

## **J.D. Power Reports:**

### **While Price Remains Important Overall, Younger Auto Insurance Shoppers Are More Likely Than Older Shoppers to Select a Brand Based on Website Information and Navigation**

**WESTLAKE VILLAGE, Calif.: 2 June 2014** — When selecting an insurance company, price continues to be an important driver for all shoppers; however, younger generations—Gen X (35%) and Gen Y (35%)—are less likely to select the lowest-priced brand than are Boomers (47%), according to the J.D. Power 2014 Insurance Website Evaluation Study<sup>SM</sup> (IWES) released today.

Additionally, the study finds that Gen Y shoppers are more concerned with understanding the information provided when shopping for insurance, as they are more likely to select a brand that provides the appropriate amount of information (29%), and does so in a clear and intelligible way (36%).

“In the U.S. automobile marketplace, Gen Y is the fastest growing segment of new-vehicle buyers—second only to Boomers. With the growing number of Gen Y insurance shoppers, insurers need to think about how to present information that best addresses the needs of this highly attractive consumer group,” said Jeremy Bowler, senior director of the global insurance practice at J.D. Power. “Understanding the preferences of different generations, especially Gen Y consumers, is of utmost importance to ensure that shoppers are having the best experience possible.”

The 2014 Insurance Website Evaluation Study (IWES) measures online consumer experiences—among both shoppers seeking quotes and existing customers seeking typical policy servicing activities. The study examines the functional aspects of websites rather than such aesthetic aspects as look and feel. Consumers performed a number of tasks online and rated them on a 5-point scale, with 1 being “very difficult”; 3 being “neither difficult nor easy”; and 5 being “very easy” and these scores are used to compute an overall experience index for shopping and servicing based on a 500-point scale.

#### **KEY FINDINGS**

- Younger generations—Gen X (40%) and Gen Y (40%)—are more likely to select insurance brands with the easiest navigation, compared with Boomers (36%) and Pre-Boomers (33%).
- Shoppers are most likely to choose the brand for purchase that they indicate had the lowest quote (39%), looked better (39%) and was easier to navigate (38%).
- The overall service satisfaction index average is 425 (on a 500-point scale), which is 73 points higher than the overall shopping satisfaction index.
- For the industry as a whole, overall service and shopping indices have improved significantly year over year.
- Individual insurer websites are most differentiated in terms of the variability of the lowest quotes offered, site appearance and ease of navigation.

“The process of getting insurance quotes can be complex for shoppers; and for those unfamiliar with insurance terminology, it can be quite difficult and frustrating,” said Bowler. “Insurers that

provide a user-friendly, informative experience can make the process less intimidating and help improve the overall website shopping experience.”

Among the 20 insurance companies included in the study, Amica Mutual, Esurance, GEICO, Liberty Mutual and Progressive perform particularly well in the service index, while Amica Mutual, Esurance, Farmers, GEICO and Travelers perform particularly well in the shopping index.

The 2014 IWES is based on more than 3,000 service evaluations and more than 4,000 shopping evaluations. The study was fielded in February and March 2014.

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