

Price Comparison Sites in General Insurance - UK - July 2016

Report Price: £1750.00 | \$2834.04 | €2223.04

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“The price comparison website industry is in a very healthy position in terms of current use and future opportunities.

Future development should continue to focus on increasing the level of convenience provided by sites.”

– Rich Shepherd, Senior Financial Services Analyst

This report looks at the following areas:

- Non-financial incentives have the biggest appeal, but choice would be even better
- PCWs must take care to only contact customers when appropriate
- Confidence in decision making is high, but PCWs need to promote all information evenly

Price comparison websites have grown to dominate the insurance product purchasing process in the last decade. Having achieved mass brand awareness with high-profile marketing campaigns, the big four aggregators are now the go-to channel for customers looking to research and compare policies across a range of general insurance markets and beyond.

The convenience of being able to compare vast swathes of a market has given greater power to consumers, as they can easily and instantly find the best deals for them. With consumers primarily using PCWs as a tool for finding products at the cheapest price, there is also some concern about how much consumers pay attention to factors other than cost, and whether not doing so is leading some consumers to getting the wrong level of cover.

This Report examines price comparison websites and their use in the UK general insurance sector. This includes discussion of the main factors driving the market, and a look at the main players in the market. Mintel's exclusive consumer research looks at how people use PCWs: which products they research and purchase through aggregators, their favoured devices for accessing comparison sites, and how they approach the purchase process. Attitudes towards PCWs in general, incentives to use sites, and contact from aggregators are also examined. Mintel's brand research looks at what consumers think about individual PCW brands.

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DID YOU KNOW?

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

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Confidence in decision making is high, but PCWs need to promote all information evenly

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The Market – What You Need to Know

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Aggregators are the first stop in shopping for insurance
 PCWs offer support for consumers through Brexit uncertainty
 Potential for smaller, niche comparison sites

Market Drivers

Two thirds have researched insurance on a PCW in the last year...
 ...but concerns have been raised over growth
 Brexit will bring uncertainty, but PCWs could help
 Markerstudy's Go Get site to offer aggregator service to Pet Insurance
 Trend for greater competition could see growth in non-insurance aggregator use
 Opportunities for more personalised services on the horizon

Key Players – What You Need to Know

Comparethemarket.com is the most widely used comparison site...
 ...but most PCW users visit more than one site
 The big four continue to base marketing activity on major characters
 Adspend among PCWs remained high in 2015/16...
 ...while Comparethemarket.com was the biggest single advertiser

Market Share

Half of PCW users visited Comparethemarket.com in the last year...
 Figure 10: Price comparison website usage market share, 2016
 ...but the majority use a few different sites
 Comparethemarket.com leads among single-site users
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 Experience, as well as awareness, is key

Competitive Strategies

Comparethemarket.com
 Commercial information
 Recent activity
 MoneySuperMarket.com
 Commercial information
 Recent activity
 Confused.com
 Commercial information
 Recent activity
 GoCompare.com
 Commercial information
 Recent activity
 Google

Advertising and Marketing Activity

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PCWs maintain heavy spend on advertising

Figure 12: Above-the-line, online display and direct mail advertising expenditure by price comparison sites, 2011/12-2015/16*

Comparethemarket.com is the biggest spending financial aggregator

Figure 13: Above-the-line, online display and direct mail advertising expenditure by selected financial aggregators, 2014-16*

Television dominates comparison adspend

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Nielsen Ad Intel coverage

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Comparethemarket.com is the most trusted and different brand

Figure 20: User profile of Comparethemarket.com, May 2016

MoneySuperMarket.com is seen as a reliable and engaging brand

Figure 21: User profile of MoneySuperMarket.com, May 2016

Uswitch.com isn't seen to offer anything different, but is highly recommended

Figure 22: User profile of Uswitch.com, May 2016

Confused.com is accessible and fair, but is low on differentiation

Figure 23: User profile of Confused.com, May 2016

GoCompare.com embodies the average comparison site

Figure 24: User profile of GoCompare.com, May 2016

The Consumer – What You Need to Know

Motor insurance is the most searched-for policy on PCWs

Laptops and desktops are the favoured devices for using PCWs

Half of PCW users research and buy on the same site

Incentives not linked to financial services are most appealing

Consumers are split on receiving contact from comparison sites

People prefer a choice of rewards, while some worry about level of cover

Insurance Product Research and Purchase Activity

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Two fifths researched motor insurance on a PCW

Figure 25: Insurance products researched on price comparison websites, May 2016

Most PCW researchers went on to make a purchase on the site

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Figure 31: Devices PCW users would feel comfortable using to take various actions, May 2016

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Half of PCW users intended to complete a purchase on the site

Figure 32: Intended use of price comparison websites, May 2016

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Meerkat Movies is top of the incentives

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Figure 34: Appeal of incentives of price comparison websites, May 2016

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Figure 35: Attitudes towards price comparison websites, May 2016

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PCWs are moving beyond being seen as the speedy option

Attitudes towards Price Comparison Websites

Choice is the incentive that people really want

Figure 38: Attitudes towards price comparison sites, May 2016

Some still doubt decisions made solely on PCWs...

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...and a significant minority prefer brands not on PCWs

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Abbreviations

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