

National Consumer Agency

Market Research Findings: Consumer Switching Behaviour



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September 2013
Research Conducted by



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Key Findings

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Key Findings



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- When describing their consumer behaviour, **37%** of consumers said they ***'tend to stick with the same company for products and services'***. While **27%** said they ***'change companies often and avail of better deals'***.
- Switching provider highest for main grocery shop (26%), car insurance (23%) and top-up grocery shop (20%), followed by electricity (16%) and gas (16%). Overall the proportion who have **switched at least one product or service provider is 45%**.
- **Majority of switchers saved money** - average **monthly** saving resulting from switching is around **€15 to €20 per sector**. This tends to be higher in health insurance where the average saving reported was €42.
- The research found in the sectors surveyed that a **large number of consumers have not checked to see if there is a better package/deal available to them**.
- Perceived barriers to switching included “it may be more hassle than a benefit” and “don't believe there is much difference between suppliers”.

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Consumer Switching Behaviour

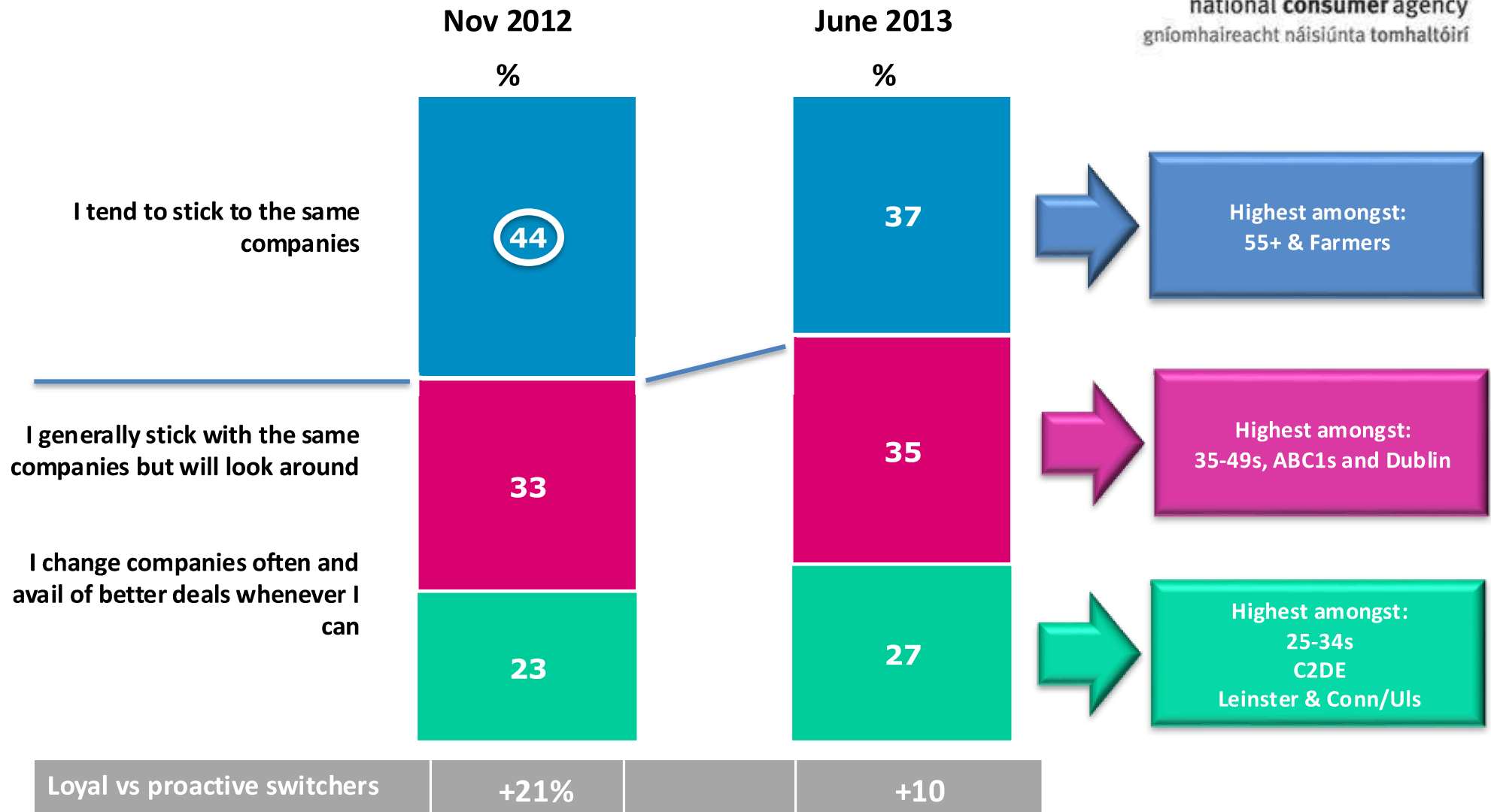
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Consumers becoming more open to changing providers

Base: All Adults – 1,012



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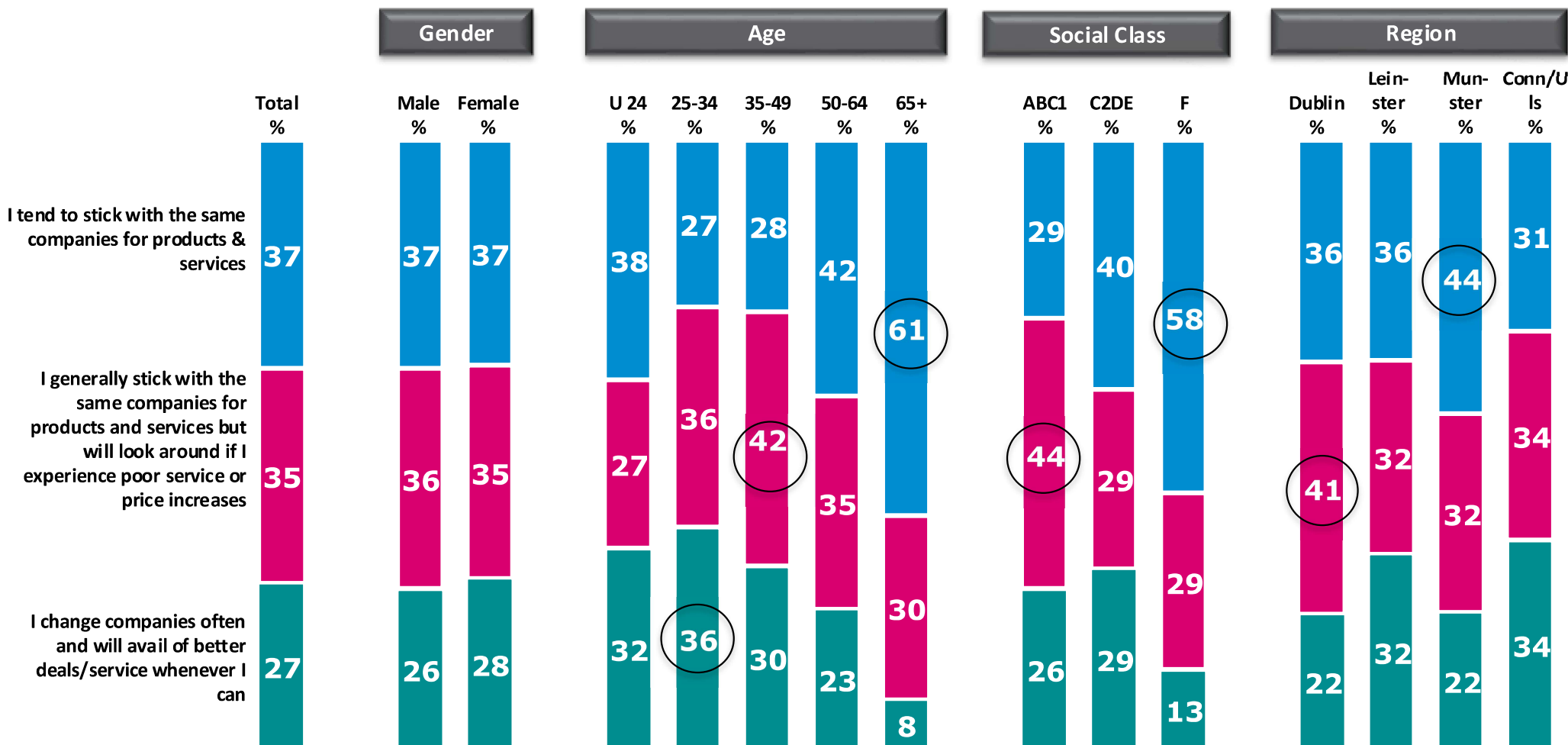
37% of consumers would describe their consumer behaviour as tending to stick with the same companies. 27% prefer to change companies often and avail of better deals whenever they can.

Consumer Behaviour x Demographics

Base: All Adults – 1,012



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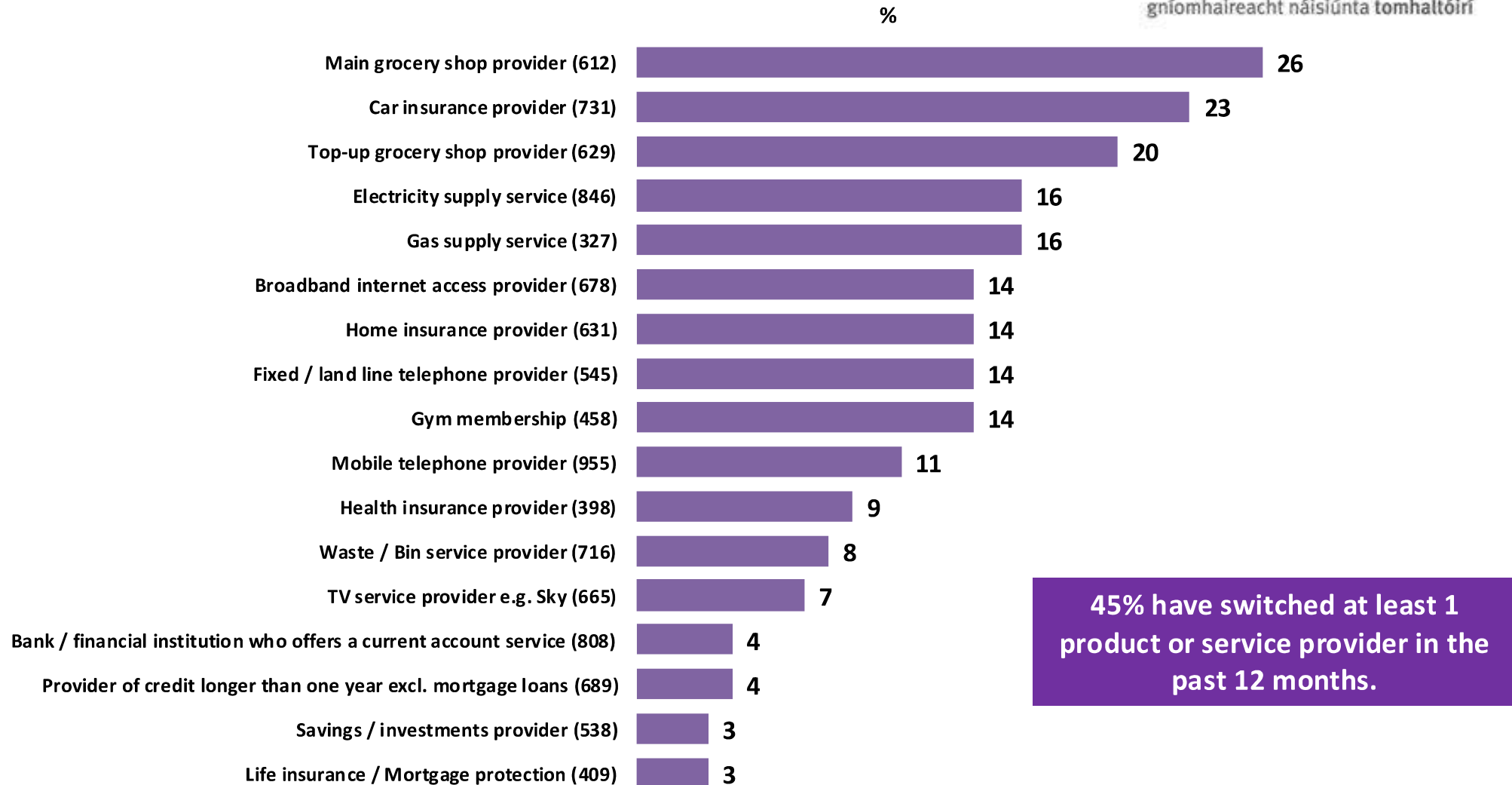
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Consumer Switching Behaviour remains reasonably high

Base: All who hold products



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Highest incidence of switching in the last 12 months was for the main grocery shop provider (26%), followed by car insurance (23%) and top-up grocery shop (20%). Overall the proportion who have switched at least one product or service provider is 45%.

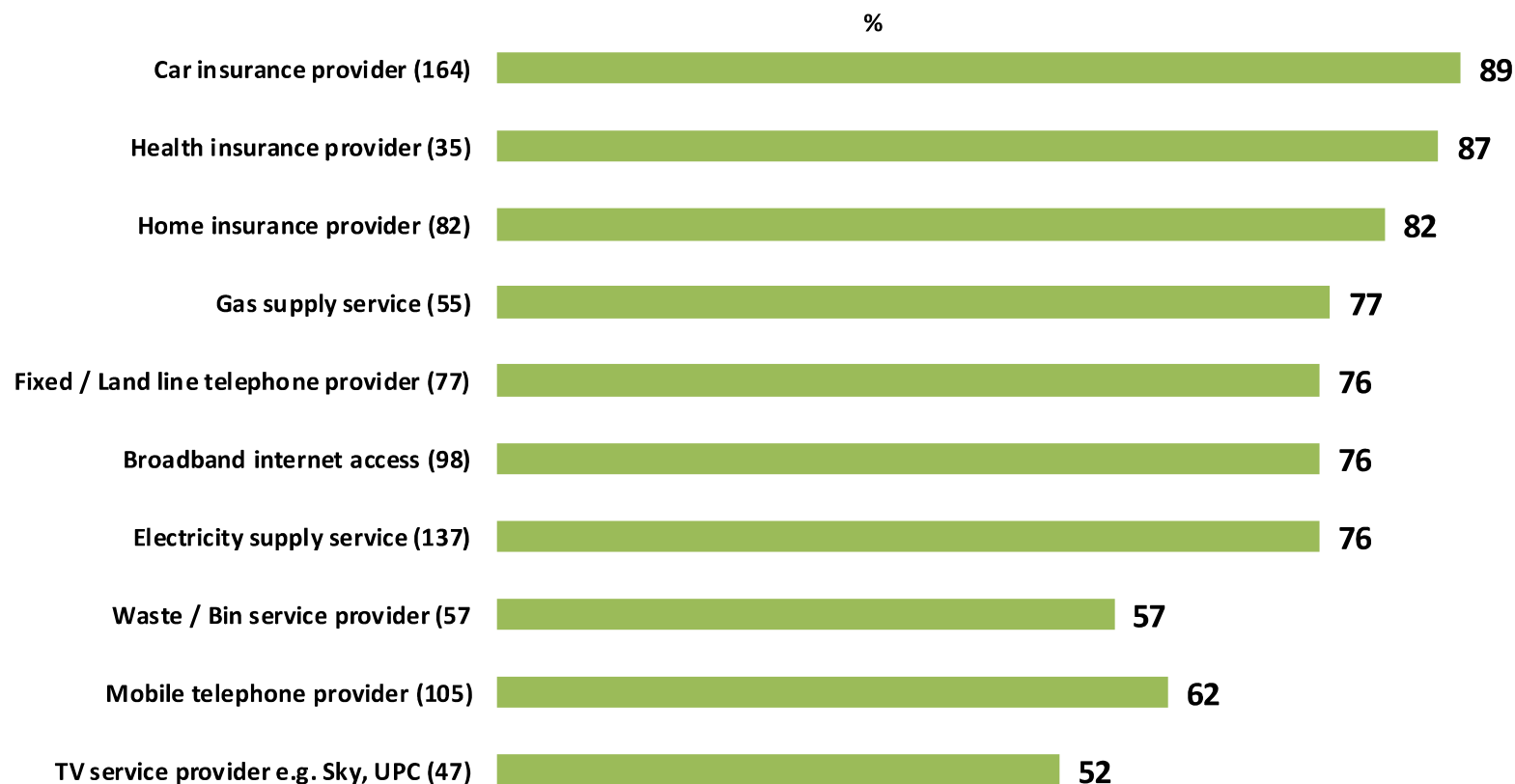
High proportions of people are saving money by switching

Base: All switchers in each category



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SAVED MONEY WHEN SWITCHED



9 in 10 (89%) who switched their car insurance provider saved money. 87% saved when switching health insurance provider.

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Consumers monthly savings from switching

Base: All switchers in each category



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Saved money when switched	Average monthly savings €
Car insurance provider (145)	13.18
Health insurance provider (30)	42.78
Home insurance provider (68)	9.62
Gas supply service (43)	18.42
Fixed/ Landline telephone provider (59)	18.38
Broadband internet access (75)	15.02
Electricity supply service (104)	19.09
Waste / Bin service provider (37)	14.32
Mobile telephone provider (63)	23.46
TV service provider e.g. Sky, UPC (25)	23.91

Monthly savings made by switching car insurance on average were found to be €13. In the utilities sectors, on average consumers saved €19 when switching electricity provider and €18 when switching gas provider.

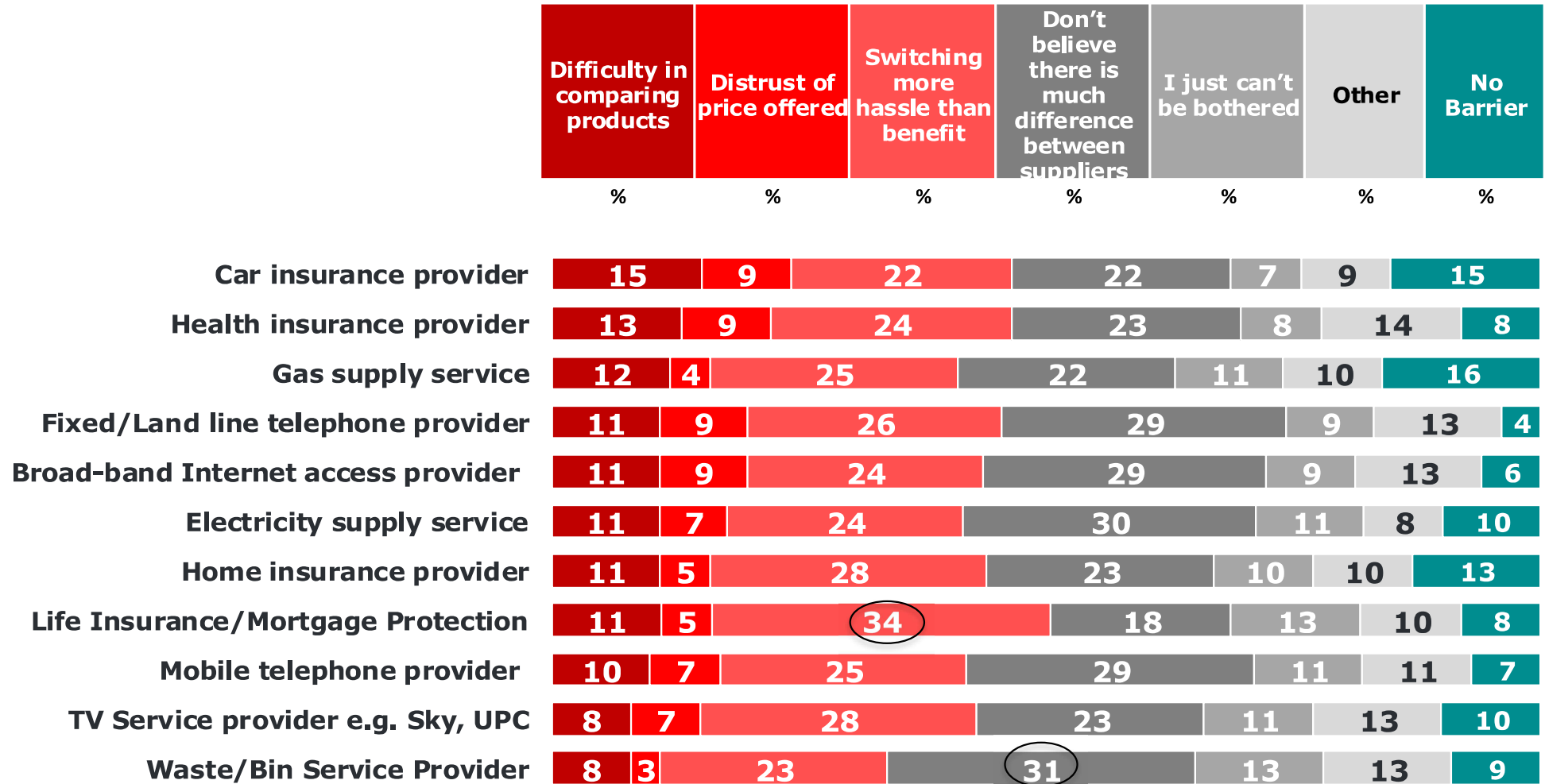
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Biggest Barrier to Switching Across Products

Base: All who hold products



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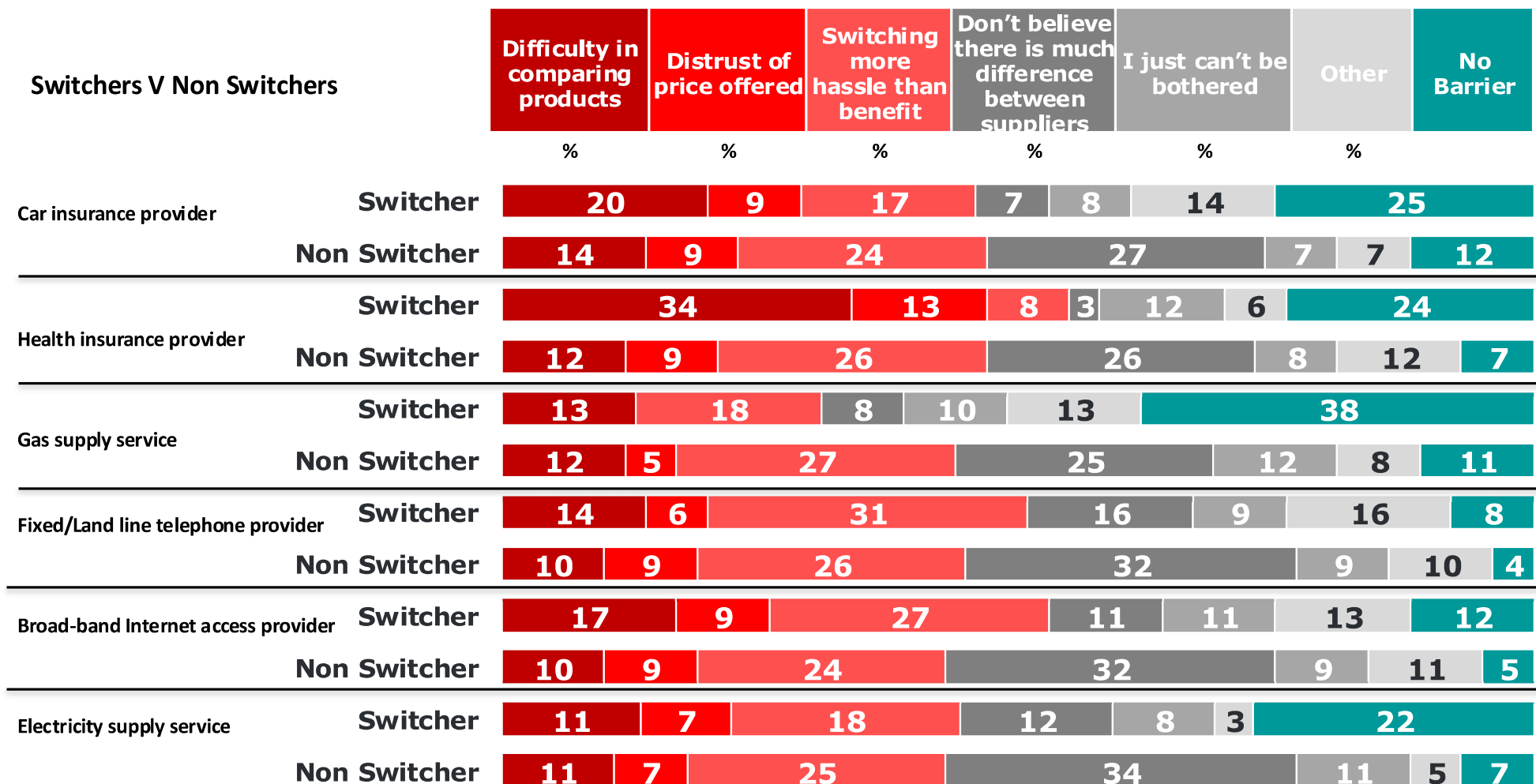
Perceived hassle and a belief there is not much of a price difference appear to be the highest barriers to switching. Price comparisons are less of an issue, highest for car insurance (15%) and health insurance (13%).

Biggest Barrier to Switching Across Products - 1

Base: All who hold products



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Biggest Barrier to Switching Across Products - 2

Base: All who hold products



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Switchers V Non Switchers		Difficulty in comparing products	Distrust of price offered	Switching more hassle than benefit	Don't believe there is much difference between suppliers	I just can't be bothered	Other	No Barrier
		%	%	%	%	%	%	
Home insurance provider	Switcher	16	5	17	5	15	21	21
	Non Switcher	10	5	30		27	9	8
Life Insurance/Mortgage Protection	Switcher	24	7	9	8	30	16	6
	Non Switcher	11	5	36		18	13	9
Mobile telephone provider	Switcher	11	8	16	14	20	17	14
	Non Switcher	10	6	26		31	10	10
TV Service provider e.g. Sky, UPC	Switcher	5	4	12	13	21	22	23
	Non Switcher	8	7	30		24	11	11
Waste/ Bin Service Provider	Switcher	7	7	5	15	19	30	3
	Non Switcher	8	3	25		32	13	46

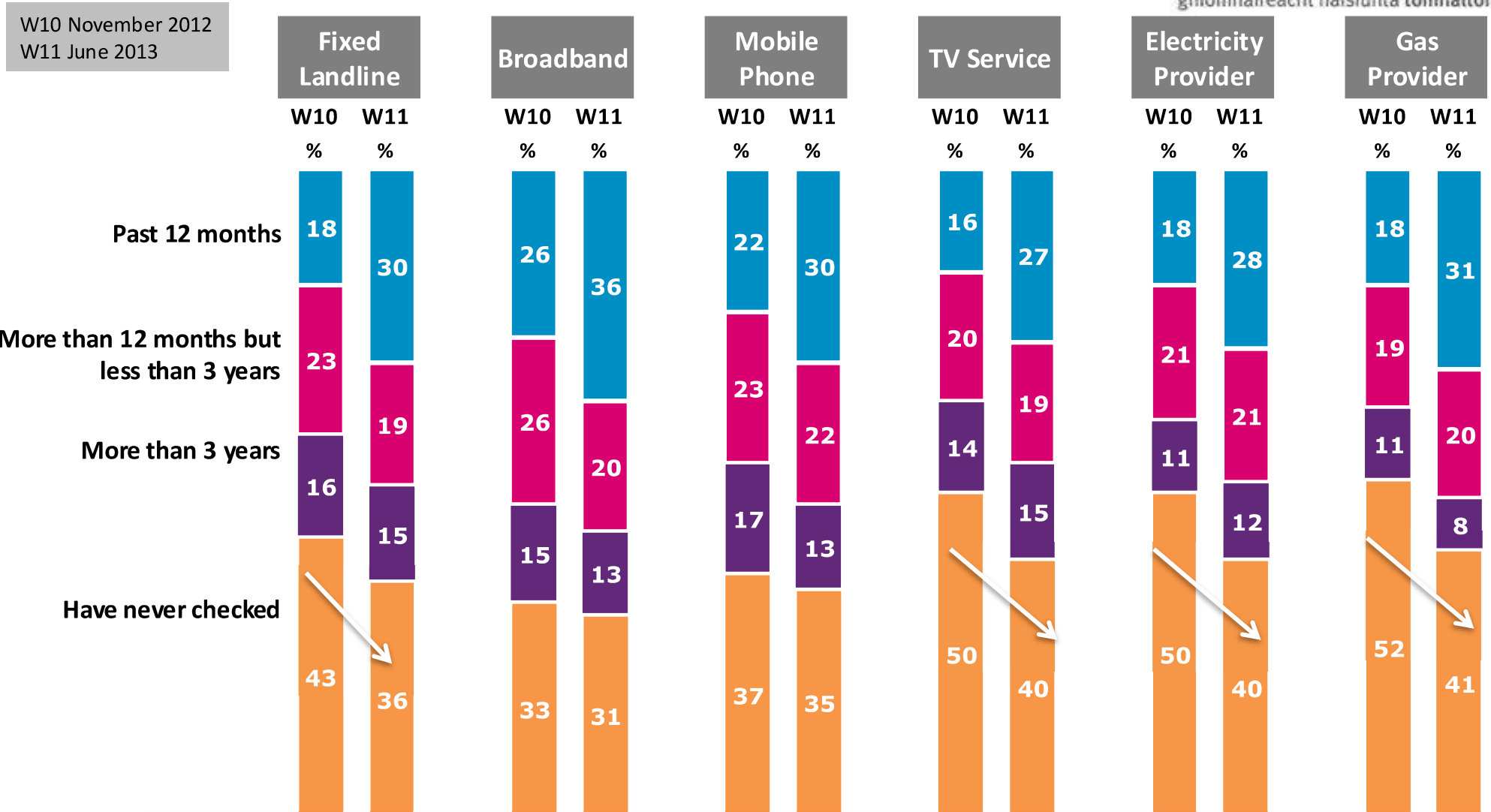
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More recent price checking evident across full spectrum of utilities

Base: All holders of relevant services



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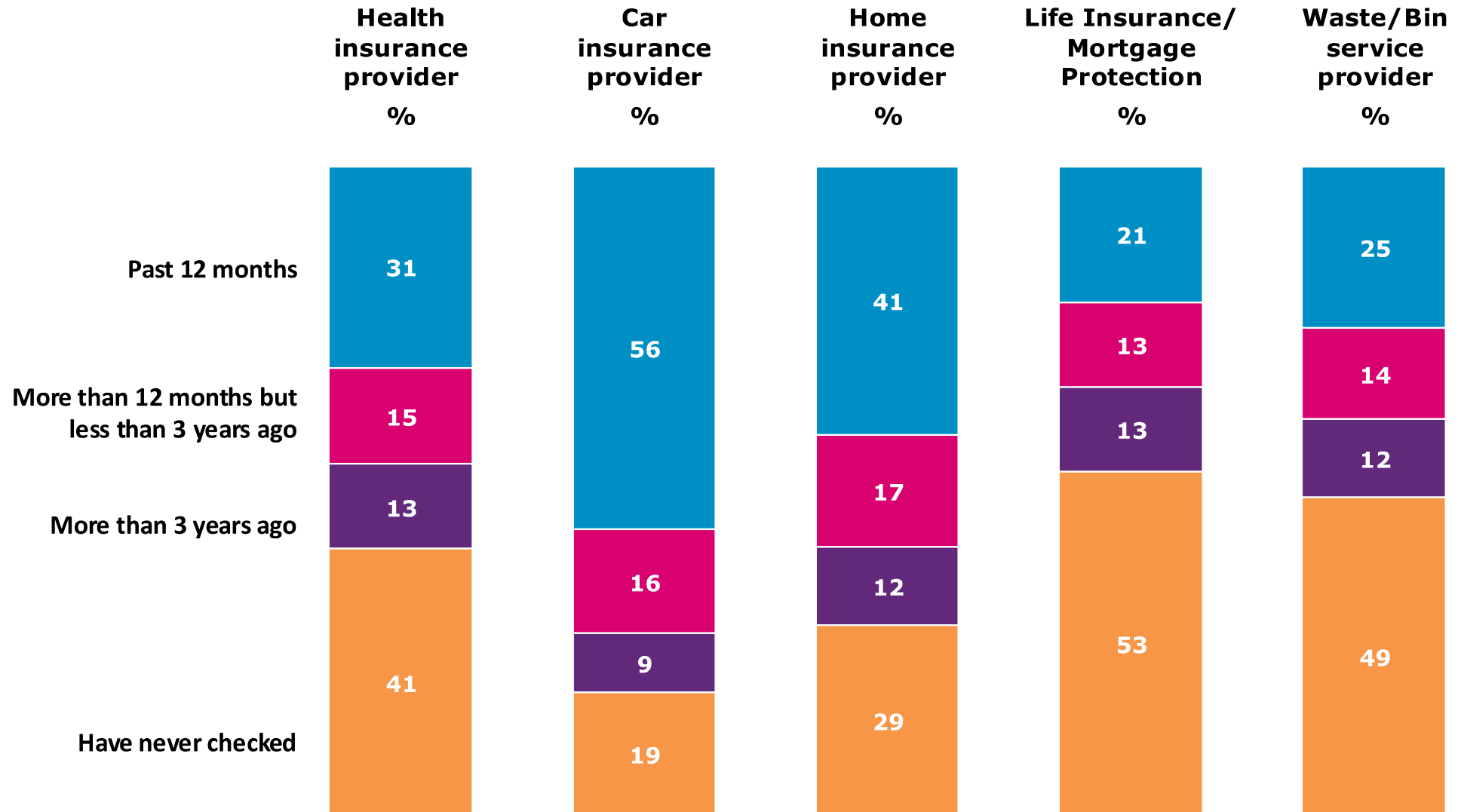
Increase in shopping around for better deals since previous research. Highest incidence of shopping around in broadband providers - 36% of consumers checked within the past 12 months for a better deal or package.

Price checking also evident across insurance products especially Car Insurance

Base: All who hold products



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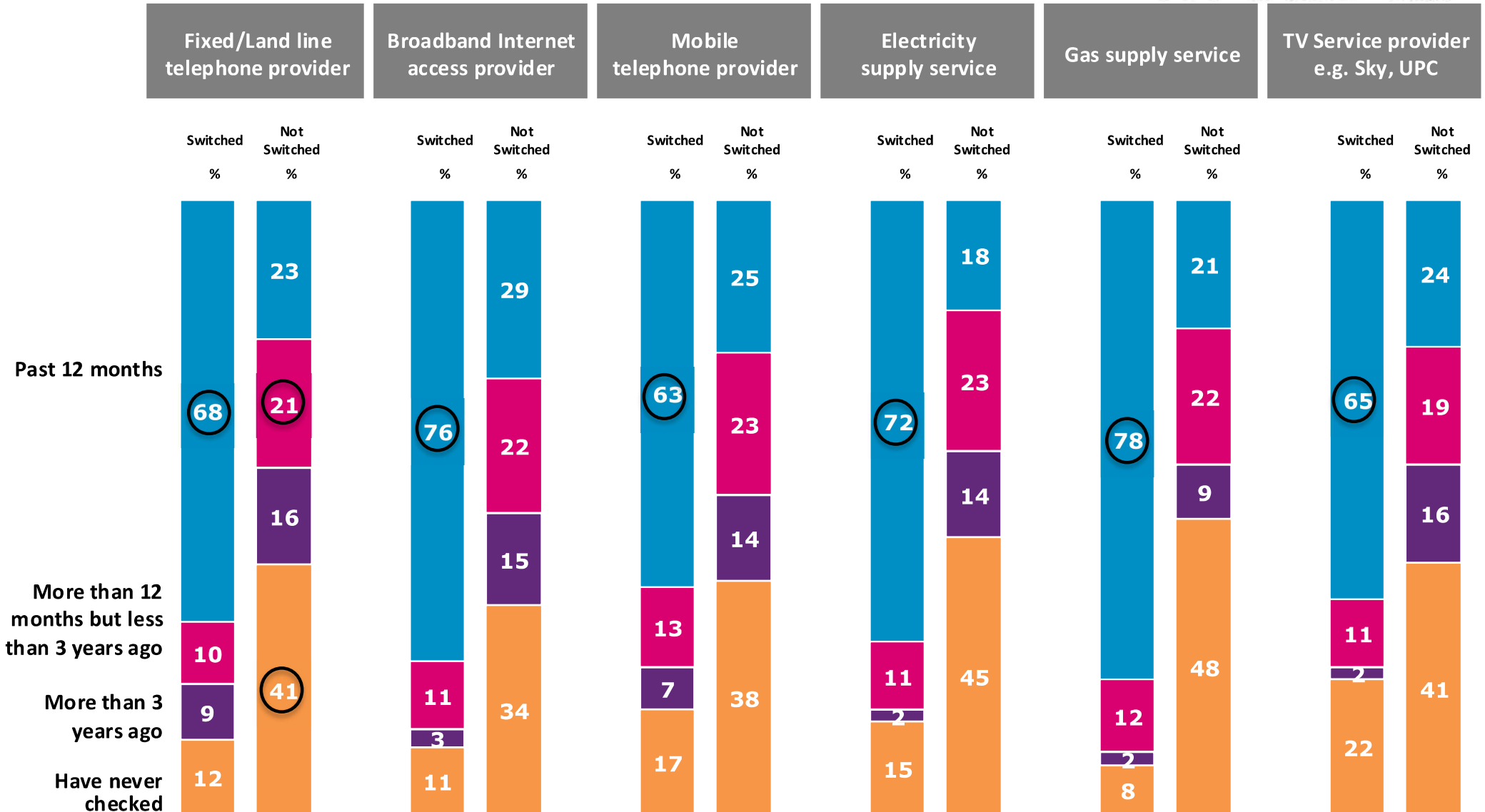
*No comparable data

Most recent price checking - Switchers Vs Non Switchers - 1

Base: All holders of relevant products



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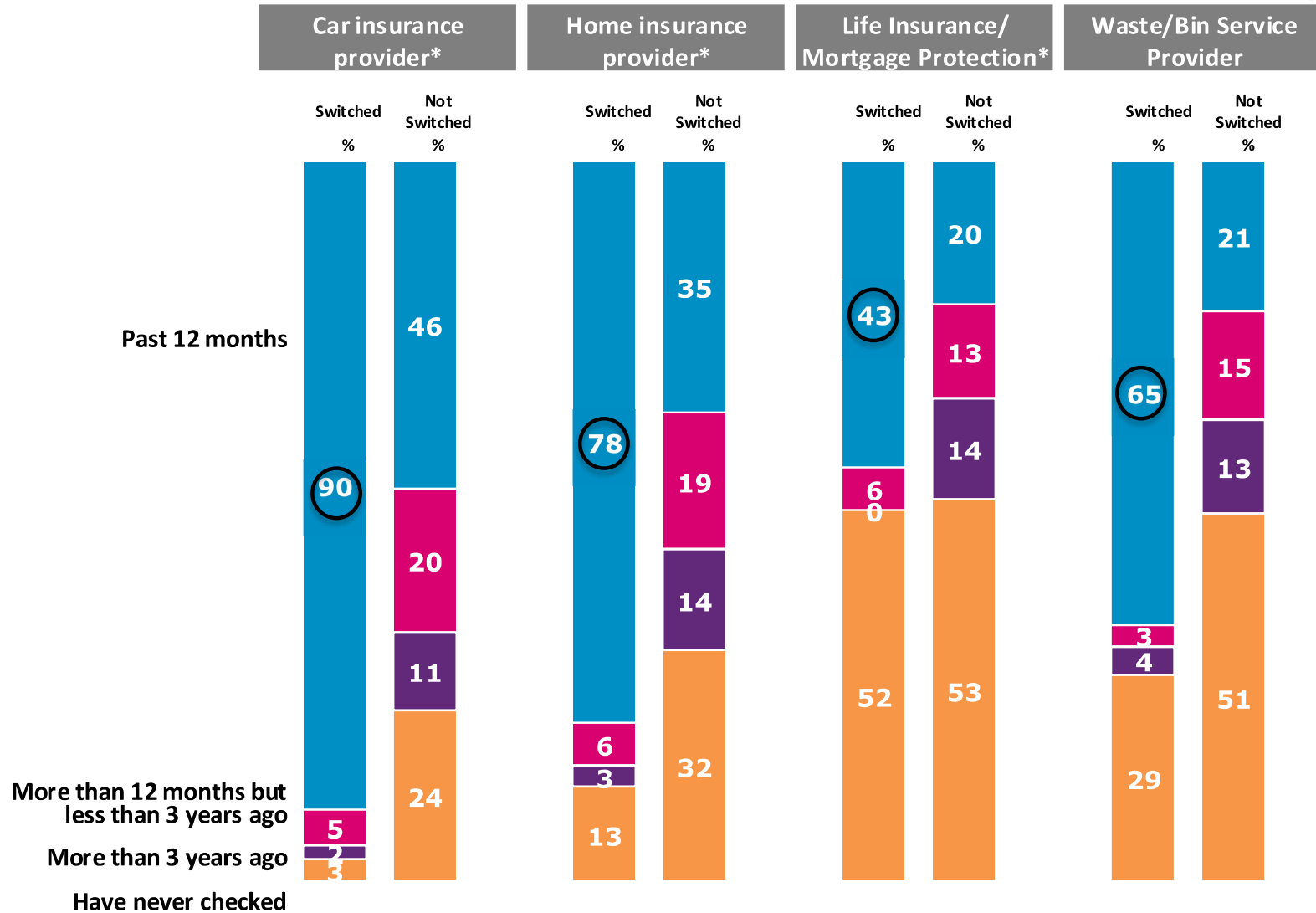
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Most recent price checking - Switchers Vs Non Switchers - 2

Base: All holders of relevant products



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Switchers doing most recent checking.

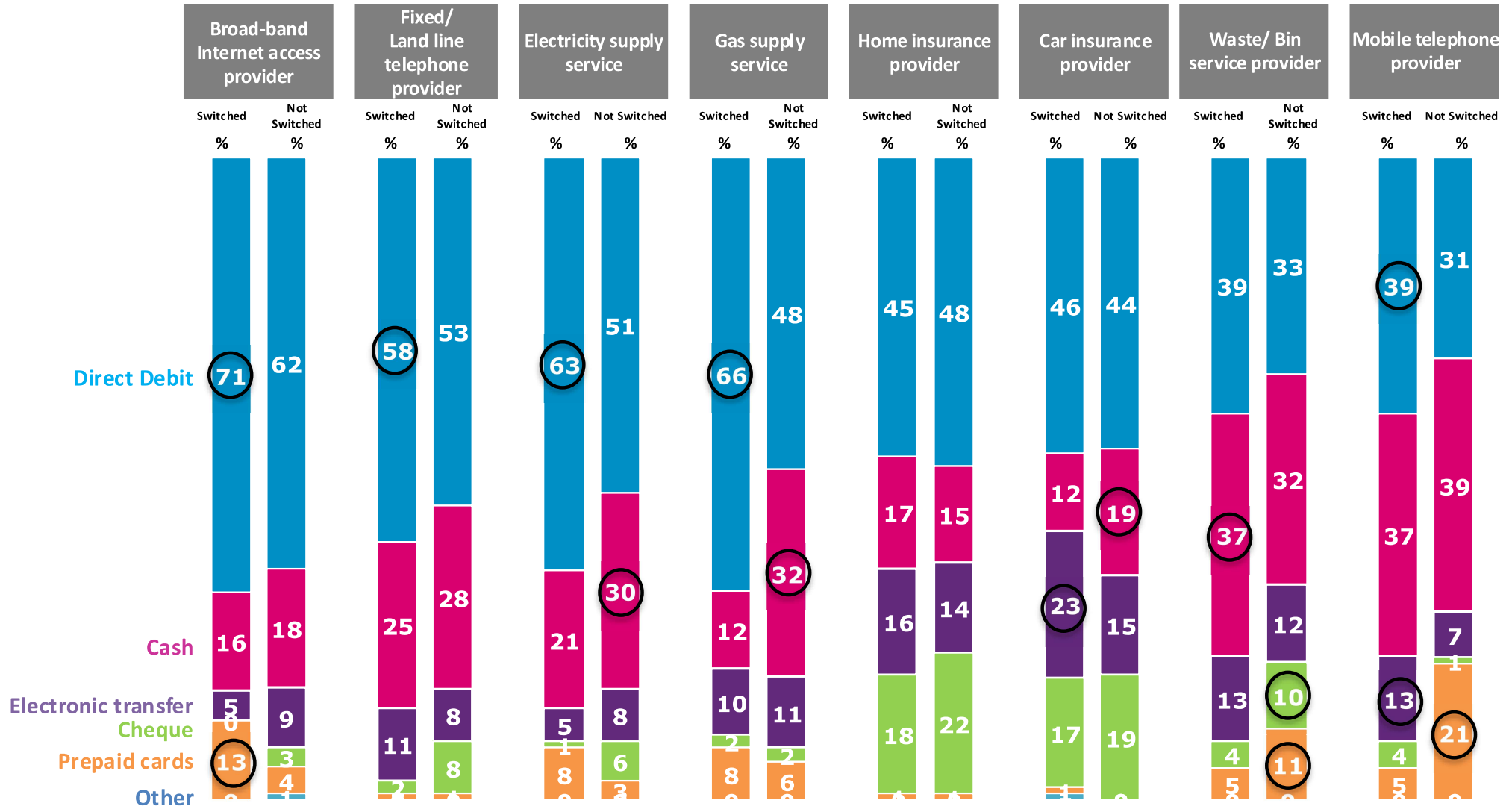
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Direct debit most common form of payment for bills - Switchers Vs Non Switchers

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*Life insurance/health insurance and TV switching base too small



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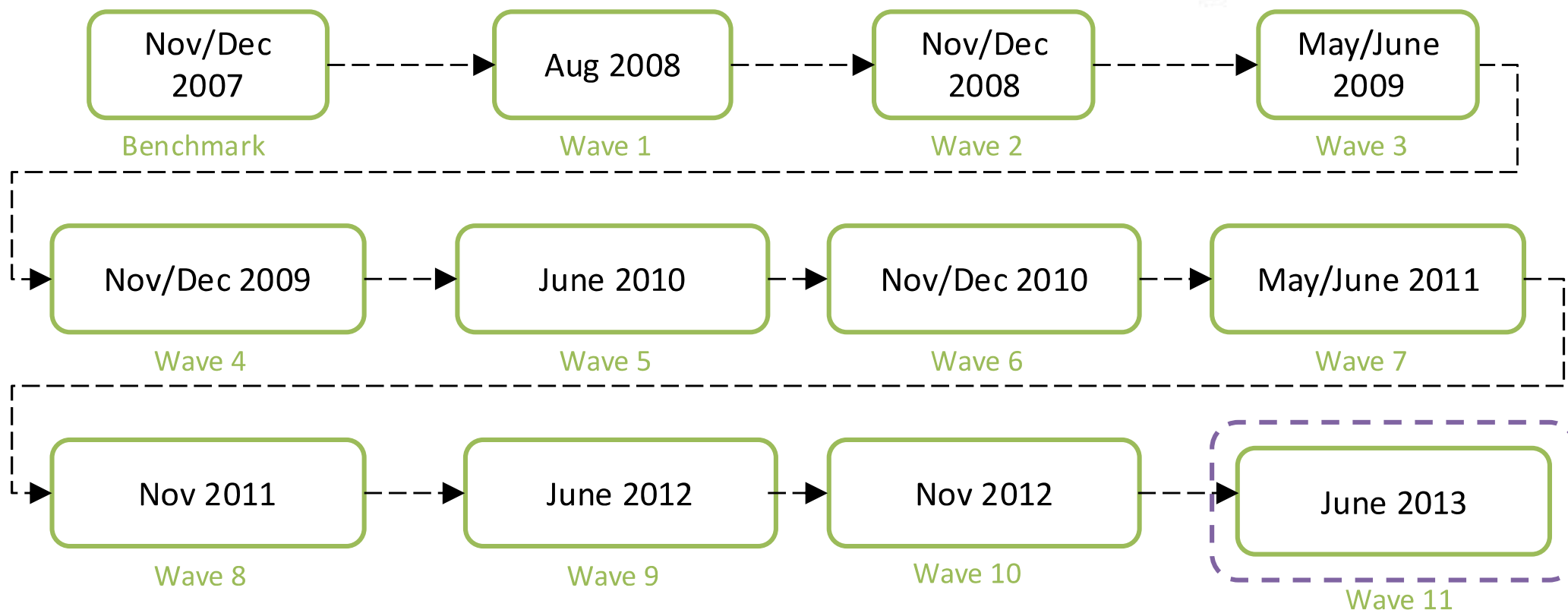
Research Background and Methodology

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A. Research Background and Methodology



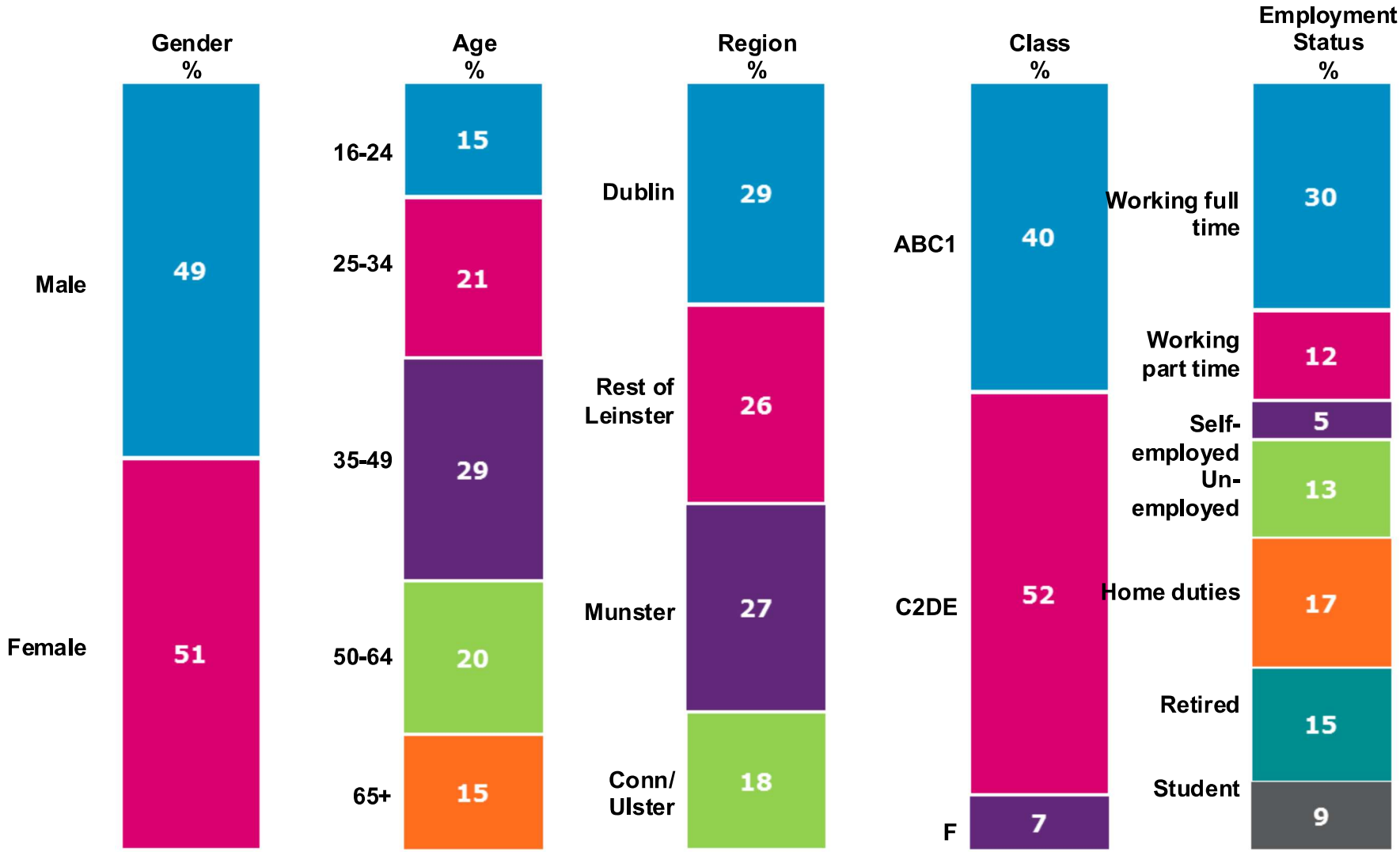
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- The research was conducted face-to-face using CAPI interviewing with 1,012 adults 16+.
- To ensure that the data is nationally representative, quotas were applied on the basis of age, gender and social class.
- Interviewing was conducted from 6th – 19th June 2013.

Profile of Sample

Base: All Adults 16+ 1,012

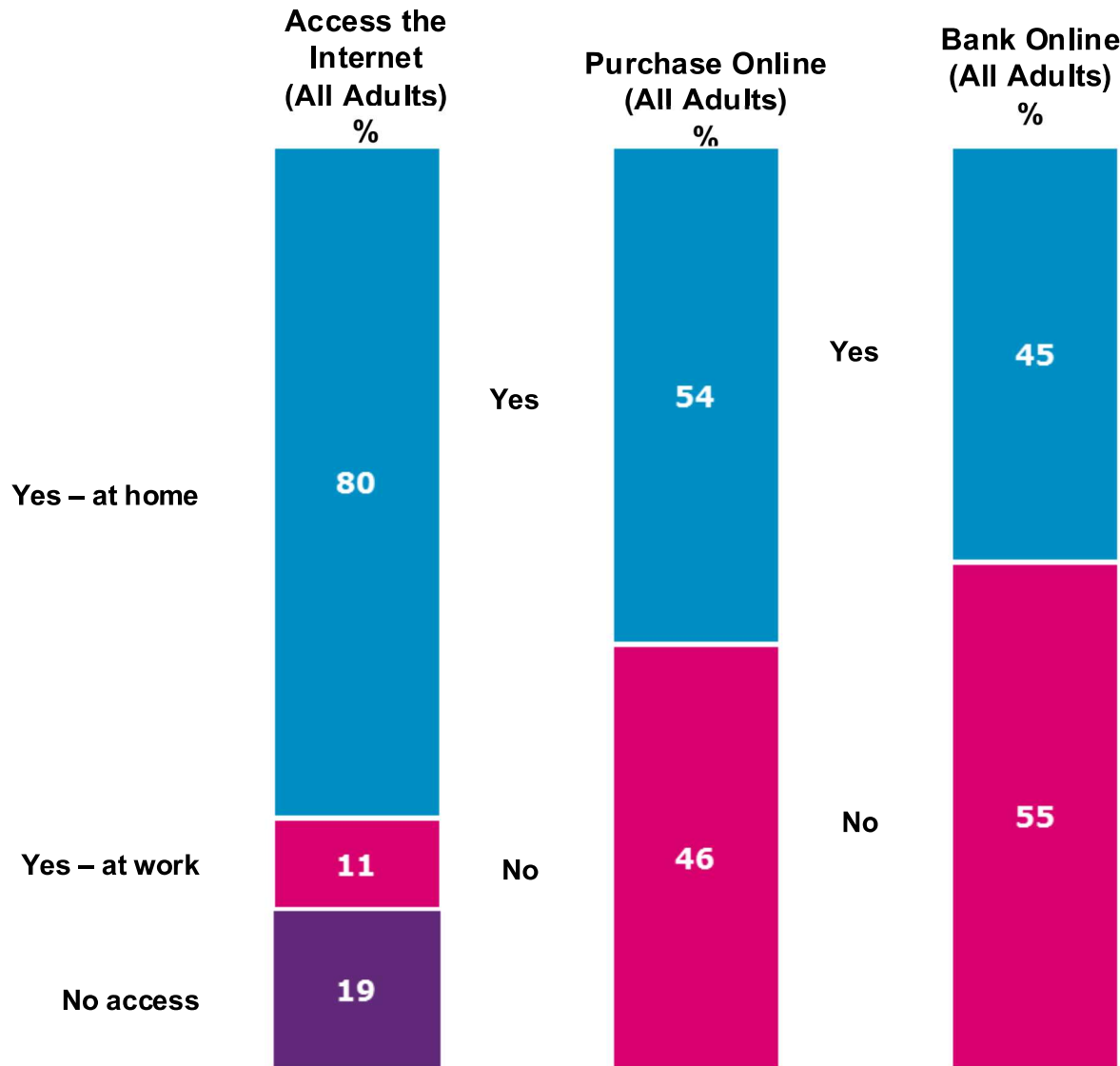


Profile of Sample

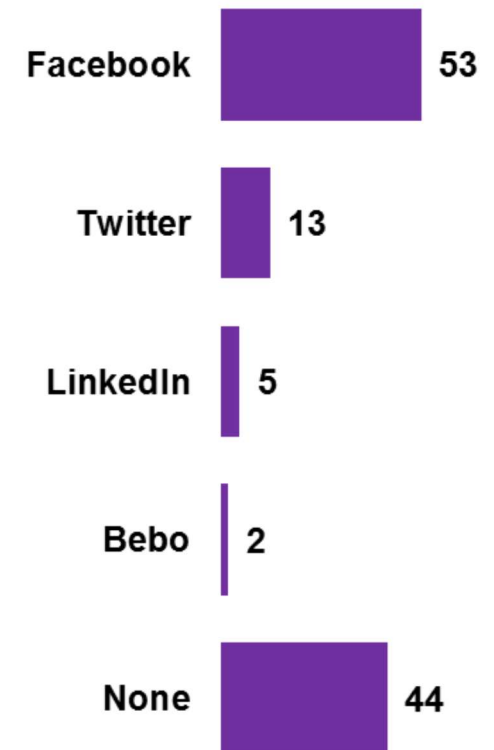
Base: All Adults 16+ 1,012



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Social Media Sites Used
(All who access the internet – 814)
%



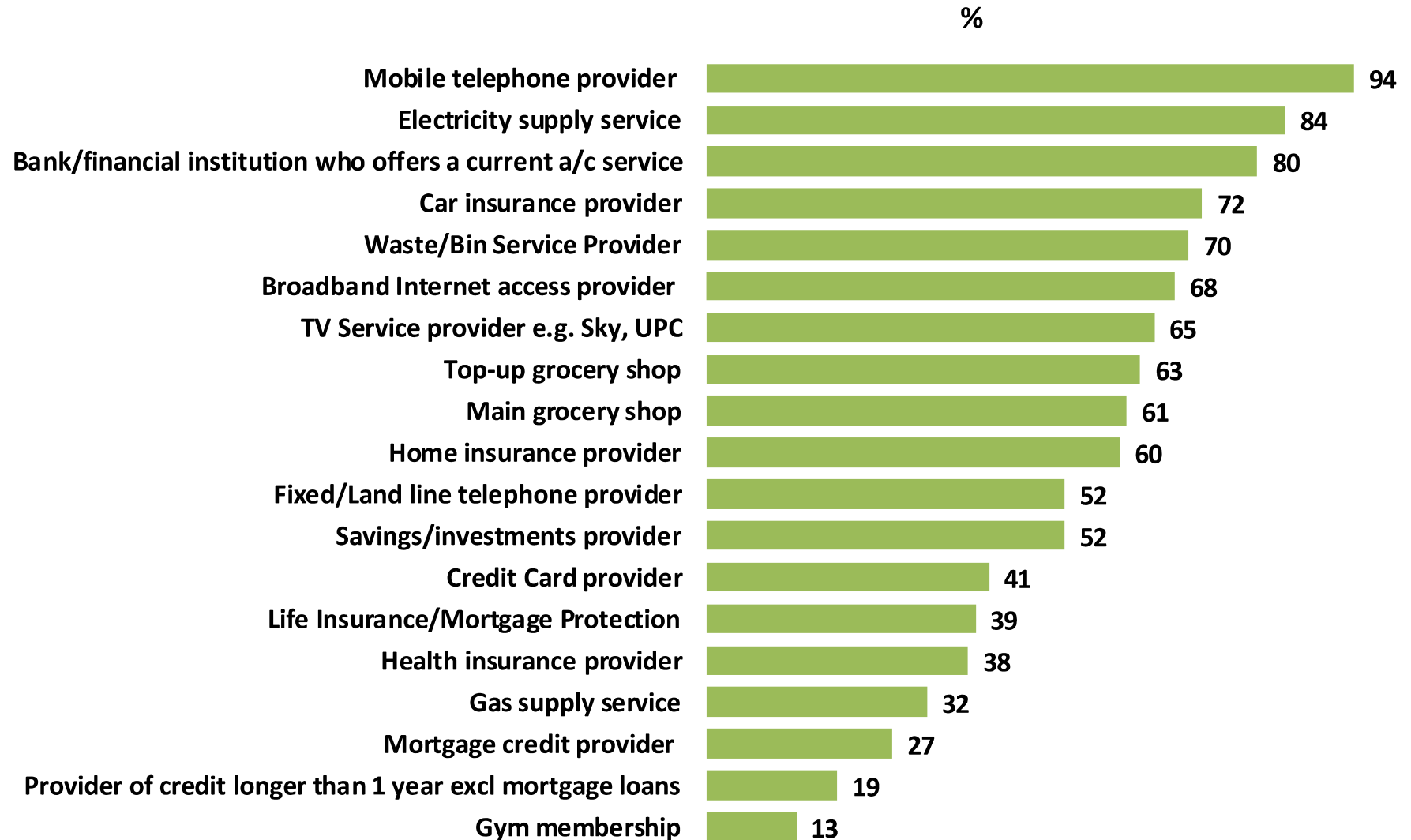
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Incidence of Currently Holding Products or Services

Base: All Adults – 1,012



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