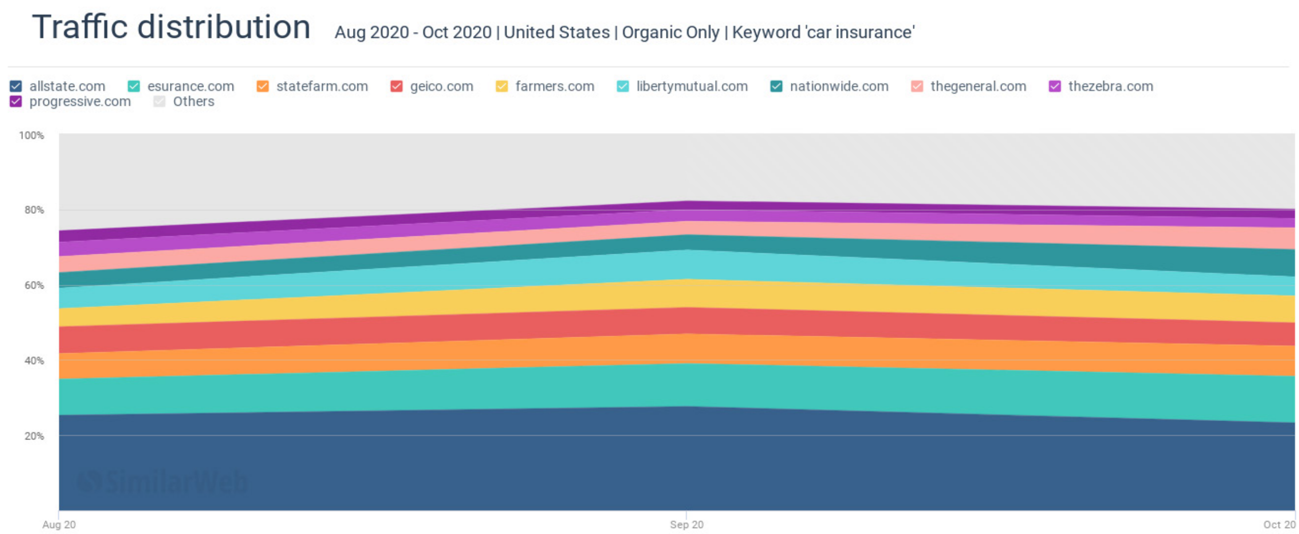
Uneven Distribution

On average, 79 percent of organic clicks originating from the Google search term 'car insurance' were distributed across 10 domains between August and October. In other words, if your domain isn't listed here, then you're fighting for scraps.



This reality is a major challenge for many insurance companies as Google is known for high-intent shoppers, as evident by lower bounce rates compared to other channels.

***Bounce Rate**: the percentage of visitors to a particular website who navigate away from the site after viewing only one page.*

Bounce Rate by Channel

(July - October 2020)

Channel	GEICO	Progressive	Liberty Mutual	Lemonade	Root
Direct	15.60%	22.12%	17.27%	34.38%	39.81%
Email	39.35%	32.96%	26.72%	44.34%	65.33%
Referrals	39.34%	60.49%	13.38%	33.14%	15.48%
Social	61.40%	68.39%	43.32%	66.20%	72.52%
Organic Search	12.96%	17.65%	15.04%	30.14%	25.23%
Paid Search	10.97%	48.05%	11.10%	12.16%	17.06%
Display Ads	76.71%	86.35%	79.35%	61.42%	75.43%

Source: similarweb.com

Friendly Enemies

It is known that conversion rates are higher when a shopper initiates the interaction with a salesperson and not the other way around. The online equivalent of this kind of sales process is Google, which waits on consumers to initiate the interaction through searches and clicks. This is why website bounce rates are lower when visitors come from Google as they are more committed to the process.

Like it or not, the majority of high-intent insurance shoppers begin their journey on Google. So, how much are you willing to pay Google for a click from someone searching for 'car insurance'? Clearly, this individual is not searching for a single car insurance company, meaning they are looking to compare several companies. This topic becomes nuanced when you take into account numerous elements including claim history, violations, etc. Unfortunately, Google doesn't provide you all the information you need to come up with a number you're comfortable paying. Also, it really isn't up to you since Google ads are based on bids, and currently, the estimated cost per click that advertisers pay against the search term 'car insurance' is $138.52.

$139 - the estimated cost per click that advertisers pay against the search term 'car insurance'.

This is where companies like The Zebra, Jerry and Gabi come in handy.

The Zebra

The insurance comparison site collects shoppers' details with the pledge to connect them with relevant insurers. So, if certain carriers are only looking to quote drivers with a clean driving record, The Zebra will not connect them with drivers that don't fit this criteria.

Gabi
Jerry

Gabi and Jerry present the good old win-win model insurers love as they are only compensated if they're able to make a sale.

In a recent conversation we had with The Zebra's CEO Keith Melnick, he argued that insurers aren't his competitors, Google is. ***"I'm competing with somebody like Google in terms of providing traffic to the full-stack carriers."*** While there's some truth to this statement, there's no rose without a thorn.

For years, companies like EverQuote positioned themselves as alternatives to Google for those companies that aren't able to compete with the spending power of GEICO and Progressive. **But is this the case?** Let's break down the practices of EverQuote, The Zebra, and Gabi.

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The Zebra

Close to 75 percent of The Zebra's desktop traffic comes from search engines like Google. The company is able to achieve this with top SEO rankings for terms such as 'car insurance quotes' and 'car insurance comparison'. To top it off, 90 percent of these search visits are originated from non-branded search terms, meaning that only 10 percent of search traffic was driven by users specifically looking for The Zebra. **Judging by these figures, The Zebra offers a compelling alternative to insurance companies as it attracts high-intent shoppers while collecting more information than Google**.

The Zebra's Traffic Data

(Desktop only, August–October 2020)

Traffic	Traffic % From Search Engines	% of Non-Branded Search Traffic
1.365M	74.63	90

Source: similarweb.com

EverQuote

Under a third of EverQuote's desktop traffic originates from search engines. This means that the majority of its website visitors are not actively searching for EverQuote or insurance, which begs the question - what is the driver behind these visits. The answer is 'savings.' Technically speaking, EverQuote can still claim that it offers an alternative to Google, but that would be like comparing apples to oranges. As previously mentioned, conversion rates are higher when a shopper initiates the interaction and in this case it is EverQuote that's making the first move with the promise of 'significant savings'.

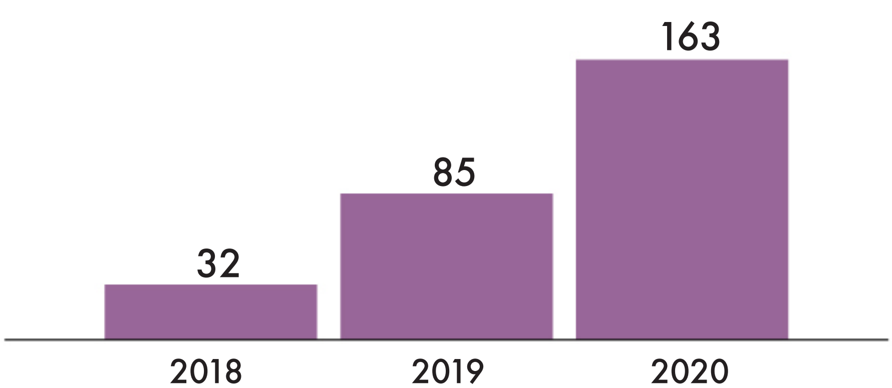
The Force Behind Alternative Distribution

How Non-Insurance Firms Look To Boost Their Bottom Line by Offering Insurance

I. Start With Now

Three months ago, **CoPilot**, a car buying software developer based in Chicago, reported a $10 million funding round for its solution that guides customers through the four phases of purchasing: discovery, search, purchase and ownership. The startup dismissed the traditional business model of selling leads and ads to preserve its reputation as a trusted partner, instead aiming to generate revenue by offering car insurance. CoPilot represents a startup that operates in the automotive industry yet generates revenue from another industry – insurance. Similarly, one month ago, after securing partnerships with six insurance companies, **Caura**, the London-based car ownership app, announced its only source of income for now – collecting a fee for every car insurance policy sold. In Israel, parking payment app **Pango**, with approximately 2 million users, has been operating a car insurance agency for over a year. If one is an outlier and two is a coincidence then three is a trend and the concept of alternative distribution is trending. However, this distribution channel where external entrants join forces with industry insiders (e.g. brokers or carriers) to provide insurance products, is not new and 'Automotive' is one of several industries that view the insurance industry as a stable and safe source of an additional (and sometimes only) source of revenue.

Count of Alternative Distribution Partnerships



Source: Coverager Data