Web Aggregators in Financial Services - UK - June 2014

Report Price: £2195.00 | $3554.69 | €2788.33

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

"One of the potential long-term challenges to the price comparison market is the fact that financial services firms are starting to be more active in rewarding customer loyalty. In order to combat this trend aggregators can look at how they reward customers purchasing several products."
–
Stevan Obradovic, Financial Services Analyst

This report looks at the following areas:

In the car and home insurance markets, price comparison websites continue to make up an integral part of the purchasing journey for a large proportion of customers. With site usage having reached a relative plateau in these sectors, given the finite number of policies in the market, price comparison websites are increasing their focus on other products. While most consumers do not rule out the prospect of researching more long-term finance products through price comparison websites, it remains difficult for aggregators to break into markets such as mortgages where people still value the reassurance of face-to-face advice.

The market continues to be dominated by a handful of established players who collectively spend in excess of £100 million per year on advertising. Loyalty in this market is scarce, which is not surprising given that aggregators are designed to find consumers the best deals, and people will typically use several different sites to widen their search. However, firms are looking at trying to build brand engagement and loyalty through mobile applications. Such developments present price comparison websites with an opportunity to push out innovations and appeal to those who want to manage their finances on the move.

This report examines the price comparison market, analysing the products and websites consumers are most likely to research and use. Mintel's consumer findings also provide insight into the devices customers are using to access price comparison websites and their attitudes towards mobile applications. The report concludes with sections covering advertising strategies and consumer attitudes towards aggregators, while also providing analysis on some user concerns.

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

Web Aggregators in Financial Services - UK - June 2014

Report Price: £2195.00 | $3554.69 | €2788.33

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Introduction

Note on consumer research

Abbreviations and definitions

Executive Summary

The market

Car and home insurance remain the most widely researched and purchased products

Figure 1: Products research/purchased through price aggregator sites, April 2014

Market factors

Regulatory involvement

Online activity

Companies, brands and innovations

A handful of sites dominate the price comparison market

Figure 2: Aggregator sites used, April 2014

Some level of differentiation between the main aggregator sites

Figure 3: Attitudes towards and usage of brands in the web aggregator sector, March 2014

Online mentions

Figure 4: Online mentions of selected web aggregator brands, 28th April 2013-3rd May 2014

The consumer

Price comparison website usage by product

Devices used to access price comparison websites

Figure 5: Devices consumers use to access aggregator sites, April 2014

Mobile applications and price comparison websites

Figure 6: Consumer attitudes towards aggregator smartphone applications, April 2014

Consumer sentiment about advertising and brands

Figure 7: Consumer attitudes toward advertising and brands, April 2014

Consumer attitudes towards price comparison websites

Figure 8: Consumer attitudes towards price comparison websites, April 2014

Consumer concerns about price comparison websites

Figure 9: Consumer concerns about price comparison websites, April 2014

What we think

Issues and Insights

Mobile apps still have some way to go but present opportunities

The facts

The implications

Google's price comparison proposition

The facts

The implications

Loyalty offers by direct providers is a potential threat

The facts

The implications

Trend Application

Managing finances while commuting

Catering for bespoke requirements

Mintel futures: Brand Intervention

Market Developments

Key points

Investigation into the market launched by the FCA

Competition and Markets Authority concerned about clauses between PCWs and insurers

Mobile apps are the main innovations in the price comparison market

Firms focus on rewarding loyalty and not just on customer acquisition

Online Trends

Key points

Smartphone ownership continues to increase

Figure 10: Personal ownership of mobile phones, January 2012-December 2013

Management of finances on smartphones and tablets has increased

Figure 11: Information-finding activities performed online in the past three months, by device, April 2014

Some 22% of tablet owners have accessed price comparison website on their device

Figure 12: Online shopping activities performed in the past three months, by device, April 2014

Market Share

Key points

MoneySavingExpert.com leads in terms of visitors…

Figure 13: Unique visitors to aggregator sites, three month average, April 2014

…but Moneysupermarket.com attracts the most unique visitors among traditional aggregators

Figure 14: Unique visitors to leading price comparison websites, April 2013-April 2014

Visitor number slightly down over the last 12 months

Companies and Products

Comparethemarket.com

Figure 15: Key financial data for BISL Ltd*, 2011-13

Confused.com

Figure 16: Key financial data for Confused.com, 2011-13

Gocompare.com

Figure 17: Key financial data for Gocompare.com Limited, 2010-12

Moneysupermarket.com

Figure 18: Key financial data for Moneysupermarket.com, 2011-13

uSwitch.com
Figure 19: Key financial data for uSwitch.com. 2010-12

Brand Advertising, Perceptions and Social Media

Brand advertising
Aggregators' adspend down by around 8% in 2013/14
Figure 20: Overview of advertising expenditure in the financial aggregator market, 2011/12-2013/14*
Top four brands continue to dominate advertising adspend
Figure 21: Advertising expenditure by selected financial aggregators, 2011/12-2013/14
Television advertising accounts for around 80% of total spend
Figure 22: Financial aggregator adspend, by media type, 2011/12-2013/14
A note about adspend
Brand perceptions
Key brand metrics
Figure 23: Key web aggregator brand metrics, March 2014
Brand map
Figure 24: Attitudes towards and usage of brands in the web aggregator sector, March 2014
Correspondence analysis
Brand attitudes
Figure 25: Attitudes, by web aggregator brands, March 2014
Brand personality
Figure 26: Web aggregator brand personality – macro image, March 2014
Figure 27: Web aggregator brand personality – micro image, March 2014
Brand experience
Figure 28: Web aggregator brand experience, March 2014
Social media and online buzz
Social Media Metrics
Figure 29: Social media metrics of selected web aggregator brands, May 2014
Ad campaigns feature heavily in online presence
Money.co.uk lags behind other web aggregators
Online mentions
Figure 30: Online mentions of selected web aggregator brands, 28th April 2013-3rd May 2014
Advertising causes the biggest spikes
Despite advertising focus, Gocompare.com earns mentions through money-saving initiatives
Money.co.uk lags behind other brands
Topics of discussion
Figure 31: Topics of discussion around selected web aggregator brands, 28th April 2013-3rd May 2014
Advertising earns large proportion of advertising around brands
Figure 32: Advertising spend of selected web aggregator brands, 29th April 2013-27th April 2014
Christmas period sees drop off in activity and engagement

Figure 33: Brand share of voice around the topic of advertising, 28th April 2013-3rd May 2014

Comparethemarket.com's meerkats drive advertising conversation

uSwitch performs strongly in non-advertising context

Figure 34: Mentions of selected brands around topics of products and savings, 28th April 2013-3rd May 2014

uSwitch conversation reflects its image

Where discussion is occurring

Figure 35: Where conversation occurs around all brands combined, 28th April 2013-3rd May 2014

Most conversation through personal microblogs

Figure 36: Where conversation occurs, by brand, 28th April 2013-3rd May 2014

Analysis by brand

Moneysupermarket.com

Moneysupermarket.com shows more than just advertising

Figure 37: Topic cloud around mentions of Moneysupermarket.com, 28th April 2013-3rd May 2014

What we think

Comparethemarket.com

Advertising and meerkats create the largest focus for discussion around brand

Figure 38: Topic cloud around mentions of Comparethemarket.com, 28th April 2013-3rd May 2014

Toy promotion offers chance to convert interest into sales

What we think

Gocompare.com

Gocompare.com shifts focus to saving money

Figure 39: Topic cloud around Gocompare.com, 28th April 2013-3rd May 2014

What we think

Confused.com

BRIAN the Robot launched in May 2013

Figure 40: Topic cloud around mentions of Confused.com, 28th April 2013-3rd May 2014

What we think

uSwitch.com

uSwitch conversation reflects perception of looking out for consumers

Figure 41: Topic cloud around mentions of uSwitch, 28th April 2013-3rd May 2014

What we think

Money.co.uk

Money.co.uk fails to make much of an online impression

What we think

Researching and Purchasing Activity by Product

Key points

Insurance products top list of research activity on PCWs

Figure 42: Products research/purchased through price aggregator sites in last 12 months, April 2014

Researching of other financial products is significantly lower

Demographic factors influence researching behaviour

Only a minority of adults research five or more types of products

Figure 43: Number of products researched through price comparison sites in the last 12 months, April 2014

Some 20% of people have purchased a product via a PCW in the last 12 months

Figure 44: Number of products purchased through aggregator sites in the last 12 months, April 2014

Price Comparison Website Usage by Provider

Key points

Most advertised sites tend to stick in consumers' minds

Figure 45: Aggregator sites used, April 2014

Google still on the sidelines with only 6% using its comparison service

Only a fifth use just one price comparison website

Figure 46: Number of aggregator sites used in the last 12 months, April 2014

Single site users are not necessarily loyal customers

Figure 47: Aggregator sites used, by repertoire of aggregator sites used, April 2014

Price Comparison Website Usage by Product

Key points

Product research shapes websites usage…

Figure 48: Price comparison website usage-by product, April 2014

…but price comparison sites are trying to move into less traditional product areas

MoneySavingExpert.com still the most widely used for savings products

Devices Used to Access Price Comparison Websites

Key points

Aggregators most widely accessed through laptop devices

Figure 49: Devices consumers use to access aggregator sites, April 2014

A fifth of adults have used a tablet/smartphone

Affluence also has a bearing on device usage

Tablet/smartphone users are more likely to research travel insurance or credit cards

Figure 50: Products researched through price comparison websites sites, by devices consumers use to access aggregator sites, April 2014

Figure 51: Devices consumers use to access aggregator sites, by products purchased/arranged via price comparison websites, April 2014

Little difference in device usage when it comes to main price comparison sites

Figure 52: Devices consumers use to access aggregator sites, by aggregator site used, April 2014

Mobile Applications and Price Comparison Websites

Key points

A fifth of consumers like the idea of time savings apps

Figure 53: Consumer attitudes towards aggregator smartphone applications, April 2014

Younger adults show higher preference for checking quotes on the go

Figure 54: Agreement with the statement 'I like the idea of being able to check for quotes on the move (eg using a smartphone or tablet), by age, April 2014

Only a minority have actually used a smartphone app developed by a PCW

Tablet and smartphone users much more open to apps and quotations on the move

Figure 55: Consumer attitudes towards aggregator smartphone applications, by devices consumers use to access aggregator sites, April 2014

Consumer – Sentiment Towards Advertising and Brands

Key points

PCW advertising annoys around 30% of consumers

Figure 56: Consumer attitudes toward advertising and brands, April 2014

Differentiation does not necessarily lead to loyalty…

Figure 57: Consumer attitudes towards advertising and brands, by number of aggregator sites used in the last 12 months, April 2014

…and none of the main aggregators stand out when it comes to loyalty

Figure 58: Consumer attitudes towards advertising and brands, by aggregator sites used, April 2014

Consumer – Attitudes Towards Price Comparison Websites

Key points

Price comparison websites can entice smaller brands to get recognition

Figure 59: Consumer attitudes towards price comparison websites, April 2014

Alternative finance products have scope for improvement

Figure 60: Agreement with the statement 'I would not use a price comparison website to arrange longer-term products such as mortgages, pensions, life insurance and investments, April 2014

Product ownership influences opinions about price comparison websites

Figure 61: Consumer attitudes towards price comparison websites, by number of products researched/purchased through price comparison websites, April 2014

Consumer – Concerns about Price Comparison Websites

Key points

Marketing calls remain a bug bear for consumers

Figure 62: Consumer concerns about price comparison websites, April 2014

Marketing concerns are an issue for most of the aggregator sites

Figure 63: Agreement with the statement 'I would be/am worried about receiving too many marketing/sales calls, texts or emails after using price comparison websites' by aggregator sites used, April 2014

Data concerns are slightly more pronounced among the older generation

Consumers have concern about limitations, especially if they have bespoke needs

Figure 64: Agreement with the statement 'Price comparison websites are limited because they do not compare the whole of the market', by number of aggregator sites used, April 2014

Only a third feel that it takes too long to fill in the information…

Appendix – Market Share

Figure 65: Total unique visitors to price comparison websites, by brand, April 2013-October 2013

Figure 66: Total unique visitors to price comparison websites, by brand, November 2013-April 2013

Appendix – Brand Advertising, Perceptions and Social Media

Figure 67: Brand usage, March 2014

Figure 68: Brand commitment, March 2014

Figure 69: Brand diversity, March 2014

Figure 70: Brand satisfaction, March 2014

Figure 71: Brand recommendation, March 2014

Figure 72: Brand attitudes, March 2014

Report Price: £2195.00 | $3554.69 | €2788.33

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 73: Brand image – macro image, March 2014

Figure 74: Brand image – micro image, March 2014

Figure 75: Online mentions of selected web aggregator brands, by week, 28th April 2013-3rd May 2014

Figure 76: Online mentions of all brands combined, by week, 28th April 2013-3rd May 2014

Figure 77: Topics of discussion around selected web aggregator brands, 28th April 2013-3rd May 2014

Appendix – Researching and Purchasing Activity by Product

Figure 78: Consumer concerns about marketing/sales calls, text or emails, by repertoire of products researched/purchased through aggregator sites, April 2014

Figure 79: Most commonly researched products on price comparison websites, by demographics, April 2014

Figure 80: Less commonly researched products on price comparison websites, by demographics, April 2014

Figure 81: Infrequently researched products on price comparison websites, by demographics, April 2014

Figure 82: Most commonly purchased products on price comparison websites, by demographics, April 2014

Figure 83: Less commonly researched products on price comparison websites, by demographics, April 2014

Figure 84: Infrequently researched products on price comparison websites, by demographics, April 2014

Figure 85: Number of products researched through price comparison websites, April 2014

Figure 86: Number of products purchased through price comparison websites, by demographics, April 2014

Appendix – Price Comparison Website Usage by Provider

Figure 87: Most popular aggregator sites used, by demographics, April 2014

Figure 88: Less popular aggregator sites used, by demographics, April 2014

Figure 89: Least popular aggregator sites used, by demographics, April 2014

Figure 90: Number of aggregator sites used, by demographics, April 2014

Appendix – Price Comparison Website Usage by Product

Figure 91: Most popular price comparison website usage – Home insurance, by demographics, April 2014

Figure 92: Next most popular price comparison website usage-by product – Home insurance, by demographics, April 2014

Figure 93: Most popular price comparison website usage-by product – Car insurance, by demographics, April 2014

Figure 94: Next most popular price comparison website usage-by product – Car insurance, by demographics, April 2014

Figure 95: Most popular price comparison website usage-by product – Utilities, by demographics, April 2014

Figure 96: Next most popular price comparison website usage-by product – Utilities, by demographics, April 2014

Appendix – Devices Used to Access Price Comparison Websites

Figure 97: Devices consumers use to access aggregator sites, by demographics, April 2014

Appendix – Mobile Applications and Price Comparison Websites

Figure 98: Consumer attitudes towards aggregator smartphone applications, by demographics, April 2014

Appendix – Consumer Sentiment Towards Advertising and Brands

Figure 99: Consumer attitudes about advertising and brands, by demographics, April 2014

Figure 100: Aggregator site usage, by agreement with the statement 'I have a favourite price comparison site that I always like to use', April 2014

Appendix – Consumer Attitudes Towards Price Comparison Websites

Figure 101: Most popular consumer attitudes toward price comparison websites, by demographics, April 2014

Figure 102: Less popular consumer attitudes toward price comparison websites, by demographics, April 2014

Report Price: £2195.00 | $3554.69 | €2788.33

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Appendix – Consumer Concerns About Price Comparison Websites

Figure 103: Agreement with the statement ‘I would be/am worried about receiving too many marketing/sales calls, texts or emails after using price comparison websites’, by demographics, April 2014
Figure 104: Agreement with the statement ‘Price comparison websites are limited because they do not compare the whole of the market’, by demographics, April 2014
Figure 105: Agreement with the statement ‘I think that price comparison websites promote certain providers over others’, by demographics, April 2014
Figure 106: Agreement with the statement ‘I think that price comparison websites promote certain products over others’, by demographics, April 2014
Figure 107: Agreement with the statement ‘I am concerned about how price comparison websites use personal data’, by demographics, April 2014
Figure 108: Agreement with the statement ‘I am concerned about how price comparison websites store personal data’, by demographics, April 2014
Figure 109: Agreement with the statement ‘Price comparison websites are too limited if you have particular needs or conditions’, by demographics, April 2014
Figure 110: Agreement with the statement ‘It takes too long to fill out the information needed for a quote on price comparison website’, by demographics, April 2014
Figure 111: Agreement with the statement ‘You can get a better deal going directly to the provider than through price comparison websites’, by demographics, April 2014