

Price comparison sites - it's a click with 60% of Brits

By [Intel Oxygen reports](#)

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LONDON, UK: With time at a premium, a difficult economic climate and busy schedules prevailing, initiatives promising to save both time and money have proved big winners with consumers in recent years. Proving this point, new research from Mintel finds as many as 60% of Brits are "most likely" to use a price comparison site when researching or buying a financial product - earning them the position as the most popular source of financial information in the UK today.



Indeed, it seems the new breed of online aggregators - involving campaign stars such as meerkats and opera singers - have really hit a high note with today's consumers, as in just one decade price comparison sites have leapt well ahead of friends and family (42%), their next biggest rival as a source of financial information.

Although they are still mostly used for home and motor insurance, Brits are branching out and using them to arrange a wide range of financial products. Almost a fifth (18%) of Brits have researched at least seven products through these price comparison sites, while only a quarter (27%) of consumers have not researched any products at all via an aggregator.

Toby Clark, head of UK Financial Services Research, said: "Price-comparison sites are now part of the financial landscape. They are one of the first places people look when thinking about arranging financial products, and most internet users have researched at least one product through them. General insurance, and motor insurance in particular, still accounts for the larger part of the market, but consumers are showing a greater willingness to move past home and motor, and to use the sites for the likes of savings accounts and credit cards."

Growing influence

Almost half (46%) of all internet users have researched motor insurance through a price comparison site with the majority of these researchers (80%) having gone on to buy cover through this channel. The growing influence of the aggregators in the home insurance market is also highlighted by the research as a quarter (26%) of all internet users have now arranged home cover through a comparison site.

Outside general insurance, aggregators play a lesser role. Around 15% of consumers have bought a credit card or cash ISA, and as many as quarter (27%) have researched a cash ISA, while slightly less (25%) have researched a credit card -

still a sizeable proportion of the market, but well short of figures seen in the general insurance market.

When asked what they look for in a price-comparison site, the lowest price at 57% is the number one factor, but it's only just ahead of the level of cover (50%). Accuracy (21%) is an issue for consumers, but it is a long way behind price and the level of cover. Similarly, only 14% say that "clear and transparent comparisons" are a particularly important factor.

Positive attitudes

"One of the major concerns for the industry regulators is the accuracy and transparency of the quotes and comparisons made by aggregators. The use of assumptions by comparison sites can lead to the final quote being significantly different to the initial price and regulators and insurers alike have voiced concerns about what this could mean for the efficient functioning of the market. Interestingly, while these are valid concerns, they do not feature particularly highly on consumers' wish lists of aggregator qualities," Clark continues.

Among extensive users of the sites, attitudes tend to be more positive - but even the most committed users have reservations about coverage, trust and transparency. Generally, attitudes are positive towards price comparison sites. Two thirds (67%) agree that aggregators do a good job, and that they save time (65%). People are keenly aware of their limitations though, as half say they are flawed because they don't cover the whole market (47%) and more than half (55%) see them as no more than a starting point.

"Consumers are developing a sophisticated understanding of how best to use aggregators. They appreciate the time-saving aspect, but still have reservations about coverage, and the sites are viewed in a pretty functional light. This contributes to the limited amount of differentiation in the market and, in turn, the lack of consumer loyalty. A site that can prove to consumers that it is as much about product evaluation as price comparison could develop a major competitive advantage," Clark concludes.

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