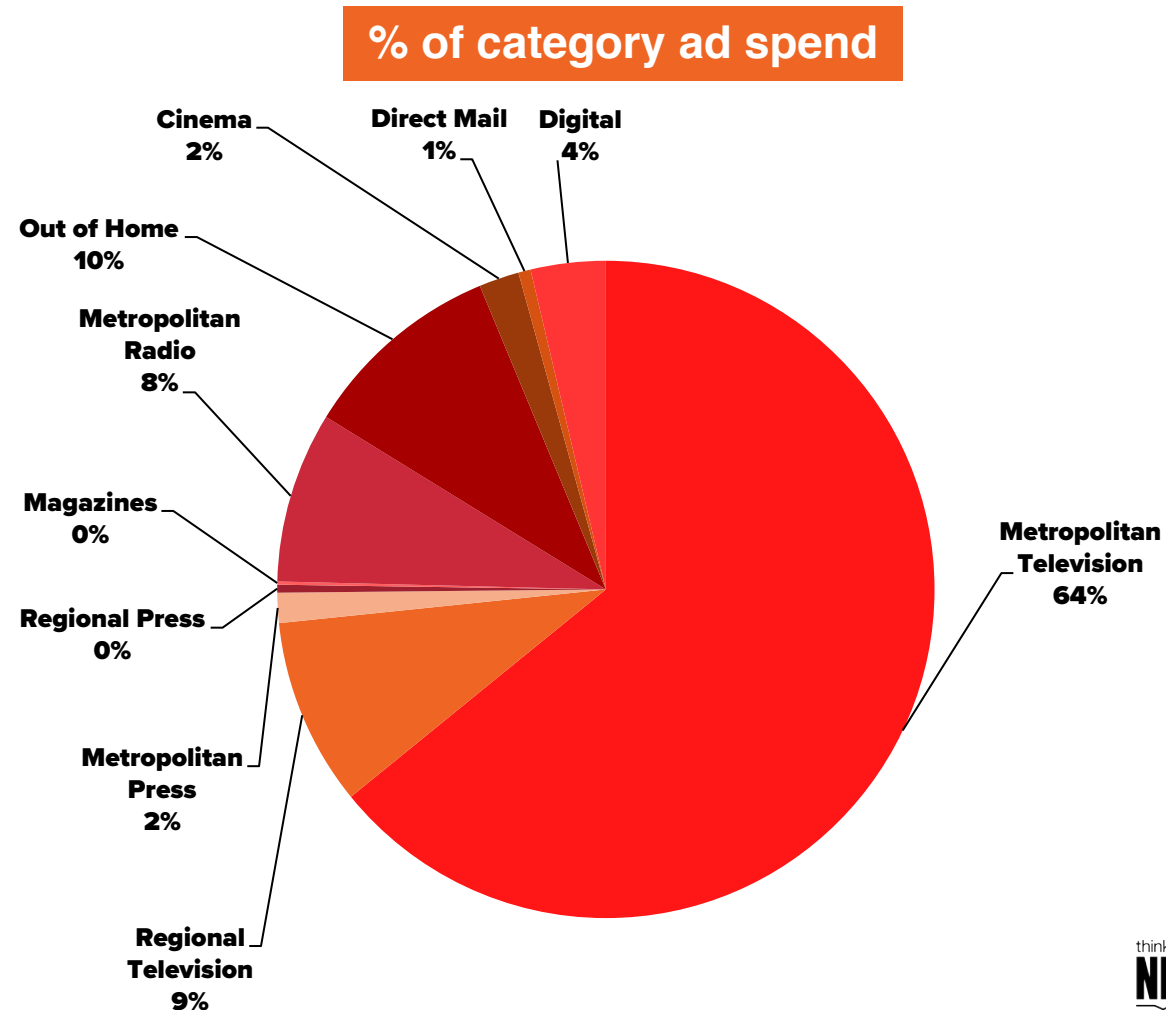
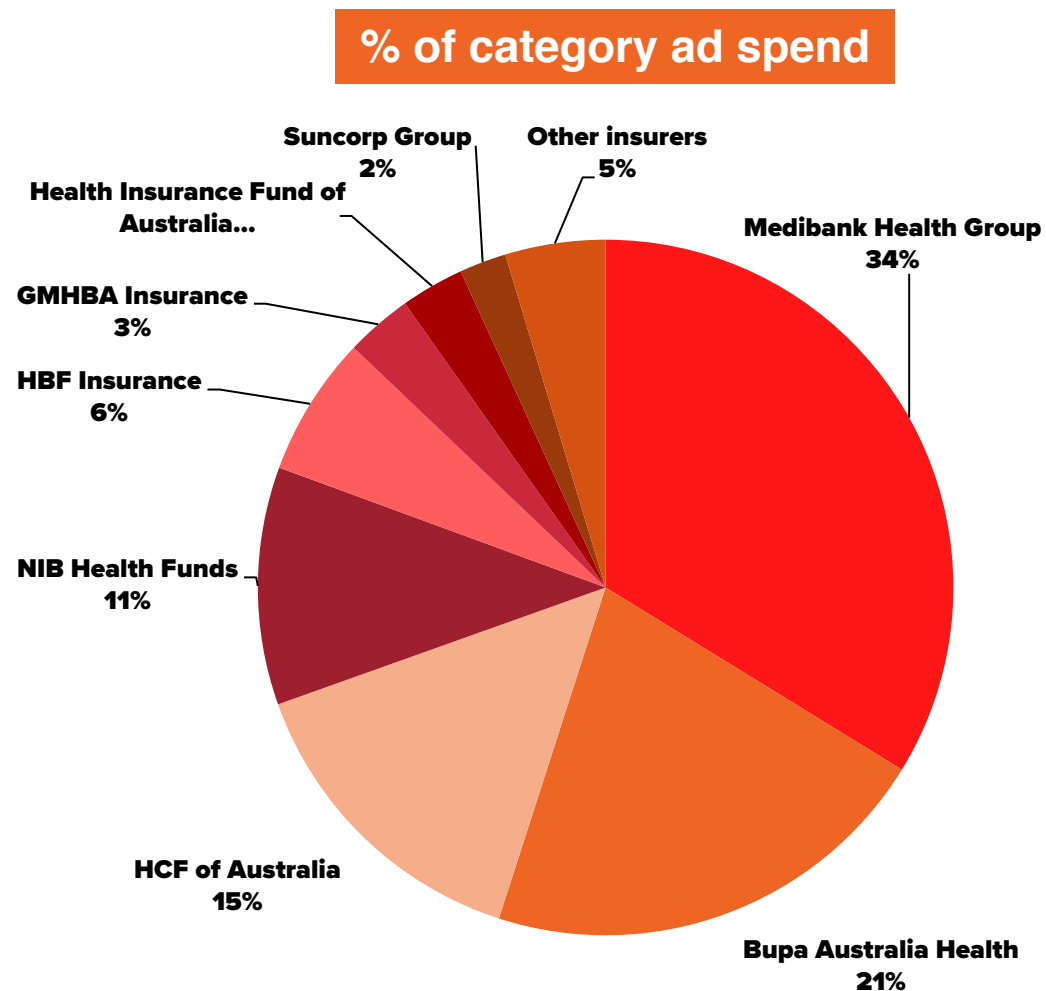
# Membership is dominated by five major insurance groups



**\$24.9bn market size**

**\$52m category ad spend**

# Mass reach media dominates \$52m marketing expenditure



# **GROWING INSURANCE BRANDS**



# How insurance brands grow

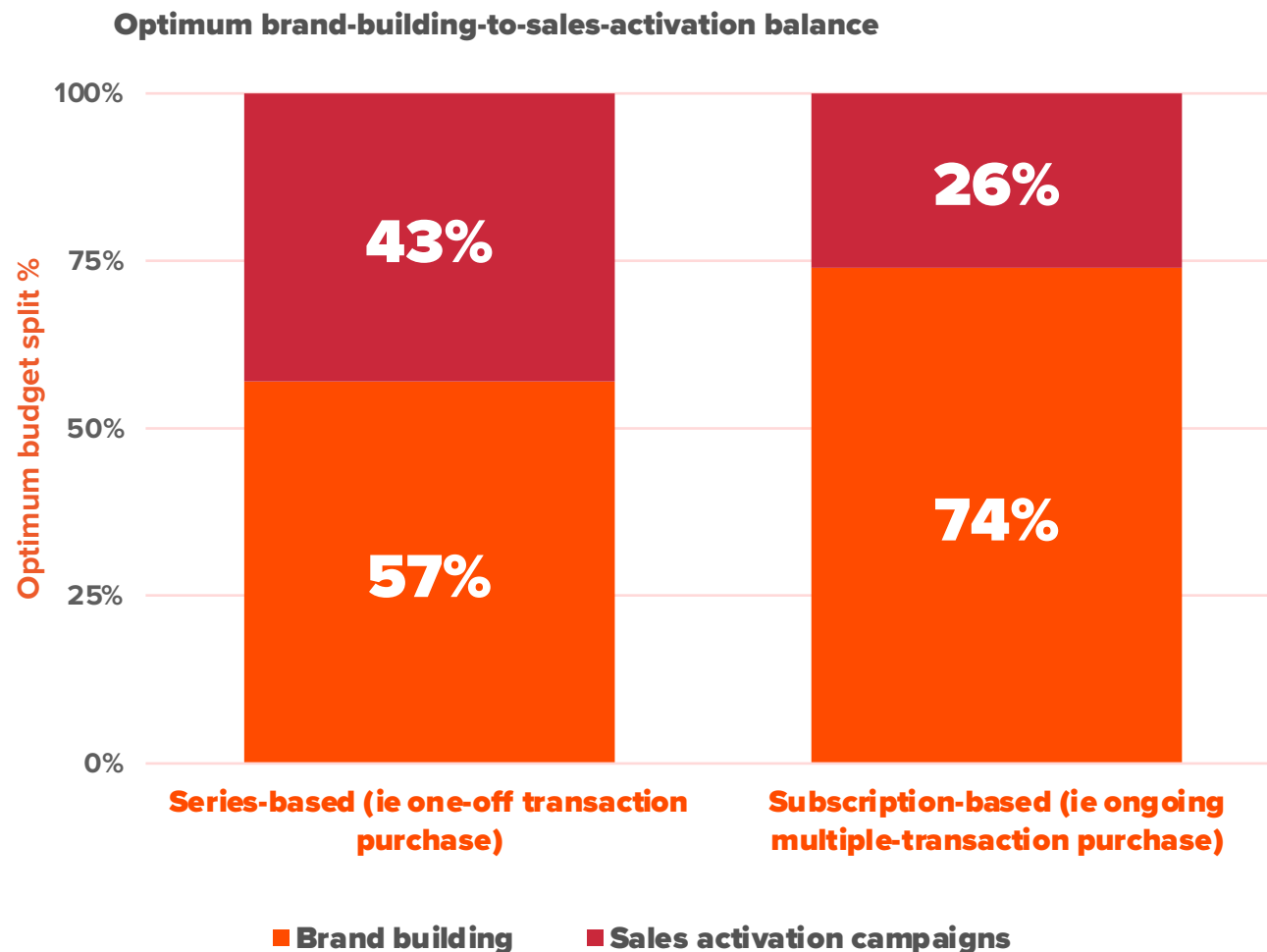
**Byron Sharp is the author of How Brands Grow. The fundamentals of his marketing tenets can be applied by insurance brands as follows.**

- **Health insurance customers change insurers infrequently presenting limited opportunity to capture new customers. With this in mind, retaining and improving average revenue over customer lifetime remains a core focus for most health insurers.**
- **Each year, brands work hard to capture the thousands of customers who enter the market. This typically coincides with major change in their lives such as starting a family.**
- **While consumers actively in-market represent only a small portion of the total market, each year, thousands do consider abandoning or switching.**
- **With each consumer worth more than \$1,800 per annum, the need to maintain a consistent and visible brand presence is critical. This brand engagement, when supported with timely, targeted activations for acquisition, is proven to be most effective in driving business growth.**

**Sharp's rules regarding media:**

- 1. Continuously reach all buyers of the category.**
- 2. Attract attention and focus on brand salience to prime the user's mind.**
- 3. Use distinctive, common brand assets across all media activity.**

# Why insurers must invest in brands



**According to the godfathers of effectiveness, Peter Field and Les Binet, subscription-based businesses like health insurance should invest three in every four marketing dollars on brand building.**

**Customer acquisition is a key driver of long-term growth and sufficient brand building is the most successful customer acquisition strategy.**

**Reaching out to new customers successfully over the long term requires brand building to prime customers. Then, when they are in-market, the consumer will be familiar with the brand and receptive to its messaging.**

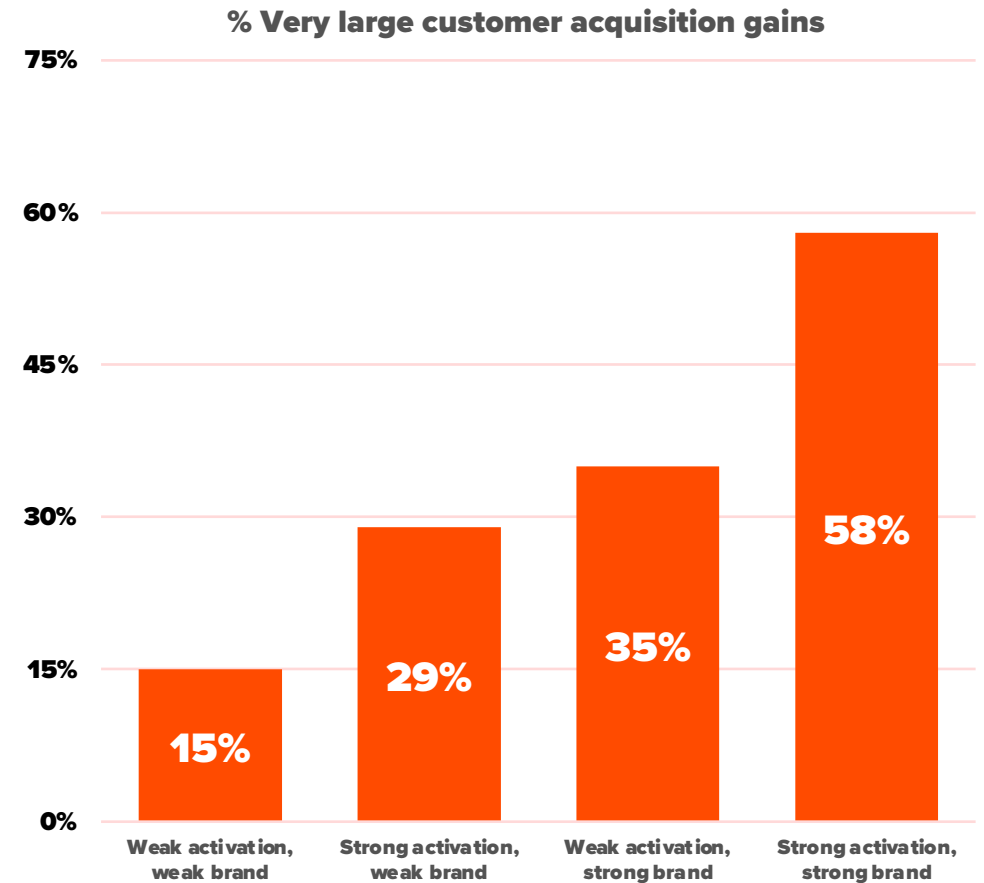
**Sales activations with the appropriate levels of brand-building generate better customer acquisition outcomes than activations alone.**

# Branding campaigns increase the effectiveness of activations

**When chasing membership growth, the lure of short term, call-to-action campaigns is high.**

**However, failure to spend enough on brand will reduce the impact of these marketing activities.**

**Activations that don't address the needs of new entrants in the market, switchers or those potentially abandoning their insurance, will also have limited success.**



# Which platforms can help best?

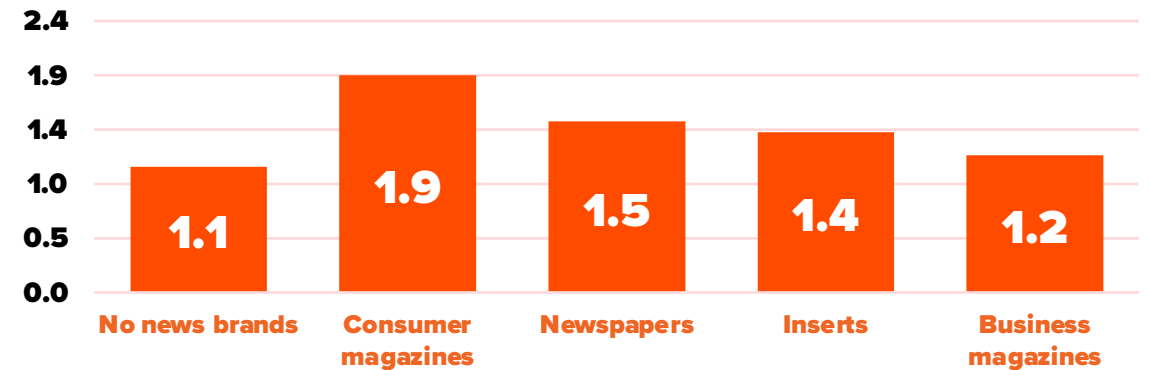
**Maintaining the right balance of brand and activation is a key strategic imperative for insurance brands. Media channels should be selected accordingly.**

**News brands are well suited to both brand-building and activation with a range of inventory types and advertising options.**

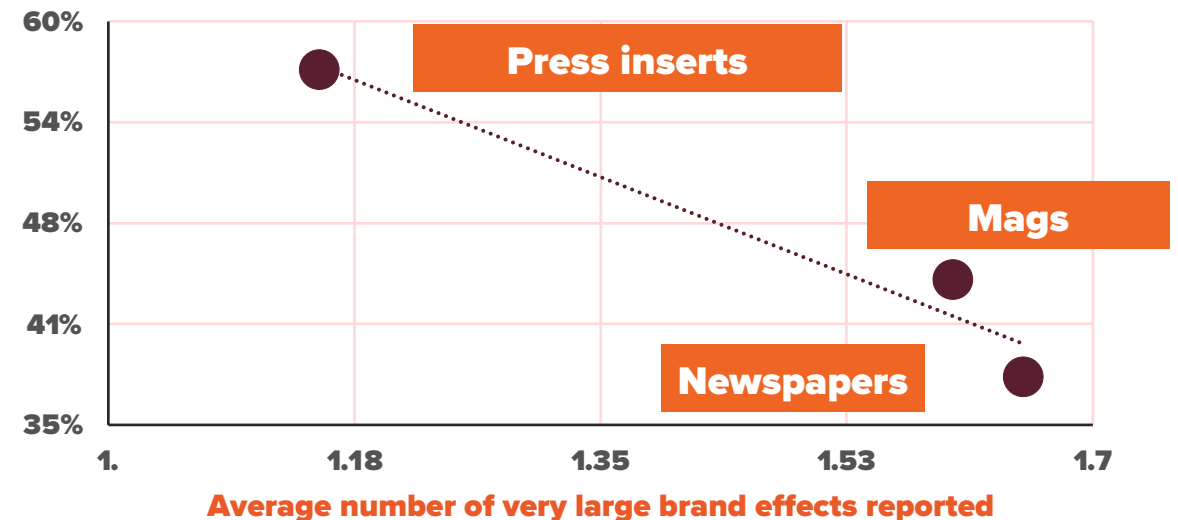
**With a reach of 11.6m, newspapers have sizeable reach either by themselves or as incremental reach with other channels.**

**And with a range of inventory across inserted magazines and newspaper sections, news brands offer an environment ripe for targeted activations.**

**Number of very large business effects**



**% of campaigns with very large activation effects**



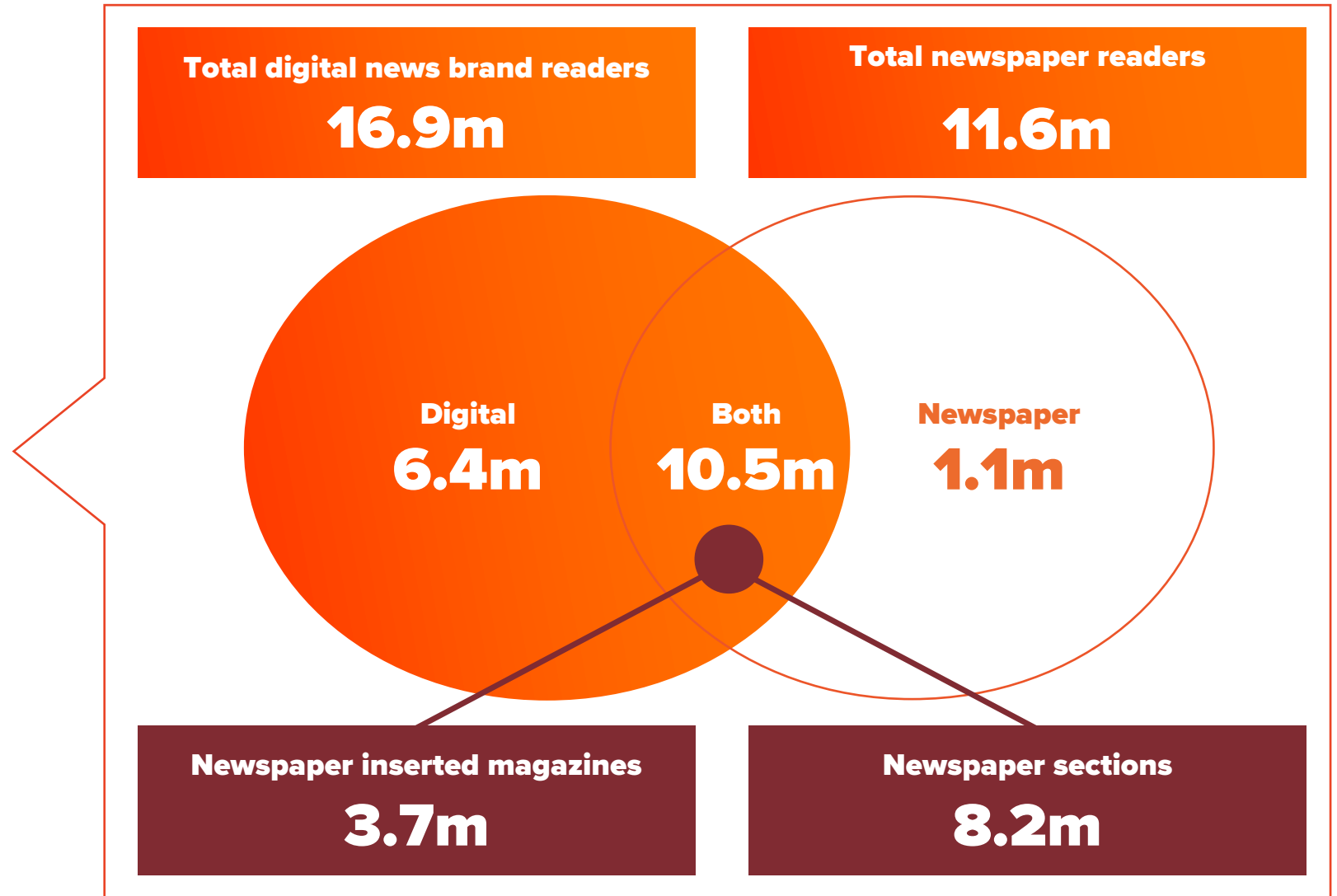
# **BUSINESS IMPACT. DELIVERED DAILY**

**News brands are an essential part of the growth plan for  
health insurance brands**

# News brands support growth for health insurance brands

- **News brands can act as a primary reach vehicle offering broad reach for branding campaigns or incremental reach in multi-media campaigns.**
- **A platform high on trust, news brands accentuate credible branding and messaging.**
- **News brands offer a platform with multiple channels for campaign delivery.**
- **As a platform, the effectiveness of news brands is rapidly growing.**
- **Your high value customers are highly engaged news brands readers.**
- **News brands have a high proportion of in-market consumers.**

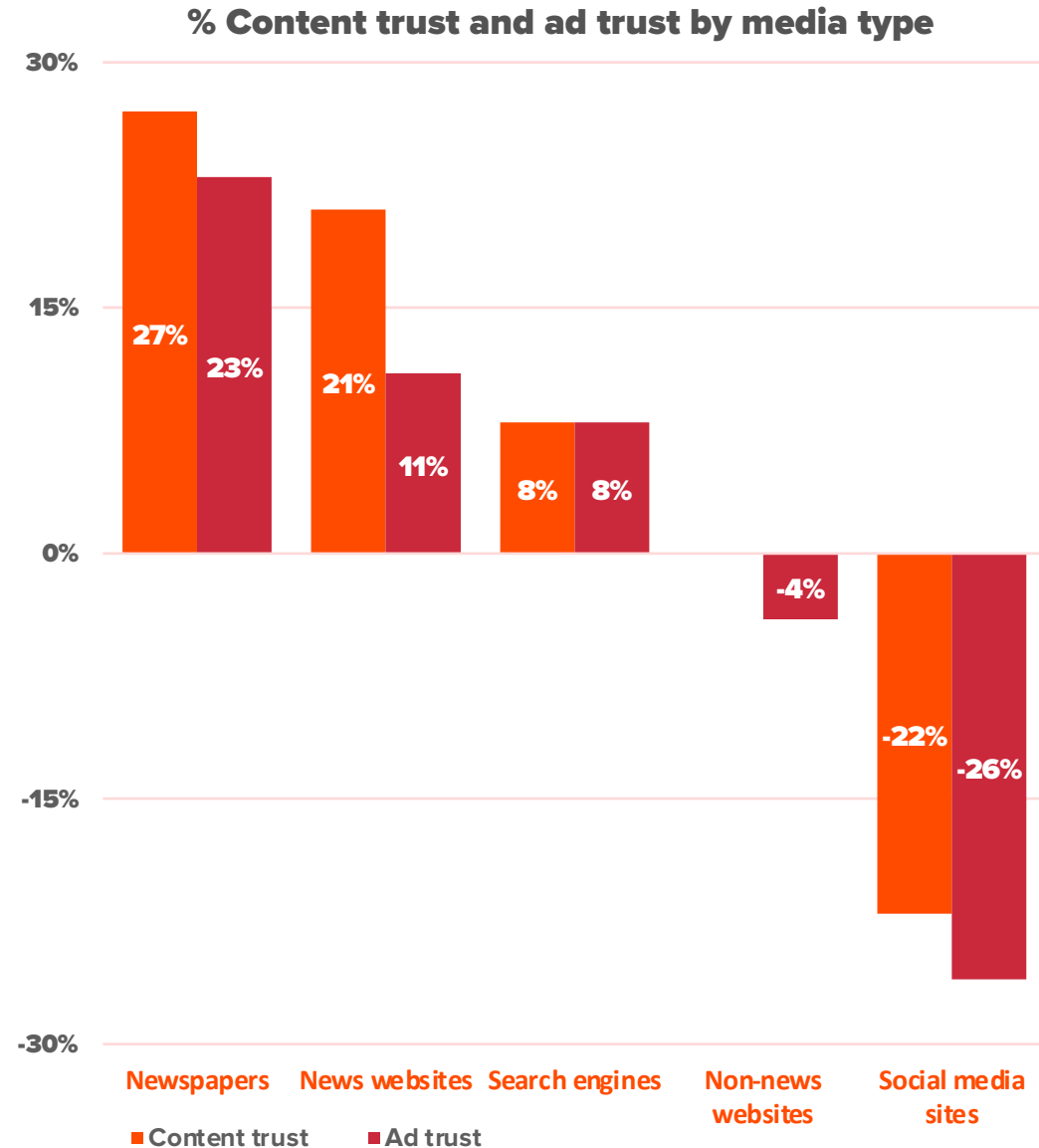
# A multi-channel platform with mass reach



# A platform with a superior level of credibility

## Advertisements are most trusted in news brands environments

- **Consumers need to know their health will be taken care of if they fall on difficult times. Therefore messaging from insurance brands must convey trust.**
- **News brands offer a superior level of trust compared to other channels.**
- **85% of consumers agree that, “Seeing a brand or product in news brands gives me more confidence that it's right for me”.**



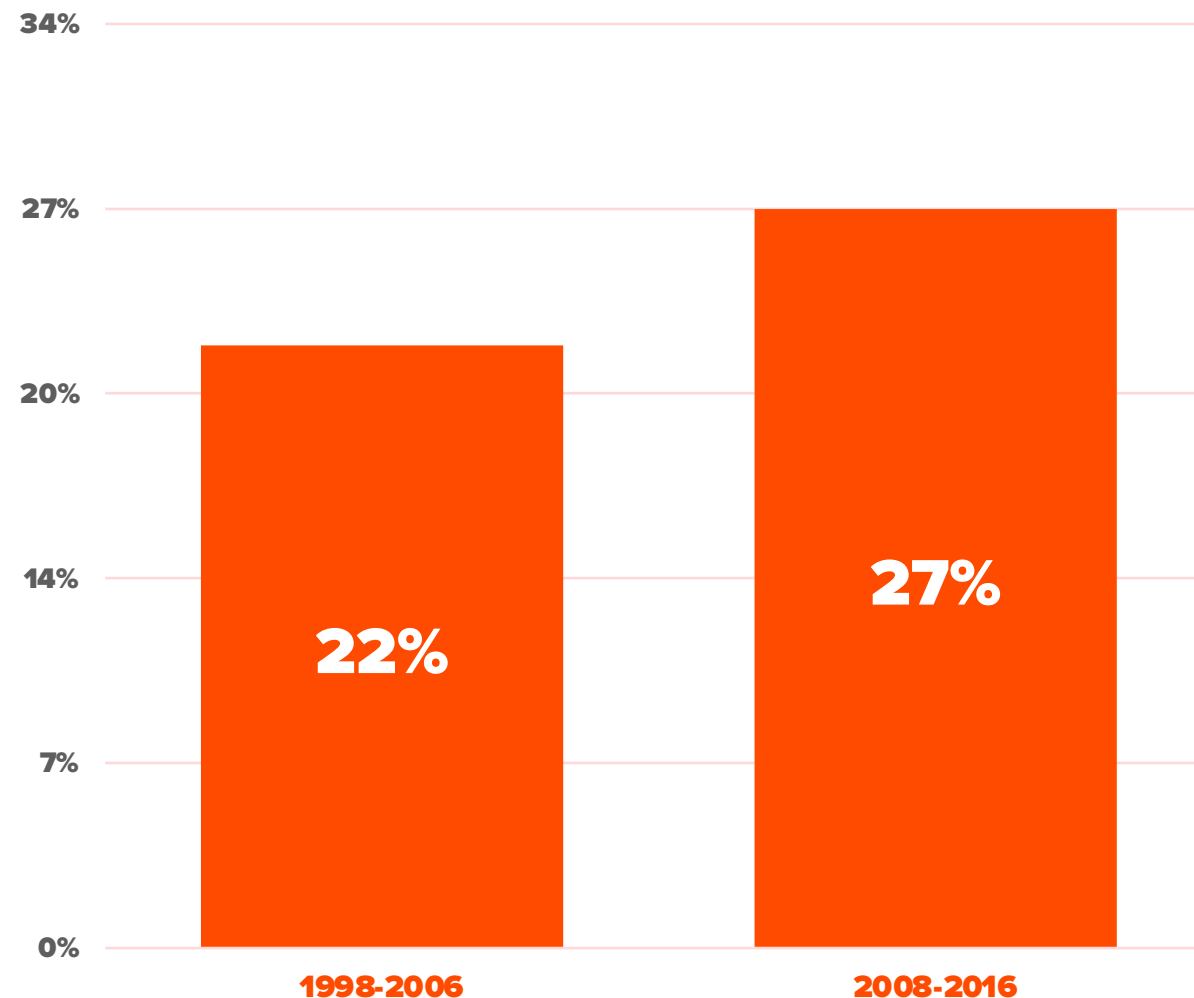


# A platform that's more effective than ever

**News brands are multi-channel powerhouses**

**Digital news websites enhance the effects of printed newspapers. Campaigns that leverage the multi-channel assets of news brands experience a greater increase in business effects.**

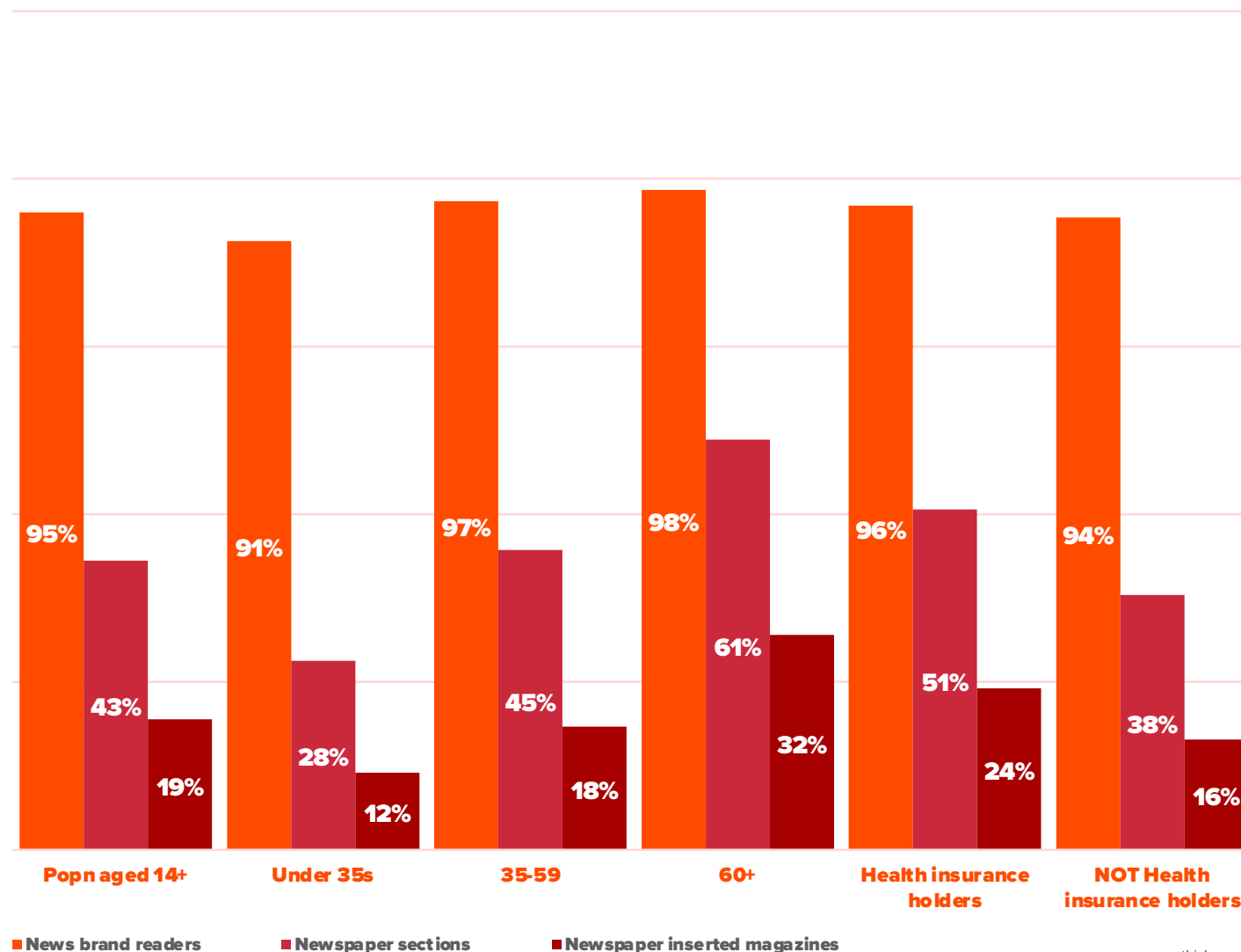
**% increase in the number of very large business effects by adding press**



# Your high-value customers are highly engaged news brand readers

- Health insurance brands can continuously stay in touch with more than 90% of existing holders and potential buyers of insurance policies
- News brands reach 91% of under 35s who are most likely to switch or abandon

News brands by platform : Reach to population by age group %



# IN SUMMARY

# News brands present a compelling case for inclusion in health insurance campaigns

- **Reaching nine out of 10 Australians and setting the daily agenda, news brands provide an independently measured brand safe platform that produces real business results for insurance advertisers.**
- **News brands deliver high reach, essential for brand growth, with newspaper readers being “spot on” for insurance advertisers.**
- **Multi-channel powerhouses, news brands offer insurance advertisers the ability to run long-term brand building campaigns as well as short-term activation.**
- **Australians trust the content they see in newspapers and premium online news platforms more than any other medium. This creates a halo effect. The result is readers place more trust in the advertising that appears alongside this content.**
- **News brands play an important role in each of the stages on the path to purchase.**

think  
**NEWS**  
brands