Coimisiún um Iomaíocht agus Cosaint Tomhaltóirí

Competition and Consumer Protection Commission

Consumer Switching Research

Research conducted by

B&A

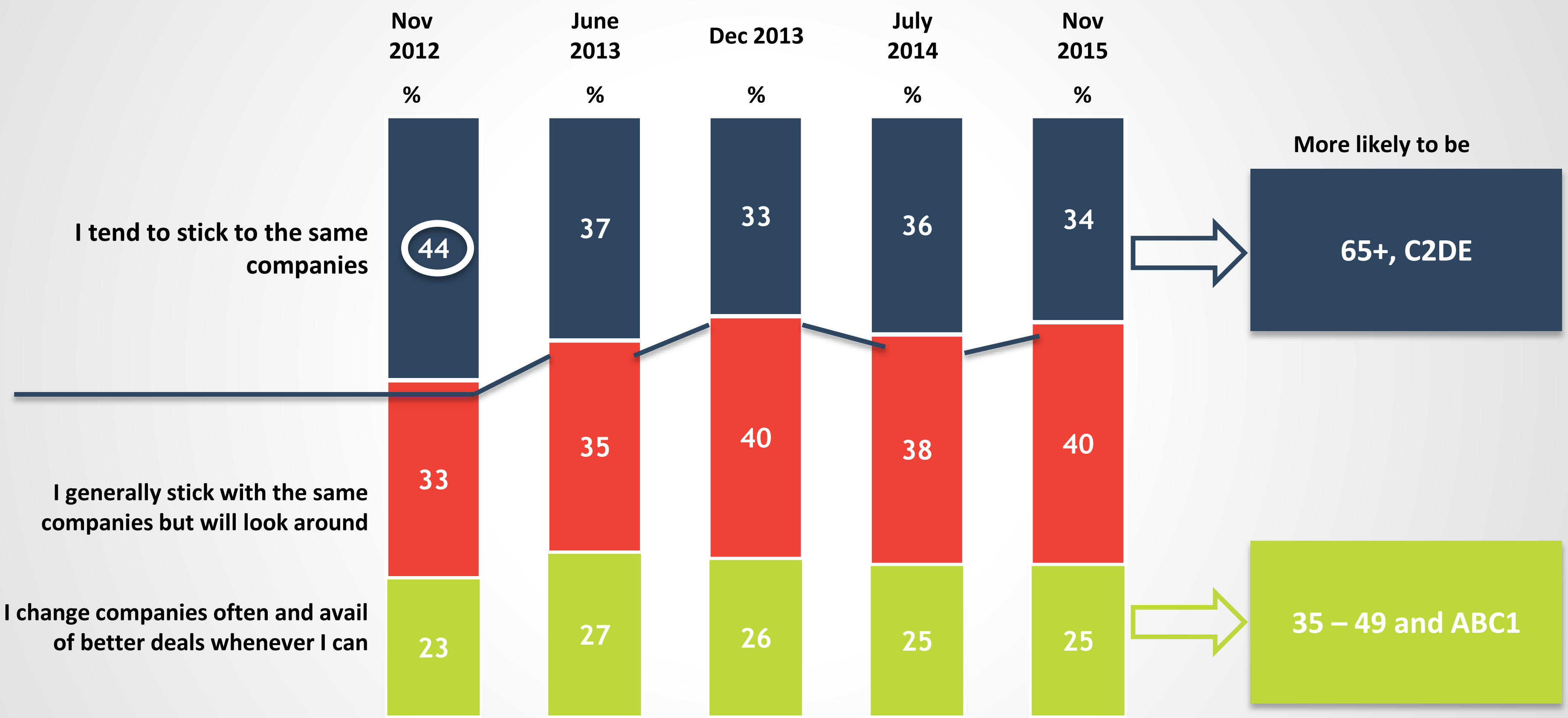
November 2015

Key summary findings

- Almost half of consumers (48%) have switched at least one product or service in the last 12 months (+5% pts vs 2014), with the most noticeable increase in those switching mobile provider (+5% pts to 14%), followed by car insurance (+4%pts to 29%).
- The highest sectors for switching are car insurance (29%) , electricity supply (18%), gas (17%) and main grocery shop (17%).
- The majority of switchers feel they have saved money by switching.
- Almost half of the population (45%) has at least one bundled product/service, with broadband being the most bundled service and TV, broadband and landline the most popular bundle.
- The perceived biggest barrier to switching across products continues to be hassle and not believing that there is a difference between suppliers.
- A large proportion of consumers are still not checking for better deals/packages regularly.

One third of us continue to be loyal consumers, while 1 in 4 are more prone to switching

Base: All Adults 16+



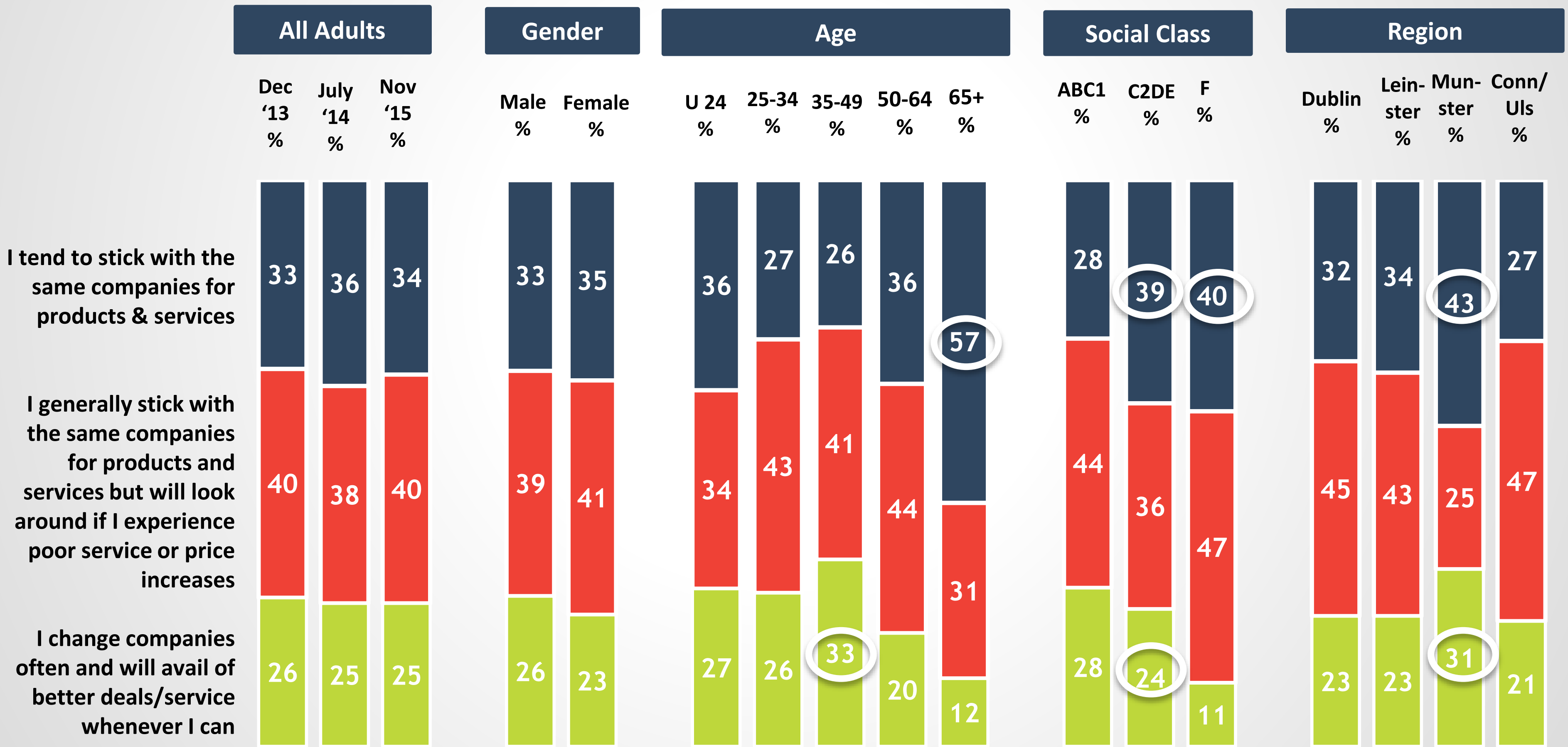
Loyal vs. proactive switchers	+21%	+10%	+7%	+11	+9%

Q. 1 Which of the following statements most closely describes your behaviour as a consumer?

Older adults and those from working class or farming backgrounds continue to be the most loyal to suppliers, while ABC1s and 35-49 years olds are most likely to switch

Stick or Switch x Demographics

Base: All Adults 16+

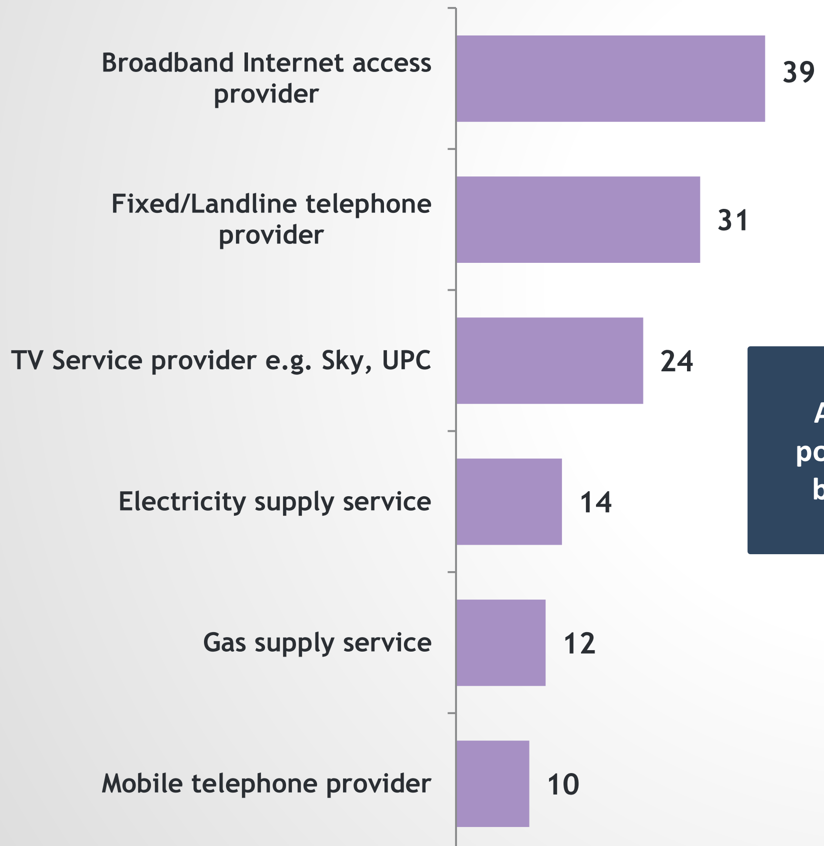


Q. 1 Which of the following statements most closely describes your behaviour as a consumer?

Almost half of the population (45%) has at least one bundled product/service

Base: All Adults 16+

% of population who hold products or services as part of a bundle or package



Any bundle – 45% of the population has at least one bundled product/service

% Bundles currently held Base: All with a bundle		% Pop.
TV, broadband and landline	32%	14%
Broadband and landline	26%	12%
Electricity and gas	25%	11%
TV, mobile, broadband and landline	13%	6%
TV & broadband	12%	6%
Mobile, broadband and landline	6%	3%
Mobile and broadband	5%	2%
TV & landline	2%	1%
TV & mobile	2%	1%
Other (specify)	1%	1%

Q. 11a Do you purchase any of these products or services as part of a bundle or package?
Q. 11b And which of these bundles do you currently have?

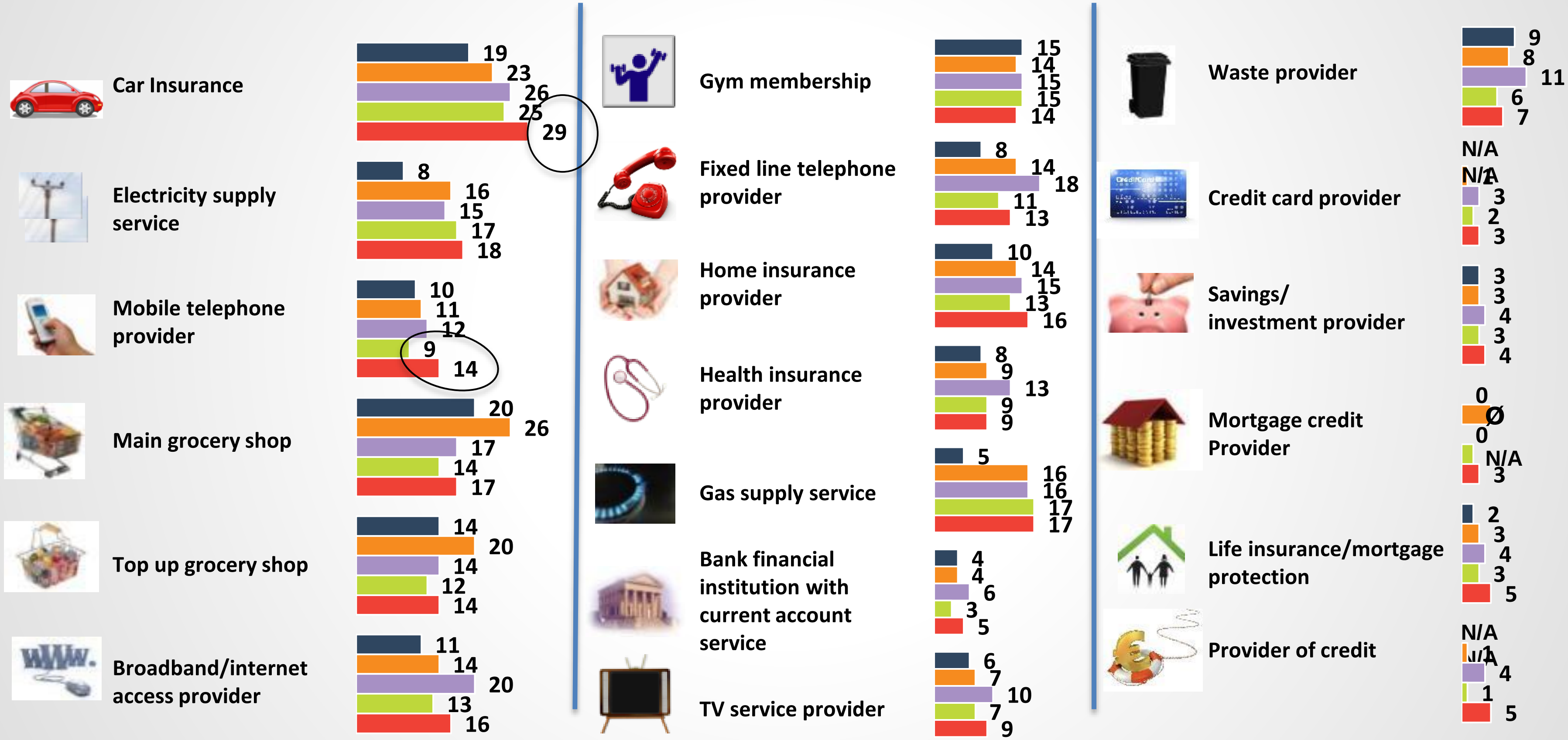
Broadband is the most 'bundled' service, with the most popular bundle being TV, broadband and landline.

Trends in switching behaviour

Base: All who hold each product

Switched in past year

%



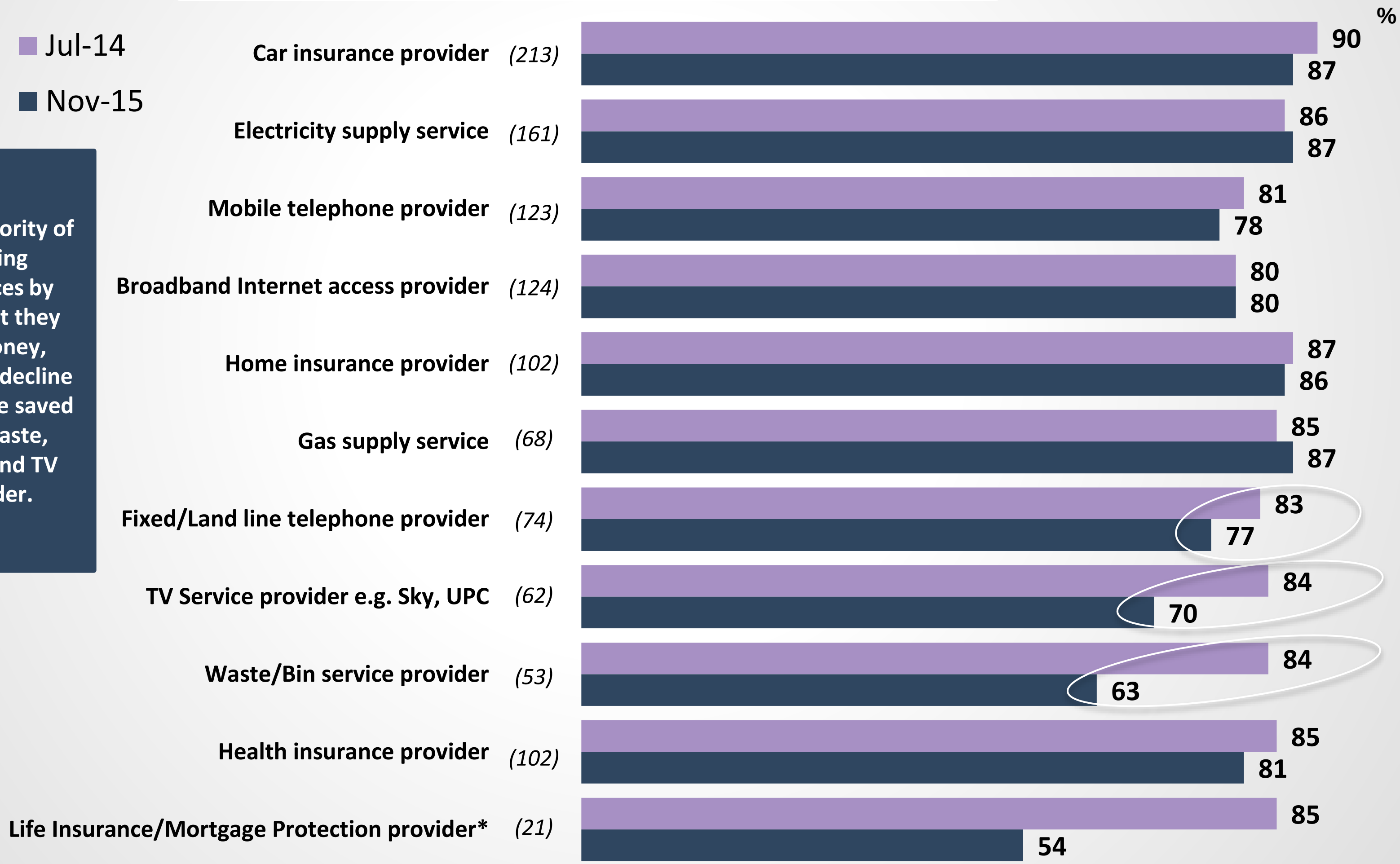
■ Nov-12 ■ Jun-13
■ Dec-13 ■ Jul-14
■ Nov-15

48% have switched at least one product or service within the last 12 months (43% in 2014).
With the most noticeable increase in mobile phone provider switching (+5%), followed by car insurance (+4%)

Majority save by switching

Base: All who hold each product

Those who switched and saved money…



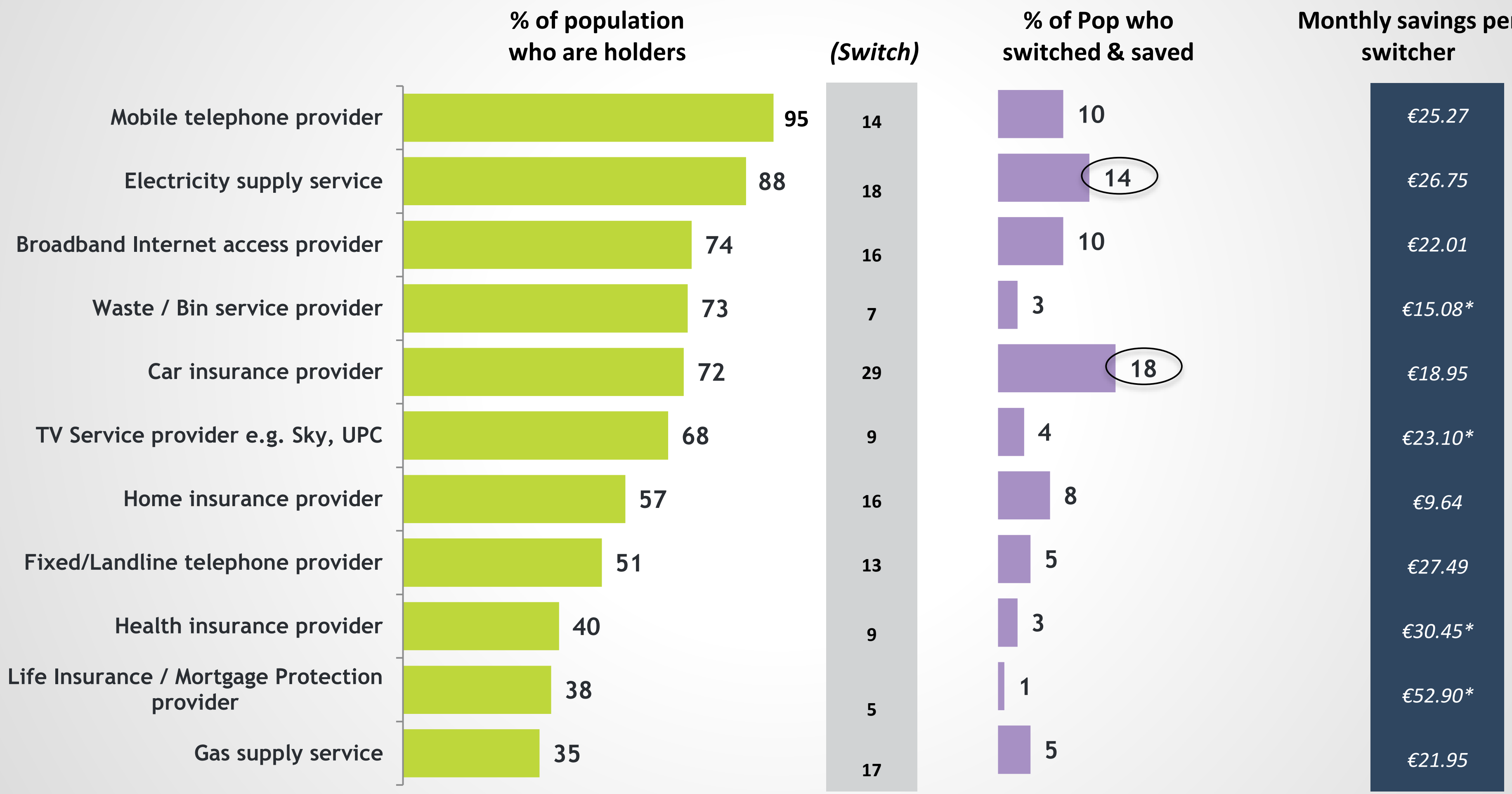
Although the majority of those switching products/services by sector agree that they have saved money, there has been a decline in those who have saved by switching waste, fixed/landline and TV service provider.

()=base size

***Caution small base**

Q. 4 Did you save money by switching providers for this product/service?

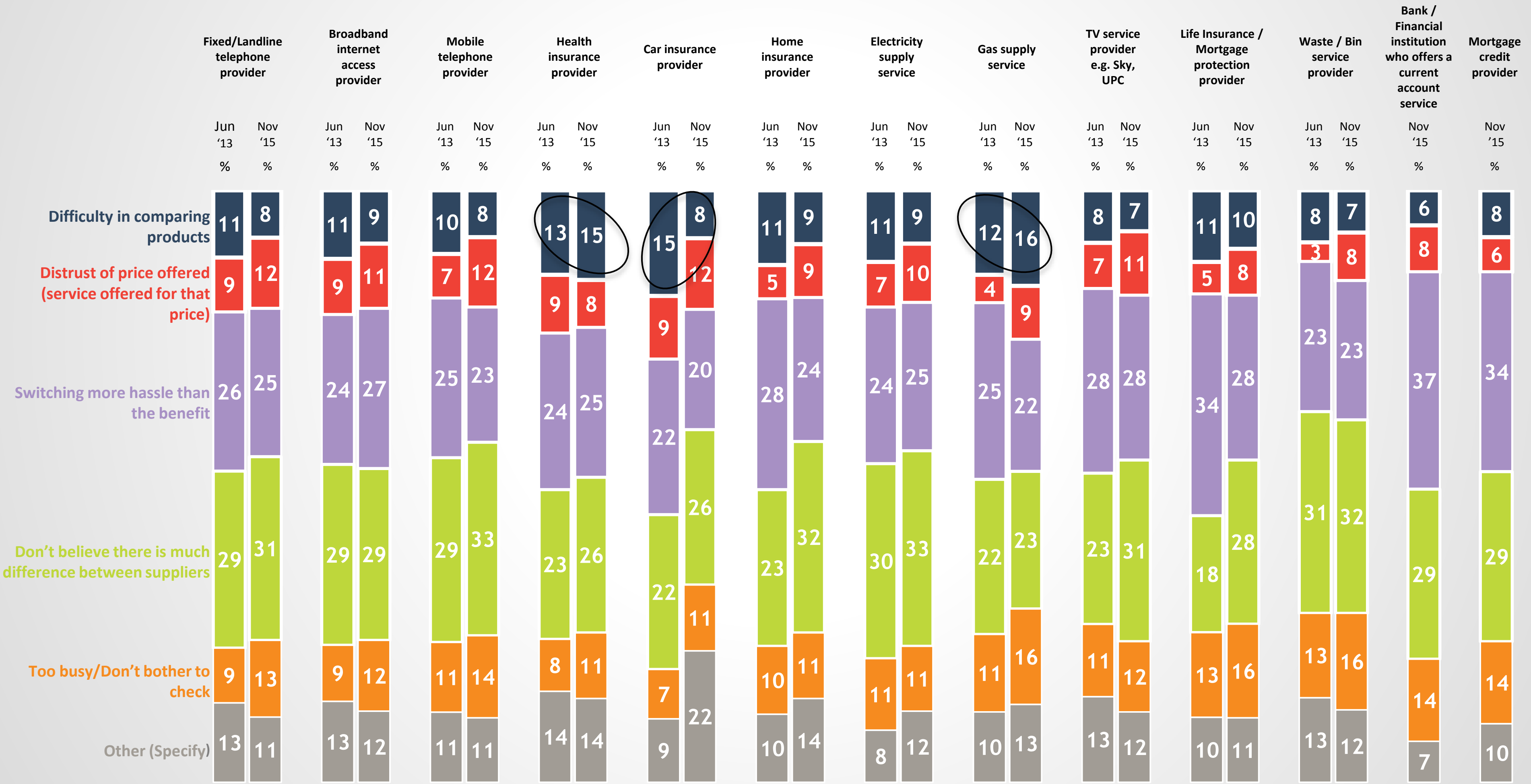
Saving by Switching



*Caution: Small Base

Biggest barrier to switching across products continues to be hassle and not believing that there is a difference between suppliers

Base: All who hold products



Q. 6 What for you is the biggest barrier to switching (insert product/service held at Q.2)? Unprompted

**Bank/financial/mortgage not asked in 2013.*

Interestingly those who switched were more likely to rate price comparison difficulties as barriers to switching.

Barriers to switching - 1

Base: All who hold products

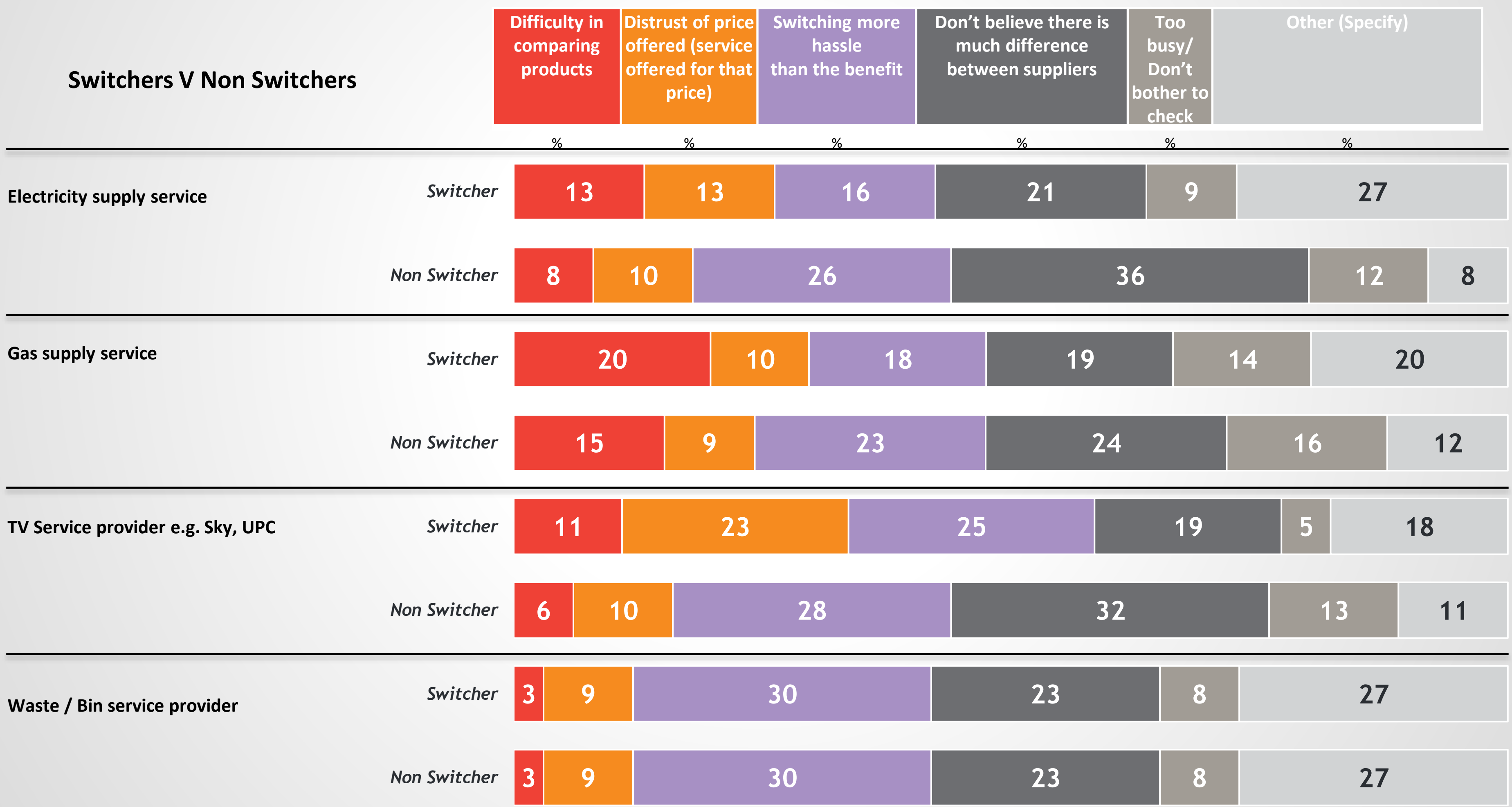
Switchers V Non Switchers

		Difficulty in comparing products %	Distrust of price offered (service offered for that price) %	Switching more hassle than the benefit %	Don't believe there is much difference between suppliers %	Too busy/Don't bother to check %	Other (Specify) %
Fixed/Landline telephone provider	*Switcher*	11	6	28	20	5	29
	Non Switcher	8	12	24	32	15	9
Broadband internet access provider	*Switcher*	11	11	22	24	5	26
	Non Switcher	8	11	28	30	14	9
Mobile telephone provider	*Switcher*	10	15	18	20	9	28
	Non Switcher	7	11	24	35	14	9
Health insurance provider	*Switcher*	28	5	15	20	4	27
	Non Switcher	14	8	27	27	12	13
Car insurance provider	*Switcher*	11	14	14	12	9	40
	Non Switcher	7	11	23	32	12	15
Home insurance provider	*Switcher*	19	11	15	20	6	28
	Non Switcher	7	9	26	35	12	11

Q. 7 What for you is the biggest barrier to switching (insert product/service held at Q.2)? Unprompted

Barriers to switching - 2

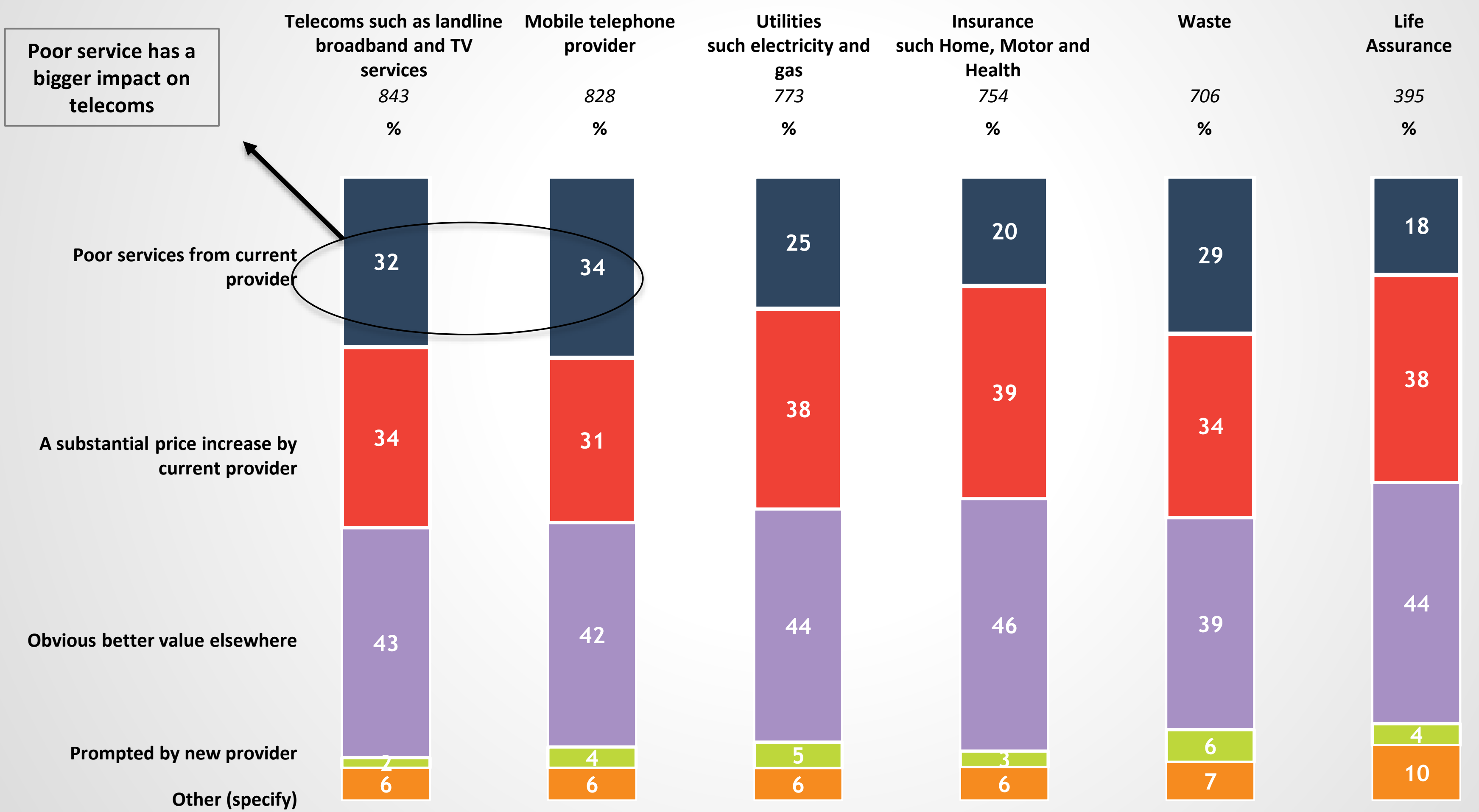
Base: All who hold products



Q. 7 What for you is the biggest barrier to switching (insert product/service held at Q.2)? Unprompted

Obvious better value and substantial price increase from current supplier are the key motivating factors to switching key services

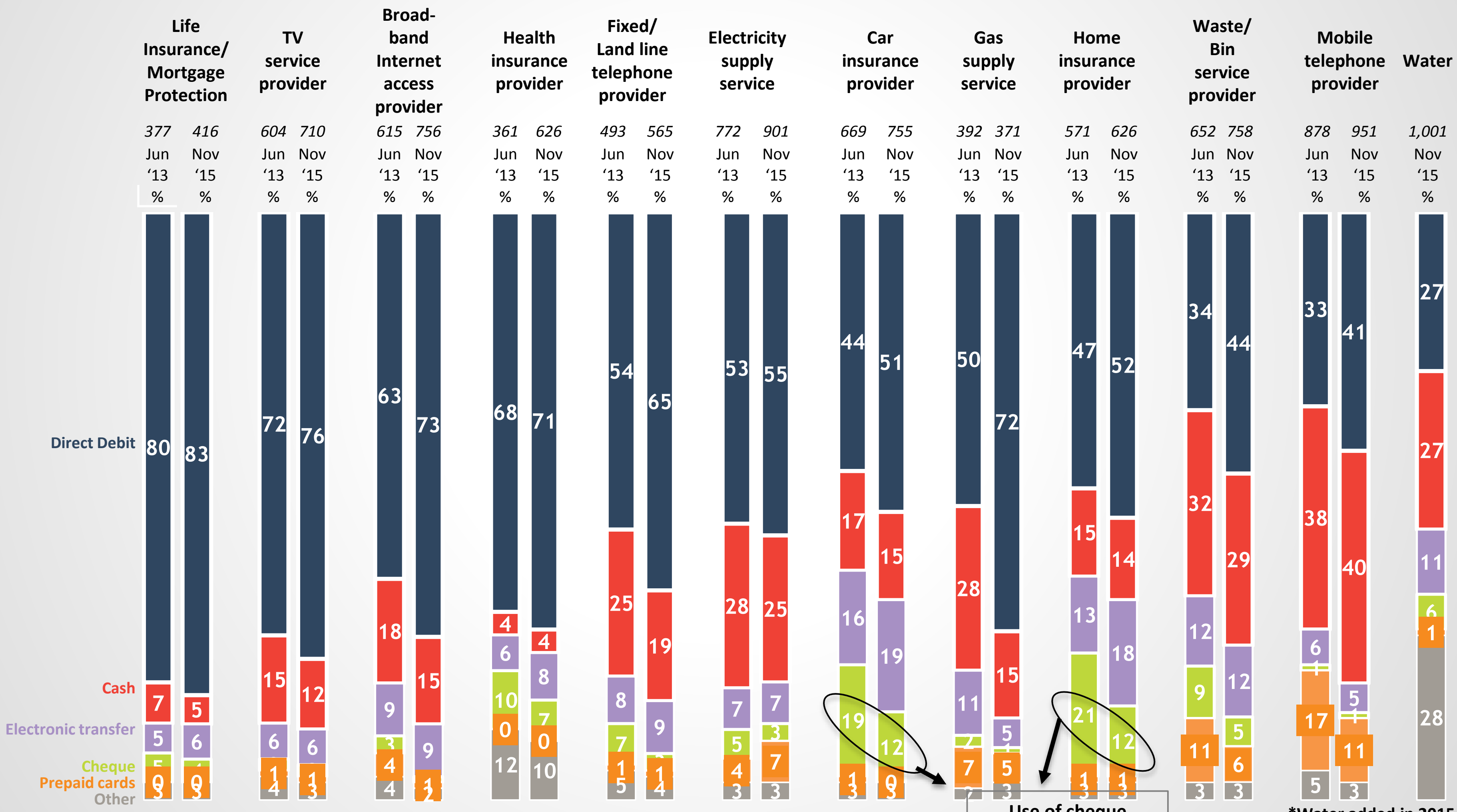
Base: All who hold but did not switch services



Q. 9 What would you consider a key motivating factor to get you to switch …?

Direct debit continues to be the most common form of payment for bills

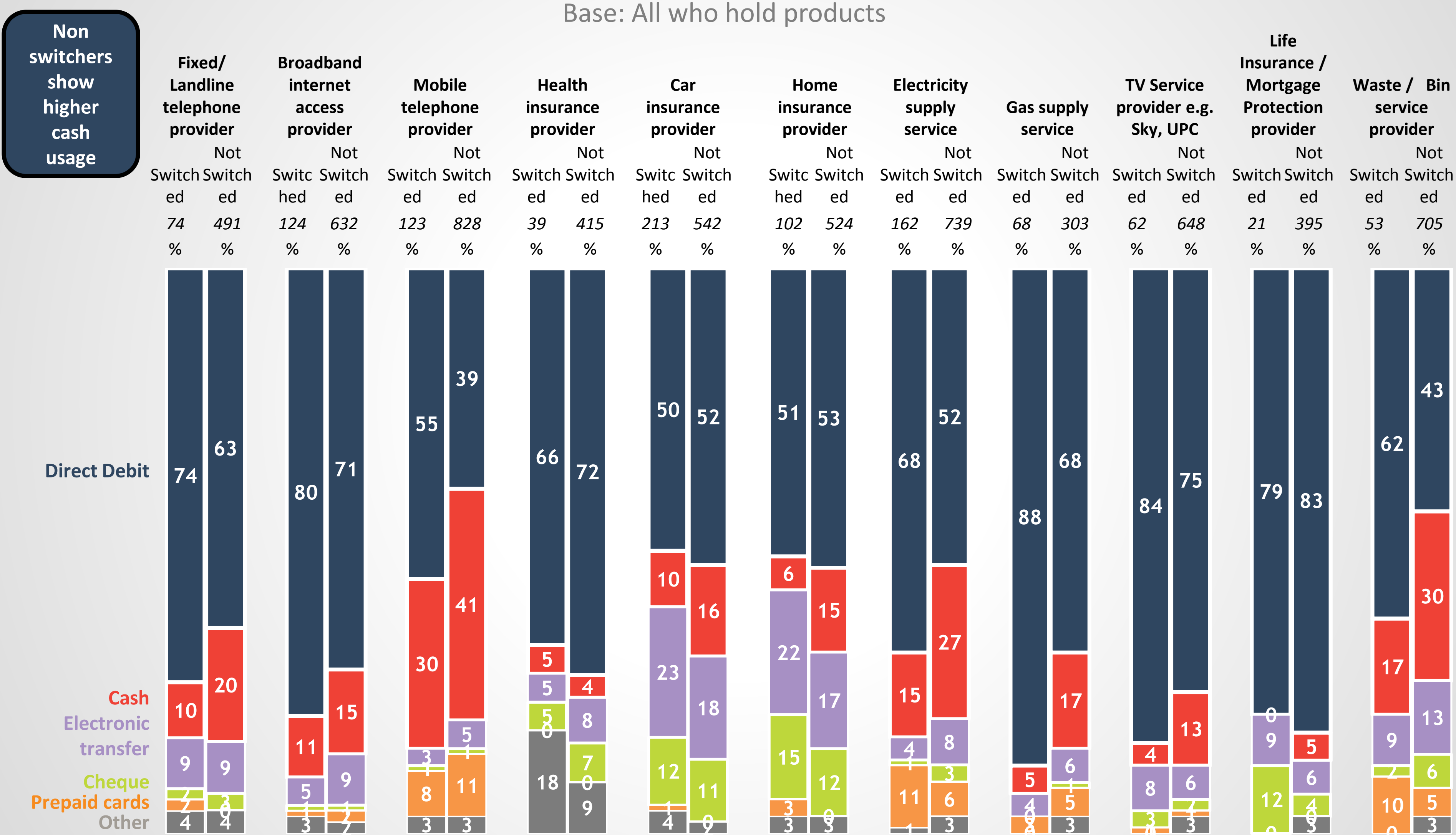
Base: All who hold products



Q. 10 How do you normally pay your bill?

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

Base: All who hold products



Q. 10 How do you normally pay your bill?

Incidence of checking for better deals/packages - I

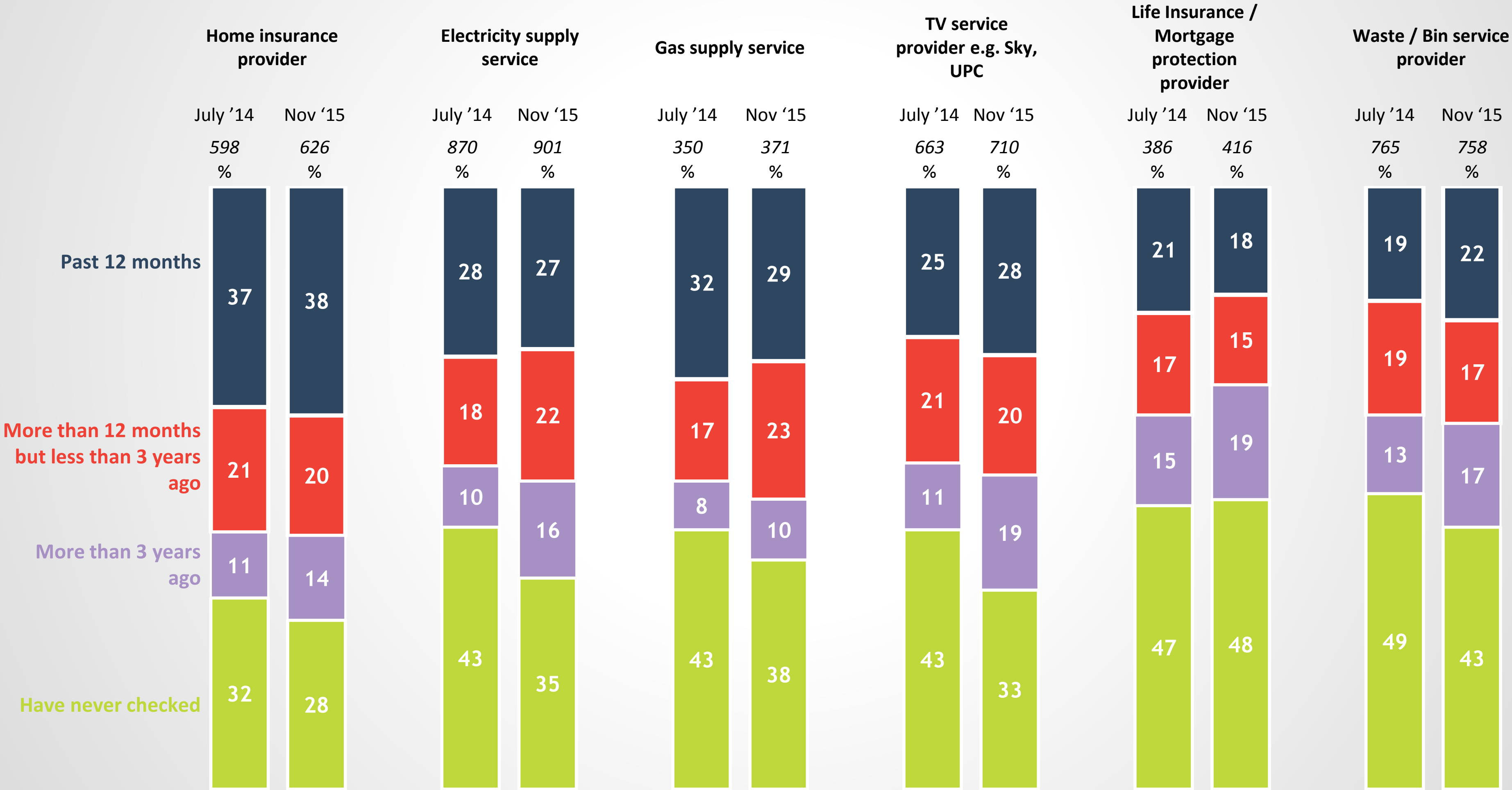
Base: All who hold products

Highest incidence of price checking is evident in the car insurance market

Q. 8 When was the last time you checked to see if there was a better … deal /package available?

Incidence of checking for better deals/packages - 2

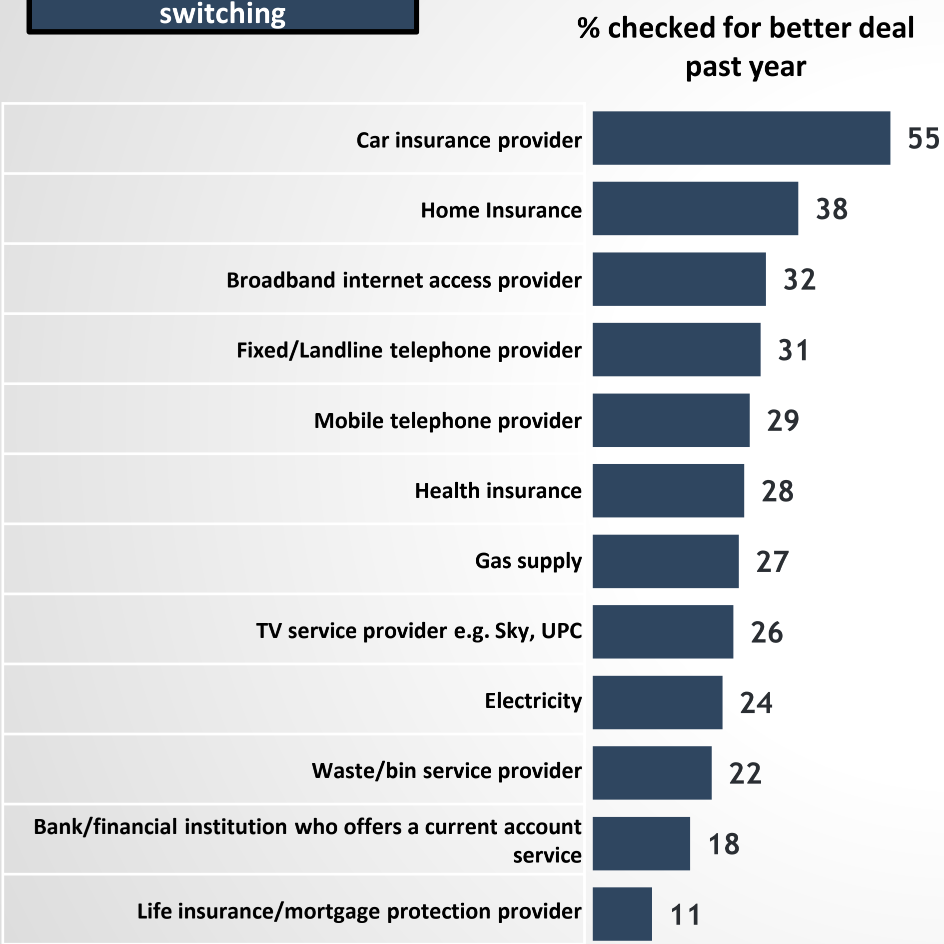
Base: All who hold products

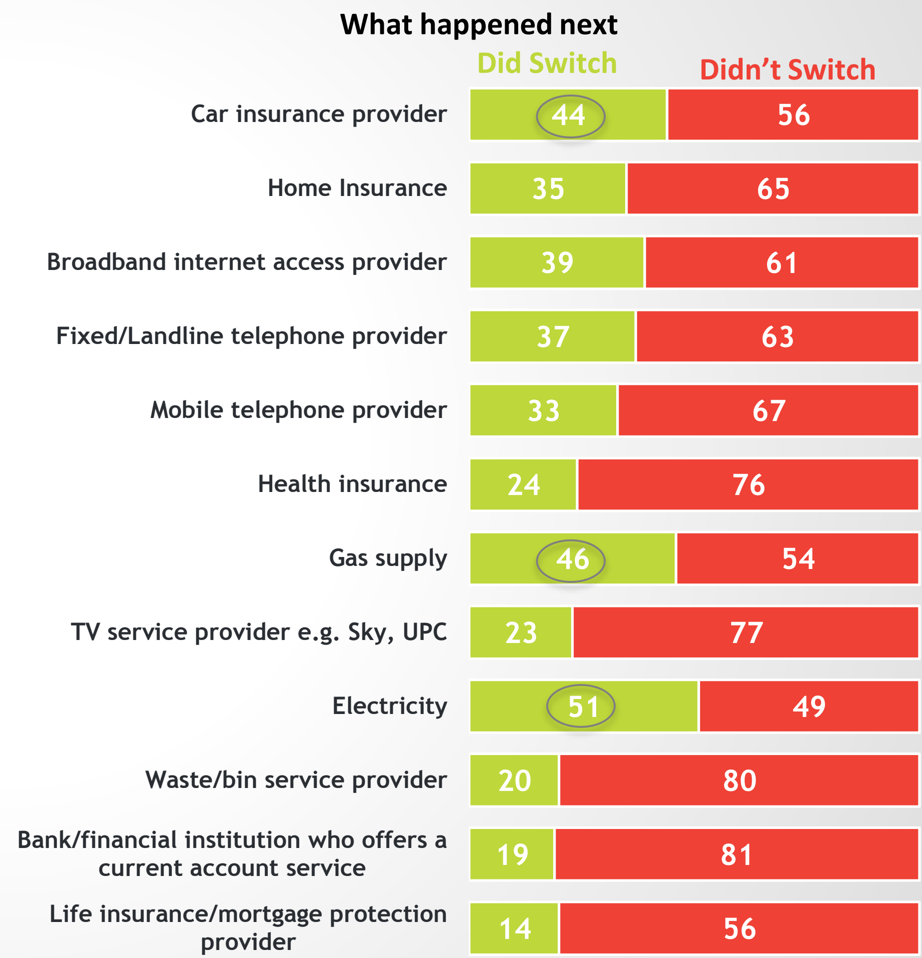


Q. 8 When was the last time you checked to see if there was a better … deal /package available?

Checking options in electricity, gas and car insurance are the most likely to result in switching

Action as a result of checking your options





Q. 8 When was the last time you checked to see if there was a better … deal /package available?

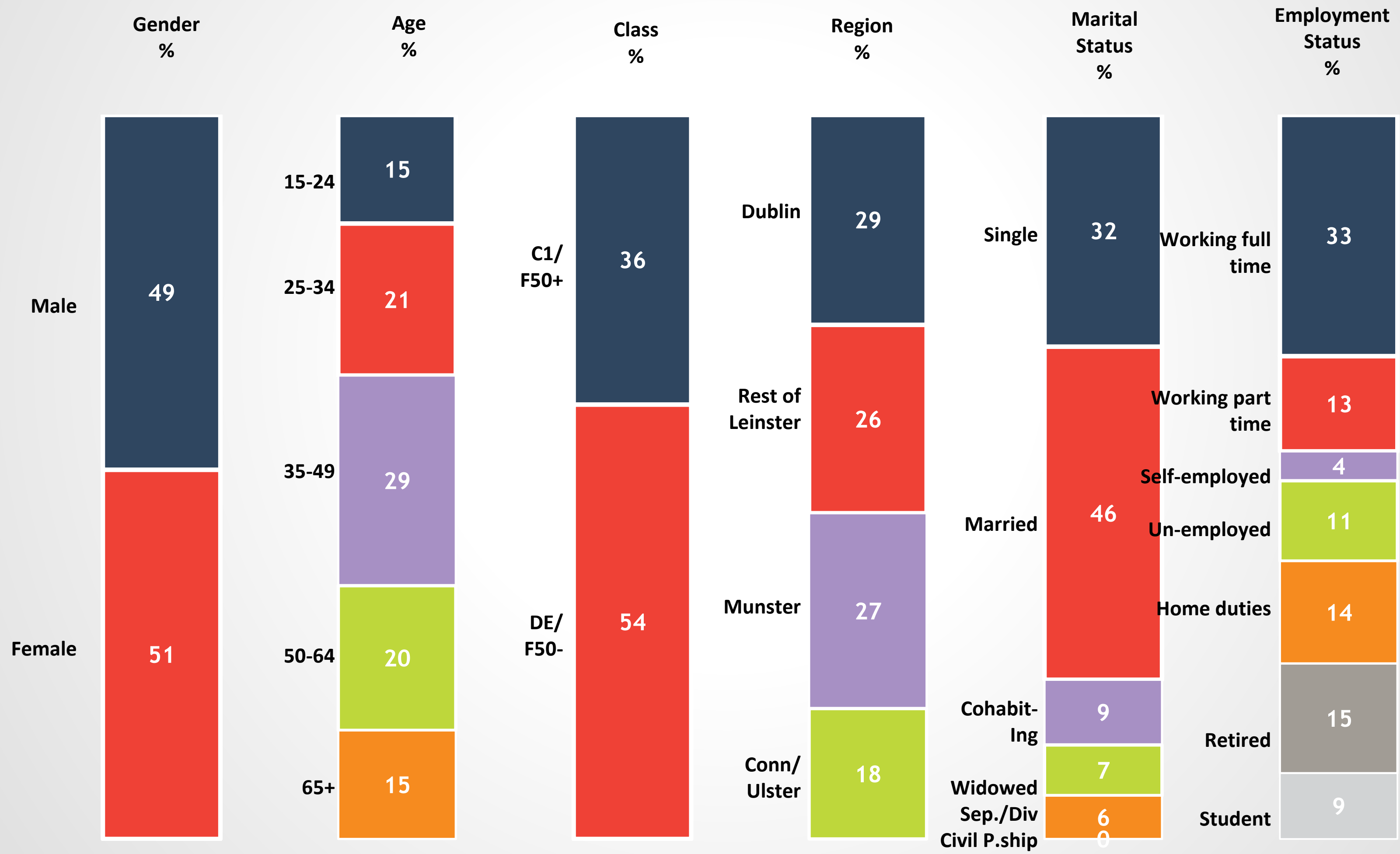
Research Methodology and Sample Profile

Research Methodology

- The research was undertaken through a face-to-face, in-home survey of 1,001 adults aged 16+.
- Census-derived quota controls were based on gender, age, social class (industry estimates), region and area (i.e. degree of urbanisation.) to ensure that the sample is reflective of the Irish population.
- When all assignments are cumulated the sample structure mirrors the latest census of population. Data can be deemed to have an accuracy of +/- 3 percentage points.
- All research was conducted from 6th – 20th November 2015.

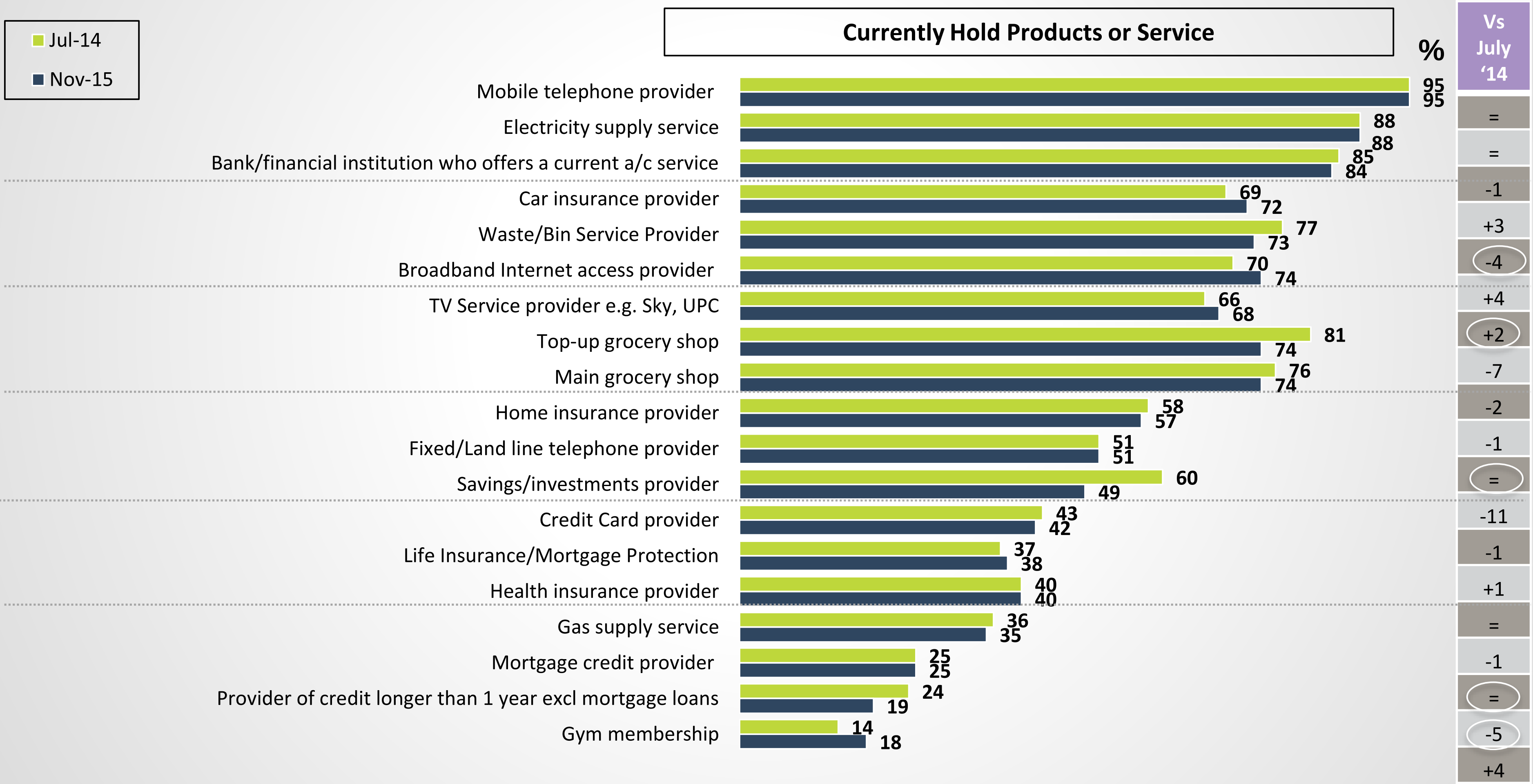
Profile of Sample

Base: All Adults 16+



Incidence of holding products/services

Base: All Adults 16+



Q. 2 Do you currently hold any of the following products/services?

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Thank You