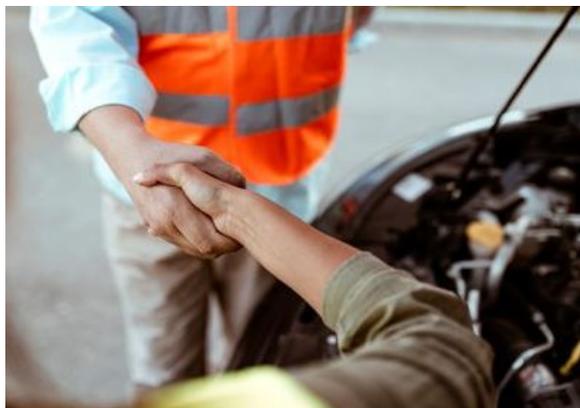


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“The market for vehicle recovery is expected to suffer relatively minimal disruption from the COVID-19 pandemic. Assisted by the annual payment for most policies the sector is forecast to see recovery from 2021 helped by moves from many players in this market to move away from price competition and add value through wider support for motorists.”  
**- Chris Hadley, Research Analyst**

This report looks at the following areas:

- The impact of COVID-19 on the vehicle recovery services market.
- How COVID-19 and other factors will likely impact on the future of the market.
- Use of channels for the purchase of vehicle recovery policies.
- Key players operating in the market and a review of the main competitive strategies employed.
- A review of the main brands and their perception.
- Preferences towards particular styles of policy offered as well as different levels of service.

Online registers a high degree of importance when it comes to purchasing vehicle recovery insurance. Mintel’s research shows almost one in three consumers purchase vehicle recovery insurance online placing it second behind those who acquired their policies for free or as part of another product or service, therefore offering good opportunities for engagement with customers. For those going online, there is strong appeal for the use of company websites with 53% of purchases.

While COVID-19 is expected to have an effect on the market for vehicle recovery services, its impact is not expected to be as great as for some other sectors such as car retailing. The fact that regular policies are purchased annually as well as the importance of sales to existing car owners will result in revenues falling by only 7% in 2020 compared with 2019.

Price competition remains an ever-present threat to the sector. Although many in the market are working to emphasise non-price factors, while also offer innovations in the services offered, the research shows the overwhelming importance of price amongst consumers. A competitive price is the single most important factor for those who already have cover while discounts are noted separately as a major feature when it comes to choosing a new breakdown recovery provider.

Looking forward, innovation remains an important opportunity for the market and especially in raising premiums. Although there is evidence that they are recovering, being able to offer added value products and services and change for these is essential if the sector is to move away from being just a provider of reactive, emergency support.

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