

# COVID-19 consumer behaviour insights

Survey results – spring 2021



# Executive summary

**The COVID-19 pandemic has fundamentally changed the way consumers and brokers interact. Aviva recently commissioned three waves of surveys from June 2020 to January 2021 to gauge awareness and sentiment around the impact of COVID-19 on consumers. This study compares three 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
- Three waves of the survey were conducted:
  - **Wave 1:** June 10-17, 2020
  - **Wave 2:** September 25-30, 2020
  - **Wave 3:** January 21 to 25, 2021

# Transportation habits **key findings**

**Frequency of driving decreases with age.** One in three Canadians between the age of 30-59 are driving 75% less than they were previously.

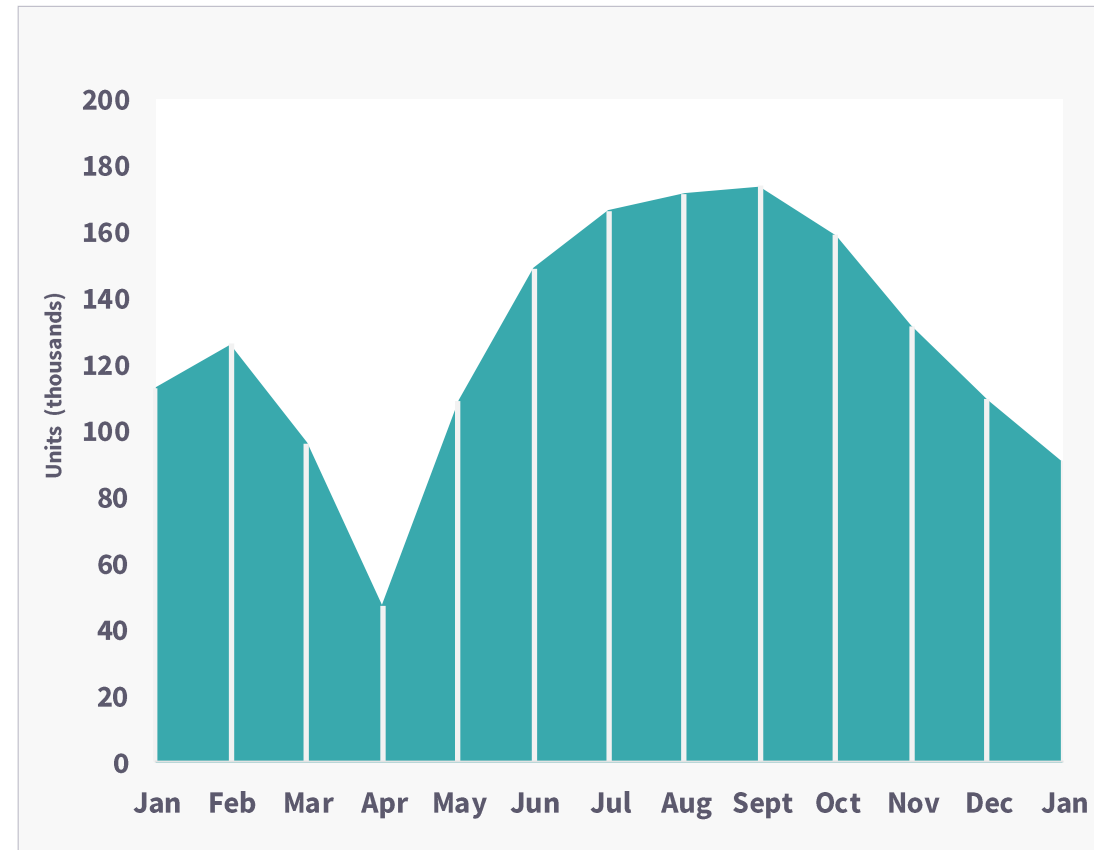
**Ontario residents driving less than other regions.** Ontario residents are much more likely to be driving less – this is directly tied to the higher percentage of employees having the ability to work from home as well as the longer lockdown restrictions that have remained in place.

**One in four have or will purchase a new/used car over the next six months.** This is higher among younger Canadians that have been nudged during COVID-19 to purchase their first vehicle to avoid public transit. Cars are also as a means of escaping major cities during lockdowns.

**New vehicles sales dropped in January 2021.** Car and truck sales in January fell 17.4%<sup>i</sup> compared to January 2020 due to COVID-19 lockdown restrictions and inventory shortages impacting sales.

**Consumers continuing to avoid public transit.** Close to 60% of the population are either not at all likely or unlikely to use public transport and ride-hailing services.

**New car sales across Canada for 2020-2021**



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

<sup>i</sup> The Canadian Press, "January auto sales in Canada fall 17.4 per cent amid lockdowns, shortages, 03-Feb-2021. [Online]. Available: <https://www.ctvnews.ca/autos/january-auto-sales-in-canada-fall-17-4-per-cent-amid-lockdowns-shortages-1.5293987/>. [Accessed: 08-Mar 2021]

# Purchasing behavior characteristics **by age group**



**Younger consumers have a higher propensity to purchase their insurance through their bank.**

Consumers aged 18-29 are more likely than other age groups to buy insurance through their bank. Banks tend to capture and retain this audience at a young age with alumni promotions and discounts.

This audience is new to insurance and will tend to stick to brands that they're comfortable with because of lack of awareness and education within the insurance industry. They're also highly influenced by friend and family recommendations.



**Consumers aged 40 to 60 years old are most likely to purchase their insurance online.**

Consumers aged 40 to 60 are comfortable with the insurance purchasing process, understand their policy, and their premiums most likely haven't shifted significantly over the last few years which makes it easy for them to transact online with little to no human interaction. "Buy online" options become a lot more appealing and practical for this age group, because they know what to expect in the insurance journey.



**Consumers over the age of 60 are more likely to transact using traditional channels.**

The over 60 age group is just as likely to purchase insurance from a broker as they are to purchase from an insurance agent. This group is the least likely to purchase insurance or interact with insurers online, which may be due to lack of knowledge of online platforms, limited access to digital channels or hesitation to trust fully digital transactions.

# Online research is higher among the **under 30 audience**

**Consumers under 30 are spending more time online.** They're actively engaged and comfortable interacting, researching and building up their knowledge around insurance online. They're **least likely** to be spending time online looking for ways to reduce their premiums, likely due to this being their first insurance purchase.

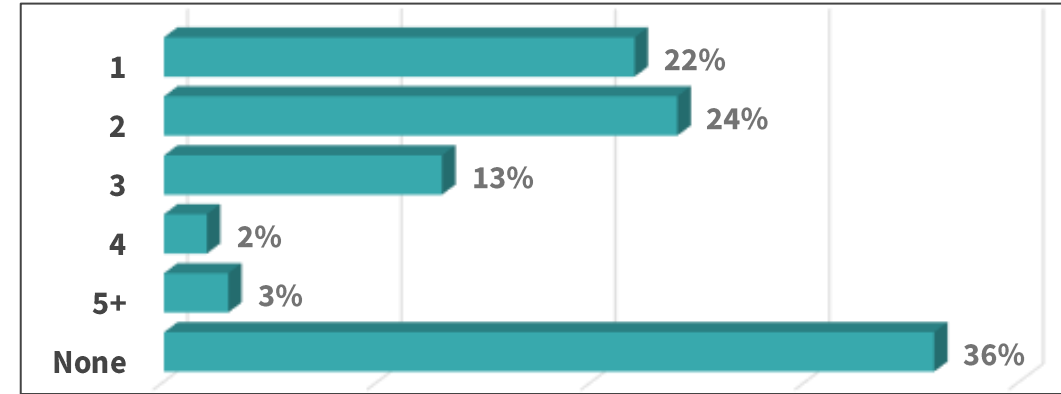
**Consumers aged 50+ are mostly using online to research ways to reduce current insurance premiums.** This group is least likely to obtain multiple quotes or research at all online, expect for when it comes to looking for ways to reduce premiums.

**Customers who are actively shopping at renewal are obtaining on average one to two competitive quotes.** One in three customers are not actively shopping for renewals due to no change in premium, decrease in premium or lack of time.

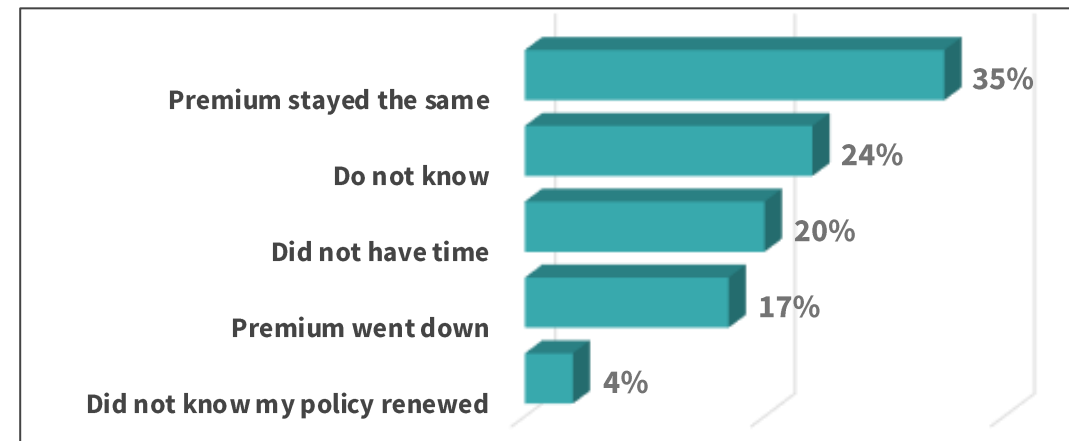
## Consideration for brokers:

Are you visible in search when customers are researching different options for insurance? Can you easily be found? Are you present on Google My Business and map listings?

How many quotes did you obtain the last time you renewed your insurance?



What was the main reason you didn't obtain a competitive quote?



# Key shopping and switching triggers

**37% of Canadians are likely to shop for insurance over the next 12 months.**  
21% indicate they are likely to switch.

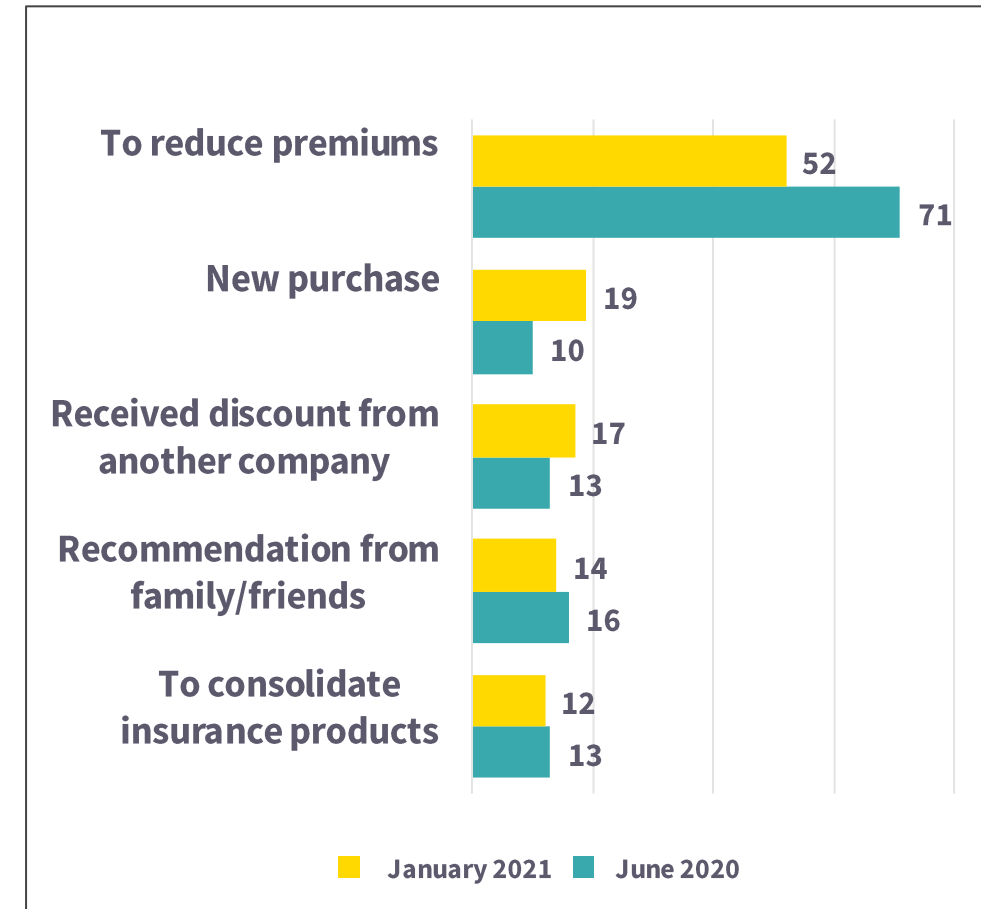
Compared to June 2020, there has been a shift in key shopping triggers amongst consumers. Reducing premiums continues to be the key trigger, but new purchase has gained some traction as consumers look to purchase a new or used vehicle to avoid transit due to COVID-19.

Shopping and switching behavior has resulted in a shift away from the broker channel in favor of direct. This could be triggered by consumers receiving a discount from another company – many direct players have increased their advertising spend during COVID-19 to capture this actively shopping consumer base.

## Consideration for brokers:

Are you contacting your current customers (outside of the renewal window) to find out about any new purchase considerations, competitive offers received or life events that may impact their renewal?

## Top 5 reasons why consumers shopped for insurance





# Online access to a portal is important, but **usage remains low**

**One in three customers are either extremely likely or likely to switch insurers to obtain the ability to access their account information online.** Currently, only half of insurance customers with access to an online portal are using it. This percentage is expected to grow as more brokers implement portals and paperless solutions.

**27% are only logging in when they need something.** The remainder of users log in every six to 12 months.

**Access is higher for customers under 30.** They're most likely to access their account on a weekly basis. This increased usage could be linked to a telematics solution which requires users to access the app every time they're in a vehicle – or it could be users checking their payments each month to ensure it has cleared.

**Customers want access to do more online.** The ability to view claims status or file a claim online is the most important activity for insurers to consider. Buying insurance and cancelling a policy tend to be of lesser importance, although still an important consideration, for half of Canadian insurance customers.

## **Consideration for brokers:**

Are you speaking to customers about paperless options and online access as a value-add proposition?

## **Which activity is most important for you to be able to do online?**

1. View claim status
2. File an insurance claim
3. View and download policy documents
4. View discounts applied
5. Request changes to contact information
6. Access proof of insurance
7. Get an insurance quote
8. Request changes to payment information
9. Live chat with a service agent
10. Pay premium
11. Request changes to policy coverage
12. Cancel insurance policy
13. Buy insurance

# COVID has increased the likelihood to **buy insurance online**

**One in three under the age of 50** will likely make their next insurance purchase either online or via email.

Despite the propensity of younger Canadians to interact digitally, **only 30% are willing to complete an insurance purchase online.**

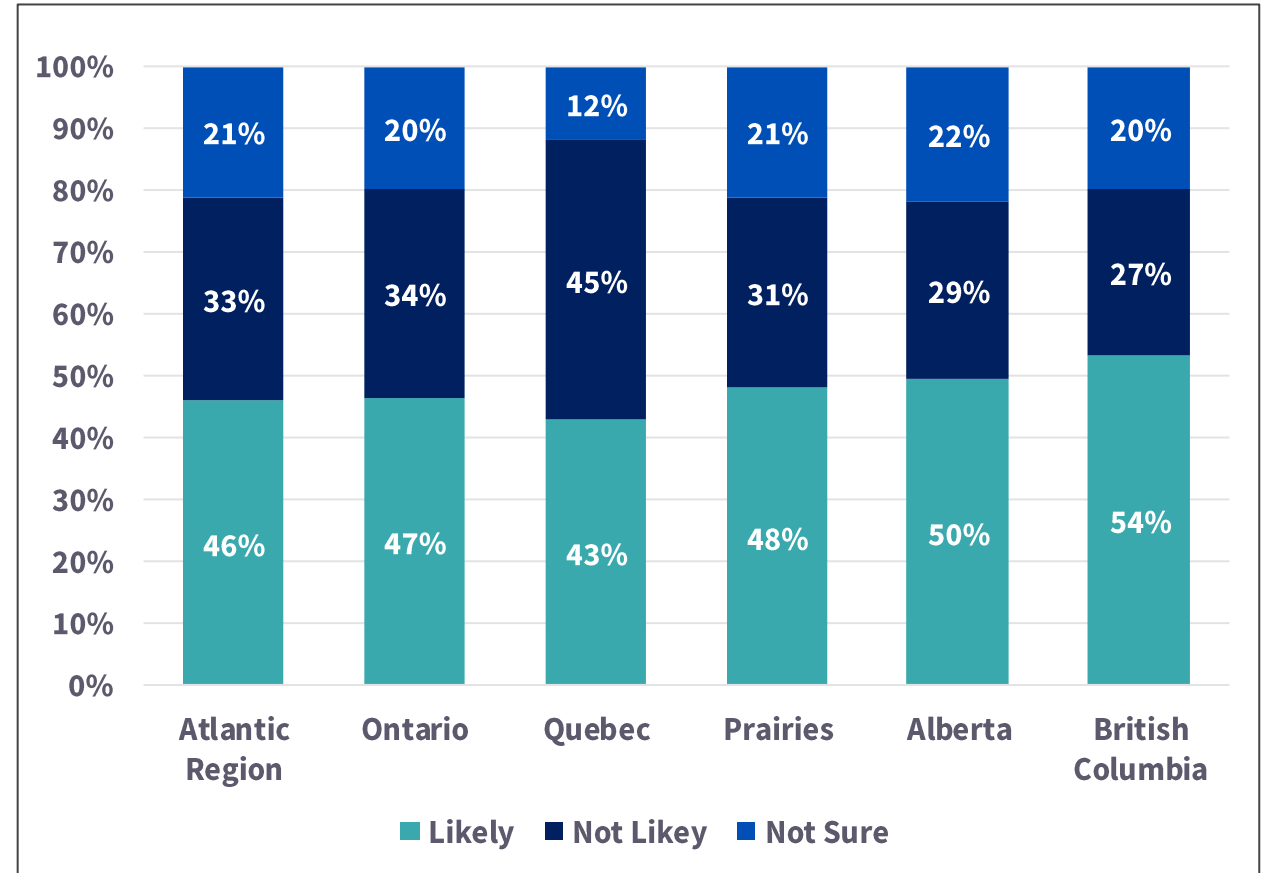
Consumers aged 40-49 are 40% more likely to purchase insurance through online channels versus consumers 18-39.

British Columbia continues to see a rise in consumers likely to purchase insurance online. This number will continue to grow as the government recently announced that in May 2022, British Columbians will be able to renew their ICBC insurance online.

## Consideration for brokers:

Do you have a formal process in place to transact through email only? How are you documenting the conversation and capturing e-signatures?

What is your likelihood to purchase your home or auto insurance online as a result of COVID?





# Human interactions remain key in the insurance lifecycle

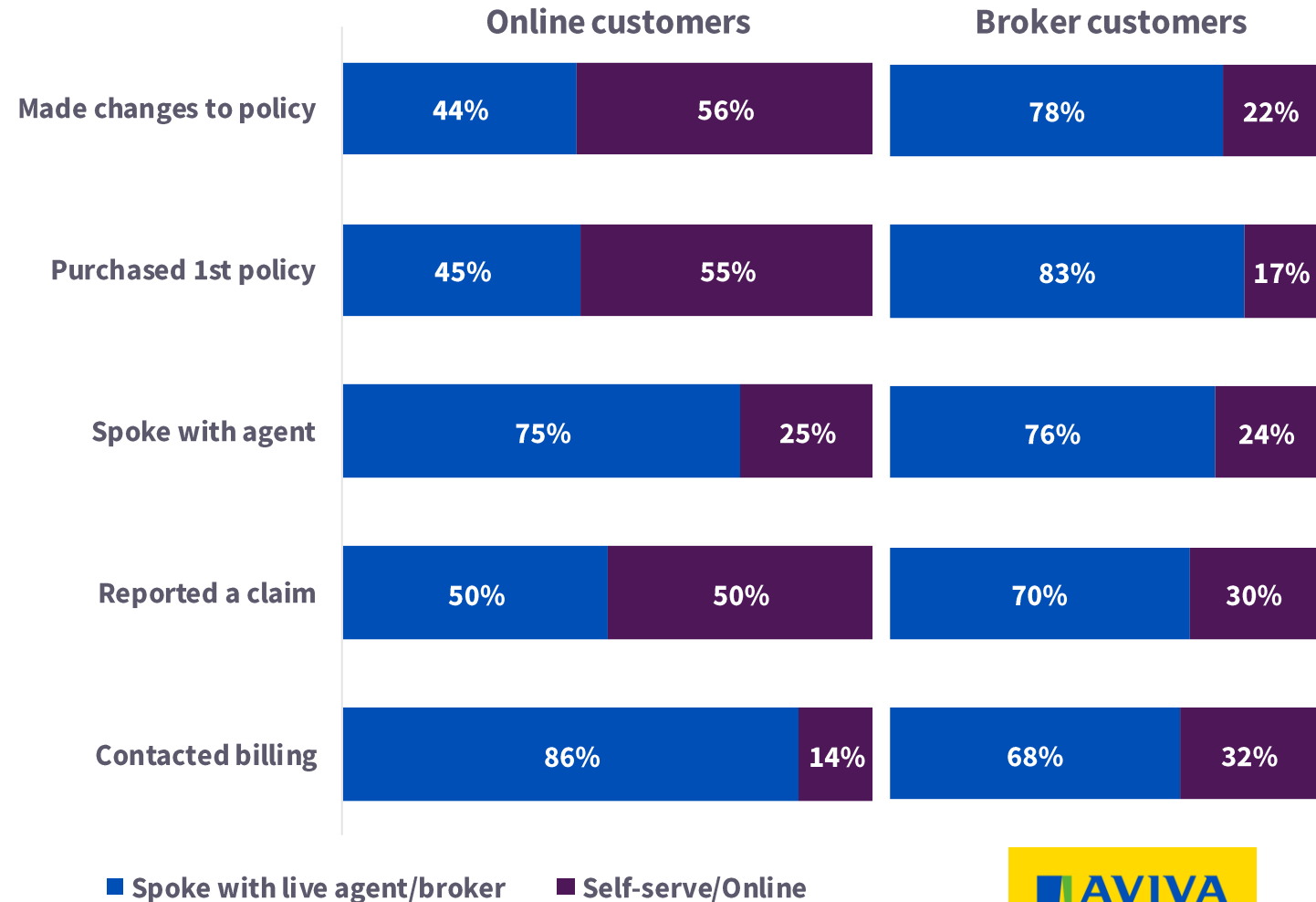
**Majority of Canadians** still prefer to interact with a live agent or broker via phone than complete certain transactions online through a self-serve portal.

**Broker customers** prefer to speak to a broker or a live agent over transacting through online self-serve.

When looking at online customers, interactions are still not at a point where they can fully transact digitally. This may be due to technology limitations or just consumer hesitation and knowledge. Many of the online customers still want to speak with live agent, particularly when it comes to billing inquiries and reporting a claim.

Surprisingly, even when it comes to purchasing their first policy online, 45% of customers would have preferred to have interacted with a live agent.

## How would you prefer to have interacted with your insurer?



# Purchasing behaviours **key findings**

Despite wanting to speak with live agent when purchasing a new policy, customers are more likely to want to receive updates digitally, regardless of age.

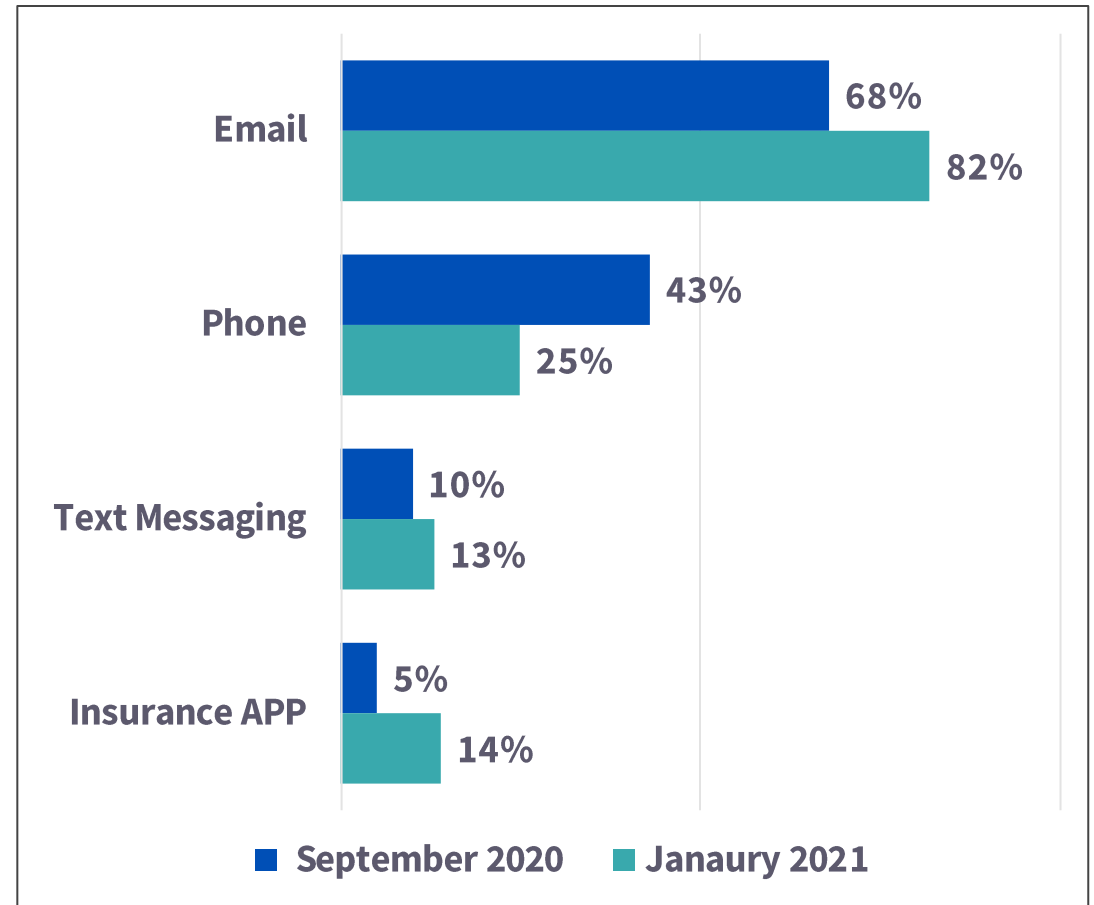
Compared to September 2020, there has been a rise in consumers preferring to receive updates by text and through an insurance app. This is likely a combination of insurers adapting new technology and customers becoming more comfortable with interacting digitally.

When it comes to purchasing insurance, phone remains the preferred method of contact for transacting at 51% compared to only 18% by email.

## Consideration for brokers:

There has been a rise in email automation usage across the insurance industry in Canada. Are you leveraging marketing automation tools to create more frequent and relevant touchpoints with customers?

What is your preferred method of receiving updates from your insurance company?



# 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 breakdown of the top three strategies that brokers have found success in implementing during COVID-19:**

## **1. Access to online portal**

Access to an online portal is becoming increasingly important for consumers. About 50% of Canadians report having access to online insurance portals, but only 25% were actively using them. Brokers need to work on leveraging the portal as a value-add offering and create an onboarding strategy that will help increase adaption rate and usage. 36% of customers would consider switching providers in order to gain access to an online account. This number will continue to increase as portals become second nature for consumers.

## **2. More frequent touchpoints**

Many brokers are seeing lower retention numbers than usual since the start of COVID-19. This is a result of customers shopping outside of their renewal window because of a new purchase, or being triggered by a competitive offer received. Brokers need to make sure they're staying top-of-mind with current customers by creating more frequent and meaningful touchpoints throughout the year. For prospective leads, creating automated follow-up campaigns helps keep touchpoints consistent with the customer, but frees up broker resources.

## **3. Visibility in search**

37% of Canadians are likely to shop for insurance over the next 12 months. Consumers are obtaining between one and two competitive quotes when shopping – this leaves limited opportunities for brokers to get in front of customers while they're searching. Brokers need to be visible in search, particularly for their local regions. Investing on-going efforts into SEO, Google My Business review generation, website content and blog posts are key to improving your ranking positions on Google search.



**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](mailto:charlene.ramdeo@aviva.com)

**Pam Buckley**

Research and Insights Lead  
Aviva Canada

[pam.buckley@aviva.com](mailto:pam.buckley@aviva.com)