

National Consumer Agency

Market Research Findings: Consumer Switching Behaviour



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putting consumers first

September 2010
Research Conducted by

amárach 
research

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- **Consumer Switching Behaviour**
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Key Findings



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- To get a better deal continues to be the most influential driver of consumer switching behaviour.
- Across 17 key categories, consumers were most likely to have switched mobile telephone provider and car insurance provider. The biggest increase since the last wave is the number of consumers who have switched electricity supply service provider.
- Overall, across all categories, (excluding main and top up grocery shop which are examined in more detail in a separate report on grocery shopping) 83% of consumers, who had switched service providers in the last twelve months, said they had saved money as a result.
- Circa 4 in 5 (79%) consumers who had switched providers considered it to be an easy process relatively consistent with previous wave.
- Just over 3 in 5 (61%) consumers who have switched service provider feel that they are receiving a better service. A further 26% of consumers who have switched reported that they are receiving the same level of service.

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Extent of Switching Providers – Primary

(Base: All aged 15-74 – 1,000)



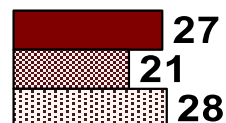
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Switching Providers



Mobile telephone provider

Yes



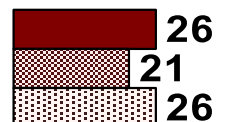
(+6%)

Switched in last
12 months

49%
(62%)



Car Insurance provider

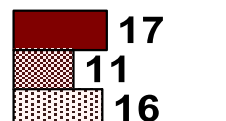


(+5%)

57%
(64%)



Fixed/landline telephone
provider

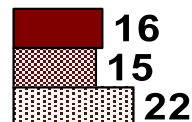


(+6%)

45%
(47%)



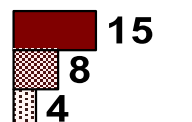
Main grocery shop



47%
(40%)



Electricity supply service

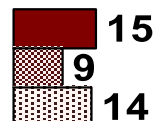


(+7%)

80%
(78%)



Broadband/internet
access provider



(+6%)

58%
(55%)

Wave 5 2010
Wave 4 2009
Wave 3 2009

() = Wave 4 2009

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Extent of Switching Providers – Secondary

(Base: All aged 15-74 – 1,000)



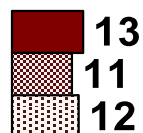
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Switching Providers



Bank/financial institution who offers Current A/C service

Yes



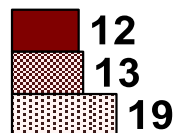
Switched in last 12 months

38%
(34%)

Wave 5 2010
Wave 4 2009
Wave 3 2009



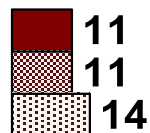
Top-up Grocery Shop



44%
(38%)



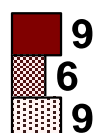
Home Insurance Provider



57%
(54%)



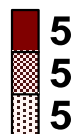
TV Service Provider e.g. Sky, NTL



50%
(49%)



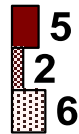
Health Insurance Provider



53%
(61%)



Credit Card Provider



38%
(38%)

() = Wave 4 2009

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Extent of Switching Providers – Tertiary

(Base: All aged 15-74 – 1,000)



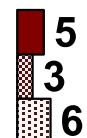
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Switching Providers



Gym membership

Yes



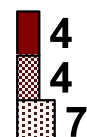
Switched in last 12 months

37%
(52%)

Wave 5 2010
Wave 4 2009
Wave 3 2009



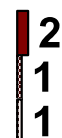
Savings/investment provider



29%
(34%)



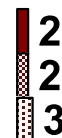
Gas supply service



61%
(57%)



Provider of credit (more than 1 year but excluding mortgage)



8%
(37%)



Mortgage Credit provider



14%
(50%)

() = Wave 4 2009

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Whether or Not Saved Money Due to Switching Provider

(Base: All who have switched providers in the past 12 months)



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**Electricity supply
service 92%**



**Home Insurance
Provider 88%**



**Car Insurance
Provider 84%**



**Mobile Telephone
Provider 76%**



**Broadband/Internet
Access Provider 76%**



**TV Service
Provider 74%**



**Bank/Financial
Institution 66%**



**Fixed/Landline
Telephone Provider 63%**

Across all categories, (excluding main and top up grocery shop which are examined in more detail in a separate report on grocery shopping) 83% of consumers, who had switched service providers in the last twelve months, said they had saved money as a result.

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Reasons for Switching

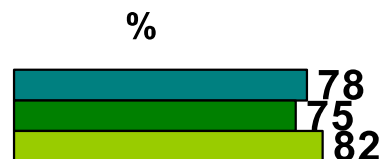
(Base: All aged 15-74 who switched providers – 562)



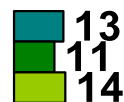
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Switching Providers

I switched to get a better deal because my other provider was too expensive



I switched due to poor customer service



I switched due to recommendations from friends/family members



I switched due to poor coverage/poor reception



I switched for convenience



I switched due to problems I was having with my provider



Other



Don't know/no particular reason



Wave 5 2010
Wave 4 2009
Wave 3 2009

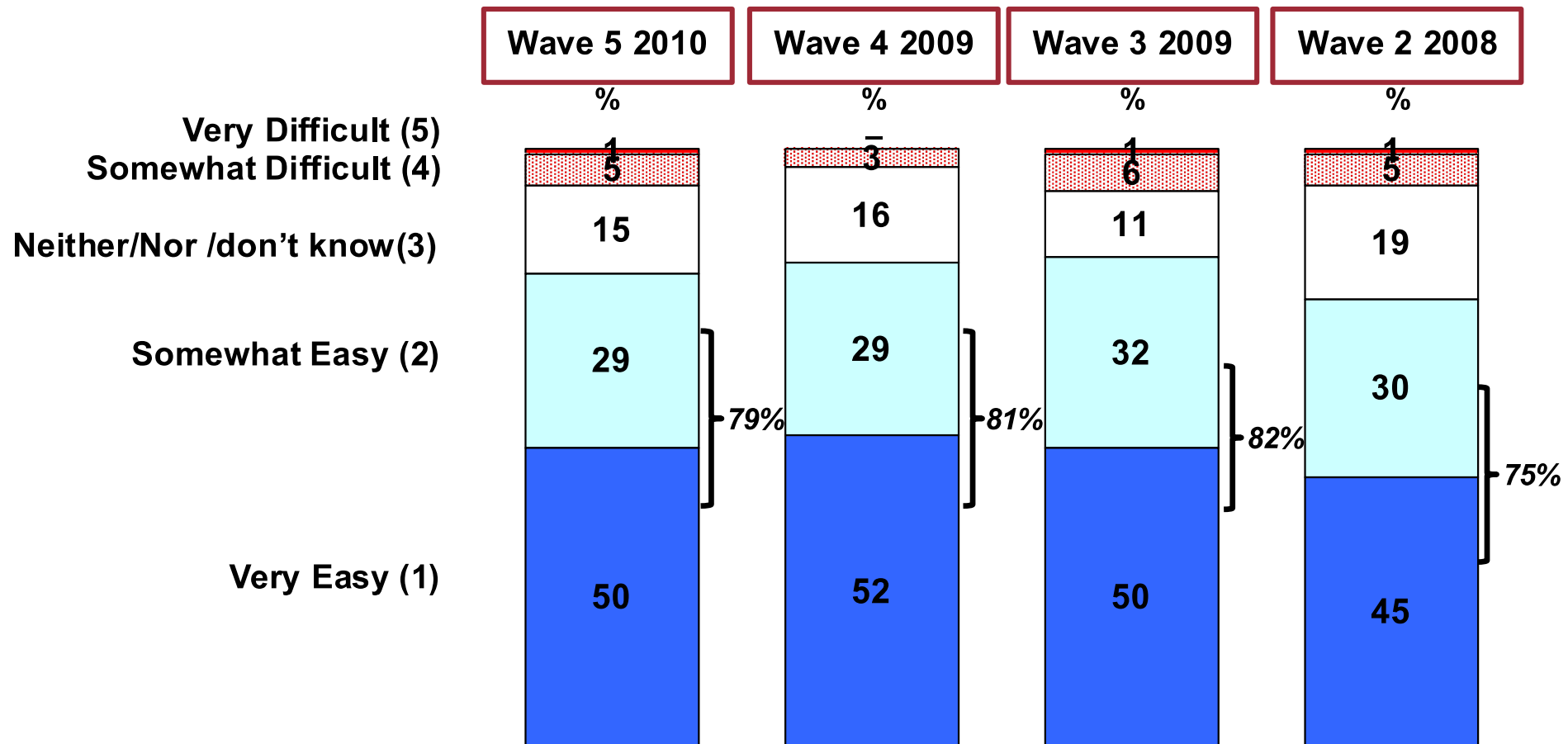
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Experience of the Switching Process



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(Base: All who have switched providers - 562)



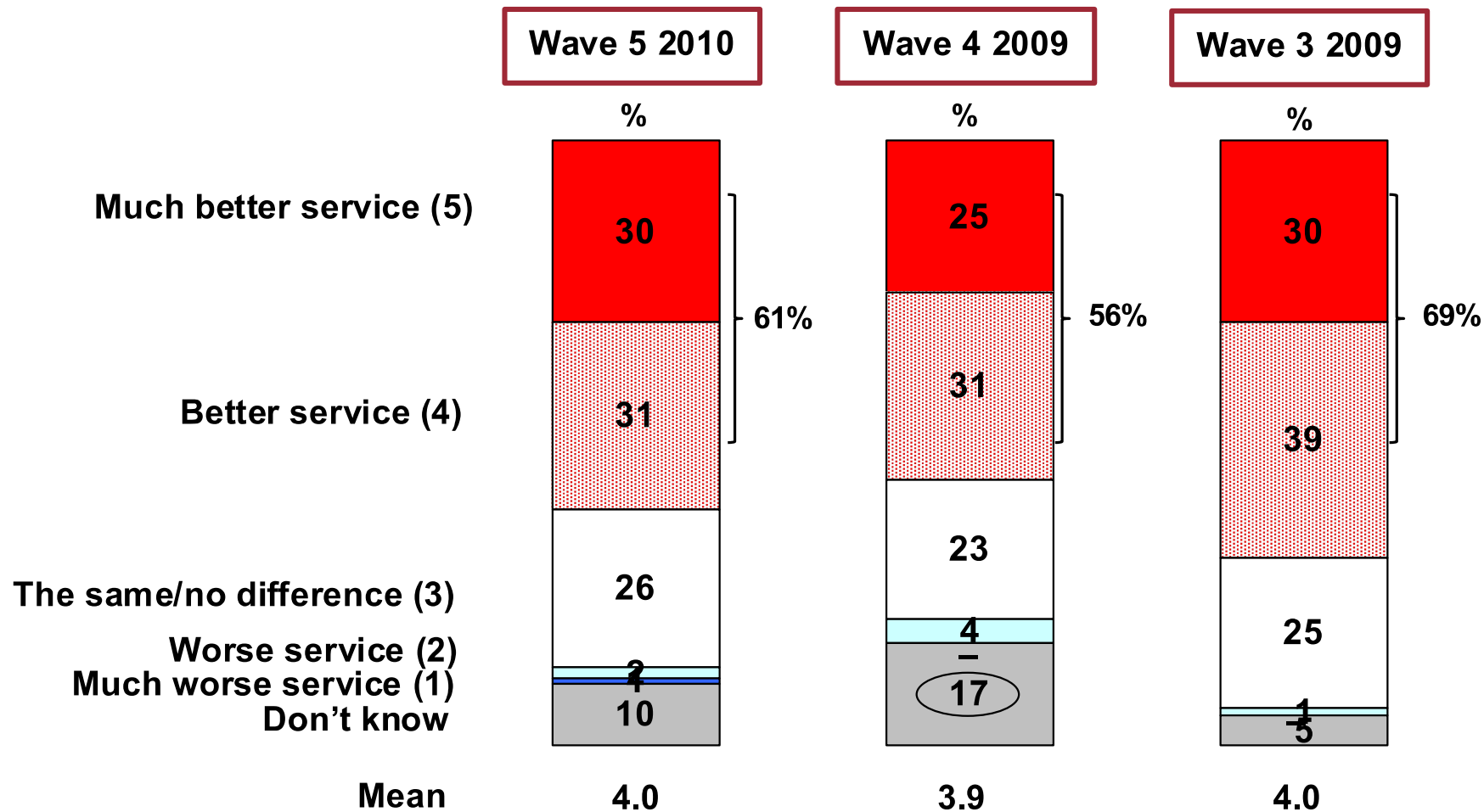
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Service Receiving with New Provider



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(Base: All who have switched service provider – 562)



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Future Likelihood of Switching Providers – Primary

(Base: All aged 15-74 – 1,000)

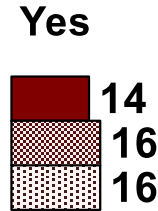


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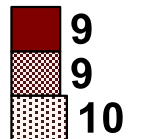
Switching Providers



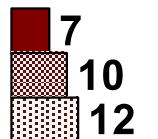
Car insurance provider



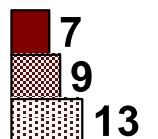
Home insurance provider



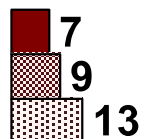
Mobile telephone provider



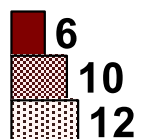
Main grocery shop



Top-up grocery shop



Electricity supply service



Wave 5 2010
Wave 4 2009
Wave 3 2009

76% of those who are likely to switch provider within the next 12 months are likely to do so in order to get a better deal as they feel their current provider is too expensive.

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Future Likelihood of Switching Providers – Secondary

(Base: All aged 15-74 – 1,000)

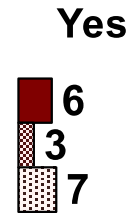


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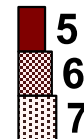
Switching Providers



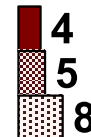
Bank/financial institution who offers current a/c service



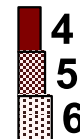
Broadband internet access provider



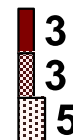
Fixed/landline telephone provider



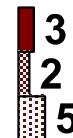
Health insurance



TV service provider e.g. Sky, NTL



Credit Card provider



Wave 5 2010
Wave 4 2009
Wave 3 2009

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Future Likelihood of Switching Providers – Tertiary

(Base: All aged 15-74 – 1,000)



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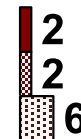
Wave 5 2010
 Wave 4 2009
 Wave 3 2009

Switching Providers

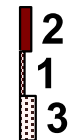


Savings/investments provider

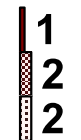
Yes



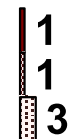
Gym membership



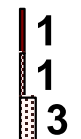
Gas supply service



Provider of credit (more than 1 year but exc. Mortgage)



Mortgage credit provider

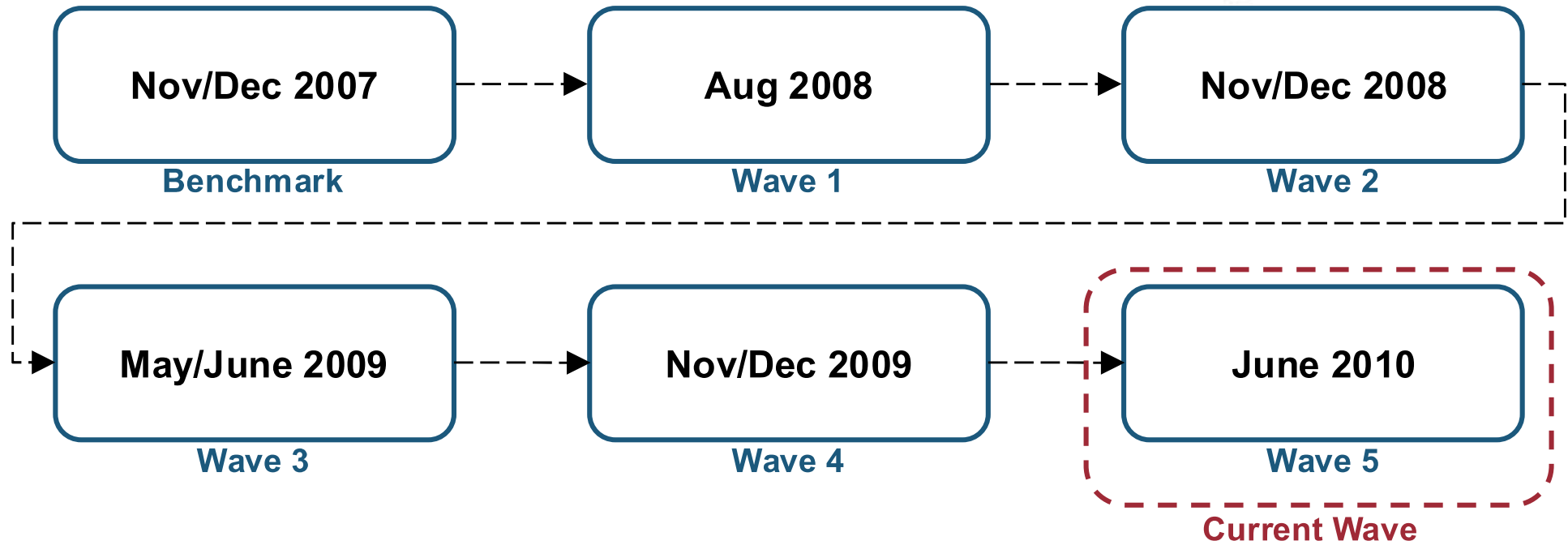


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Research Background and Methodology



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- Amárach Research conducted the research by means of face-to-face interviewing with 1,000 people between the ages of 15-74.
- In all, 6 comparable “Waves” of Market Research have been completed since November / December 2007.
- To ensure that the data is nationally representative, quotas were applied on the basis of age, gender and social class.
- Interviewing was conducted over a four week period in June 2010.

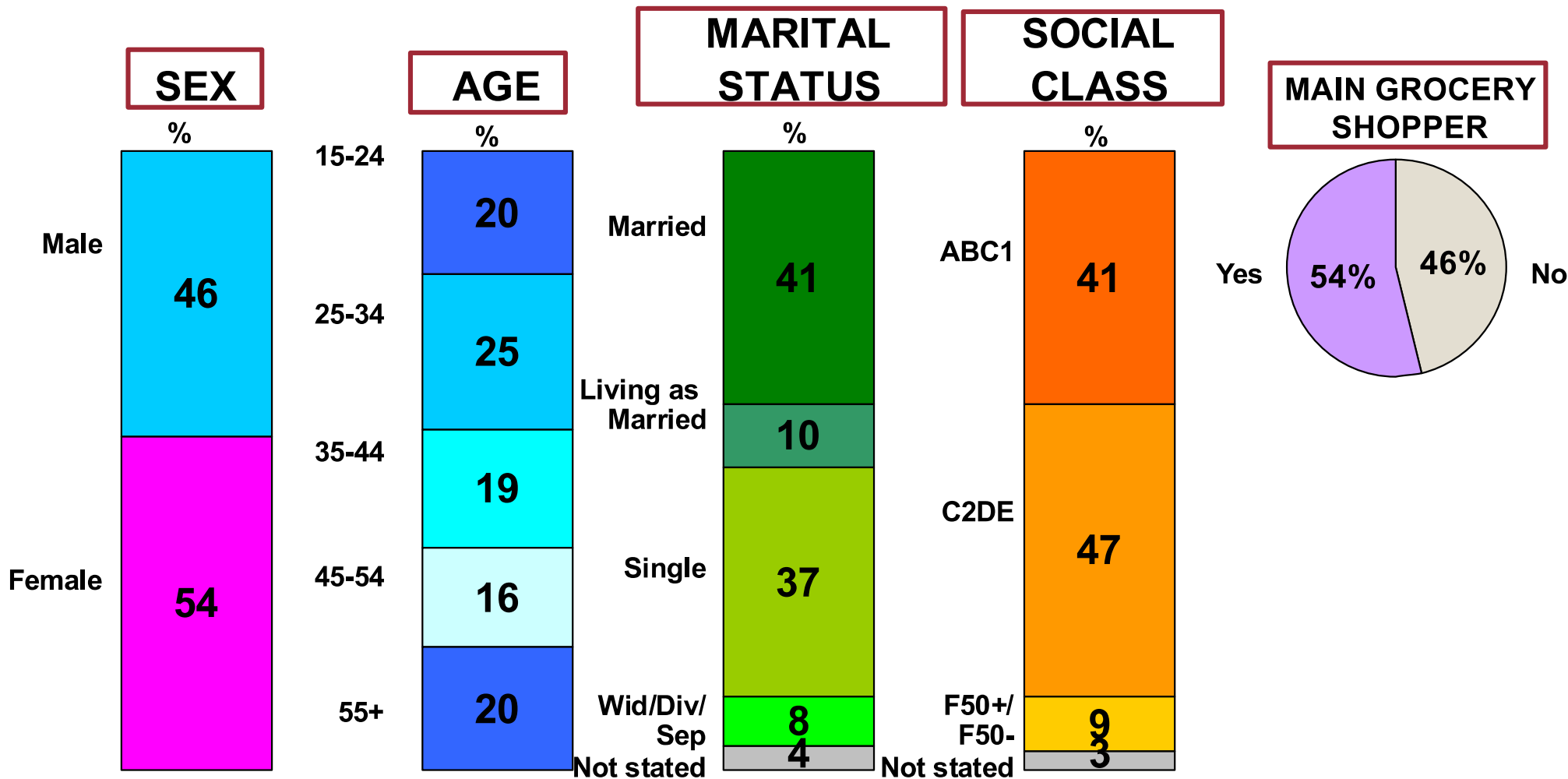
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Profile of Sample – I

(Base: All aged 15-74 – 1,000)



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