

COVID-19 consumer behaviour insights

Survey results – fall 2020



Executive summary

The COVID-19 pandemic has fundamentally changed the way consumers and brokers interact. Aviva recently commissioned two waves of surveys to gauge awareness and sentiment around the impact of COVID-19 on consumers. This study compares both waves and focuses on three key areas:

- Transportation habits
- Purchasing behaviours
- Communication preferences

Methodology

- Pollara Strategic Insights was commissioned to conduct an online survey of 1,500 Canadians, 18 years of age and older
- All survey respondents were required to have either a valid home or auto insurance policy to qualify
- Quotas were set by age, gender and province
- The margin of error for a probability sample of 1,500 is + 2.5%, 19 times out of 20
- The study only included Canadian provinces, not territories
- Two waves of the survey were conducted:
 - Wave 1: June 10-17, 2020
 - Wave 2: September 25-30, 2020

Transportation habits **key findings**

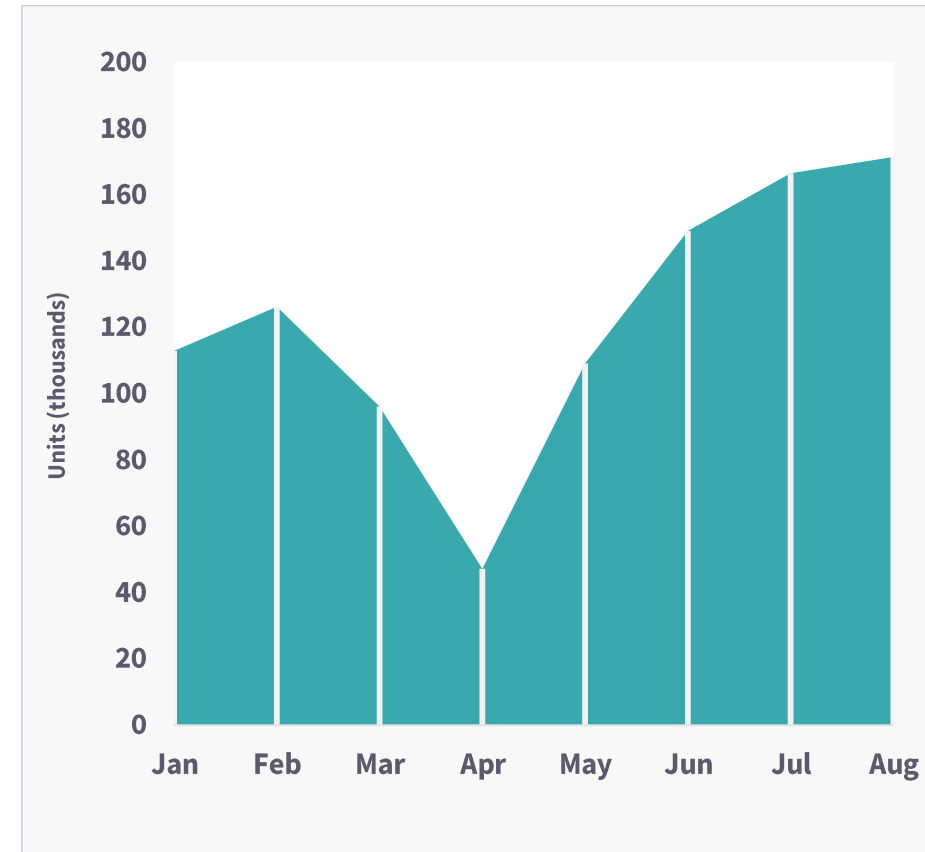
More Canadians are driving compared to three months ago. One in three Canadians are driving more or the same as they were before COVID-19, compared to only 19% in Wave 1. 60% of Canadians report they are employed full time, which is up 5% from June. With various parts of the country reopening, we're seeing more Canadians commuting to the office either full-time or part-time as of September, compared to June.

Frequency of driving is projected to increase. More Canadians predict their current level of driving will continue to increase over the next three months. With travel restrictions still in place, Canadians are turning towards local travel destinations and road trips as an alternative to flying.

New vehicles sales are up. Canadians have indicated that they've decreased the use of public transit and ride sharing services as a result of COVID-19. Many are opting to use their own personal vehicles or purchasing a vehicle for the first time. After bottoming out in Q2, auto sales in Canada rebounded in the third quarter of 2020 to just 3.9% below 2019 levels.ⁱⁱ

Traffic congestion will also increase. As we move into the winter season, Canadians will be spending more time in their cars. This coupled with more cars and new drivers on the road may cause a potential rise in auto insurance claims.

New car sales across Canada for 2020



Source: Statistics Canada. Table 20-10-0001-01 New motor vehicle sales

ⁱⁱ G. Malloy, "Strong September pushes Q3 auto sales to near normal" Canadian auto dealer, 05-Oct-2020. [Online]. Available: <https://canadianautodealer.ca/2020/10/strong-september-pushes-q3-auto-sales-to-near-normal/>. [Accessed: 03-Nov-2020]

Purchasing behaviours **key findings**

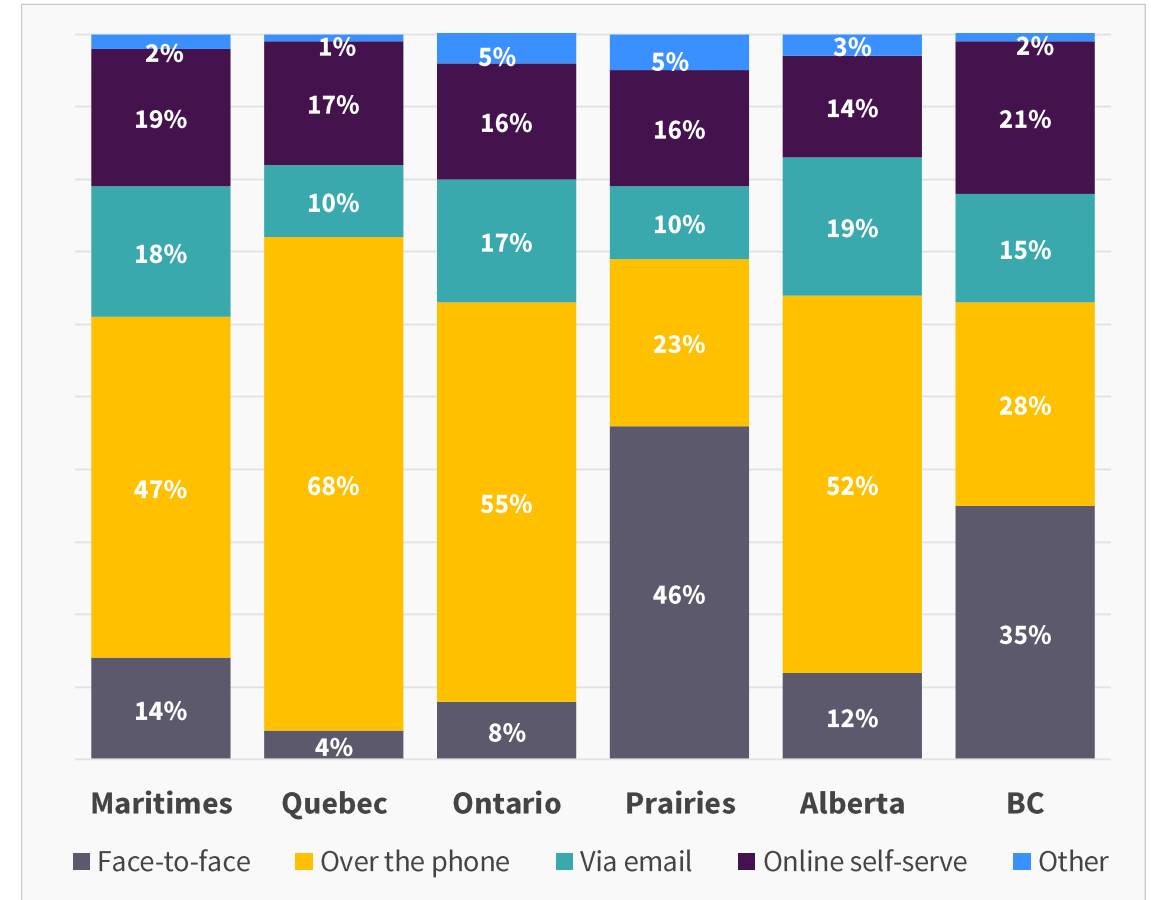
Higher percentage of customers shopping. 35% of Canadians are likely to shop for insurance over the next 12 months. This is three times higher than in 2019.

Reducing premiums remains a leading shopping trigger.

Consumers under 40 are much more likely to switch their insurance as a reaction to a discount offer. Millennials continue to be the most highly influenced by recommendations from family and friends.

Digital needs to be part of your lead acquisition strategy. Even in regions where government auto has traditionally been a face-to-face transaction, we're seeing a shift in these consumers for wanting online as an option. Compared to Wave 1, British Columbia has shown a drop of 5% in wanting to transact face-to-face and we see this shift to online self-serve instead. Traditional marketing strategies within this region may not be as effective moving forward as these consumers become more engaged online.

How will Canadians make their next insurance purchase?



Source: Aviva's COVID-19 study – Wave 2 results



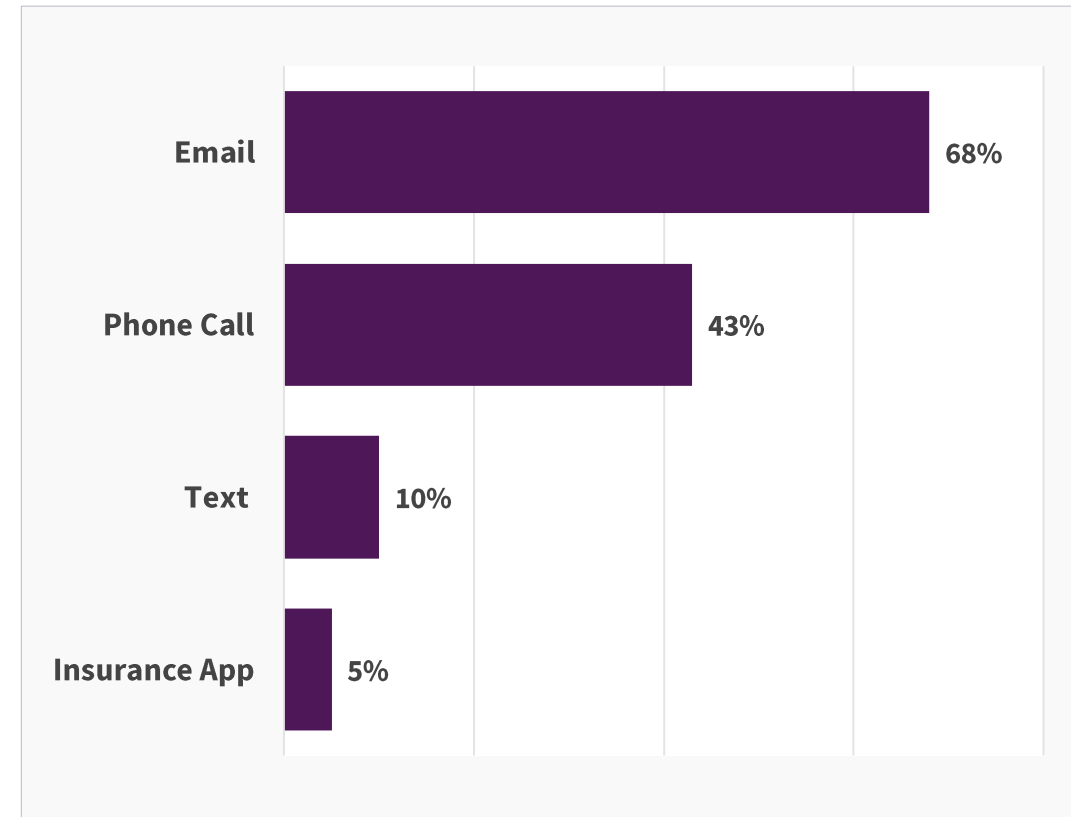
Communication preferences **key findings**

Phone calls remain the preferred choice for purchasing insurance.

48% of Canadians indicate that they'd prefer to speak to their broker over the phone versus only 15% by email when it comes to insurance purchasing. With many first-time buyers entering the insurance market alongside consumers looking for ways to save; insurance customers are taking the time to better understand their policy and available options in the marketplace.

Email is the top choice by consumers for receiving updates. 68% of insurance customers across Canada would prefer to receive updates by email. Email automation has been a game changer in the insurance industry – brokers are now able to automatically trigger email campaigns for new client onboarding, renewals, cross-selling and payment reminders. With many carriers moving towards paperless, email automation allows for a seamless delivery of policy documents online.

Customer communication preference for updates



Source: Aviva's COVID-19 study – Wave 2 results

Communication preferences **key findings**

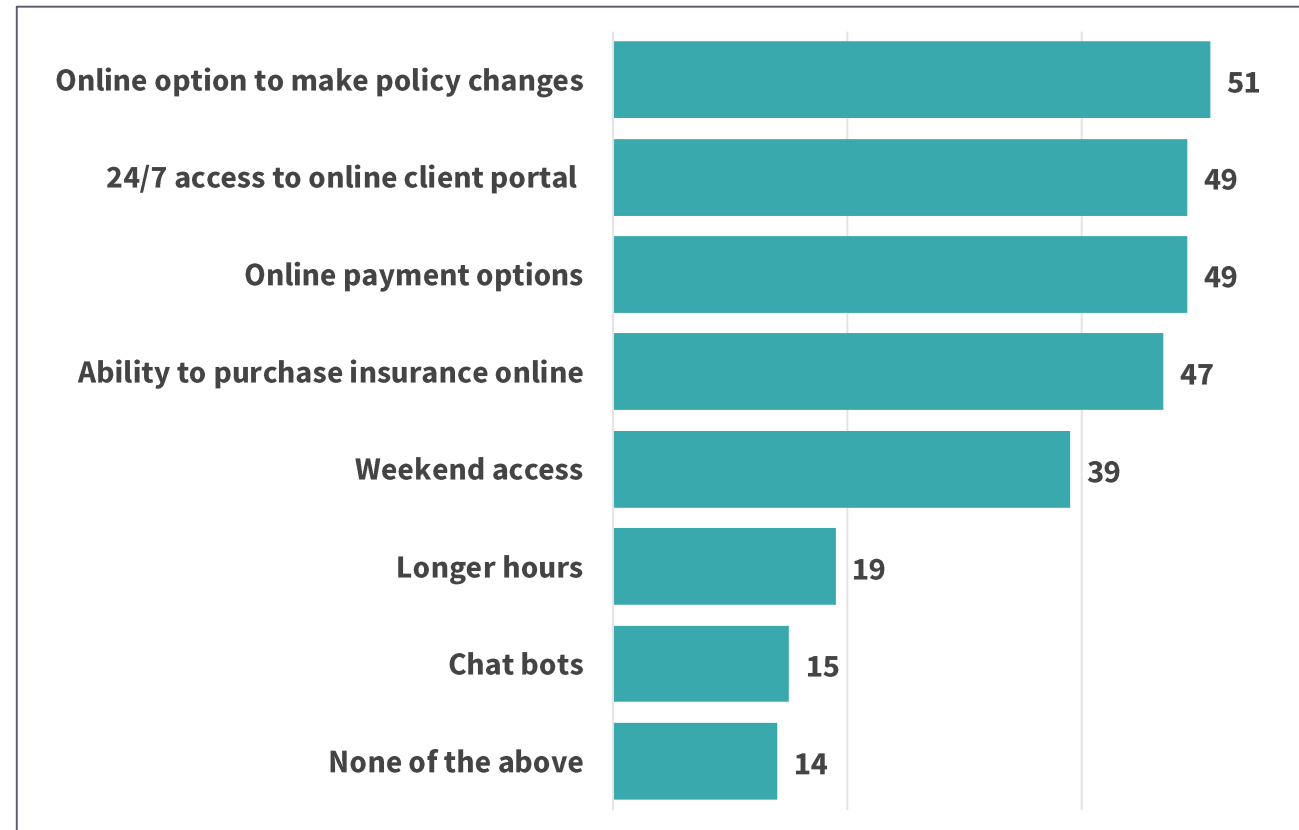
More Canadians are turning to online. Customer expectations regarding insurance are changing. COVID-19 has contributed to a significant increase in the request for online options – whether that be to make a policy change, pay a bill, make a purchase or to access policy documents through a customer portal. Insurance customers want to be able to interact with their insurer digitally.

With the introduction of self-serve portals, chat bots, mobile apps and email automation; brokers are getting closer to a fully omni-channel experience for their customers.

Digital expectations are consistent by region as well as by age across Canada except for the 60+ age group.

Currently, consumers are more interested in online options for maintenance of their current insurance policy (request changes, pay online) than the ability to purchase policies online.

Which of the following features do you feel an insurance company should make available?



Source: Aviva's COVID-19 study – Wave 2 results

Top three broker strategies **for success**

In the wake of COVID-19, many brokers have been investing resources in digital tools and strategies. Consumers are shopping at a higher rate than ever seen before and brokers need to keep up with increased volume and competition. Below is a break-down of the top three strategies that brokers have found success in implementing during COVID-19:

1. Omni-channel communication

Definition: unified communications across multiple channels.

With changes in technology and the need to receive answers and interactions in more real-time, customers are looking for omni-channel strategies to communicate with brokers.

The launch of self-serve platforms offer 24/7 access to policy documents and pink slips online. Launching live agent chat or an automated chat bot takes the strain off phone systems for simple requests.

2. Leveraging automation

Definition: implementing technology to help assist brokers by automating processes and repetitive tasks.

As we see an increase in consumers shopping for insurance, it's imperative that brokers proactively reach out to customers during their shopping experience and most importantly at renewal. Email automation tools and customer relationship management systems (CRM) have become staples in a broker's technology line-up.

3. Implementing lead scoring

Definition: based on answers to a series of qualifying questions, brokers can assign a score to a lead to identify the quality.

The life span of a personal home or auto lead is a lot shorter than that of a commercial client. Brokers need to respond to these leads quickly, otherwise they'll lose the business to their competitors. Leveraging lead scoring to prioritize who to contact first helps when dealing with an influx of lead volume.



If you have any questions concerning this report, please contact the following Aviva representatives:

Charlene Ramdeo

Digital Lead - Digital Marketing Consultancy
Aviva Canada

charlene.ramdeo@aviva.com

Pam Buckley

Research and Insights Lead
Aviva Canada

pam.buckley@aviva.com