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The Online Impact of Financial Services Research

Google/Compete
U.S., 2010



Background, Objectives and Methodology

Background and Objectives

- Background

- Online research influences both online and offline application. However, there remain challenges in quantifying the role of the online channel – whether via search, display, or non-advertising content – in driving applications

- Objectives

- Assess the online and offline resources shoppers use when shopping and applying as well as the relative importance of different resources
- Quantify the impact online research has on application (both online and offline brokerage account application)
- Analyze differences between applicants applying for brokerage accounts online versus offline

Methodology

- Targeting and Screening

- A survey was launched to Compete panelists who had been observed researching brokerage accounts online between January 2010 and August 2010
- Surveys were fielded to Compete panelists in June-August 2010, 550 consumers qualified and completed the survey
 - Qualifying requirement: Respondents who indicated they had conducted **online** research for brokerage accounts within past 6 months

- Significance Testing

- For 2-variable significance testing, two asterisks (**) indicates significance at the 95% level and one asterisk (*) indicates significance at the 90% level
- For multiple variable significance testing, uppercase letters indicate significance at the 95% level and lowercase letters indicate significance at the 90% level
- Base sizes under 30 were removed from the study and any base sizes between 30-50 were marked (^) as low sample

Definitions

- Searcher vs. Non-Searcher

- “Searcher” is a respondent who was search referred to a brokerage accounts-related webpage (based on observed online clickstream behavior, not self-reported)
- “Non-Searcher” is a respondent who was not referred through search to any brokerage accounts-related webpage between December 2009 and May 2010 (based on observed online clickstream behavior, not self-reported)

- Short Research vs. Long Research

- “Short Research” is a respondent who completed brokerage account research in less than two week
- “Long Research” is a respondent who completed brokerage account research in two weeks or more

Key Takeaways

1 Online ads attract new customers

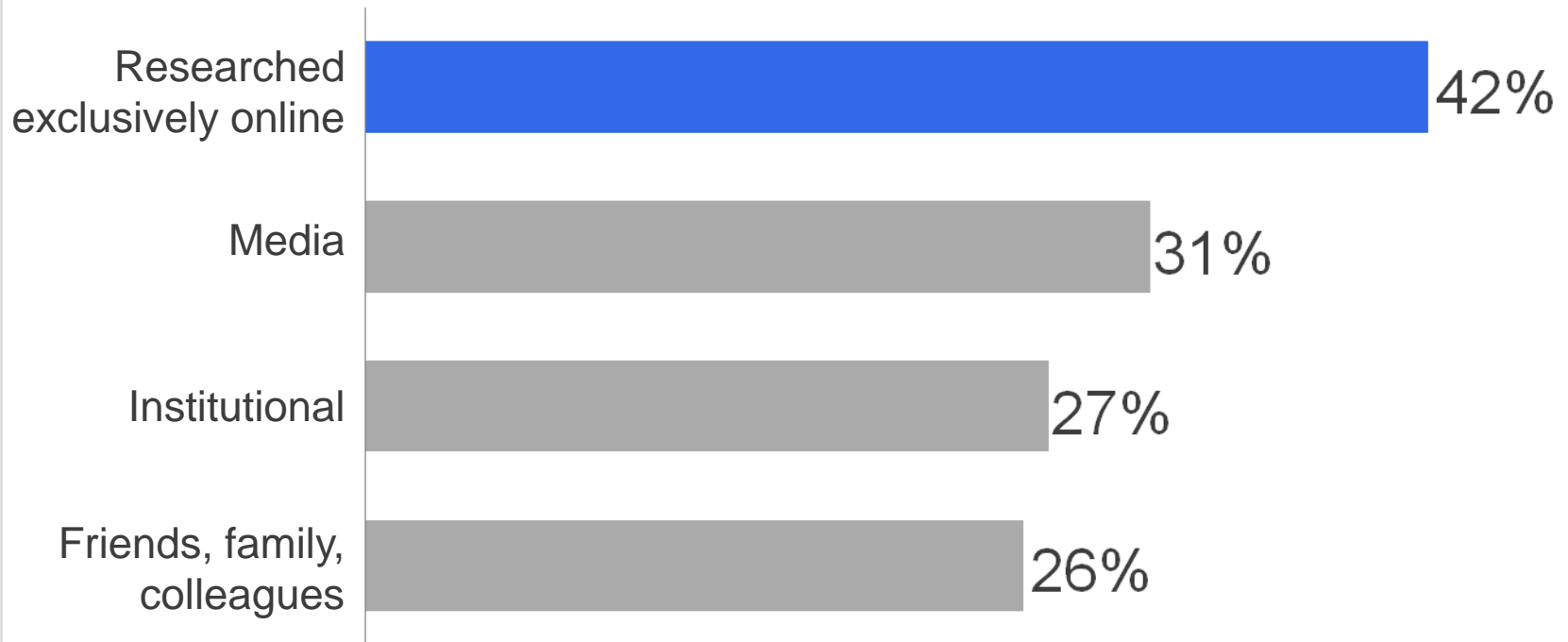
2 Search is essential in the conversion process

3 Online financial shoppers, who utilize search, are more valuable than those who do not

4 Online shopping is a key contributor to offline conversion

In-Market Financial Product Shoppers Rely on the Internet

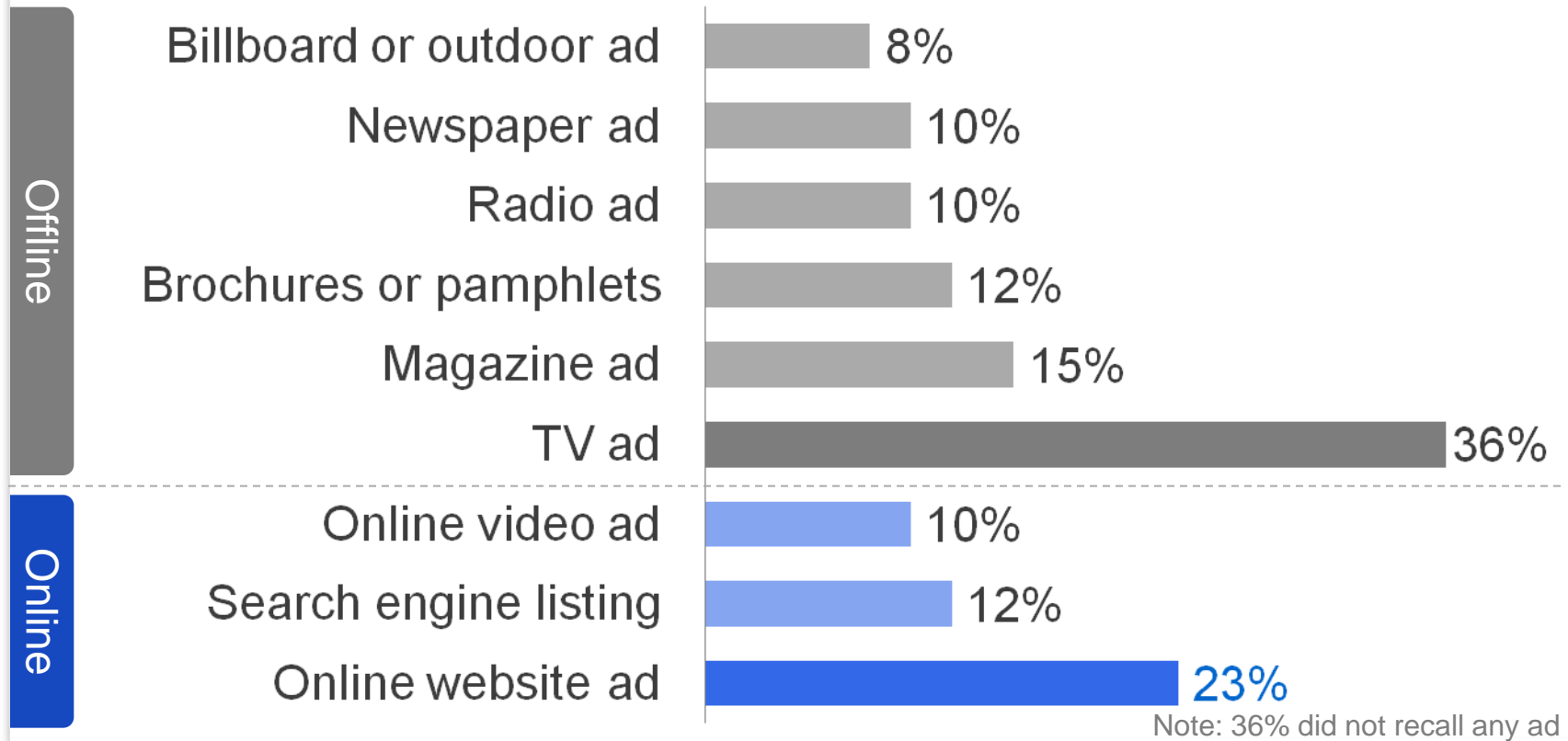
Offline Resources Used by Online Shoppers
(Respondents Who Researched Financial Products Online)



TV and Online Ads Recalled By Most Shoppers

Ads Recalled by Online Shoppers

(Respondents Who Researched Financial Products Online)



Key Takeaways

1 Online ads attract new customers

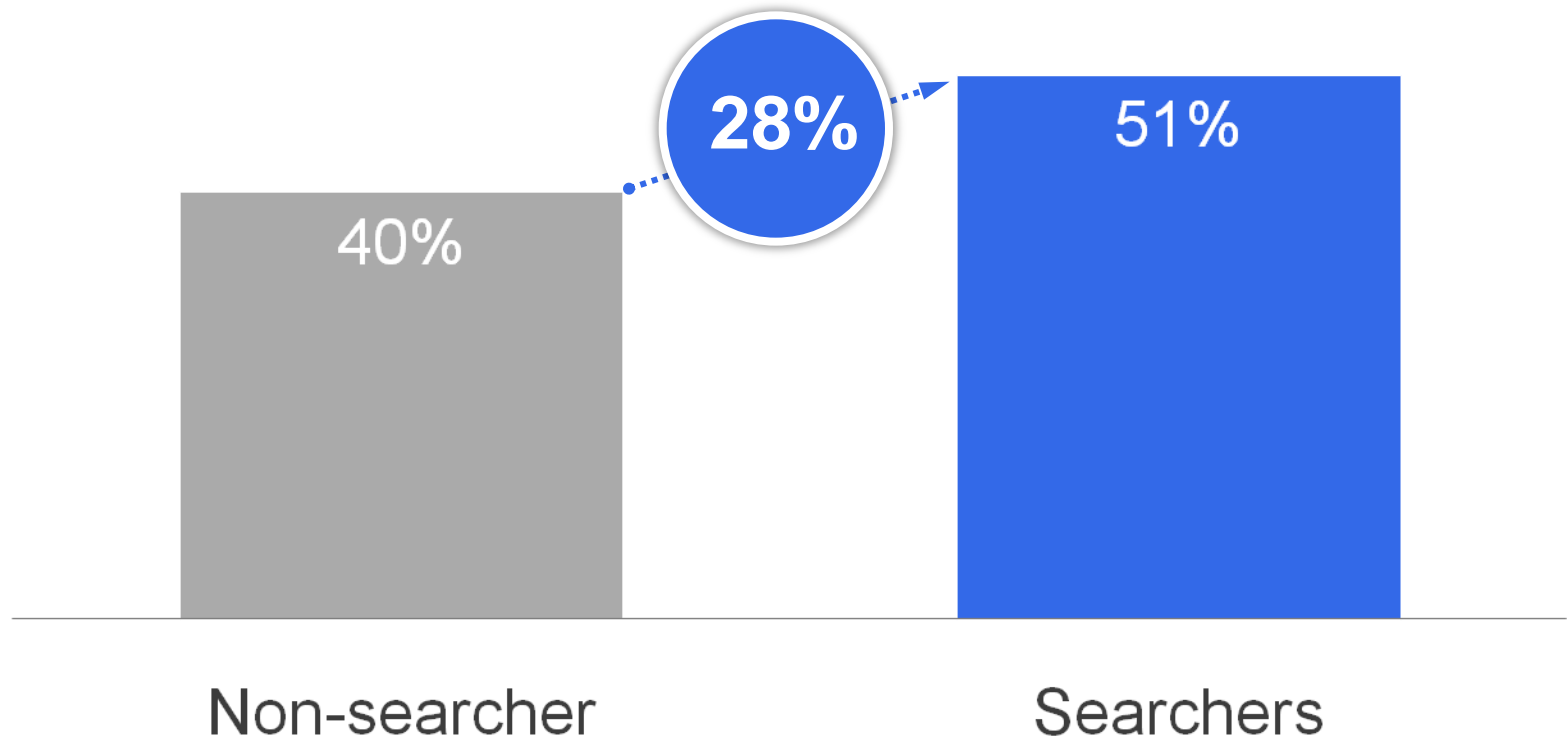
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3 Online financial shoppers, who utilize search, are more valuable than those who do not

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Searchers are More Likely to Convert Than Non-Searchers

Conversion Rate by Searchers vs. Non-Searchers



Key Takeaways

- 1 Online ads are an important tool to attract new customers
- 2 Search is an essential tool in the conversion process
- 3 Online financial product shoppers who utilize search are more valuable than those who do not
- 4 Online shopping activity is an key contributor to offline conversion

Searchers Maintain Higher Account Balances in Deposits

Deposits

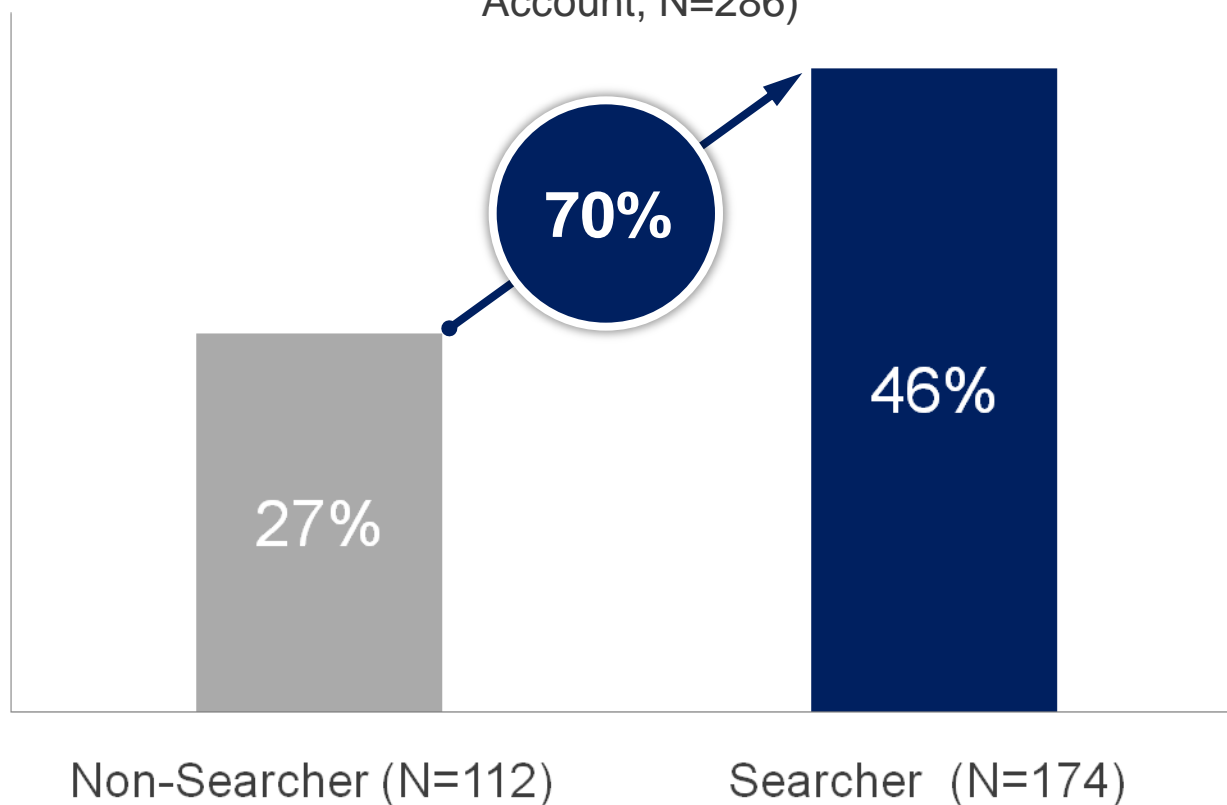
Brokerage

Credit cards

Auto Insurance

Account Balance (\$10K+) by Searcher versus Non-Searcher

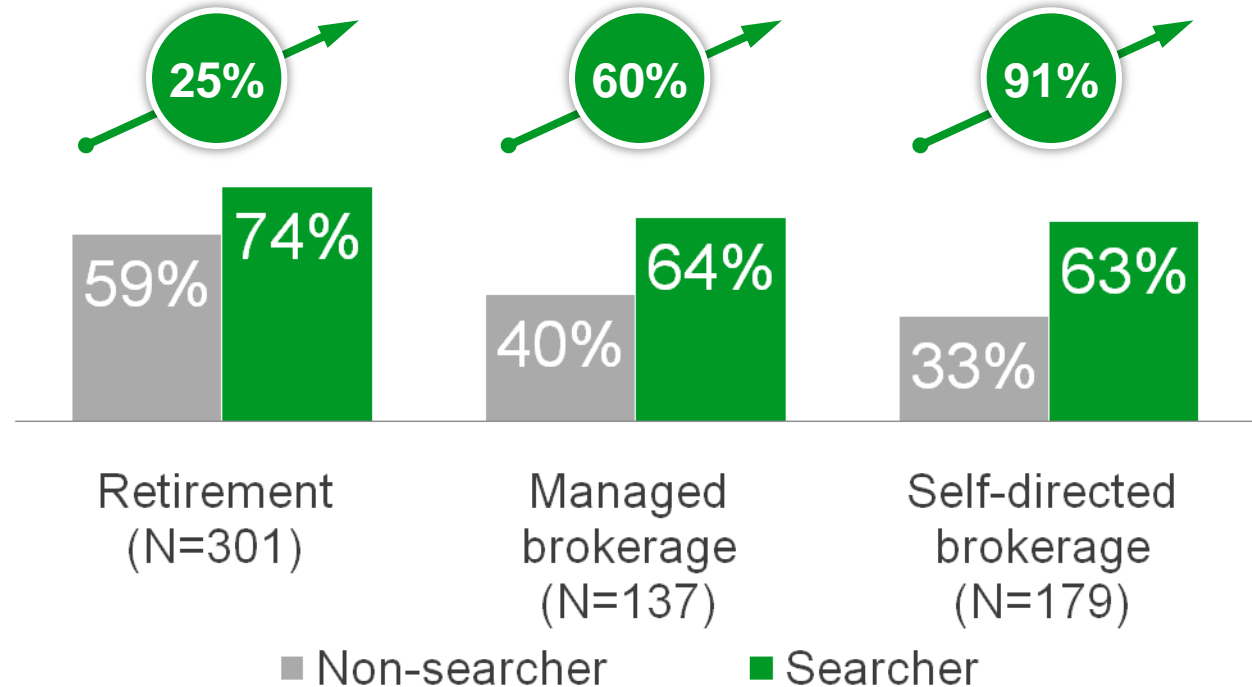
(Searcher or Non-Searcher Respondents Who Opened Deposit Account, N=286)



Searchers Are More Likely to Maintain \$20k+ Brokerage Account Balances

Share of Searchers versus Non-Searchers With \$20k+ Account Balance

(Respondents Who Already Had Specific Accounts, N=550)



Searchers 7 Times More Likely to Perform 1+ Transactions Per Day

Deposits

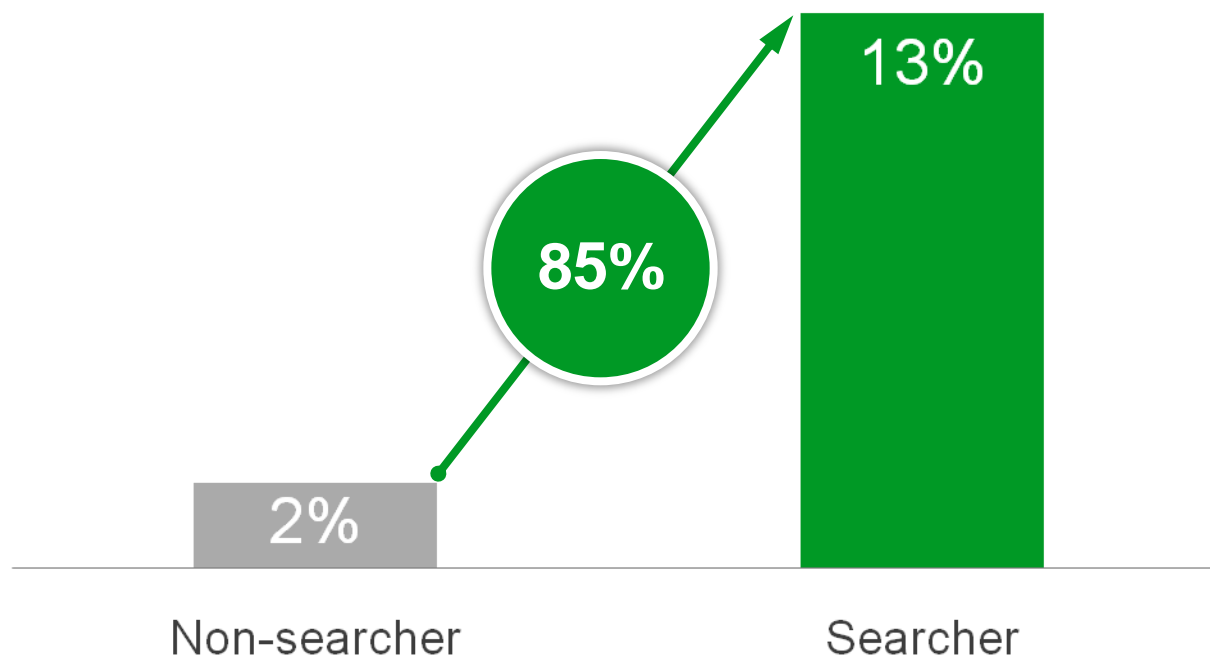
Brokerage

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Transaction Frequency (1+ a day) by Searchers versus Non-Searchers

(Respondents Who Have Self-Directed Brokerage Account, N=179)



Searchers Were 1.6 Times More Likely to Spend \$3.5k+ Using Credit Cards

Deposits

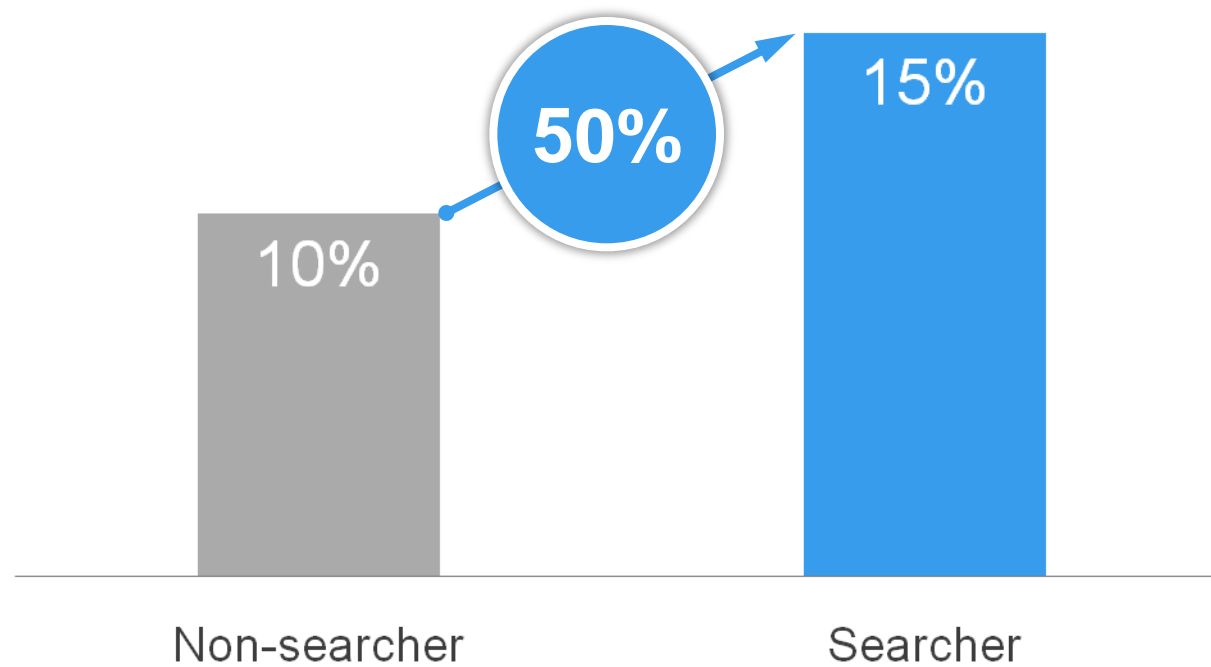
Brokerage

Credit cards

Auto Insurance

Share of Searchers vs. Non-Searchers By Monthly Credit Card Bill

(Applicants/Planned Applicants Who Own Credit Cards, N=856)



Searchers Are More Likely to Buy High Premium Policies

Deposits

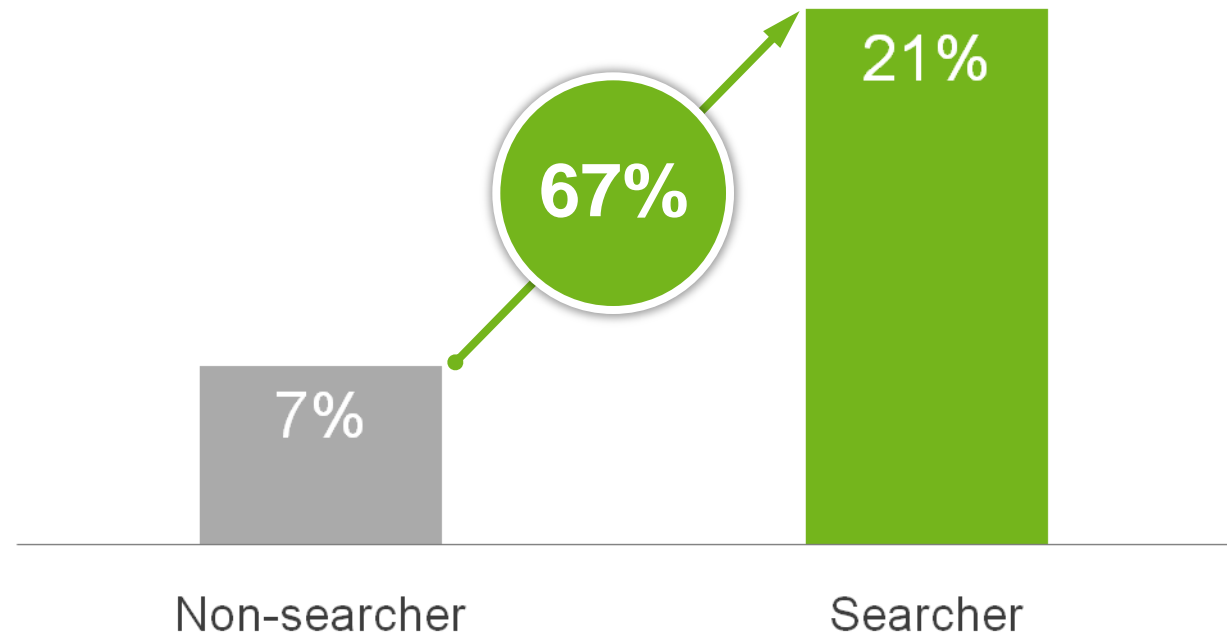
Brokerage

Credit cards

Auto Insurance

Policy Premiums of \$1.5k+ of Searchers Versus Non-Searchers

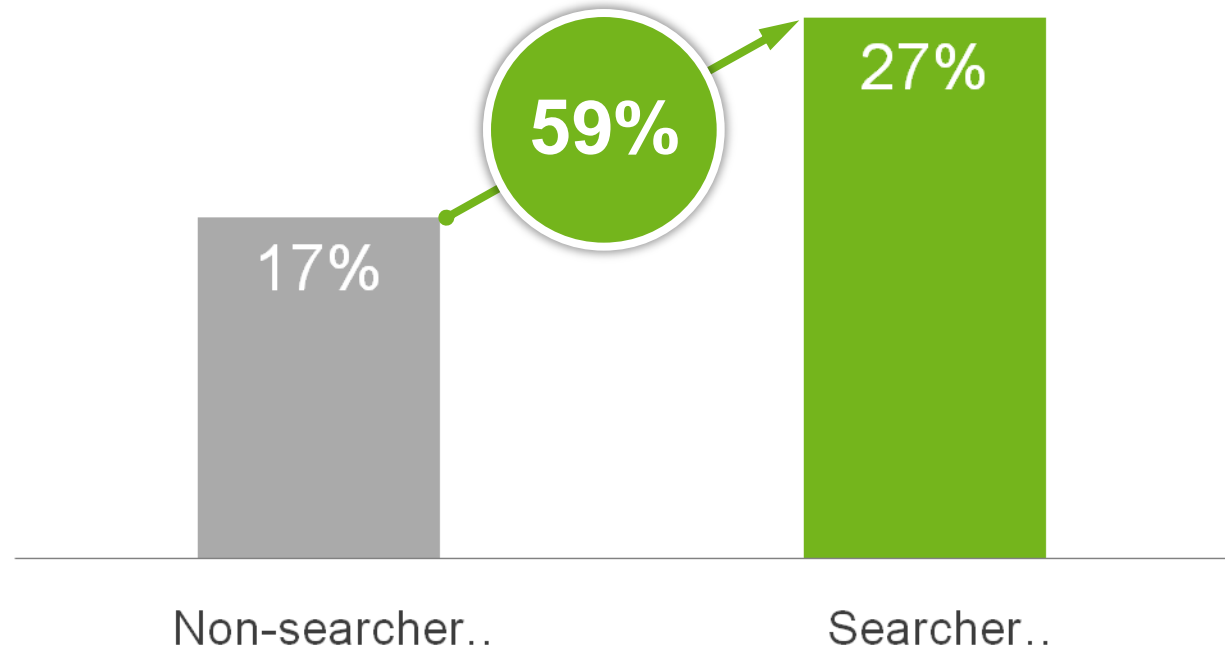
(Searcher or Non-Searcher Respondents Who Purchased Auto Insurance, N=527)



Searchers Are More Likely to Bundle Homeowners Insurance with Auto Insurance

Bundling Homeowners Insurance Policy with Auto Insurance

(Respondents Who Purchased Auto Insurance, N=527)



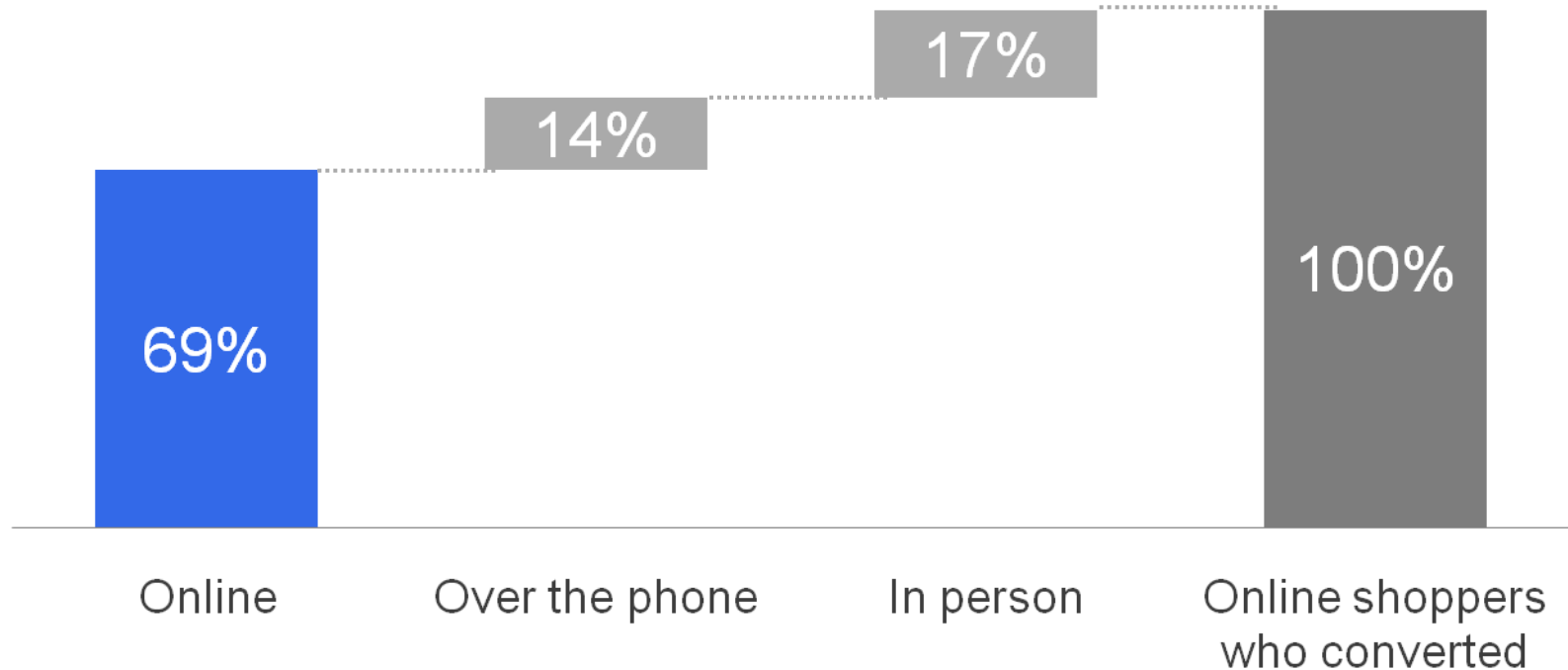
Key Takeaways

- 1 Online ads are an important tool to attract new customers
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Online Research Impacts Offline Conversions

For every 10 online shoppers who converted online, 4.5 additionally converted offline

Conversion Channel for Online Shoppers

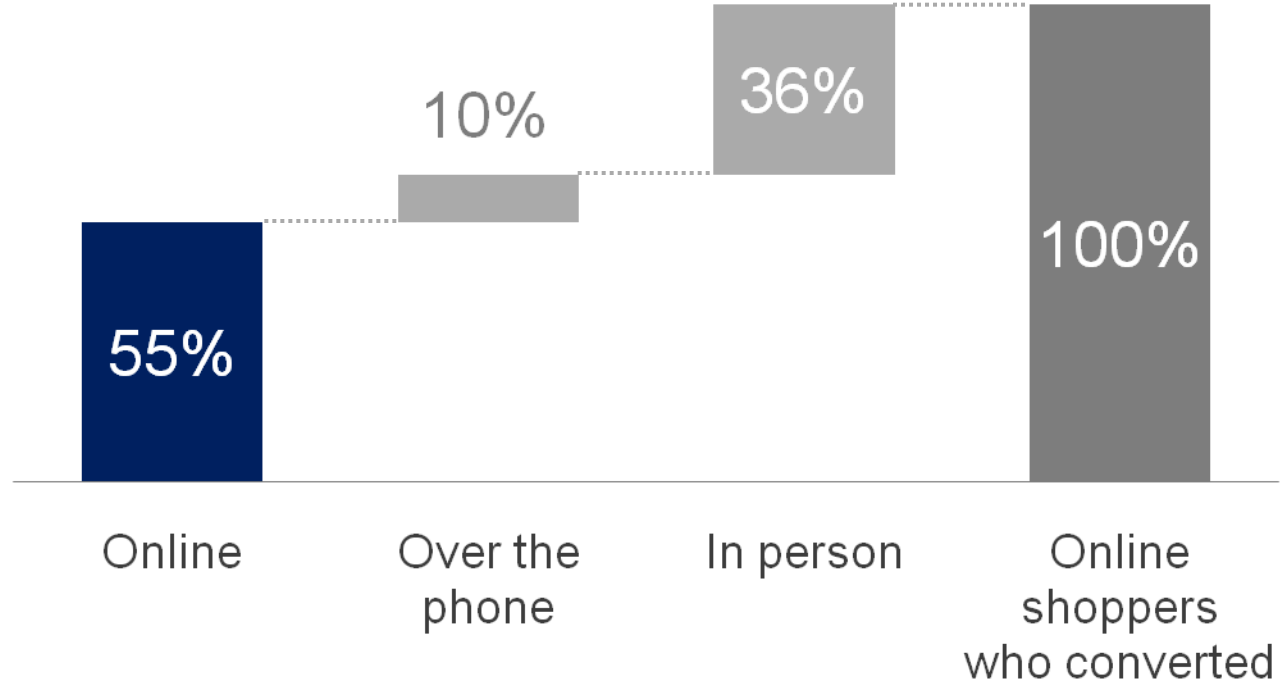


Online Research Activity Impacts Offline Deposit Accounts Opened

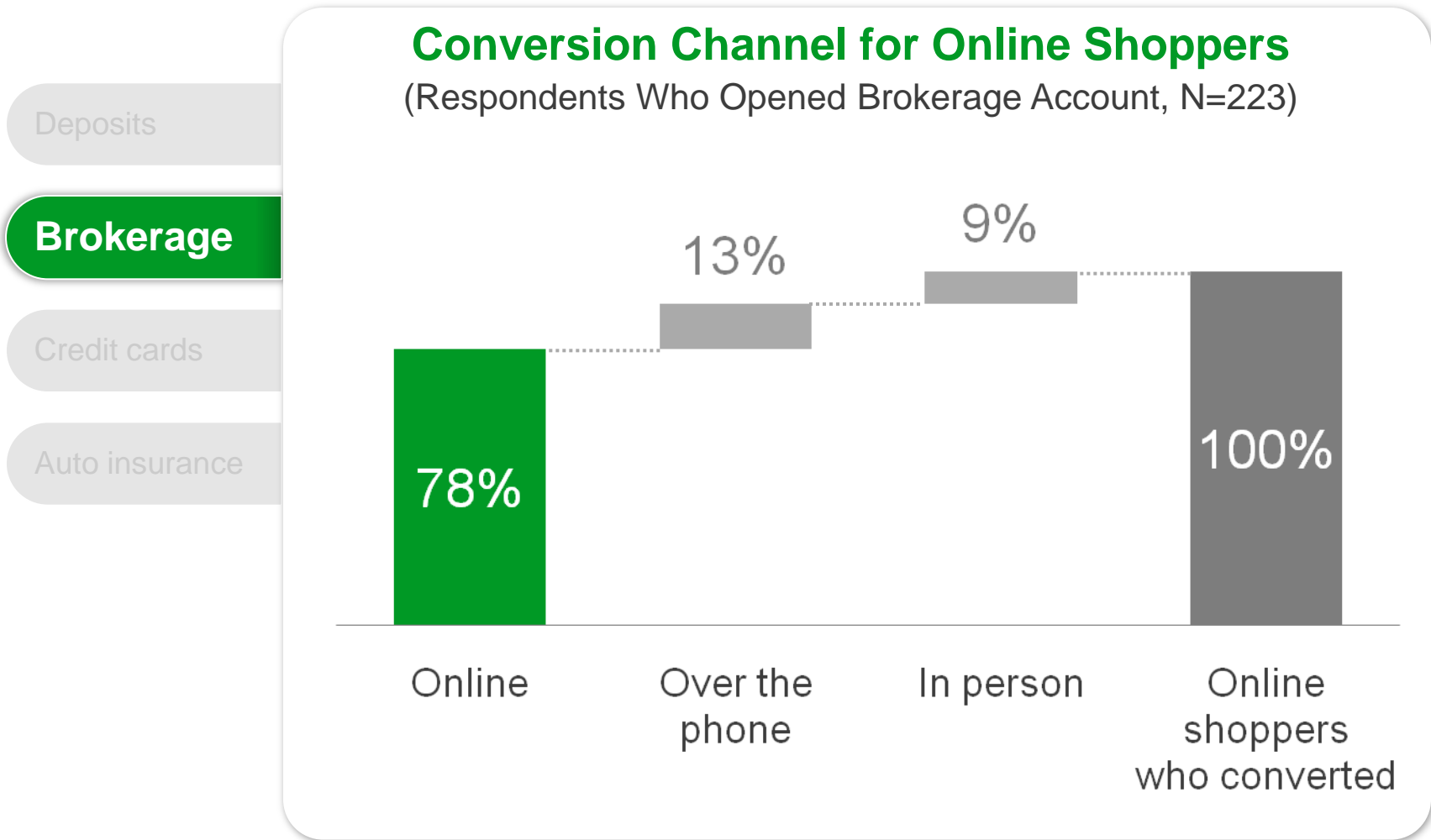
- Deposits
- Brokerage
- Credit cards
- Auto insurance

Conversion Channel for Online Shoppers

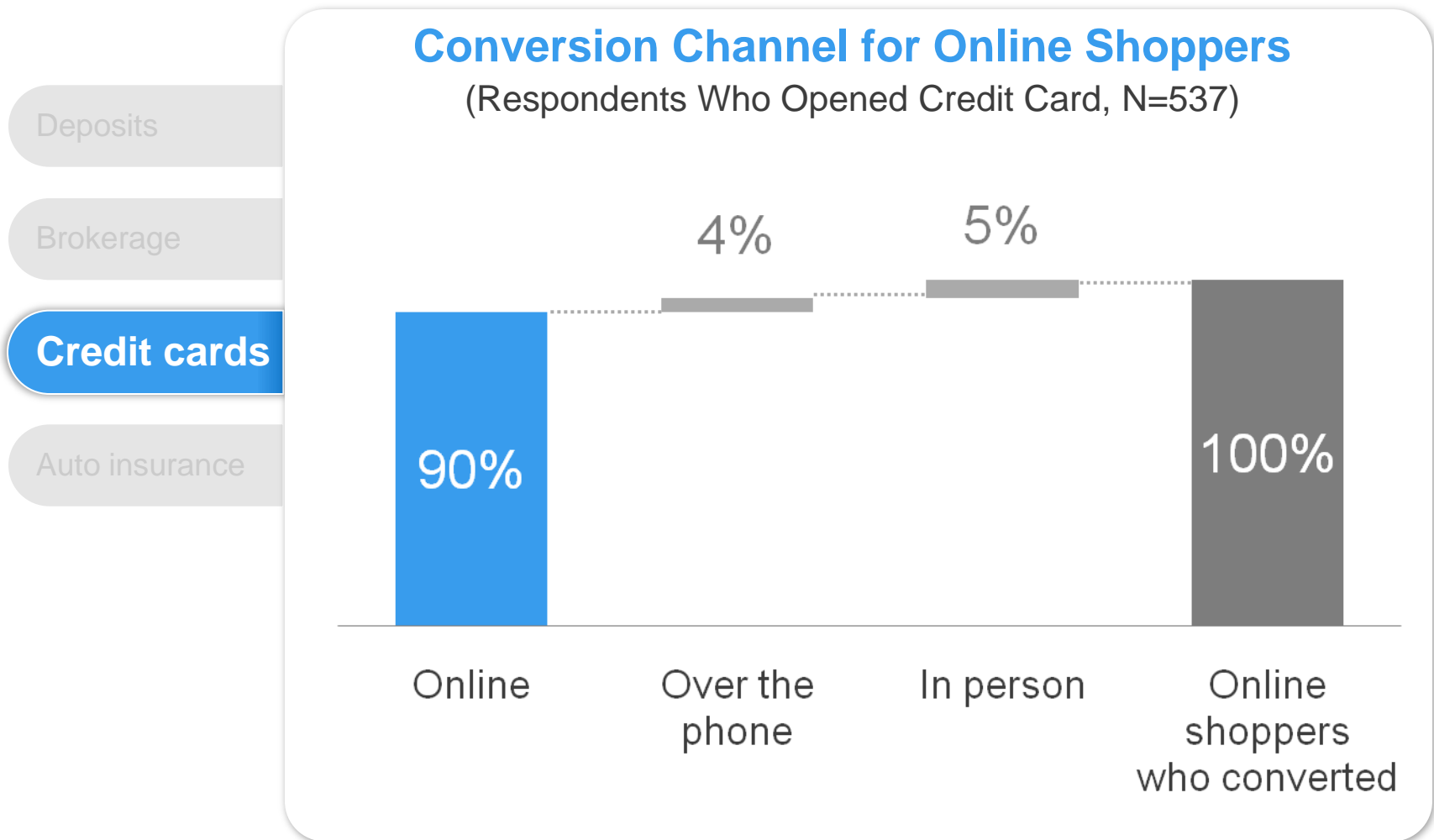
(Respondents Who Opened Account, N=286)



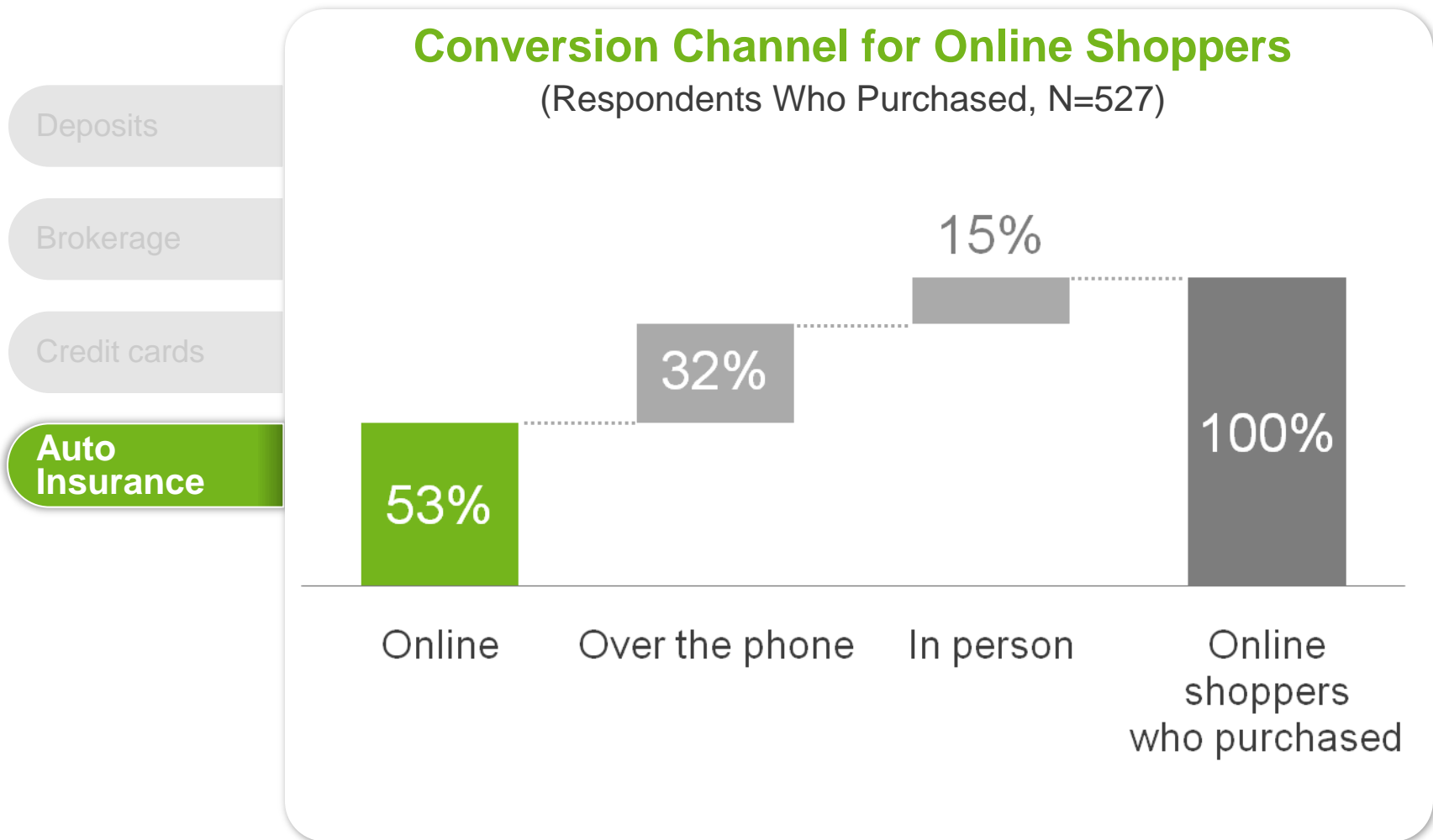
Online Research Activity Impacts Offline Brokerage Accounts Opened



Online Research Activity Impacts Offline Credit Cards Opened

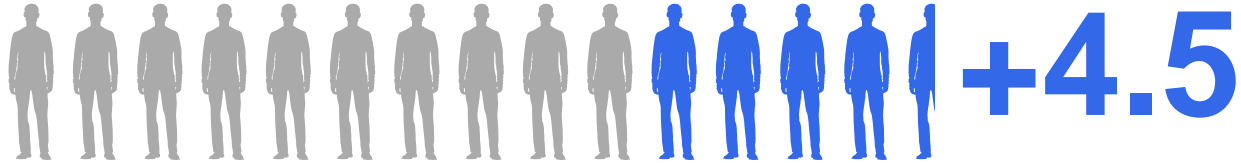


Online Research Impacts Offline Auto Insurance Policies Purchased

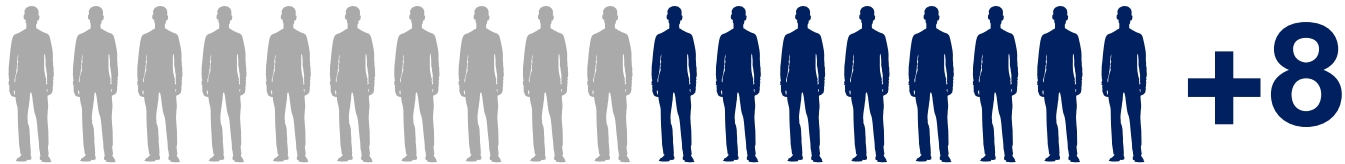


Evaluate Your Attribution Modeling

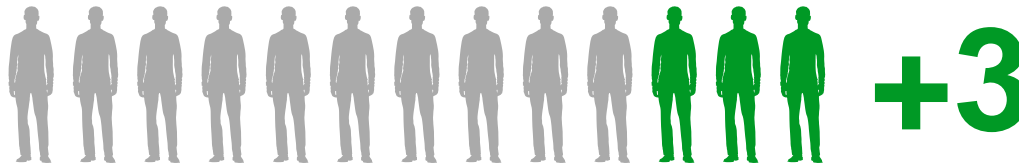
Total



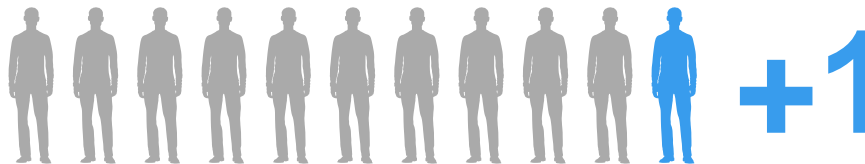
Deposits



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Auto Insurance



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So What?

Always On

Examine your **always on** strategy to ensure coverage.

Think Holistically

Do online campaigns support offline messaging?

Examine your **attribution models!**

Evaluate Touchpoints

Understand all digital touch points that could **drive your consumers offline.**



Thank you!

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