National Consumer Agency

Market Research Findings:
Consumer Behaviour-
Switching, Making Complaints & Shopping

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February 2013

Research Conducted by

amárach
research

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Key Findings

Key Findings - I

Switching

- When describing their behaviour:
  - Over **2 in 5 (44%)** consumers state that they **tend to stick with the same** product and service **providers**.
  - **23%** of consumers state that they change providers **often** to avail of better deals/service.
- In most sectors surveyed **over 50% of consumers have not checked** in the past three years to see if there is a better package/deal available to them.
- However circa **1 in 4 consumers who did check** for better deals **switched** landline, broadband, mobile phone and electricity provider after checking.
- Across 19 key markets, overall, **37%** of consumers have **switched at least one** product or service provider in the past year. The majority of consumers who switched did so due to a discount being offered by a new provider.

Key Findings - II

Complaints

- **33%** of consumers (up 10% points) have had a reason to complain or return an item over the past 12 months.
- **3 in 4 (76%) of those who had a reason to complain/return an item actually did so,** this is a decrease of 6% points from June 2012.
- **65%** of those who complained **found the process easy**, an increase from the June 2012 figure of 58%, but **over the longer term, the trend is declining.**

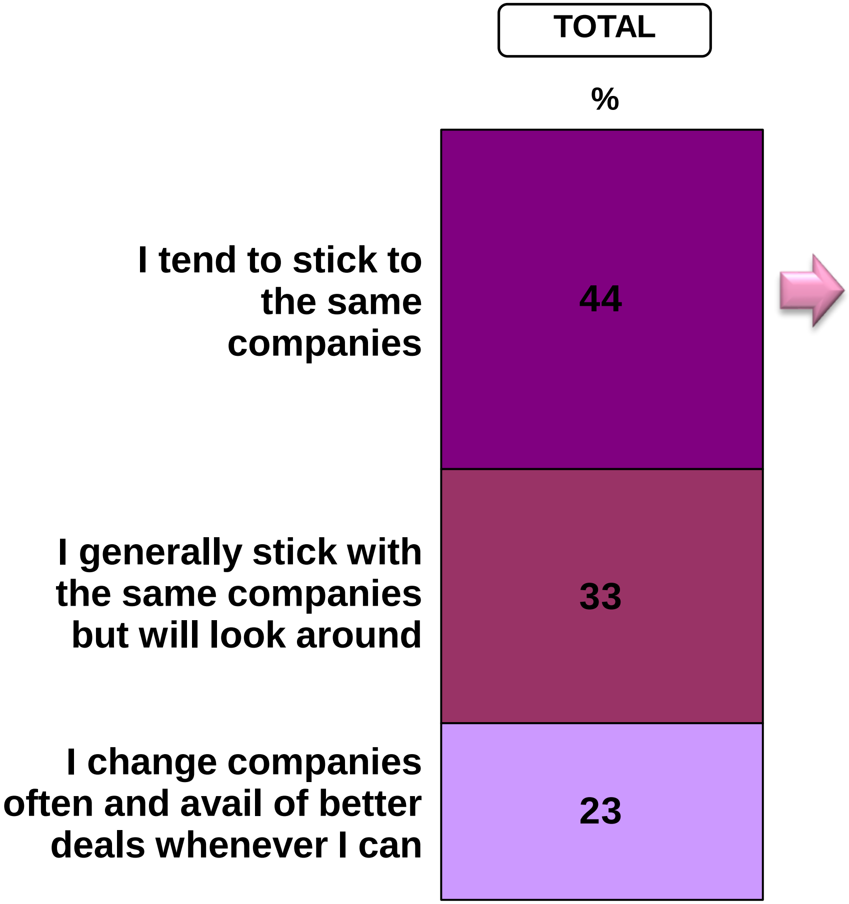
Shopping and Pricing

- **2 in 5 (41%)** consumers state that they **always compare/shop around** for better prices, up from 1 in 4 in 2009.
- Circa 4 in 5 consumers are now more prepared to negotiate, delay or deliberate before purchasing. While **2 in 3 (65%) buy more items on sale or discount** now than a few years ago.

Section 2: Consumer Switching Behaviour

Statement that Most Closely Describes Consumer Behaviour

(Base: All 15-74 – 1006)



Inertia Highest Amongst …….

- ➔ 55+ - 59%
- ➔ Not confident of consumer rights - 54%
- ➔ Not knowledgeable about consumer rights - 56%
- ➔ Those who do not feel protected in relation to consumer rights - 55%

Over 2 in 5 (44%) consumers state that they tend to stick with the same product and service providers, more likely to be older and less confident, knowledgeable or feel less protected in relation to their consumer rights.

Extent of Switching Providers within the Past 12 Months

(Base: All holders/purchasers of products/services)

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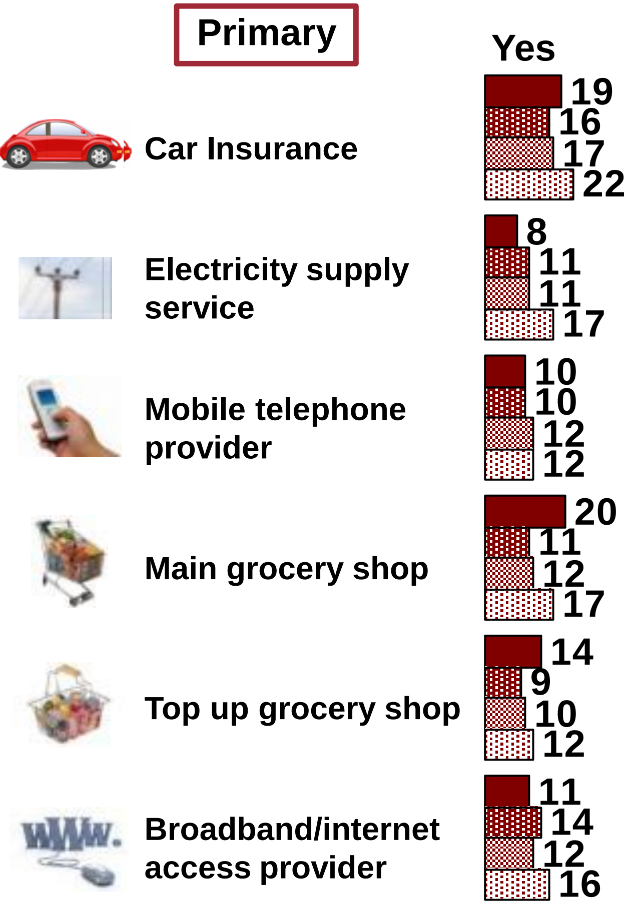
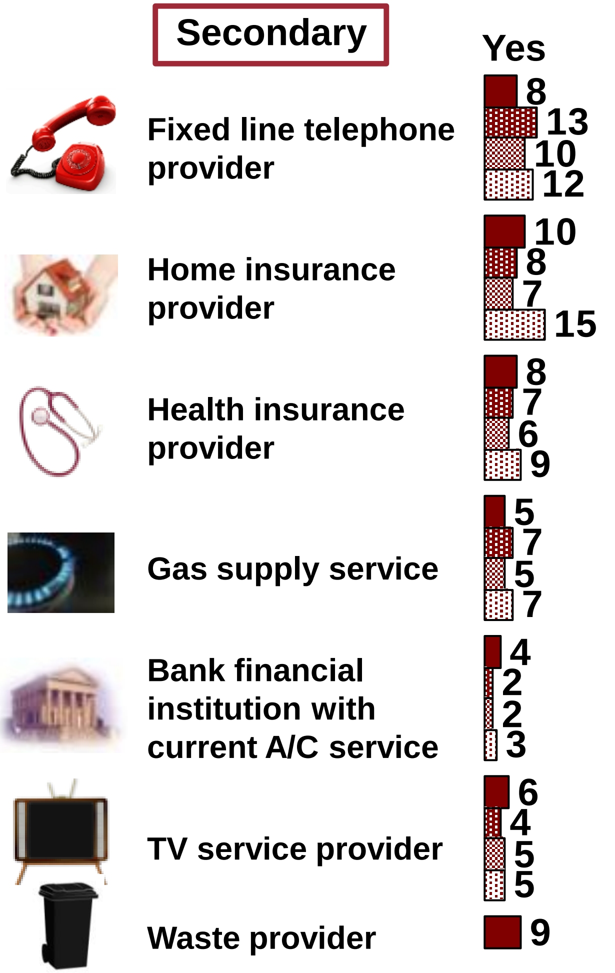
W10 Nov '12 ■
W9 Jun 2012 ▩
W8 Nov 2011 ▨
W7 M/J 2011 ▨



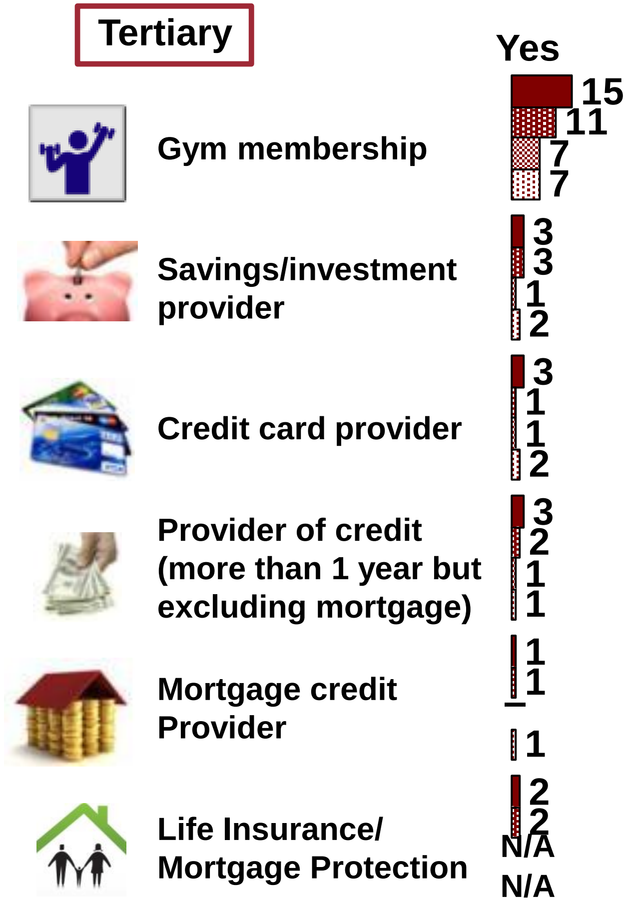
Primary

Yes	W10 Nov '12	W9 Jun 2012	W8 Nov 2011	W7 M/J 2011
Car Insurance	19	16	17	22
Electricity supply service	8	11	11	17
Mobile telephone provider	10	10	12	12
Main grocery shop	20	11	12	17
Top up grocery shop	14	9	10	12
Broadband/internet access provider	11	14	12	16



Secondary

Yes	W10 Nov '12	W9 Jun 2012	W8 Nov 2011	W7 M/J 2011
Fixed line telephone provider	8	13	10	12
Home insurance provider	10	8	7	15
Health insurance provider	8	7	6	9
Gas supply service	5	7	5	7
Bank financial institution with current A/C service	4	2	2	3
TV service provider	6	4	5	5
Waste provider	9			

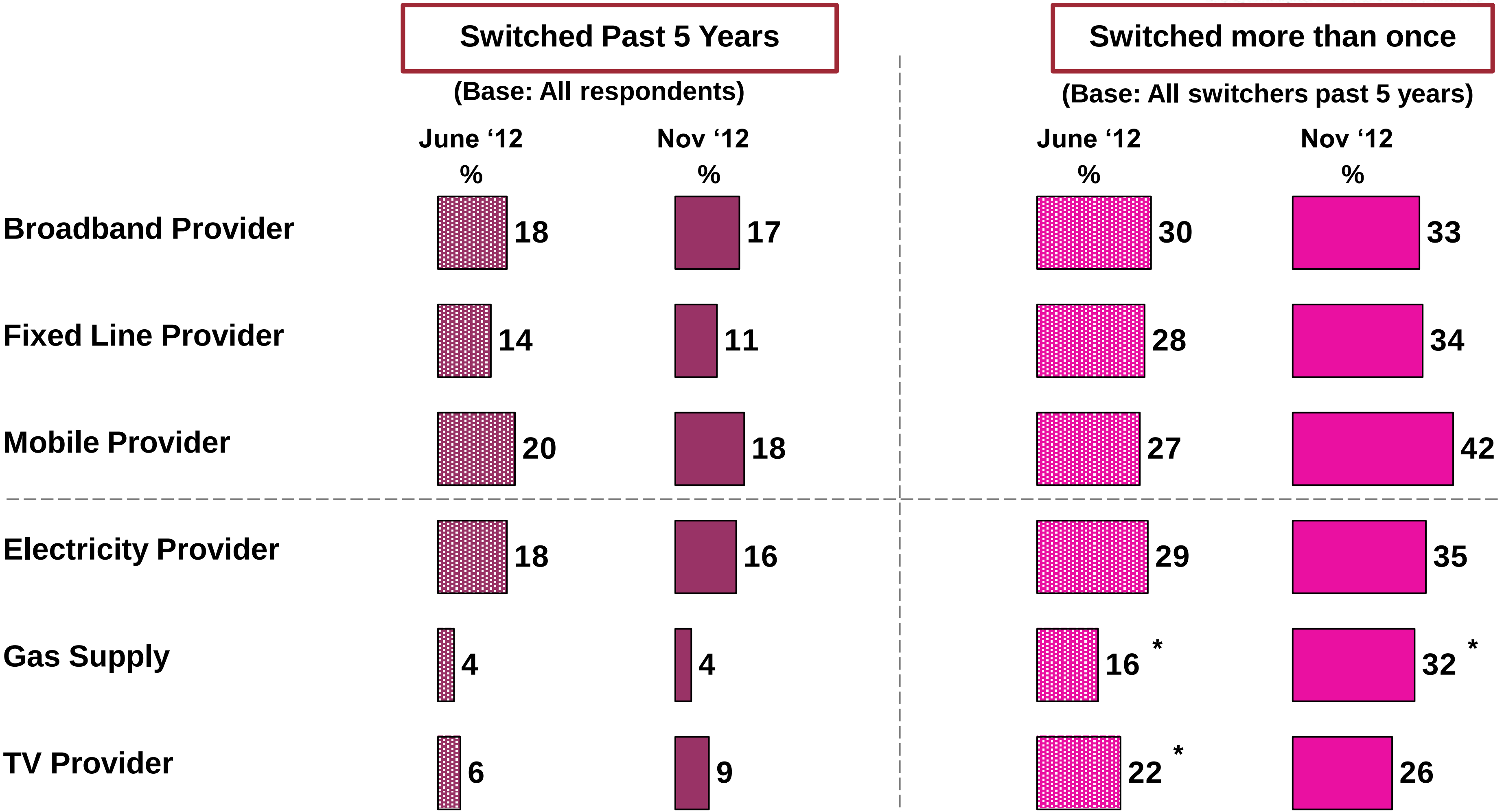


Tertiary

Yes	W10 Nov '12	W9 Jun 2012	W8 Nov 2011	W7 M/J 2011
Gym membership	15	11	7	7
Savings/investment provider	3	3	1	2
Credit card provider	3	1	1	2
Provider of credit (more than 1 year but excluding mortgage)	3	2	1	1
Mortgage credit Provider	1	1	–	1
Life Insurance/ Mortgage Protection	2	2	N/A	N/A

Incidence of switching is highest in relation to car insurance, grocery shopping and gym membership. Overall the proportion who have switched at least one product/service provider is 37%.

Switching Behaviour Past 5 Years



* *Caution small base*

The level of switching in past 5 years in these sectors has shown a slight decline with the exception of TV Provider. There has been an increase in the level of multiple switching.

Reasons for Switching

(Base: All that have switched provider within the past 12 months)

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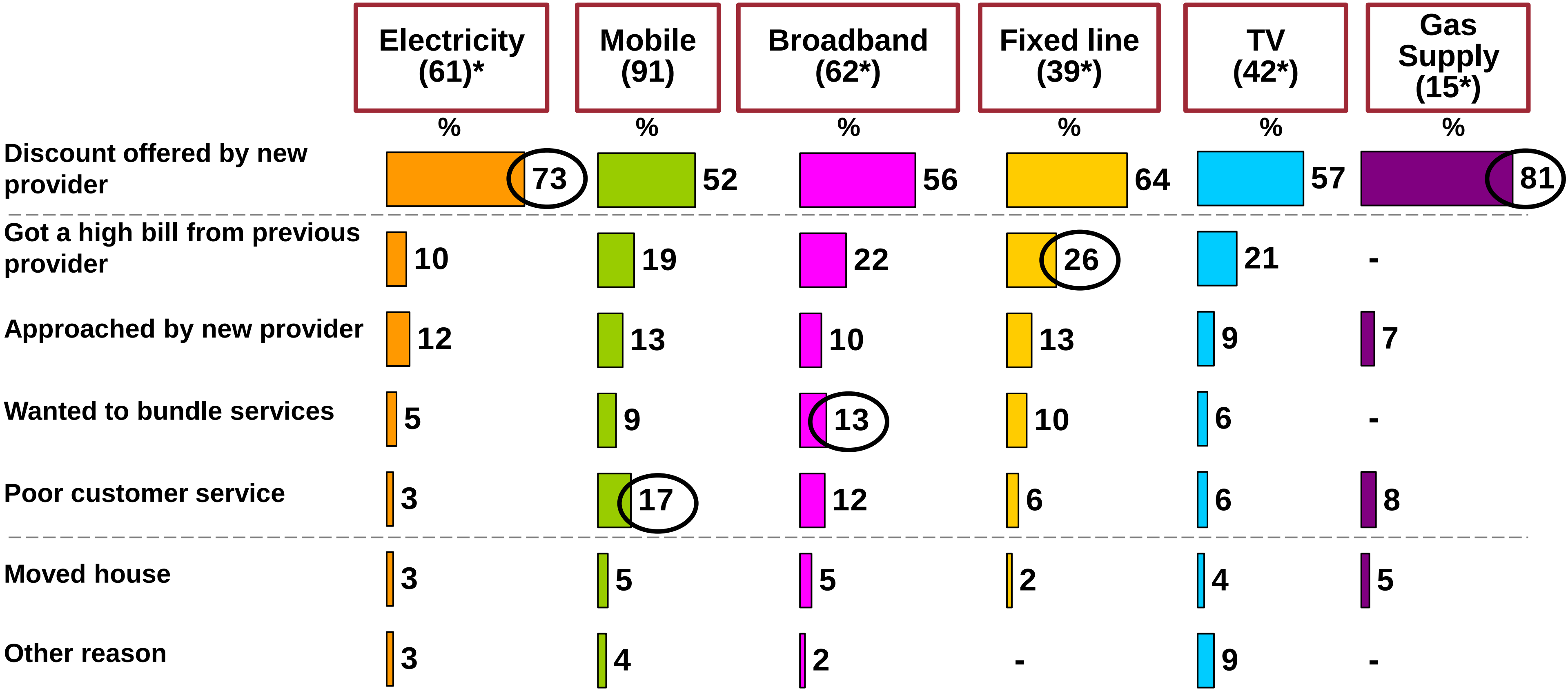

	Electricity (61)*	Mobile (91)	Broadband (62*)	Fixed line (39*)	TV (42*)	Gas Supply (15*)
	%	%	%	%	%	%
Discount offered by new provider	73	52	56	64	57	81
Got a high bill from previous provider	10	19	22	26	21	-
Approached by new provider	12	13	10	13	9	7
Wanted to bundle services	5	9	13	10	6	-
Poor customer service	3	17	12	6	6	8
Moved house	3	5	5	2	4	5
Other reason	3	4	2	-	9	-

Those who have switched in the past 12 months have primarily done so when prompted by a new provider. Bundling is a factor when switching Broadband. Poor customer service was also a reason given for those switching mobile phone provider in the past year.

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* *Caution small base size*

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Last Occurrence of Checking Better Deals/Packages Available

(Base: All holders of relevant services)

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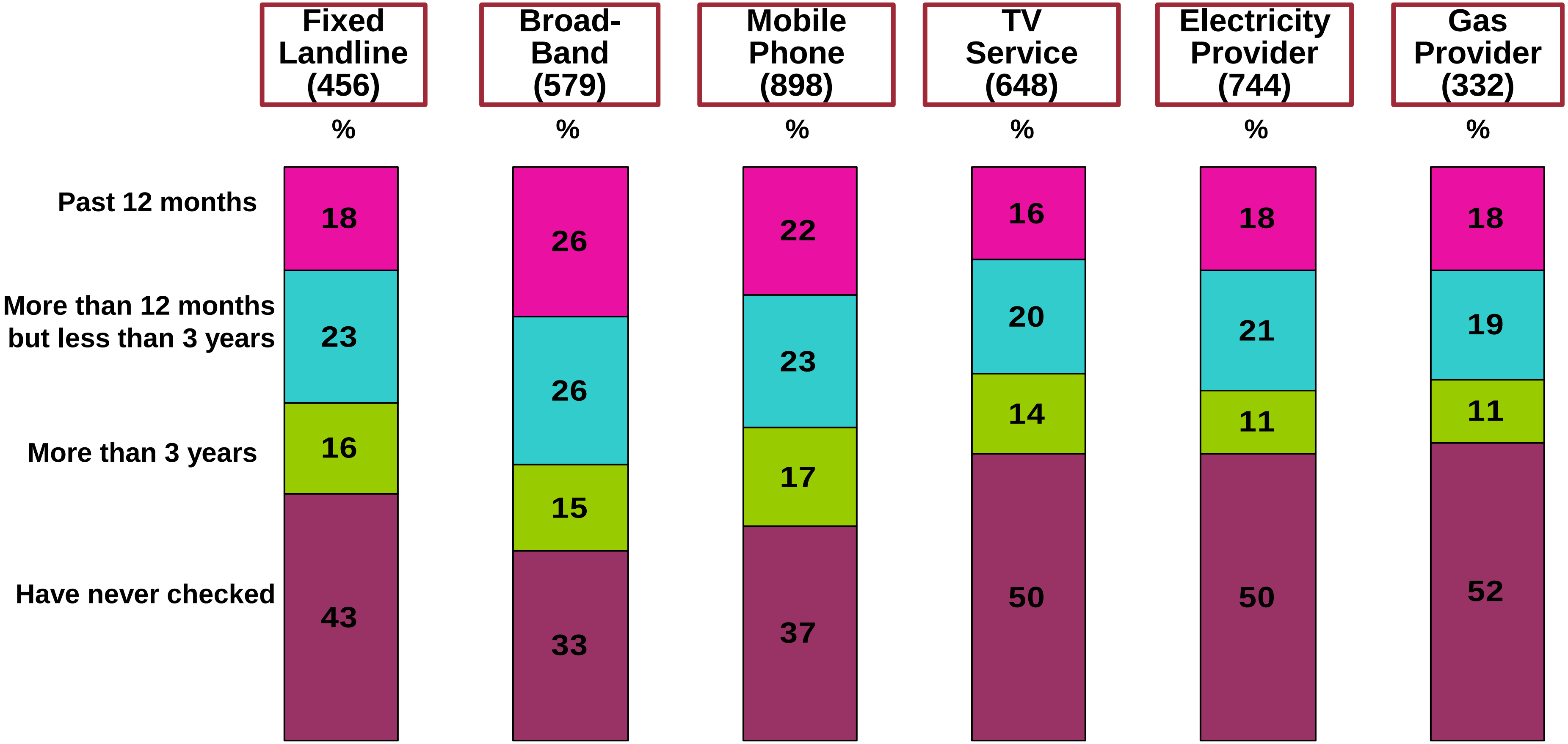

Broadband and mobile phone service holders are areas with the greatest levels of shopping around. Inertia is highest for TV, electricity and gas services.

Action Undertaken after Checking Deals/Packages

(Base: All who have checked for a better deal)

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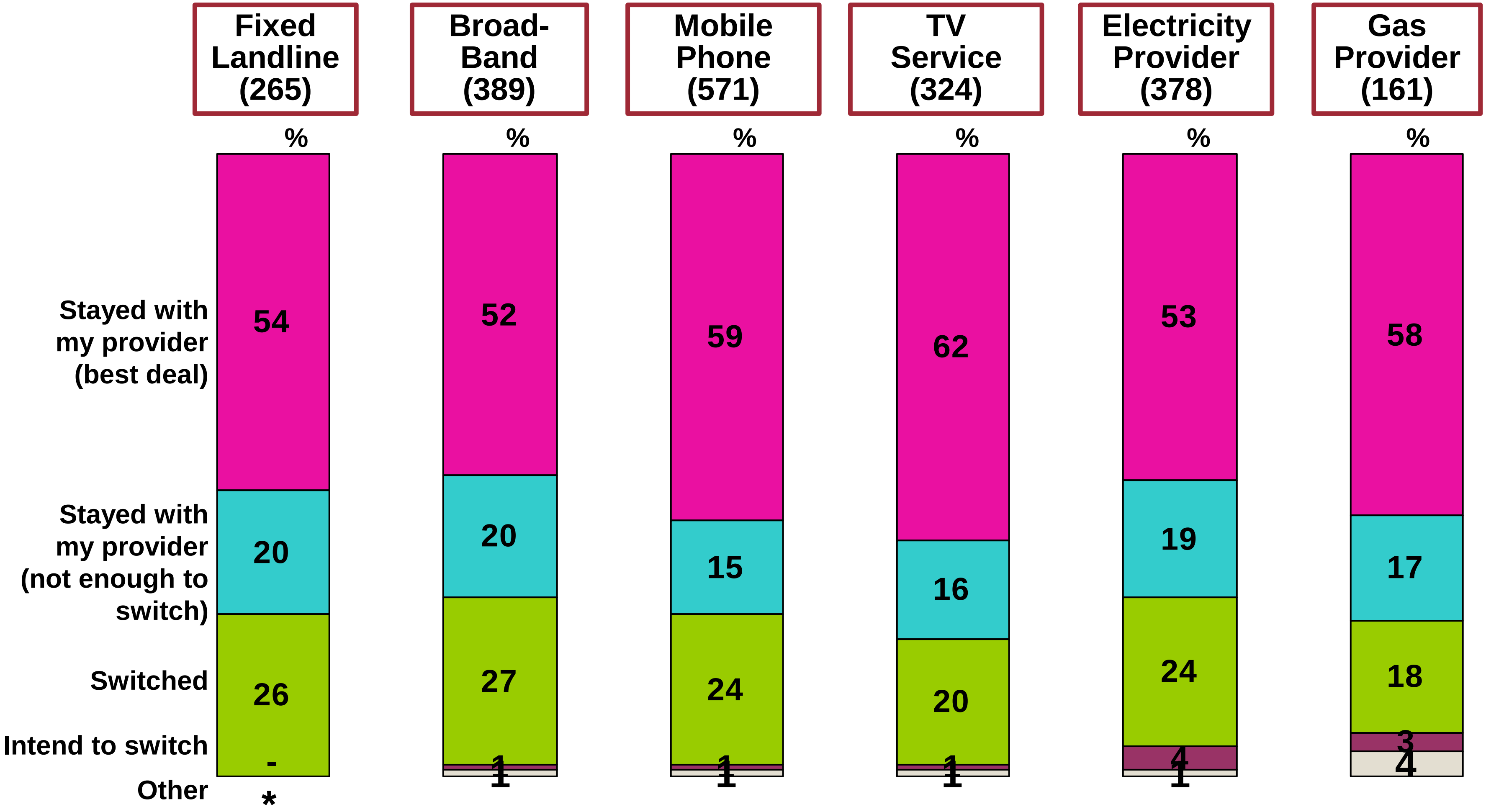

Circa 1 in 4 switched to a new provider after checking, with the majority of customers staying with their existing provider.

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Section 2: Making Complaints

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Have you Experienced a Reason to Complain/Make a Return Over Last 12 Months?

(Base: All aged 15-74)

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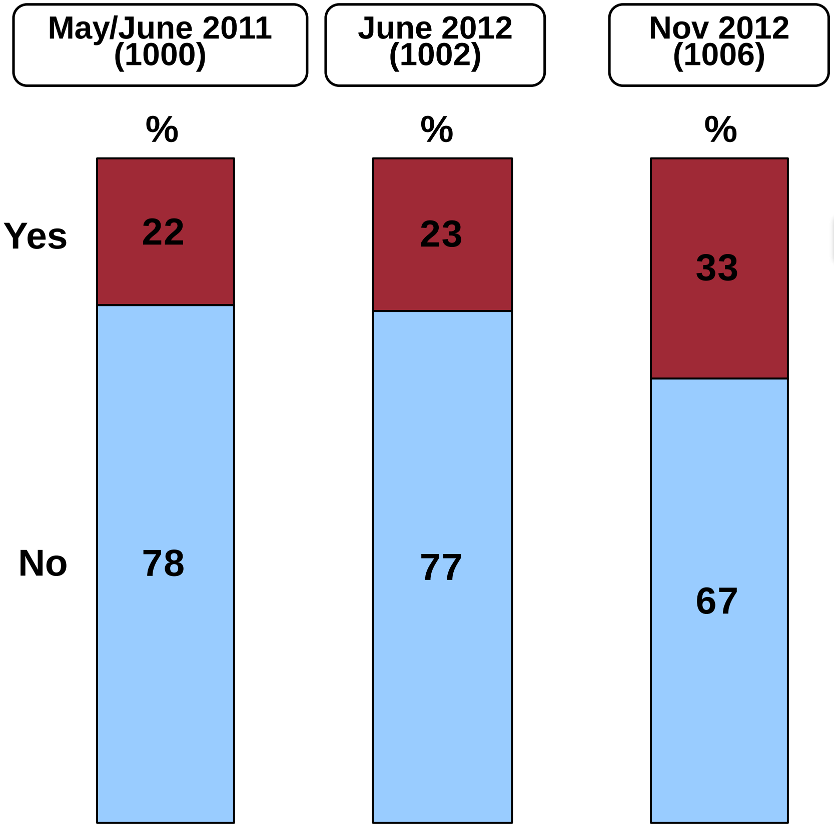


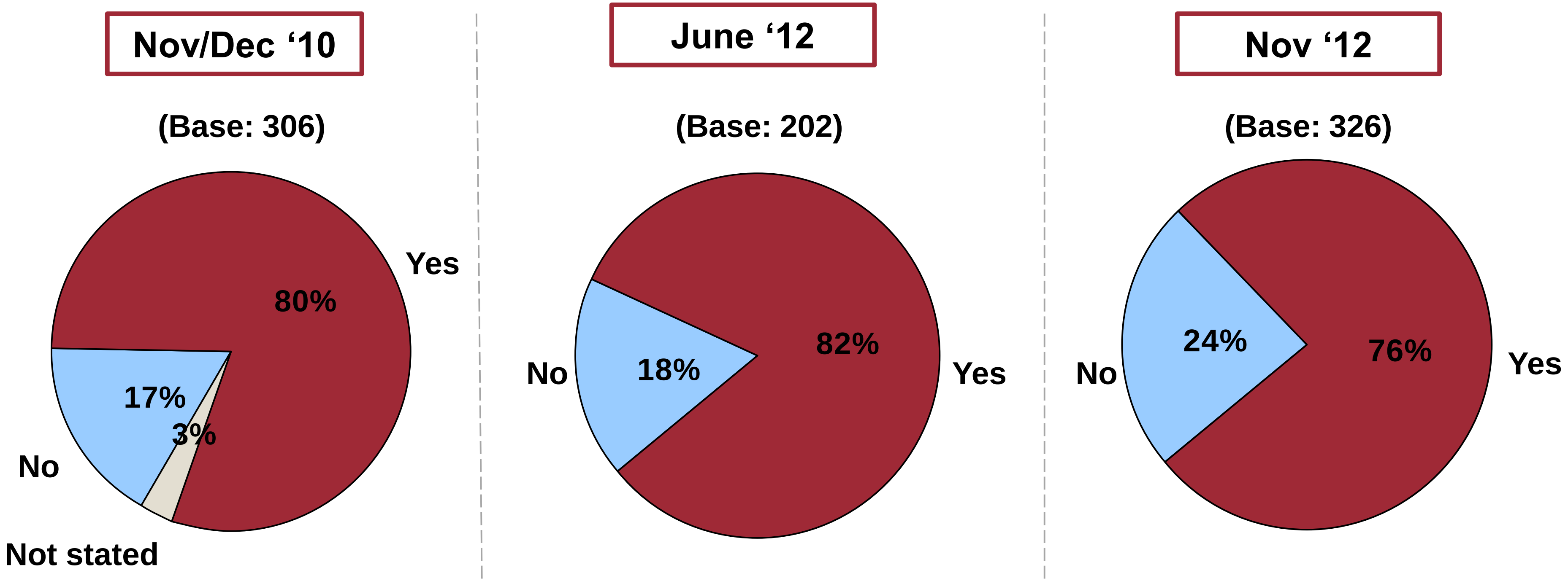
'Yes' Response highest amongst:

- ✓ 35-44 - 43%
- ✓ ABC1F50+ - 37%
- ✓ Dublin - 41%
- ✓ Confident of consumer rights - 39%
- ✓ Knowledgeable of consumer rights - 39%
- ✓ Protected in relation to consumer rights - 38%

There has been an increase in having cause to complain or return an item since June 2012 – up ten percentage points and now standing at 1 in 3 (33%).

Whether Complaint/Return Made When had Reason to Do So

(Base: All who had cause & complained/returned an item in past 12 months)



However despite consumer's having more reasons to complain, there has been a decline (↓6%) in the proportion who said they did actually complain on the last occasion, at 76%.

Ease of the Complaints/Returns Process

(Base: All those who made a complaint/return)

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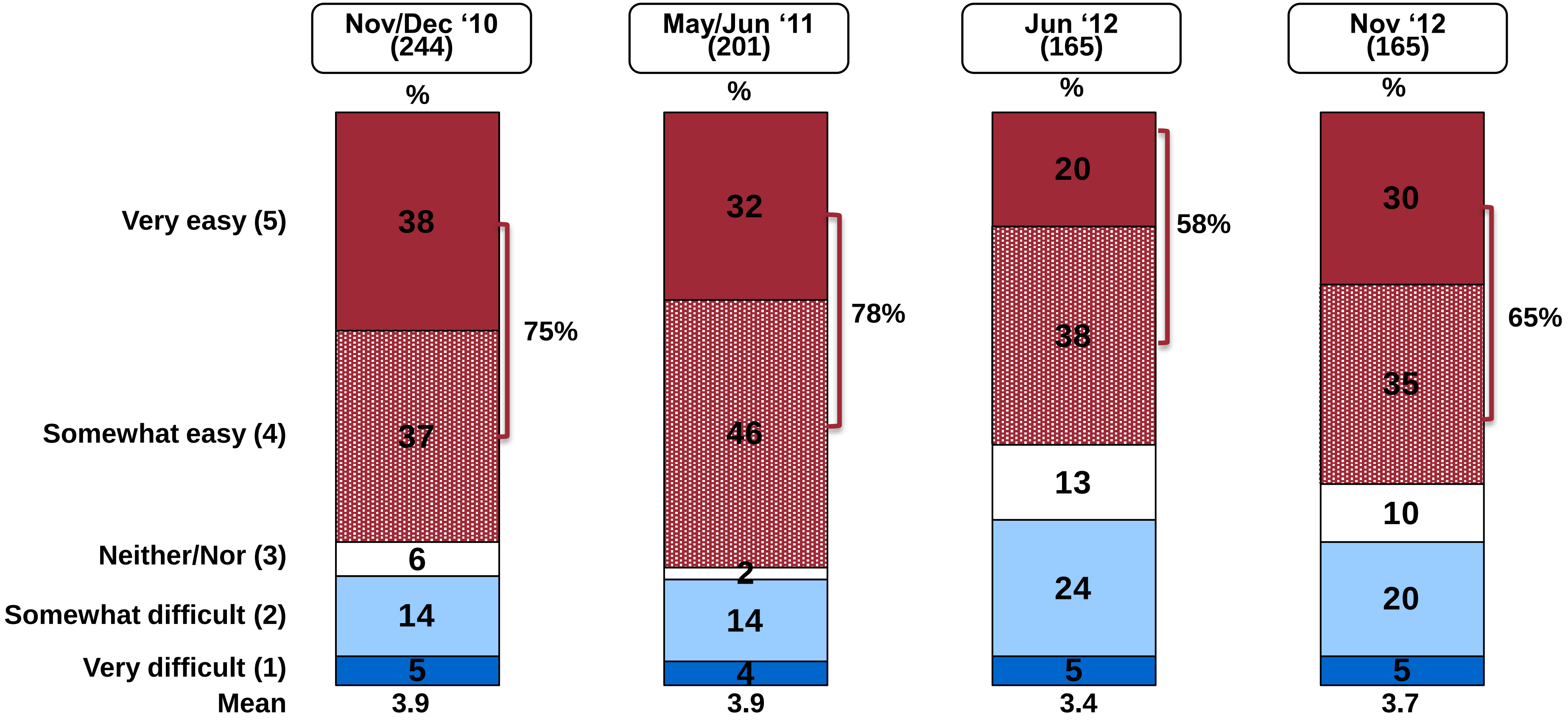

Two thirds (65%) of those who complained found the process easy – up 7% from June 2012 but showing a longer term decline since 2010.

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Likely Action if Dissatisfied with Products/Services

(Base: All aged 15-74 – 1,006)

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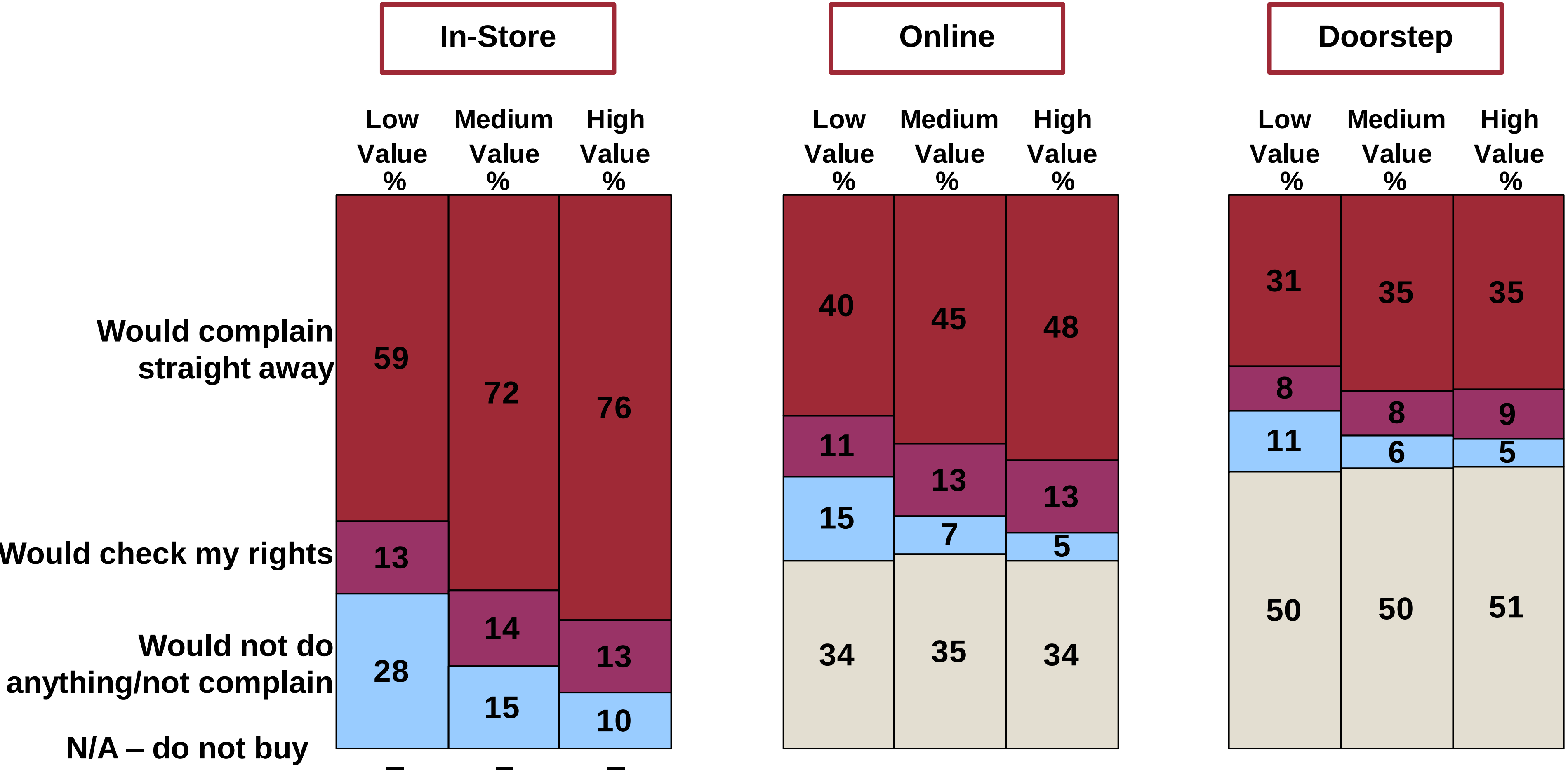

The likelihood of complaining is linked to the value of goods purchased, irrespective of the source i.e. the higher the value, the more likely consumers are to complain.

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Section 3: Consumer Shopping Behaviour

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Shopping Around

(Base: All aged 15-74 – 1,006)

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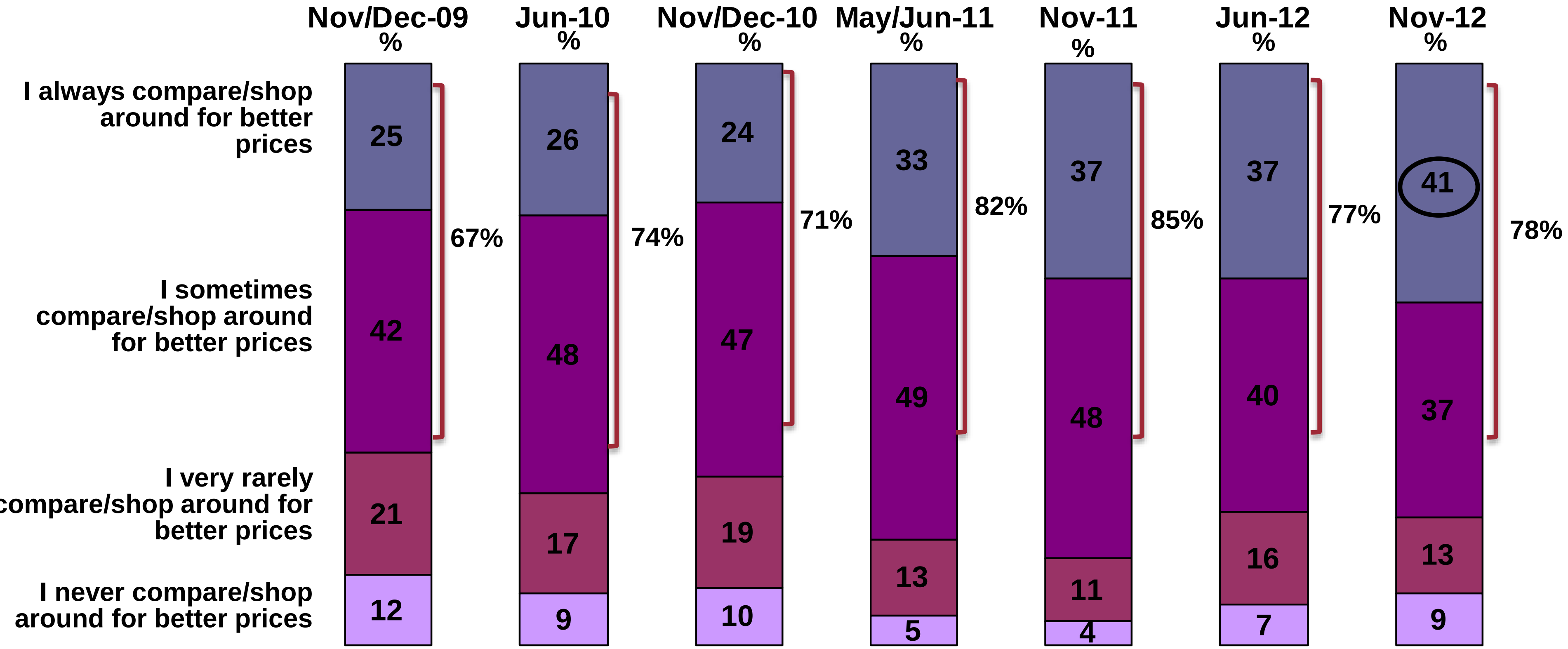
Comparison of prices



4 in 10 (41%) consumers now claim to shop around all the time, an increase of 16 percentage points from the figure reported in 2009.

Key Influencing Factors in Determining Where to Shop

(Base: All aged 15-74 – 1,006)

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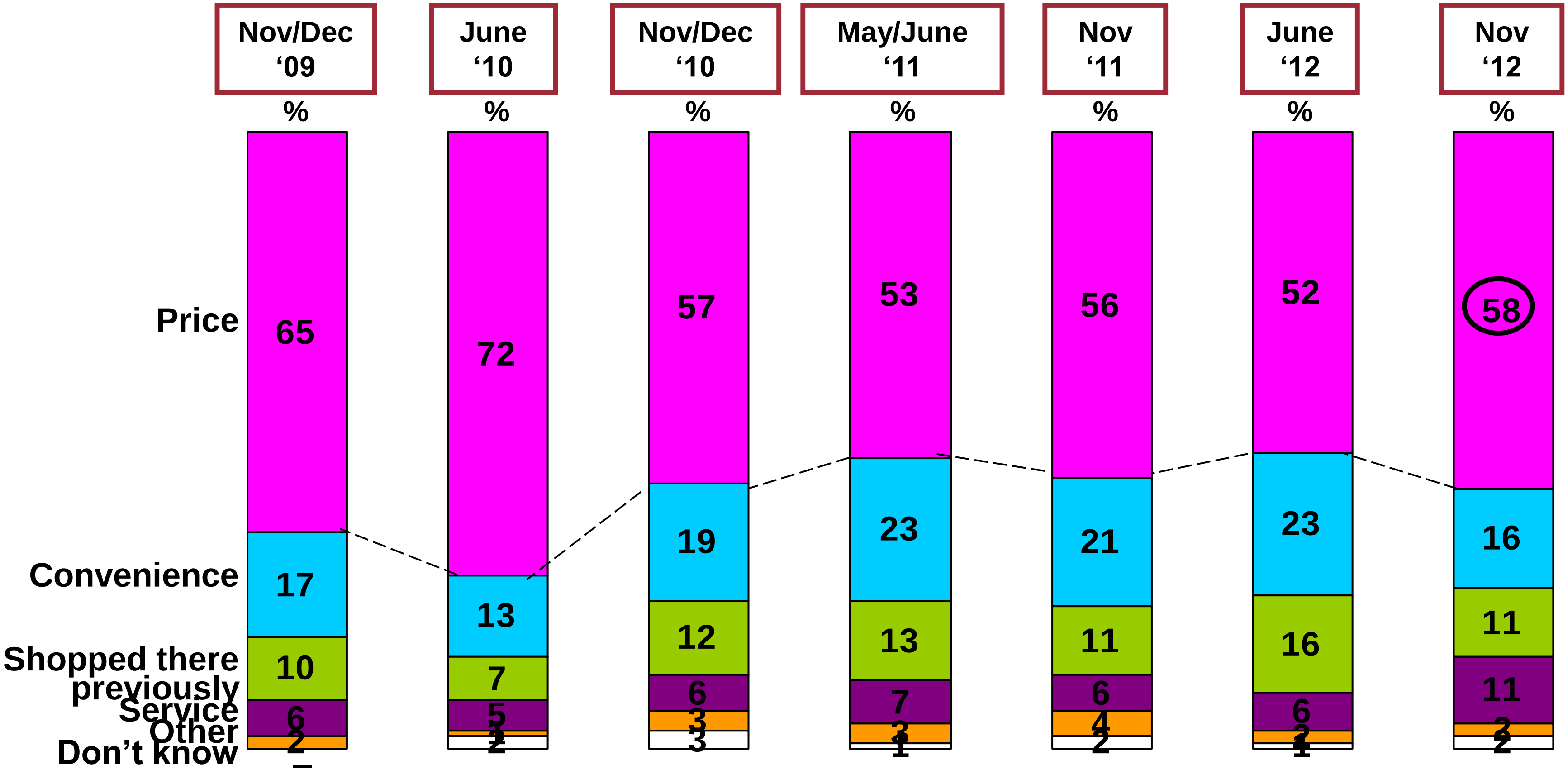
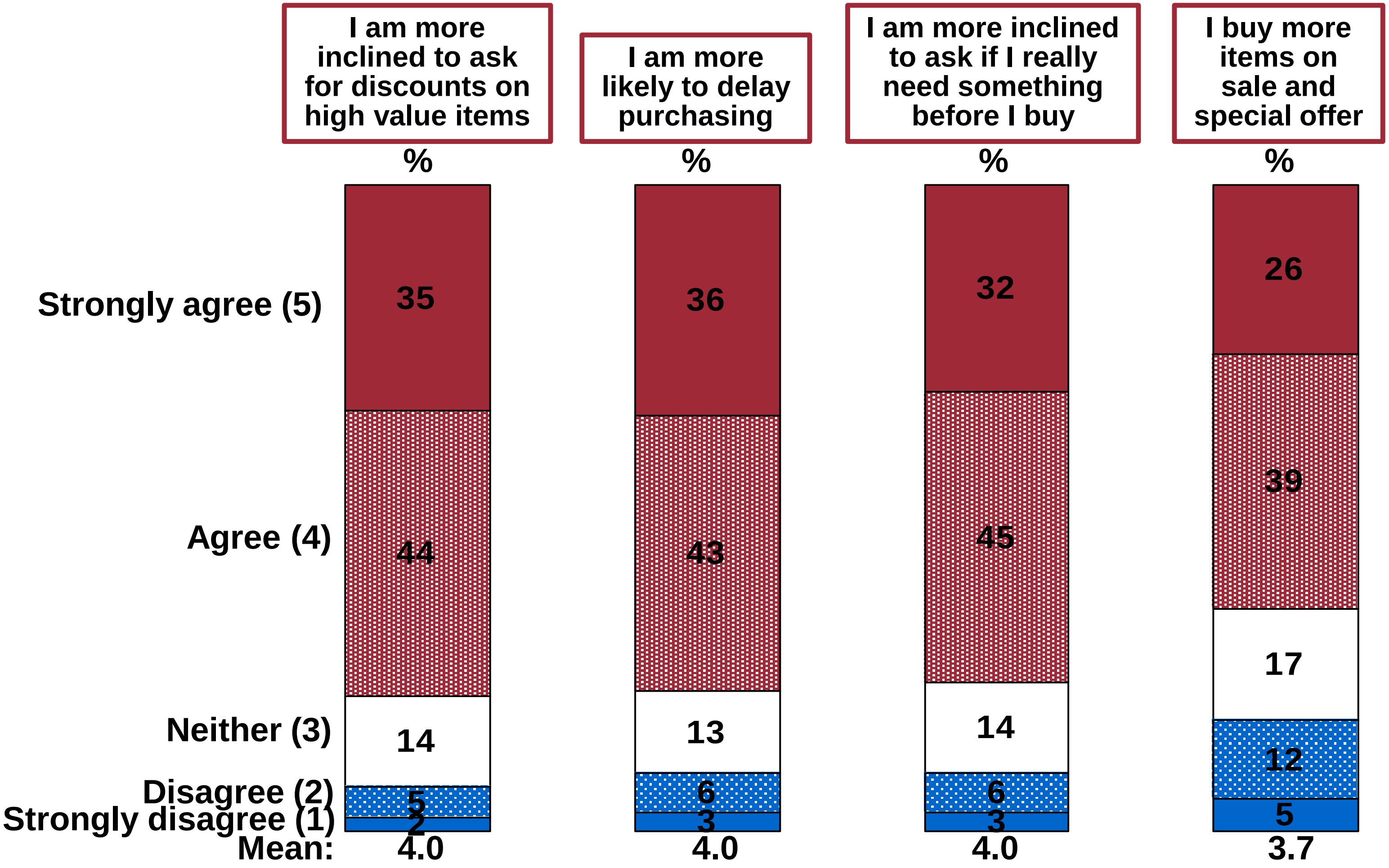
Strongest Influencing Factor



Price (58%) continues to be the primary influencer when deciding where to shop. The importance of 'Convenience' and 'Experience' has declined with 'Service' now seen to be more important than at any other time in the previous research.

Agreement with Statements on Shopping Around

(Base: All aged 15-74 – 1,006)



Circa 4 in 5 consumers are now more prepared to negotiate, delay or deliberate before purchasing, with almost two thirds (65%) buying more items on sale or discount now than they did a few years ago.

Research Background and Methodology

A. Research Background and Methodology

Nov/Dec 2007 → Aug 2008 → Nov/Dec 2008 → May/June 2009 →

Nov/Dec 2009 → June 2010 → Nov/December 2010 → May/June 2011 →

Nov 2011 → June 2012 → Nov 2012

- The research was conducted face-to-face using CAPI interviewing with 1,006 people between the ages of 15-74.
- 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 three week period in November 2012.

B. Profile of Sample – I

(Base: All aged 15-74 – 1,006)

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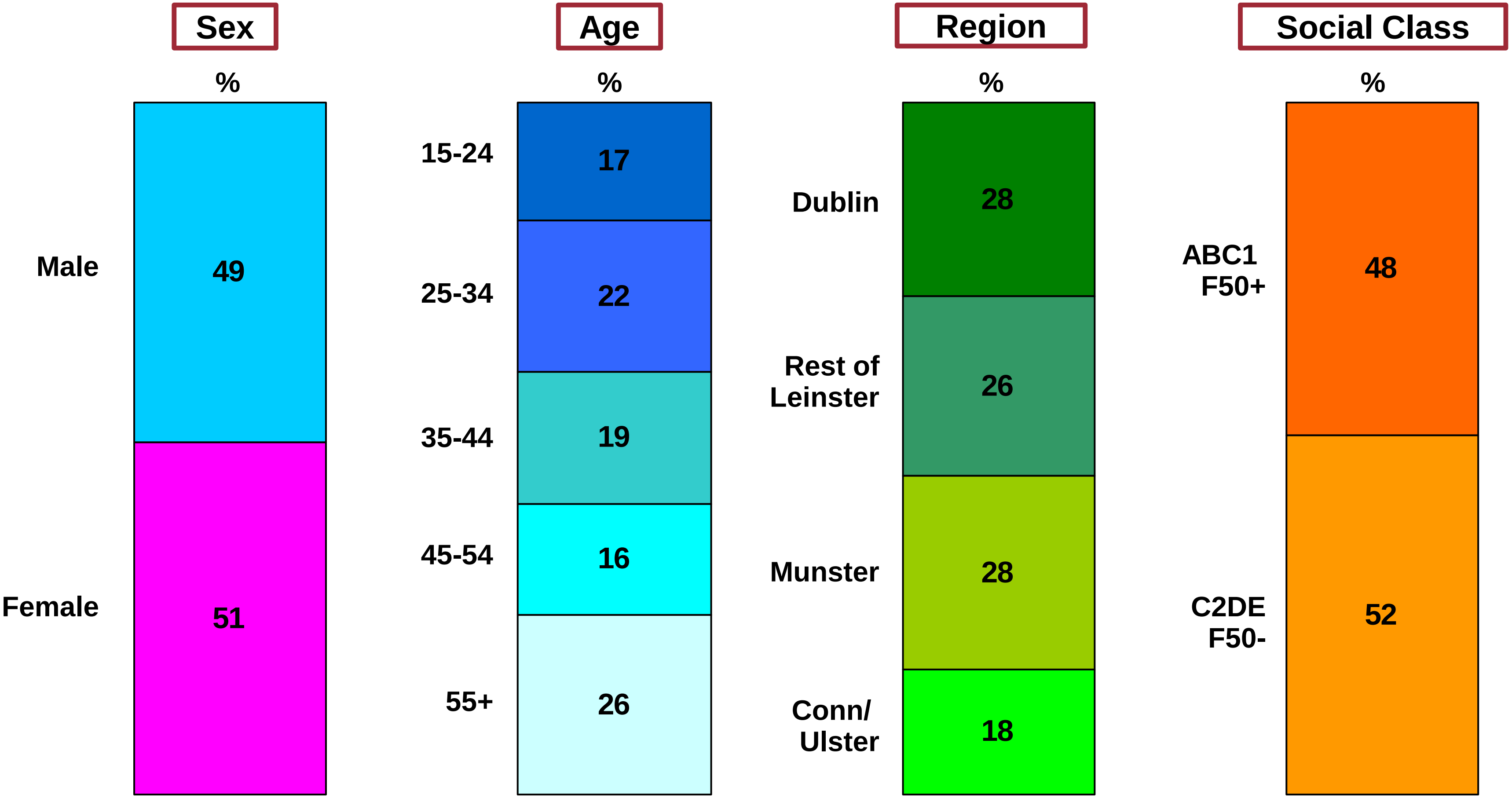

Quotas were set on age, gender, region and social class to ensure that the sample was representative of the population.

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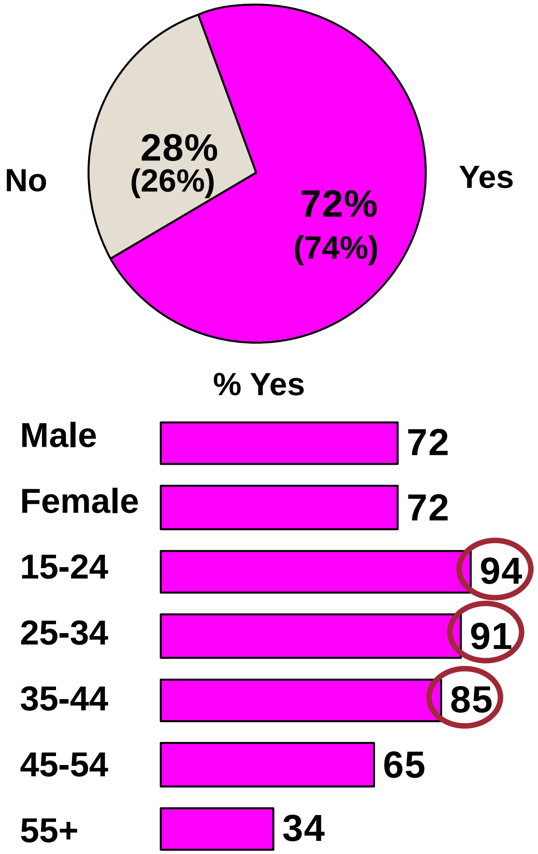
B. Profile of Sample – II – Internet Use

() = June 2012

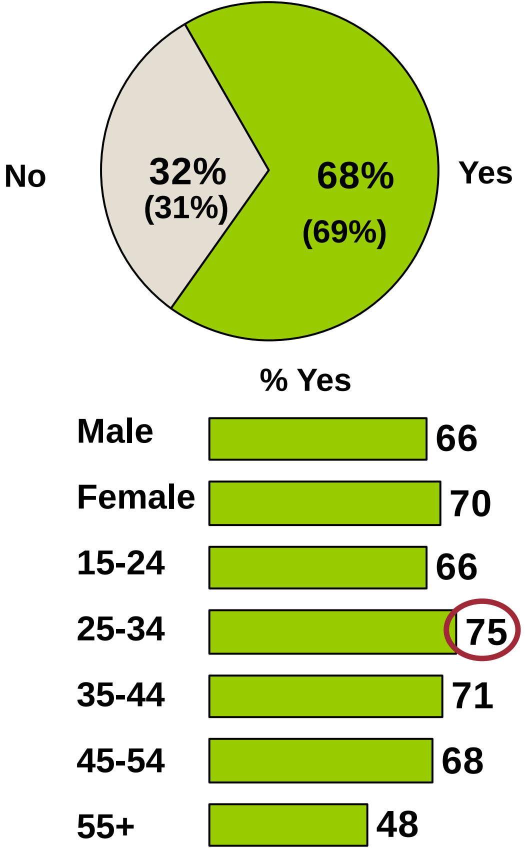
(Base: All aged 15-74 – 1,006)

USE INTERNET



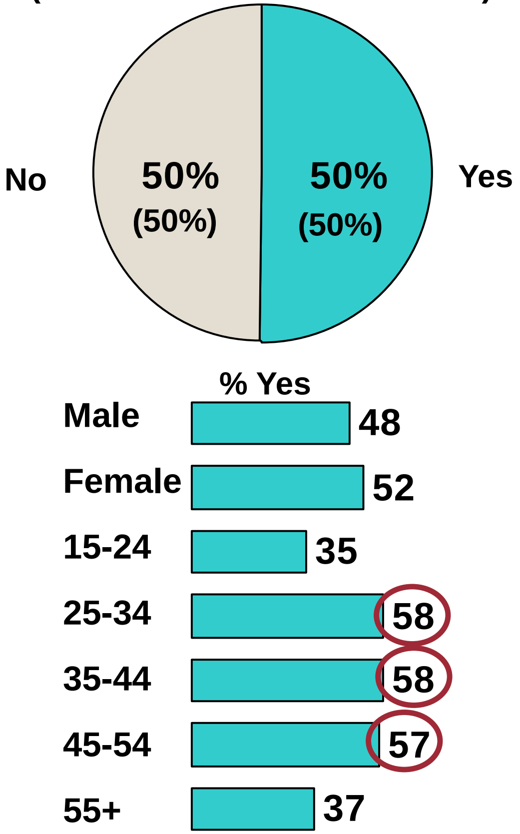
EVER PURCHASED ONLINE

(Base: All Internet Users - 738)



BANKING ONLINE

(Base: All Internet Users - 738)



A consistent 7 in 10 respondents are internet users – and these are predominantly aged 15-44. The proportion of internet users purchasing and banking online appears to have steadied.