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The Digital Health Insurance Shopper

Google/Compete
U.S., August 2010

Summary of Findings
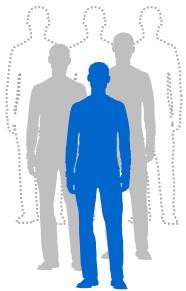
Health Insurance
Shoppers
Multiplying Online

Search Leads in
Option Discovery
& Conversion

Shopping is
Not Limited to
Enrollment Period
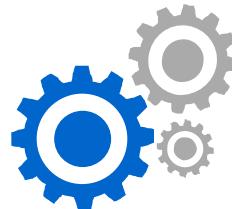
Aggregators
are Capturing
Non-Branded
Conversions

Purpose of Study & Methodology

Purpose of Study

- Quantify how shoppers research for health insurance and how Search is used when shopping online for health insurance

Methodology

- Conducted on Compete's proprietary U.S. consumer dataset of 2 million

- Online health insurance researchers were identified based on their activity in the months of Oct-Nov 2009. They were split into categories:

  - Private or Medicare: Depending on the policy researched

  - Open/Extended: Depending on the time of research

- For online health insurance shoppers, Compete pulled a history of online activity including Search activity for the months of Aug-Dec 2009

- Health insurance shoppers were surveyed (Feb 2010) to assess their (offline and online) research and application patterns

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Sites Included in Study

Included:

States	Brands	Aggregators	3rd Party Research sites
Top 16 most populous states accounting for 65% of the US population*	Four-Six top brands in each of the 16 states included in the study	Top Aggregators listed below	Top 3rd party listed below

States	Brands	Aggregators	3rd Party Research sites
Arizona California Florida Georgia Illinois Indiana Massachusetts ** Michigan New Jersey New York North Carolina Ohio Pennsylvania Texas Virginia Washington	**National brands** Aetna Assurant Healthcare Blue Cross Blue Shield Cigna Humana Kaiser Permanente United HealthCare (includes Pacificare, GoldenRule, SecureHorizons, etc.) WellPoint (includes Anthem and Tonik) **Additional brands** Top 4-6 brands within each of the States are included, for example, Americhoice in New York	Netquote eHealth GoHealth AffordableHealth Vimo Insureme UseInsurance Insweb Mostchoice healthinsurance.com	aarpmagazine.org health.usnews.com kff.org healthinsurancefinders.com healthinsurance.org content.healthaffairs.org kaiserhealthnews.org healthleadersmedia.com coverageforall.org

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Plan Segments

Survey Definitions

- **Individual Plan**
  Survey respondents who indicated that they were researching an individual or family* health plan to personally purchase

- **Medicare**
  Survey respondents who indicated that they were researching Medicare

- **Group Plan**
  Survey respondents who indicated that they shopped for a health insurance plan through their employer

Clickstream Definitions

- **Private Plan**
  Health Insurance shopper who visited 'Individual or Family Plans' related pages within the competitive set. These shoppers could be researching for health insurance through their employer or purchasing it personally

- **Medicare**
  Health Insurance shopper who visited 'Medicare, Medicare Advantage or Supplement Plans' related pages within the competitive set

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Health Insurance Shoppers Multiplying Online

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About 36% of individual plan applicants applied online.

Search Leads in Option Discovery & Conversion

43% used search & then converted at a rate 4–10 pts higher than non-searchers.

Video found useful in simplifying the decision-making process, but content is not readily available.

Shopping is Not Limited to Enrollment Period

About 1 in 5 Medicare shoppers & 1 in 4 Individual Plan shoppers who shopped during Oct & Nov started research in Aug-Sept.

Aggregators are Capturing Non-Branded Conversions

½ of searchers use non-branded terms, but only 1/3 of search referrals to providers came via non-branded terms..

About 71% of referrals to aggregator sites were non-branded.

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Size of the Health Insurance Market Online

20%* of 12.6 million estimated to be shopping online for Medicare

35% of researchers could not be linked specifically to Private or Medicare

7%

Health insurance shoppers as a share of internet browsing population

35% General

45% Private

11% Medicare

9% Private + Medicare

Researchers
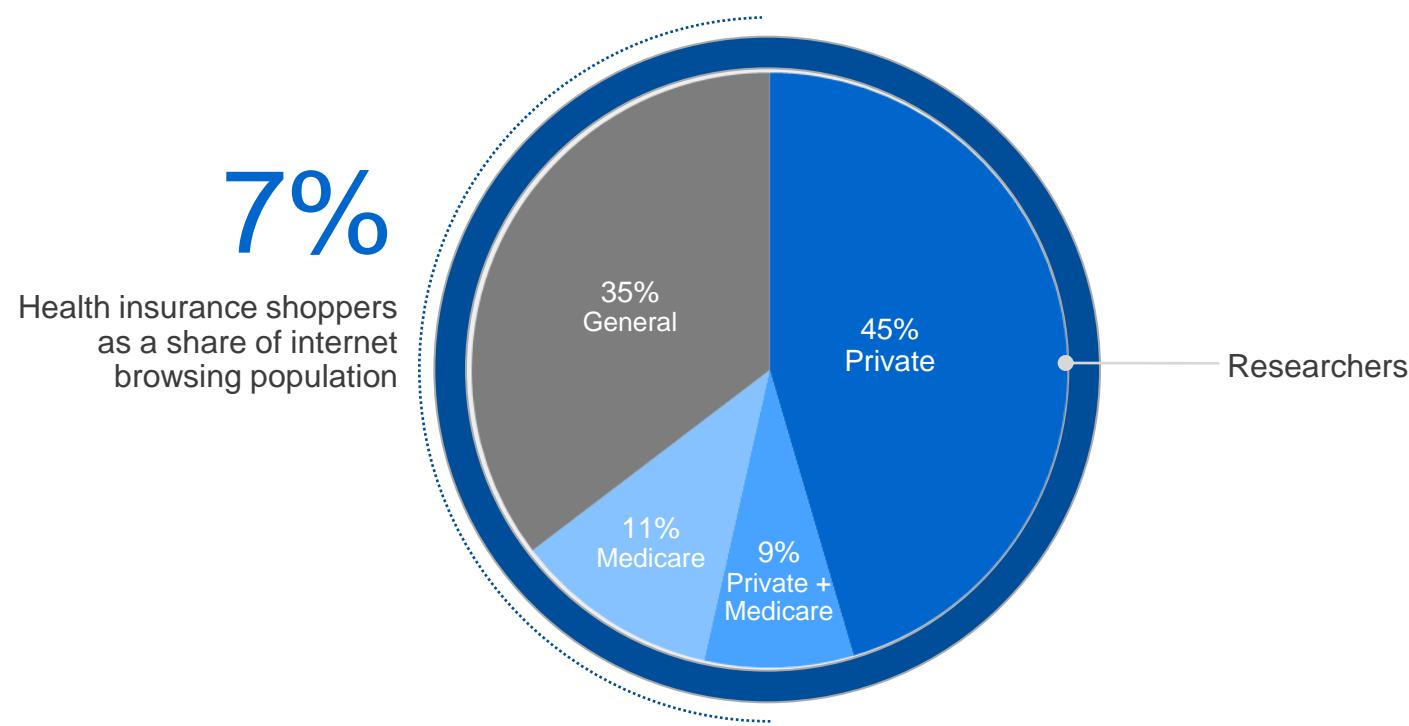
62% of Medicare Shoppers Applied

Type of Health Insurance Shopped For
(Respondents who Reviewed Health Insurance Policies*)

Group	Medicare	Individual	Family
81%	62%	59%	47%
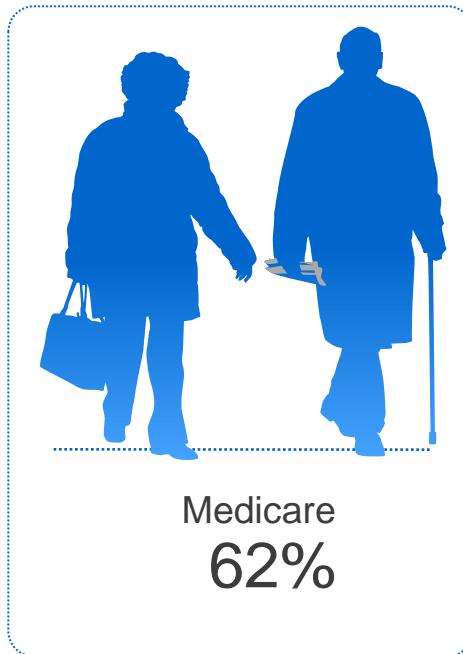
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21%+ Medicare Applicants Applied Online

Application Channel by Type of Health Insurance
(Respondents who Applied for Health Insurance Policies)

	Individual (N=254)	Family (N=106)	Medicare (N=71)
Other	15%	21%	24%
Offline	49%	55%	56%
Online	36%	25%	21%

■ Online ■ Offline ■ Other

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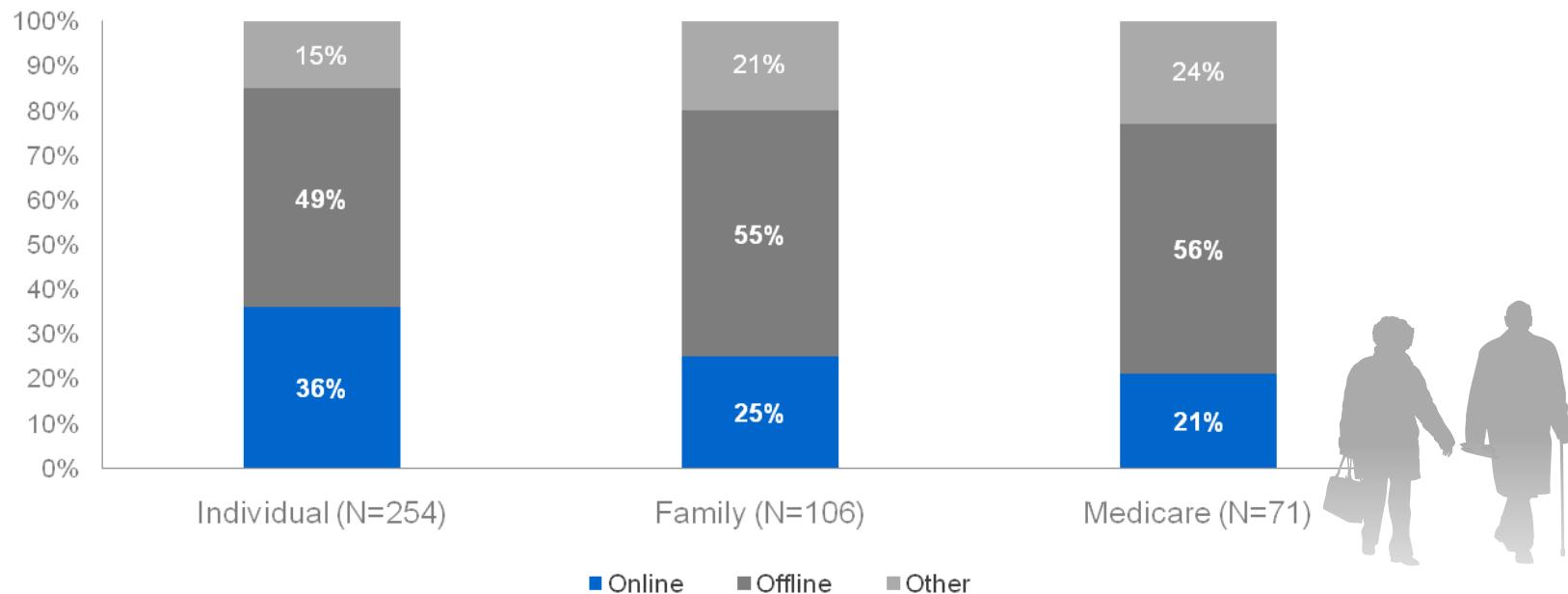
36% Individual Plan Applicants Applied Online

Although, phone was the most used application channel, Insurance company websites were also used by large share of applicants.

Application Channel for Individual Plan
(Respondents Who Applied for Individual Plan)

Channel	Individual (N=254)	Family (N=105)
Insurance company website	27%	8%
Over the phone	22%	26%
Insurance broker	17%	21%
Local branch	9%	8%
Insurance comparison website	6%	5%
Research/information website	3%	11%
Other	15%	21%

■ Individual (N=254)   ■ Family (N=105)

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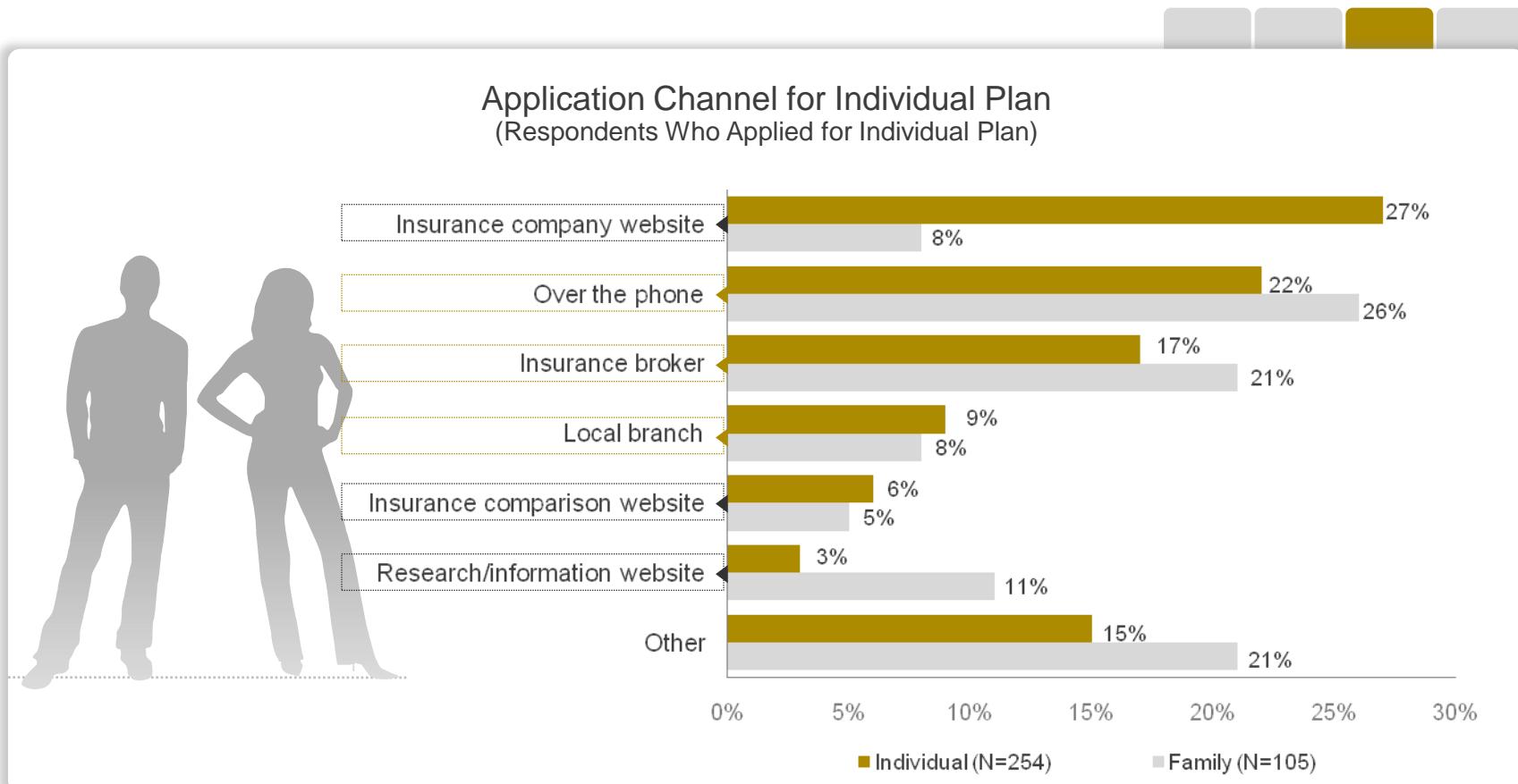
21% Medicare Applicants Applied Online

Other includes "Automatic Forms Online" "Website" and "SSA Office" write-in.

Application Channel for Medicare
(Respondents Who Applied for Medicare)

Channel	Percentage
Phone	29%
Insurance company website	19%
Local branch	17%
Insurance broker	9%
Research/information website	2%
Other	24%

■ Family (N=105)

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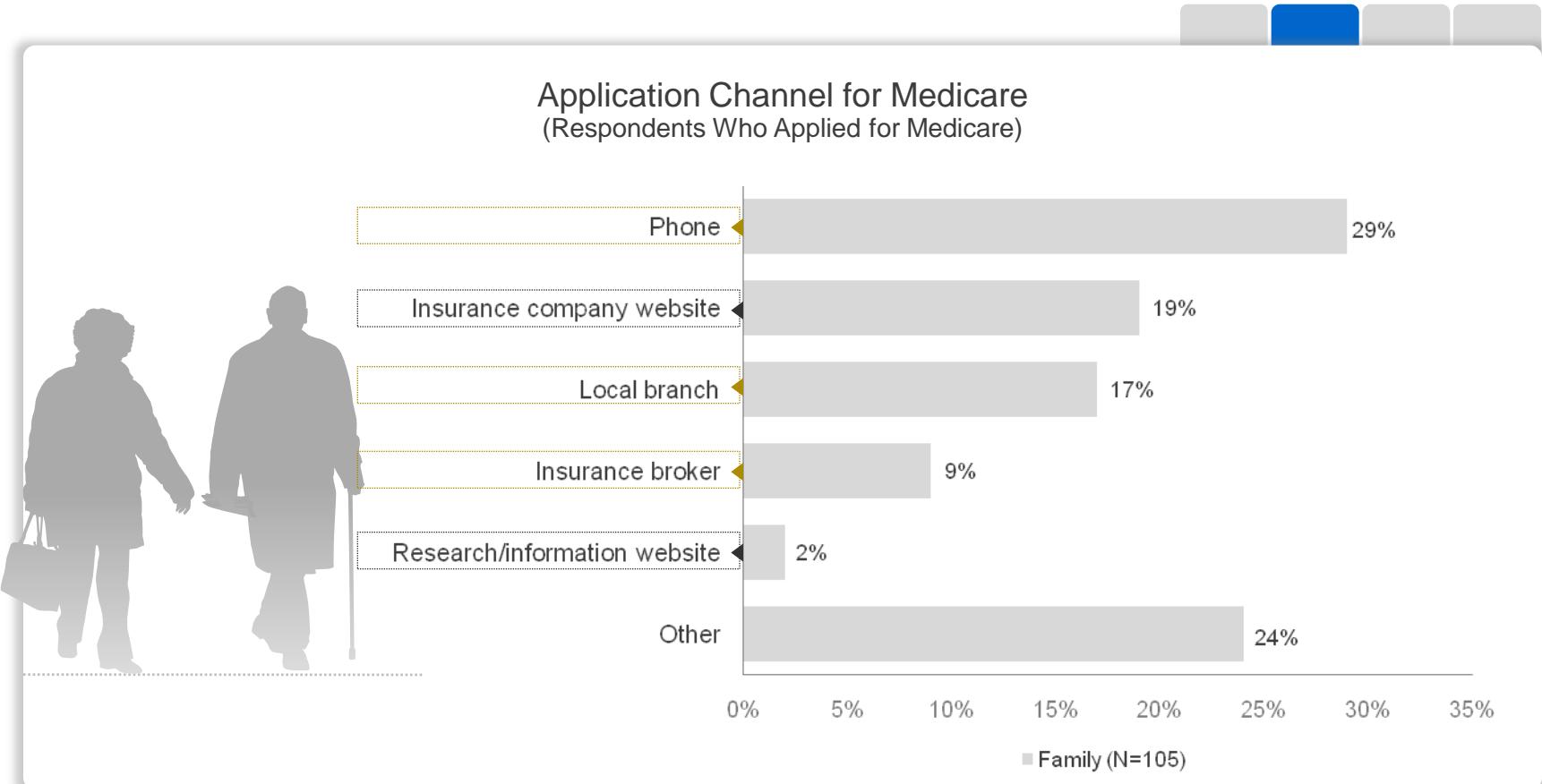
Medicare: Online Driving 1:2 Ratio

Consider how the online channel is driving offline conversions, and not only online applications, in attribution models.

Offline Application Amplification Due to Online Activities
(Number of Offline Applicants* for Every Online Applicant, from Online Shoppers)

Individual	Medicare	Family
1.06	1.83	3.06

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~75% of Shoppers Completed Researching by End of November vs. Continuing into December

~75% of Private and Medicare
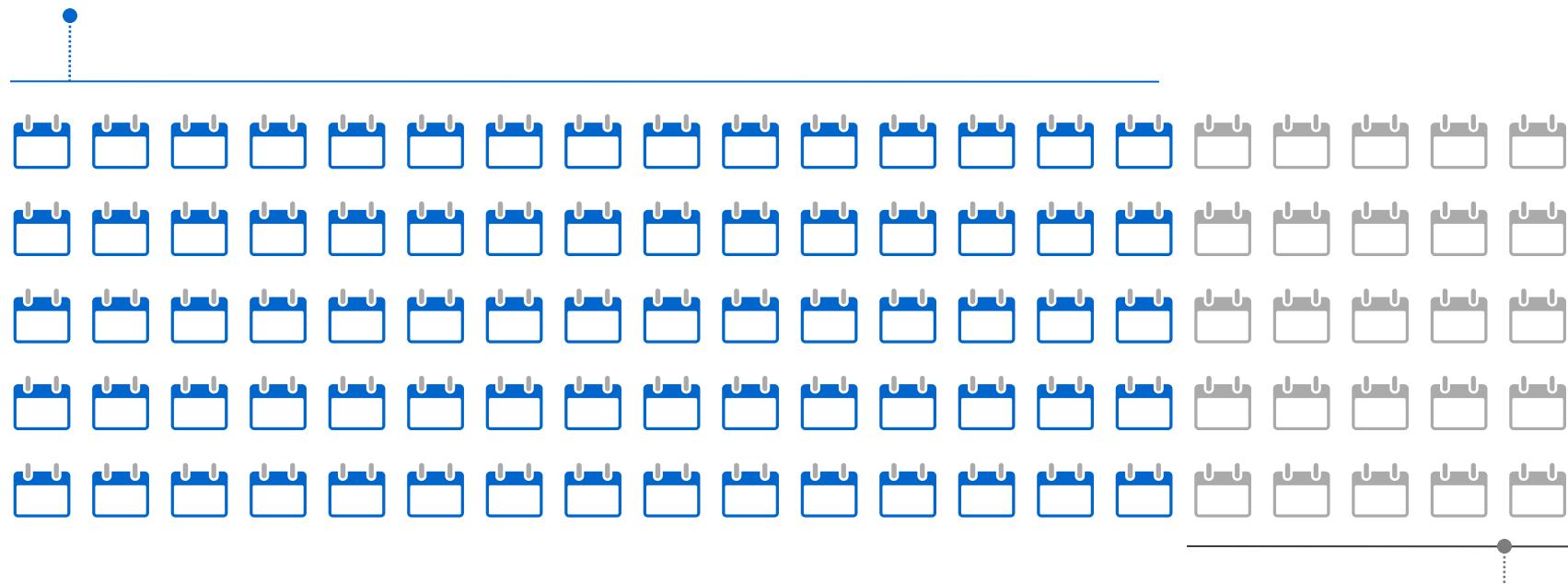
of shoppers continued to research beyond the end of Nov ~25%

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18% Medicare Shoppers Shopping in Aug-Sept

Focusing marketing efforts only during Oct-Nov may limit share of shoppers reached

Private
research began Aug-Sep

25% researching in Oct-Nov

58% continuing in December

Medicare
research began Aug-Sep

18% researching in Oct-Nov

41% continuing in December

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69% of Shoppers Completed Their Research Within Two Weeks

Time Spent Researching Health Insurance
(Respondents who Reviewed Health Insurance)

Private
20 days | 30 pages

Medicare
17 days | 39 pages

Category	Percent
Less than 1 day	14%
1 but less than 2 Days	13%
2 Days, but less than 1 week	19%
1 Week, but less than 2 weeks	23%
2 Weeks, but less than 4 weeks	14%
4 Weeks or more	10%
I haven't made my final decision	7%

0%   5%   10%   15%   20%   25%

31% self proclaim 2+ weeks of shopping

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Source: Google/Compete The Digital Health Insurance Shopper, August 2010

Search and Government Sites Used to Begin Research

Shoppers leveraged Search as an upper funnel tool to narrow product/brand choices

Research Phase in Which Online Resources Used
(Respondents who Used Online Resources)

Source	Beginning	Middle	End	Throughout	Don't know
Search engine (N=214)	48%	19%	2%	27%	3%
Government websites (N=132)	48%	14%	4%	32%	3%
Employer's Intranet (N=230)	32%	7%	8%	49%	3%
Informational websites (N=241)	31%	25%	12%	24%	7%
YouTube^(N=42)	30%	10%	4%	4%	51%
Online consumer reviews (N=79)	30%	20%	16%	14%	21%
Comparison website (N=200)	29%	28%	10%	30%	2%
Insurance company website (N=402)	28%	19%	16%	33%	4%
Forums/discussion websites (N=57)	23%	21%	24%	11%	21%
Email promotions (N=90)	13%	26%	19%	12%	30%
Social networking sites ^(N=39)	8%	15%	18%	33%	27%

Legend: ■ Beginning ■ Middle ■ End ■ Throughout ■ Don't know

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Online Helps Individuals Find Options

Resources Useful in Introducing New Options
(Respondents who Used Resources)

Online

Resource	Introduced me to new options	Helped me learn more
Search engine (N=208)	27%	52%
Comparison website (N=187)	28%	39%
Government websites (N=130)	28%	36%
Insurance company website (N=394)	16%	43%
Informational websites (N=238)	18%	39%
Employer's Intranet (N=223)	17%	38%

Offline

Resource	Introduced me to new options	Helped me learn more
Insurance broker (N=142)	26%	36%
Friends/family (N=249)	18%	37%
Direct mail (N=208)	19%	32%
Employer's HR dept (N=394)	17%	31%

■ Introduced me to new options ■ Helped me learn more

Shared Videos Helped Simplify Purchase Process

Resources Helpful in Simplifying Purchase Process
(Respondents who Used Resources)

Online

Resource	Percentage
Video sharing sites*^ (N=44)	74%
Social networking sites^ (N=34)	47%
Forums/discussion websites (N=56)	44%
Comparison website (N=187)	38%
Employer's Intranet (N=223)	38%
Online consumer reviews (N=58)	35%
Informational websites (N=238)	27%
Insurance company website (N=394)	24%
Government websites (N=130)	20%
Email promotions (N=92)	16%
Search engine (N=208)	16%

Offline

Resource	Percentage
Insurance broker (N=142)	43%
Employer's HR dept (N=394)	36%
Magazines/newspapers (N=74)	33%
Friends/family (N=249)	28%
Direct mail (N=208)	23%

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Offline Resources Help Decide Option to Apply

Resources Provided Information Helpful in Making Application Decision
(Respondents who Used Resources)
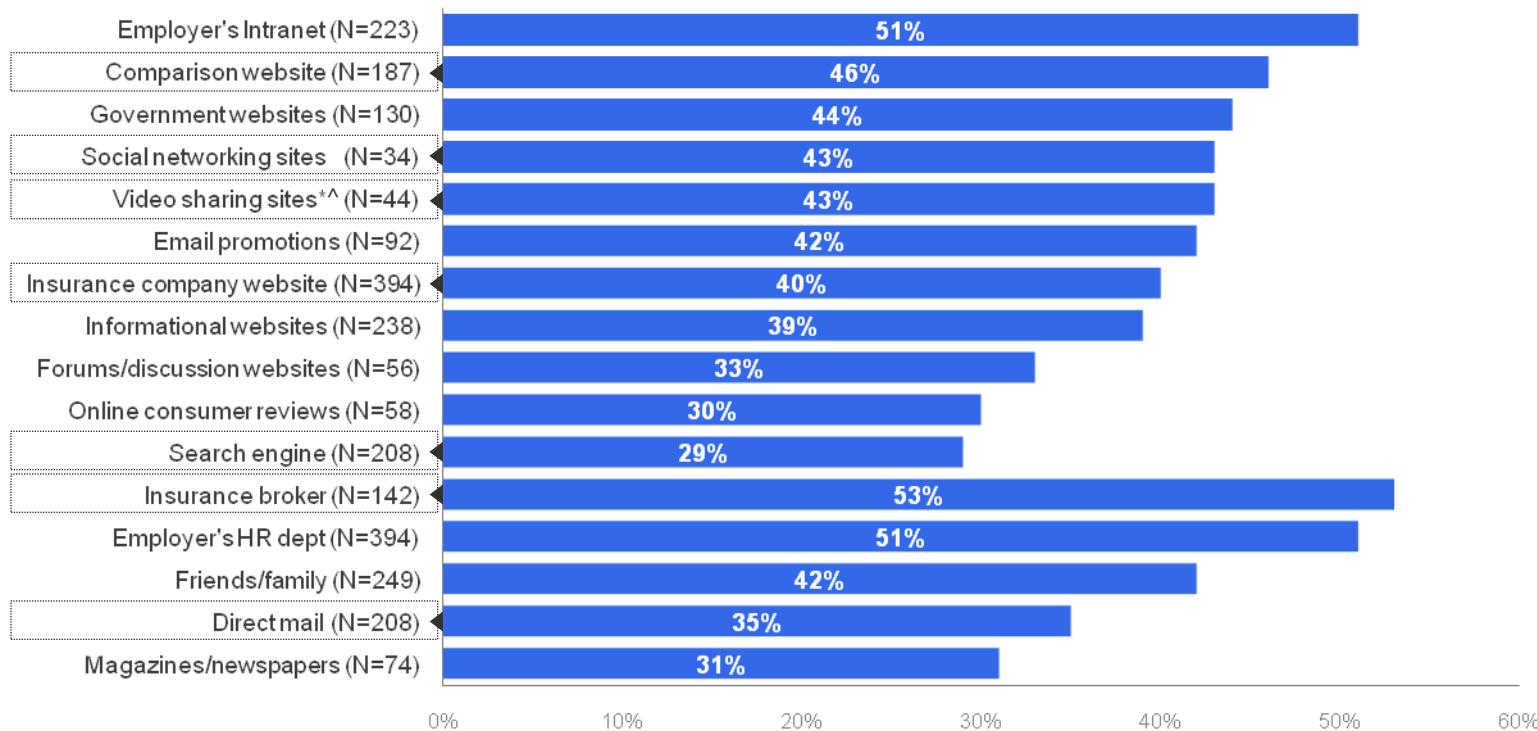
Online

Resource	Percentage
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Social networking sites (N=34)	43%
Video sharing sites*^ (N=44)	43%
Email promotions (N=92)	42%
Insurance company website (N=394)	40%
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0% 10% 20% 30% 40% 50% 60%

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Direct Mail Introduced Medicare Shoppers to Open Enrollment

Sources that Introduced Open Enrollment for Medicare
(Respondents Who Were Aware of Medicare open Enrollment)

| Source	Percentage
Direct mail from Medicare	26%
Direct mail from SSA	21%
Friends/family	16%
Direct mail from health insurance company	8%
Internet search	7%
Insurance broker	6%
Email from medicare	4%
Email from health insurance company	3%
Email from SSA	3%
Other	7%

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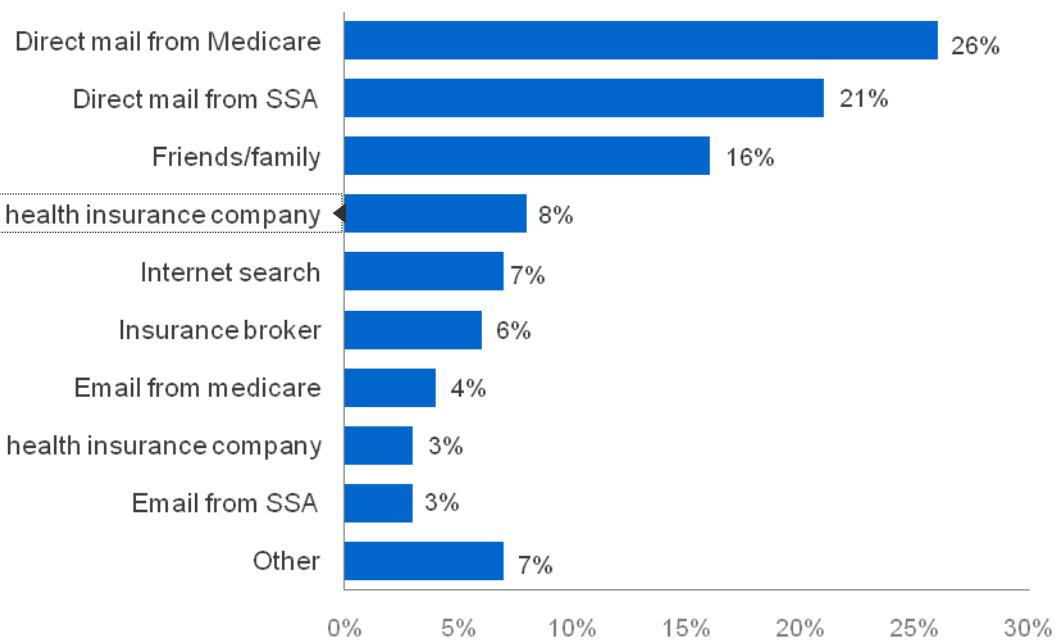
Medicare Shoppers Knew Less About Enrollment

Familiarity with Open Enrollment
(Respondents Who Reviewed Medicare or Group plans)

Never heard 6%

Aware of existence 8%

Know very well 31%

Know little 20%

Know fair bit 35%

Never heard 6%

Aware of existence 25%

Know very well 27%

Know fair bit 20%

Know little 22%
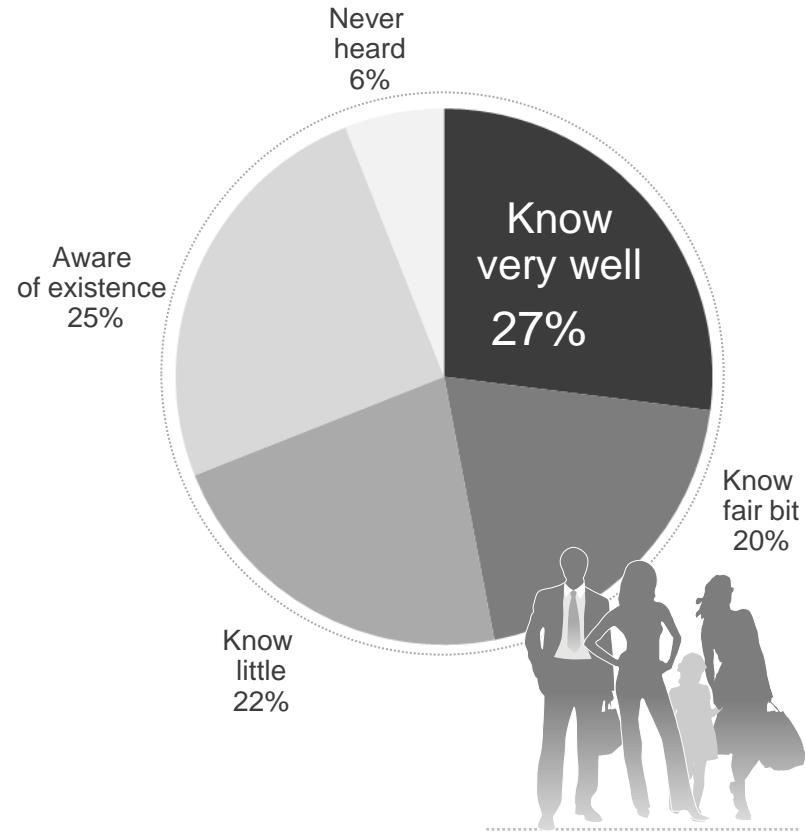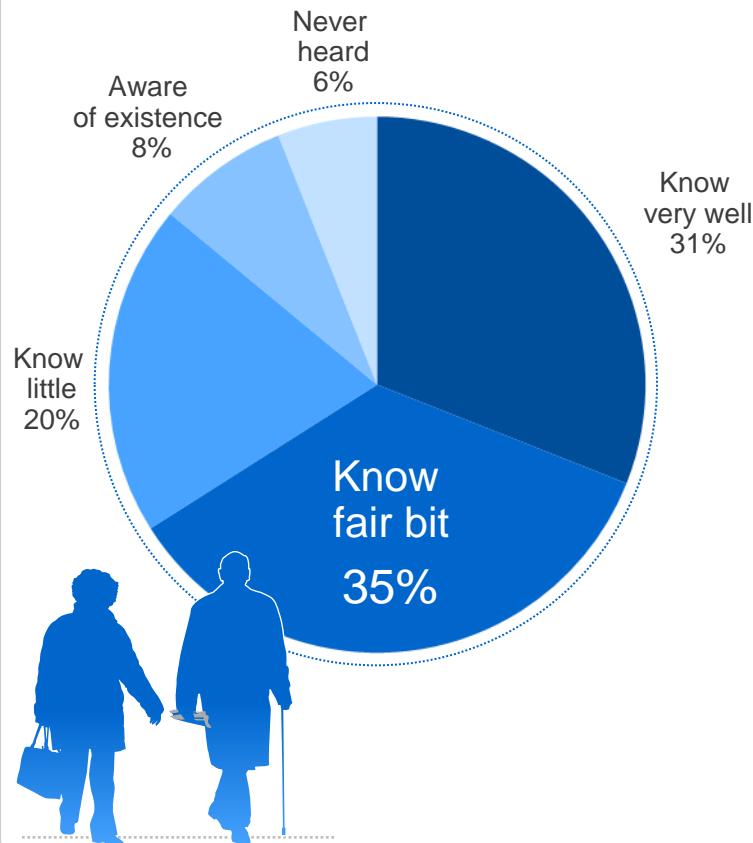
Awareness Hurdle to Use Video Sharing Sites

Reasons to Not Use Online Resources
(Respondents Who Did Not Use Online Resources)

	YouTube (N=1060)	Social networking sites (N=1055)	Other video sharing websites (N=1072)	Search engine (N=880)	Comparison website (N=901)	Informational websites (N=850)	Insurance company website (N=695)
Don't know/recall	24%	24%	25%	36%	31%	37%	37%
Resource not useful	10%	10%	11%	26%	16%	17%	21%
Is complicated	12%	14%	14%	17%	15%	15%	16%
Not online often	3%	3%	3%	4%	5%	6%	5%
Not familiar with resource	9%	10%	9%	6%	21%	16%	14%
Unaware resource could provide info	44%	41%	38%	15%	13%	11%	8%

Legend:
- Unaware resource could provide info
- Resource not useful
- Not familiar with resource
- Is complicated
- Not online often
- Don't know/recall

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Compared to Private Plan Shoppers, More Medicare Shoppers Visited Brand Sites

Resources Used in Shopping Process
(Online Open Researchers of Health Insurance)

	Private	Medicare
3rd Party research	11%	12%
Aggregators	68%	31%
Brands	49%	89%
Brands and Aggregators	17%	20%

■ Private ■ Medicare

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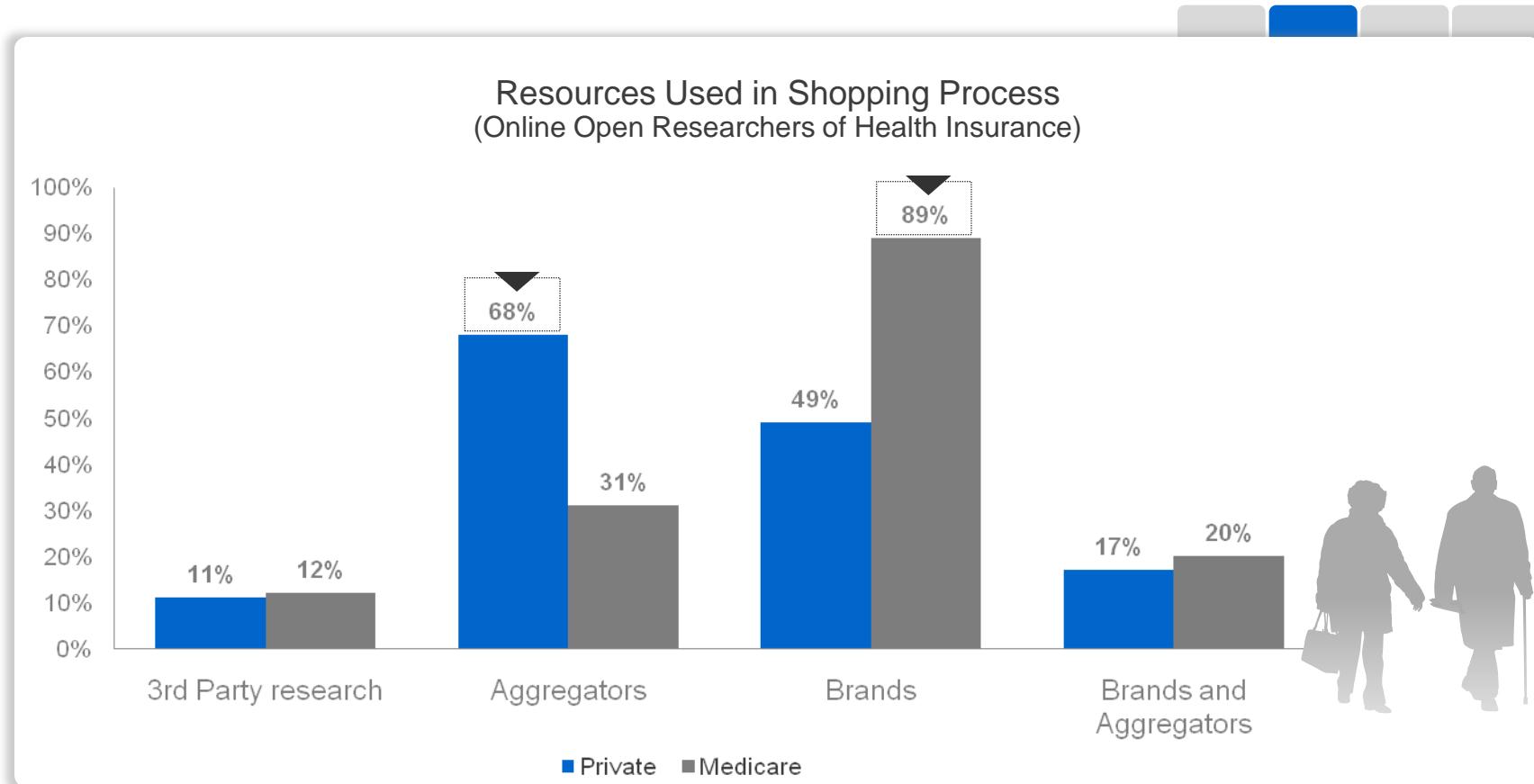
Most Referrals to Aggregators Non-Branded

Aggregators were more reliant than Insurance companies on Non-Branded terms to drive traffic.

Insurance companies have an opportunity to increase traffic through including Non-Branded terms in their Search strategy

Branded Versus Non-Branded Search Referrals to Private Plan
(Private Plan Search Referrals, Aug 2009 – Nov 2009)

Aggregator: 9% Branded, 91% Non-Branded
Insurance company: 73% Branded, 27% Non-Branded
Third Party Site: 29% Branded, 71% Non-Branded

■ Branded □ Non-Branded

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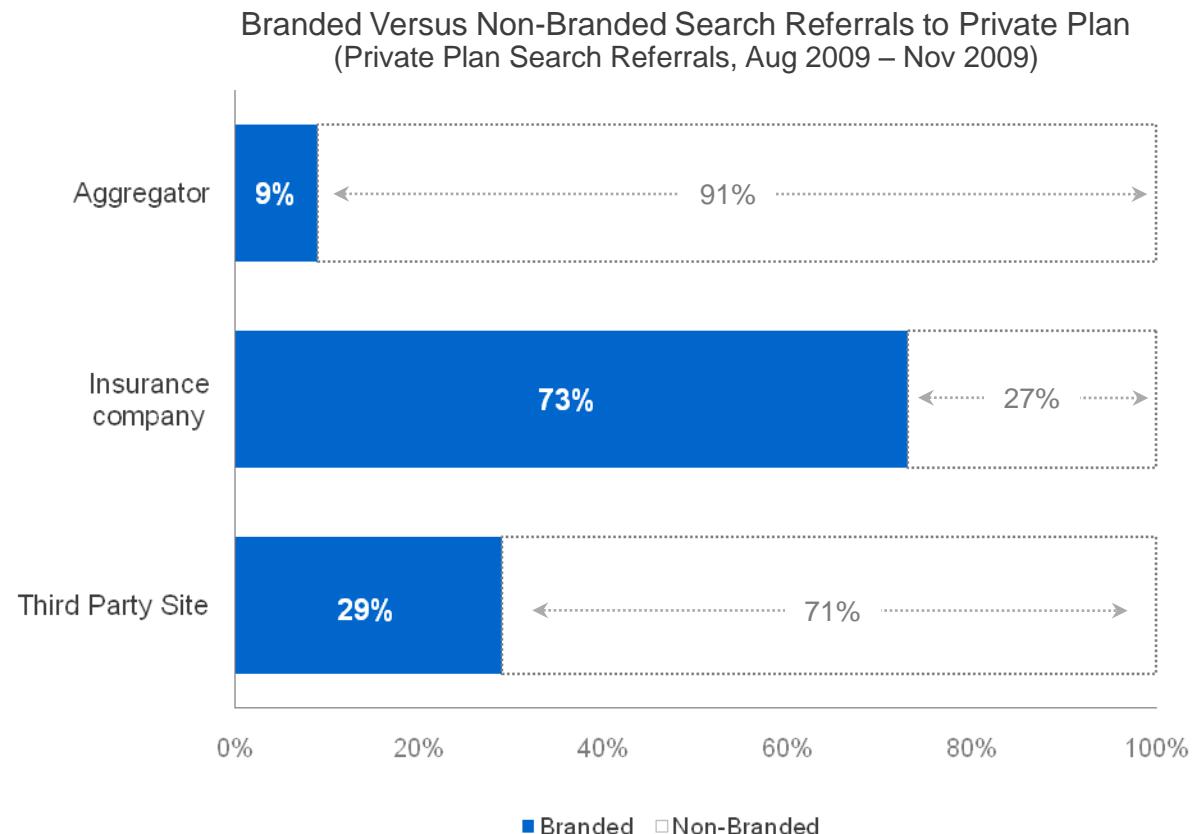
More Than 40% of Shoppers Utilized Search

Researchers of Medicare were slightly more likely to use Search than researchers of Private plan.

Searcher versus Non-Searcher Shoppers of Private and Medicare
56% are non-searchers

Searcher versus Non-Searcher Shoppers of Private and Medicare
59% are non-searchers
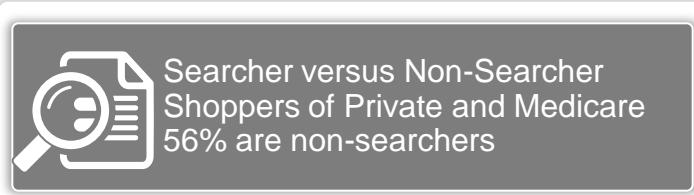
41%
Private Searchers
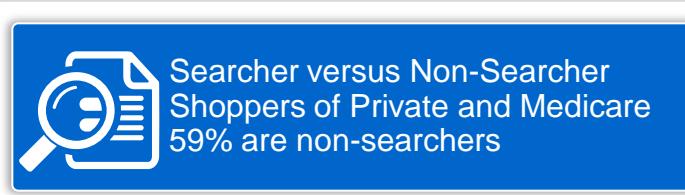
44%
Medicare Searchers

44% of Shoppers use Search & Shoppers Perform Multiple Queries

Almost **50%** of Medicare Searchers performed 3+ queries…

1 Search Referral

2 Search Referrals

3-4 Search Referrals

5-9 Search Referrals

10+ Search Referrals

…as compared to only **41%** of Private plan Searchers

Private   Medicare

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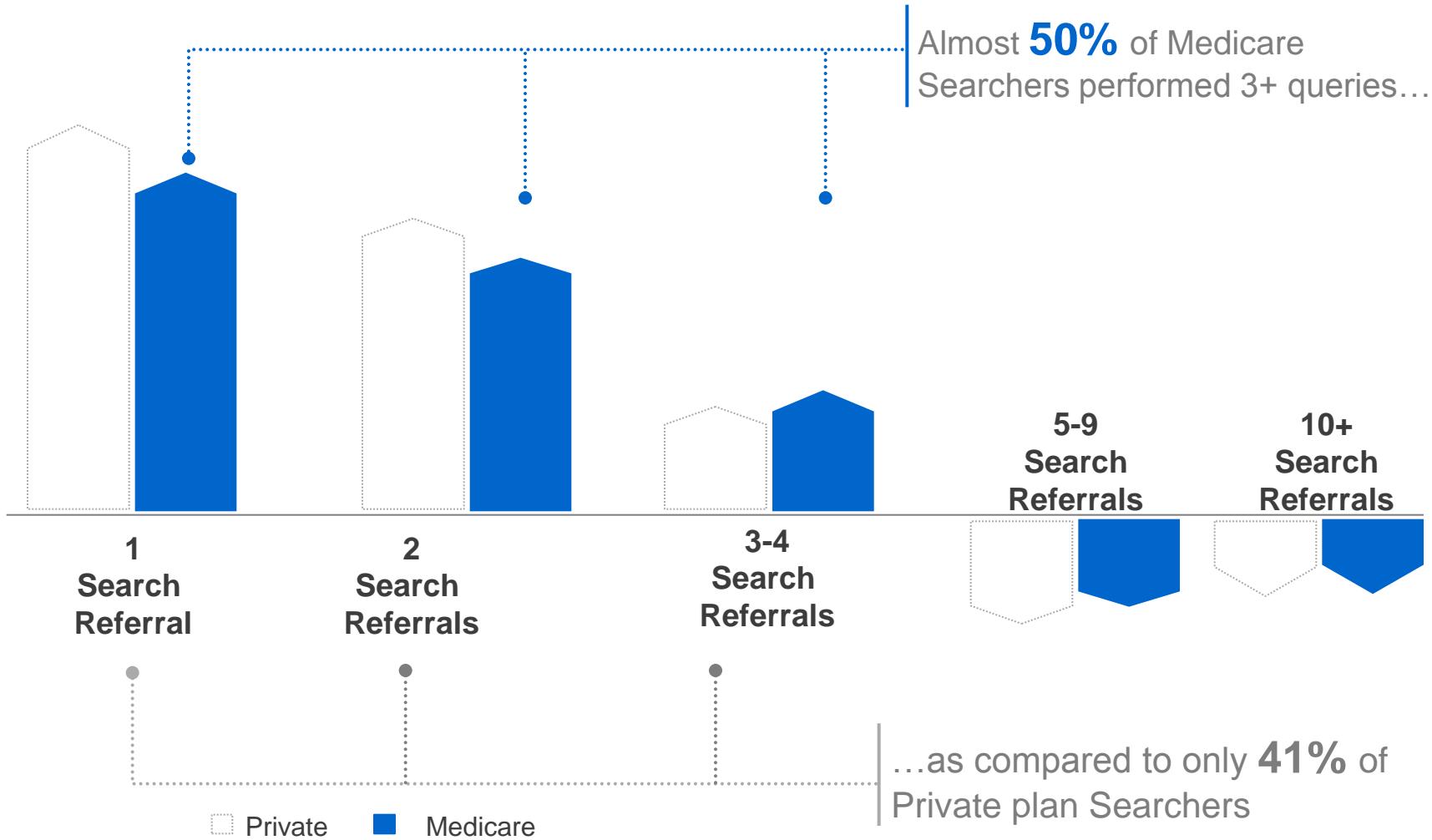
~75% of Shoppers Who Utilized Search Used Non-Branded Search Queries

Use of Branded Versus Non-Branded Search
(Online Open Researchers who Performed Multiple Searches, Aug 2009 – Nov 2009)

Non-Branded 23%

Branded 30%

Both 48%

Non-Branded 22%

Branded 26%

Both 52%

Source: Google/Compete The Digital Health Insurance Shopper, August 2010
Q24. Where did you apply for your health insurance plan? (Base: N= 362, Respondents who applied for Individual/Family plan)
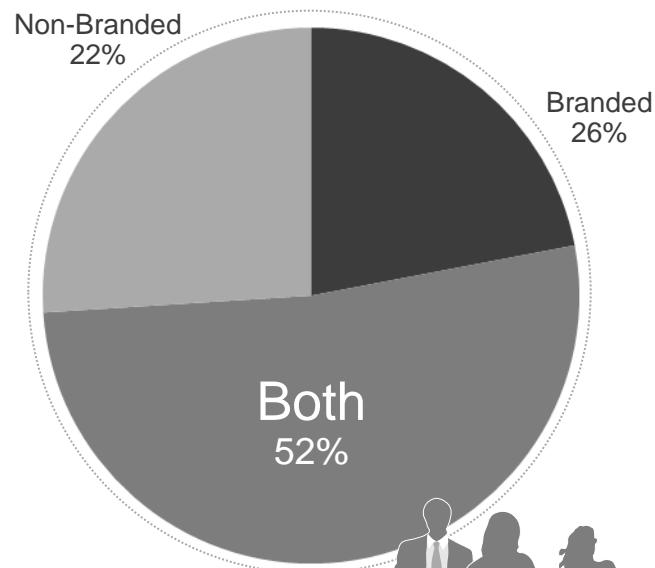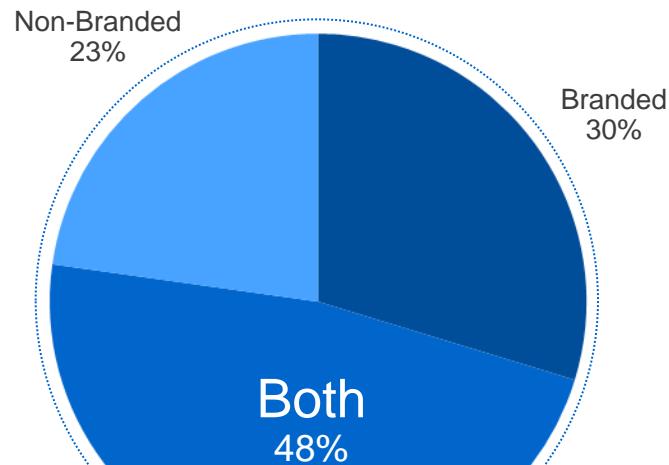
Private Plan Searchers Use Combination of Terms

Branded Versus Non-Branded Queries by Private Plan Researchers
(Online Open Private plan Searchers, Aug 2009 – Nov 2009)

	Branded Only	Non-Branded Only	Both	Query Volume
10+	8%	5%	87%	33%
5–9	16%	17%	67%	28%
3–4	33%	22%	45%	17%
2	41%	31%	27%	12%
1	56%	44%		10%

Legend: ■ Branded Only ■ Non-Branded Only ■ Both
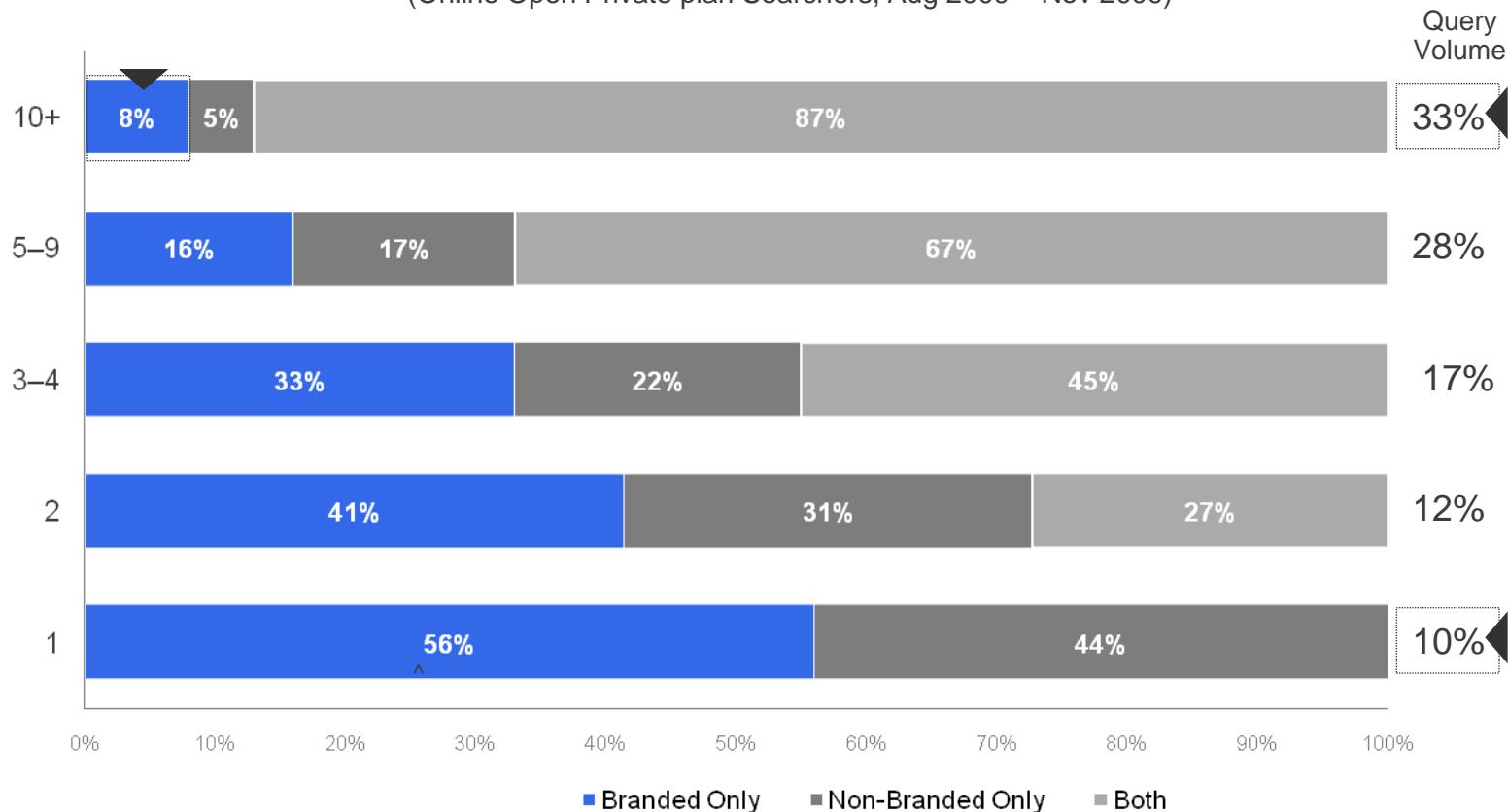
More Medicare Searchers Used Only Non-Branded Terms

Branded Versus Non-Branded Queries by Medicare Researchers
(Online Open Medicare Searchers, Aug 2009 – Nov 2009)

Query Volume

	Branded Only	Non-Branded Only	Both	Query Volume
10+		15%	64%	32%
5–9	13%	20%	67%	30%
3–4	21%	26%	53%	20%
2	37%	37%	26%	10%
1	56%	44%		8%

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

■ Branded Only   ■ Non-Branded Only   ■ Both

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Source: Google/Compete The Digital Health Insurance Shopper, August 2010. Q13. When did you use these sources to research potential health insurance options? Please select the response(s) that best apply to each source.

More Medicare Shoppers Began Applications

71%
Medicare shoppers were more likely to begin applications

47% Began Application on Brand only

60%
Private plan shoppers were more likely to begin applications

37% Began Application on Aggregator only

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Searchers Convert at a Higher Rate

Medicare and Private plan shoppers utilizing Search converted at a higher rate on Aggregator and Brand websites than those who did not use Search

Lift in Conversion Rate from Search
(Online Open Researchers who Visited Specific Resource)

Conversion rate of Medicare only shoppers on aggregator websites, who utilized Search, is 6% higher as compared to such shoppers who did not utilize Search

■ Began Application on Brand   ■ Completed Application on Aggregator

Source: Google/Compete The Digital Health Insurance Shopper, August 2010

Key Takeaways

There is a great opportunity **to educate health insurance** shoppers on their choices and simplify their decision making process, especially for Medicare.

There is an opportunity **to be the top of funnel leader**, and chance to capture non-branded conversions, for private and Medicare plans.

There is an enormous opportunity **to achieve Medicare consumer attention** and **brand recognition** prior to annual enrollment.

Include **online to offline conversions** in attribution modeling.

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