

Report Price: £1995.00 | \$2693.85 | €2245.17

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



"People want to keep their devices for longer and are keen to protect them. Gadget insurance has a strong case in a world of expensive, indispensable technology and sustainable-minded consumers. Simple, relevant products that provide clear value appeal to owners, but insurers also need to find a spot at the all-important moment of purchase."

- Irene Salazar, Financial Services Analyst

# This report looks at the following areas:

- Extended warranties: right place, right time
- Keeping gadgets for longer: insurance and the sustainability angle

Ownership and use of valuable portable devices continue to increase, but expensive price tags and market trends could result in a weaker appetite for regular upgrades. Consumers show a desire to keep their devices for longer and are looking to protect them. However, many consumers continue to neglect their insurance needs, putting their possessions at risk.

# BUY THIS REPORT NOW

**VISIT:** store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533

> Brazil 0800 095 9094

Americas +1 (312) 943 5250

+86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

**EMAIL:** reports@mintel.com

**DID YOU KNOW?** 

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



Report Price: £1995.00 | \$2693.85 | €2245.17

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

#### **Table of Contents**

#### Overview

What you need to know

Products covered in this Report

#### **Executive Summary**

The market

'On the go' internet use becomes the norm

Figure 1: Using the internet 'on the go', by age, 2013-18

Intentions to buy remain robust

Figure 2: Technology products: recent ownership and intentions to buy, June 2018

The average household owns possessions worth £35,000  $\,$ 

GDPR and Open Banking come into force

FCA considers ban on sale of extended warranties alongside rent-to-own agreements

Companies and brands

Standalone gadget insurers want to stand out from the crowd

Alternative distribution channels: mobile network operators

Launch activity and innovation

First dedicated gadget insurance comparison site launched

Challengers incorporate insurance into app-only banking proposition

The consumer

36% of Millennials have four or more types of gadgets

Figure 3: Ownership of gadgets, September 2018

Home insurance is the most common way of insuring gadgets

Figure 4: Penetration of gadget insurance, by type of gadget, September 2018

Figure 5: Penetration of gadget insurance, by type of coverage and gadget, September 2018

Increasing cost of gadgets is powerful argument in favour of insurance  $% \left( 1\right) =\left( 1\right) \left( 1\right) \left($ 

Figure 6: Reasons for not having gadget insurance, September 2018

People want to keep their gadgets for longer and want to protect them

Figure 7: Attitudes towards gadgets, September 2018

Time of gadget purchase is crucial for insurance sales

Figure 8: Gadget risk exposure, September 2018

Consumers want simplicity but there is room for personalisation

Figure 9: Attitudes towards gadget insurance, September 2018

What we think

# **Issues and Insights**

Extended warranties: right place, right time

The facts



VISIT: store.mintel.com

**CALL:** EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 | **EMAIL:** reports@mintel.com



Report Price: £1995.00 | \$2693.85 | €2245.17

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

The implications

Keeping gadgets for longer: insurance and the sustainability angle

The facts

The implications

## The Market - What You Need to Know

'On the go' internet use becomes the norm

Average possessions worth £35,000 but many are uninsured

#### **Competitor Products - Wide Choice But Clear Differences**

Home contents

Extended warranties

Financial products

GDPR and Open Banking come into force

FCA considers ban on sale of extended warranties alongside rent-to-own agreements

#### **Market Drivers**

## Majority of people use the internet 'on the go'

Figure 10: Using the internet 'on the go', by age, 2013-18

## Preferred devices give an indication of the scope for gadget insurance

Figure 11: Using the internet 'on the go', by device and age, 2018

#### Intentions to buy remain robust

Figure 12: Technology products: recent ownership and intentions to buy, June 2018

The average household owns possessions worth £35,000

81% of 'Generation Rent' without contents cover

#### **Competitor Products**

Home contents

Extended warranties

Financial products

# **Regulatory and Legislative Changes**

FCA looks to measure value of add-ons

GDPR and Open Banking come into force

FCA considers ban on sale of extended warranties alongside rent-to-own agreements

#### Companies and Brands - What You Need to Know

Competitive strategies

Standalone gadget insurers want to stand out from the crowd

Alternative distribution channels: mobile network operators

Launch activity and innovation

First dedicated gadget insurance comparison site launched

 $Challengers\ incorporate\ insurance\ into\ app-only\ banking\ proposition$ 

BUY THIS REPORT NOW

**VISIT:** store.mintel.com

**CALL:** EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

**EMAIL:** reports@mintel.com



Report Price: £1995.00 | \$2693.85 | €2245.17

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

#### **Competitive Strategies**

ZugarZnap's Millennial proposition

Alternative distribution channels: mobile network operators

Social media campaigns

Cashback sites

#### Case study - Trov's On-demand Insurance

Insure whatever you love...

...whenever you need it...

...directly from your phone

Figure 13: Trōv's user interface

Dynamic price adjustment

#### **Launch Activity and Innovation**

First dedicated gadget insurance comparison site launched

Starling Bank's in-app marketplace offering so-sure smartphone insurance

Revolut partners with Simplesurance to offer entirely digital mobile phone insurance

#### The Consumer - What You Need to Know

36% of Millennials have four or more types of gadgets

Home insurance is the most common way of insuring gadgets

Increasing cost of gadgets is powerful argument in favour of insurance

People want to keep their devices for longer and take steps to protect them

Time of gadget purchase is crucial for insurance sales

Parents are a key demographic

#### **Ownership of Gadgets**

## Gadget ownership is almost universal among adults

Figure 14: Ownership of gadgets, September 2018

#### 36% of Millennials have four or more types of gadgets

Figure 15: Repertoire of gadgets owned, by generation, September 2018

#### **Penetration of Gadget Insurance**

#### 43% of smartphone owners have insurance

Figure 16: Penetration of gadget insurance, by type of gadget, September 2018

Gadget insurance is a minority option...

...but increases among more regularly used products

Figure 17: Penetration of gadget insurance, by type of coverage and gadget, September 2018

## **Reasons for Not Having Gadget Insurance**

# Increasing cost of gadgets is powerful argument in favour of insurance

Figure 18: Reasons for not having gadget insurance, September 2018

Uninsured owners tend to have one main reason for not buying a policy

BUY THIS REPORT NOW VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300 APAC +61 (0) 2 8284 8100 |

**EMAIL:** reports@mintel.com



Report Price: £1995.00 | \$2693.85 | €2245.17

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

Figure 19: Repertoire of reasons for having uninsured gadgets, September 2018

#### **Attitudes towards Gadgets**

Two thirds claim to always take precautions with their devices

People are aware they could do more

Figure 20: Attitudes towards gadgets, September 2018

Finding potential customers among those who have broken a gadget

Figure 21: Consumers and gadget insurance – CHAID – Tree output, September 2018

#### **Gadget Risk Exposure**

Worldwide cover is key

Good timing is essential for sales

Figure 22: Gadget risk exposure, September 2018

Owners of uninsured gadgets are less concerned

Figure 23: Gadget risk exposure, by type of coverage, September 2018

#### **Attitudes towards Gadget Insurance**

Consumers want simplicity...

...but there is room for personalisation

Figure 24: Attitudes towards gadget insurance, September 2018

Existing policyholders more open to innovative options

Figure 25: Agreement with attitudes towards gadget insurance, by type of coverage, September 2018

Capturing parents' attention

Figure 26: Agreement with attitudes towards gadget insurance, parents^ vs non-parents, September 2018

# Appendix - Data Sources, Abbreviations and Supporting Information

Abbreviations

Consumer research methodology

CHAID Analysis Methodology

APAC +61 (0) 2 8284 8100 | **EMAIL:** reports@mintel.com