

MARKET NEWS & TRENDS

A wise person once said 'A dog is for life, not just for Christmas.' **In January we see a spike across the whole financial sector and unsurprisingly Pet Insurance is right up there.** Marry this with the busiest time of year for buying pets and you have a very compelling argument to start expanding and optimising your pet insurance accounts. Have a read through for further insights and tips to take advantage of this seasonal period.

- Research has revealed that **there has been a huge increase in veterinary fees**, which underlines a growing importance of pet insurance. In particular, Sainsbury's Pet Insurance has revealed that between 2009 and 2010, the average value of a pet insurance claim it received for veterinary fees increased by 34%. ([Yahoo! News](#))
- Big news recently has been that **Lloyds and Halifax are pulling out of pet insurance**. Pet owners have been told that their cover will end when existing policies expire. Pet owners who have insurance with Lloyds or Halifax are now on the look out for new cover since parent group Lloyds Banking Group decided to pull out of the market. ([The Guardian](#))
- Pet owners are facing costly bills over insurance changes. According to financial analyst Defaqto, **there is more choice now for the pet owner with 86 providers offering more than 400 policy options**. But confusion reigns as the market becomes more complicated with one plan often involving an insurance name, backed by other companies handling the administration and paying the claims (underwriting). ([The Express](#))

- Defaqto has also estimated that with 48% of dogs and 69% of cats uninsured in the UK, **the pet insurance sector offers providers a potential £2.5 billion in untapped premiums**. Data extracted from Defaqto Matrix shows that the average annual cat insurance premium is currently £155.20 while for dog insurance it is £339.11. As a result, Defaqto has estimated that the potential premiums available to providers for uninsured cats and dogs amounted to over £1.2 billion and £1.3 billion respectively. ([Insurance Age](#))



ACCOUNT MANAGEMENT BEST PRACTICE

From the news above, we can see that there may be confusion in the market and consumers may not be securing the best deals. Of course the usual theory of good ad copy applies like strong branding and clear offers/deals to set you apart from your competitors, but there is a lot more you can do such as using Yahoo!'s alt text effectively. **Alt text is a great way of customising your ads** even further and just by using it, we have seen compelling results where ads become more clickable as you are bolding more of the ad. Let's use dog breeds as an example of how to use it effectively. If you dedicate one campaign to dog breeds and split out your ad groups by each breed, you can use the dog breed name in the copy and it will appear bold in the ad on the search result page. You can also select a default text if the character length is too long. For example, Yorkshire Terrier would make the ad title exceed its limit but the default text would still show in

the ad for the search query. See example below for how to set this up in your account and if you need any help, contact the Yahoo! Finance Creative Strategy Team.

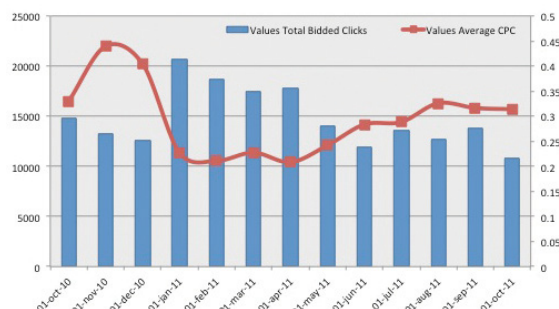
TOP KEYWORDS

- | | |
|--------------------------|--------------------------|
| 1. dog insurance | 11. pet health insurance |
| 2. pet insurance | 12. dog care |
| 3. cat insurance | 13. ferret care |
| 4. horse insurance | 14. direct pet insurance |
| 5. compare pet insurance | 15. dog health insurance |
| 6. pet care | 16. pet health |
| 7. best pet insurance | 17. dog health |
| 8. cheap pet insurance | 18. cheap dog insurance |
| 9. pet insurance company | 19. cat care |
| 10. pet insurance quote | 20. dog insurance pet |

Advertiser: 123 Pets			
Example 1: Using Alt Text		Example 2: No Alt Text	
Keyword	buy insurance for a collie	Keyword	buy insurance for a collie
Keyword Alt Text	Collie Insurance	Keyword Alt Text	n/a
Ad Title	(Keyword:Dog Insurance) with 123 Pets	Ad Title	Dog Insurance with 123 Pets
Ad Text	(Keyword:Dog Insurance) that covers £7500 in Vet fees. 20% Online Discount.	Ad Text	Dog Insurance that covers £7500 in Vet fees. 20% Online Discount.
Ad Display URL	www.123pets.com/doginsurance	Ad Display URL	www.123pets.com/doginsurance
Collie Insurance with 123 Pets		Dog Insurance with 123 Pets	
Sponsored Results		Sponsored Results	
Collie Insurance that covers £7500 in Vet fees. 20% Online Discount.		Dog Insurance that covers £7500 in Vet fees. 20% Online Discount.	
www.123pets.com/dog-insurance		www.123pets.com/dog-insurance	

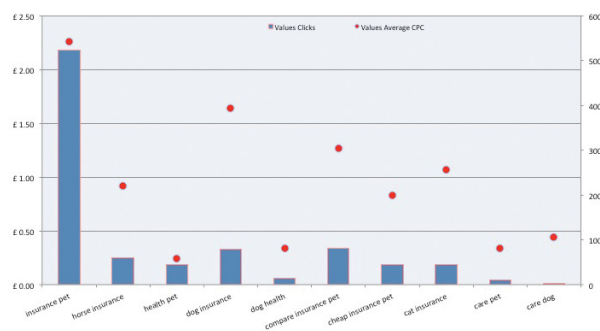
PET INSURANCE SEASONALITY

Looking at the last 13 months, there are some interesting points to be made. Last January, we saw a big surge in clicks and even more notably, a significant drop in CPCs. We can presume that this rise in activity is due to the increased prevalence of pet purchasing at Christmas. Also, when comparing October 2010 to the same time this year, clicks are down. This may be due to Halifax and Lloyds pulling out of the market, presenting and opportunity for others to become active in this space.



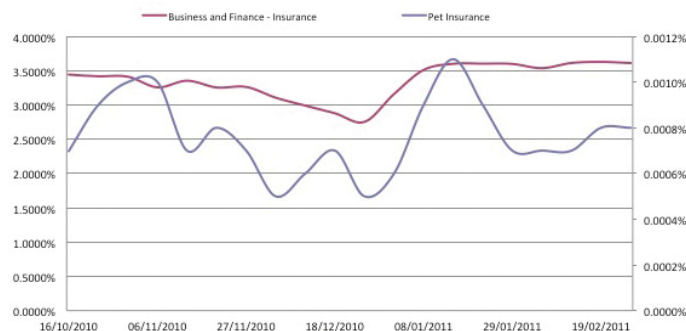
TOP KEYWORDS VS. CPC (OCT '11)

It should come as no surprise that the term 'pet insurance' was the most clicked term in October. This is reflected in the high CPCs and competition for this term. There's opportunity on Yahoo! to push on other pet insurance variations such as 'health' or 'care' given their far cheaper CPCs.



INSURANCE VS. PET INSURANCE

Using Hitwise data we can look back at last Christmas and compare visits to websites within the Insurance industry as a whole, versus traffic from keywords in the pet insurance keyword portfolio. As expected the insurance industry as a whole sees a rise in online visits in January, however this trend is particularly defined in the pet insurance sector, which sees a much sharper rise in activity. To capitalise on this, your pet insurance keyword lists should be fully built-out to help snare as much of the increased traffic as possible. (Hitwise)



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Yahoo! Search helps you deliver great results. But it's only part of the complete marketing and advertising solutions picture. Drive your business through a combination only Yahoo! offers: the **science** to target an audience, the **art** to create engagement, and the **scale** to reach the right audience in meaningful numbers.