

Warranty Metrics: Consumer Approaches to Extended Warranties for White, Brown and Grey Goods in Selected Global Markets 2022

Report prospectus

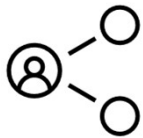
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Why is this report series needed?

Finaccord's research investigates attitudes and behaviour in relation to extended warranties for consumer goods...



...this series is Finaccord's first published research on the topic since previous reports in 2010, 2014 and 2017, since when important changes have taken place in the distribution of extended warranties...



...take-up rates have risen in all of the countries in scope, digital distribution has grown and an increasing proportion of these sales are made using mobile phones / cellphones



Finaccord's research offers valuable insights into ten key global **extended warranty markets**, helping insurers to understand consumer behaviour in these countries and to identify future opportunities



What is the research?

- This research investigates consumers' attitudes and behaviour in relation to extended warranties for white, brown and grey goods
- It follows the publication of similar consumer research about extended warranties in 2010, 2014 and 2017
- The countries included in this series are Australia, Brazil, Canada, China, France, Germany, Italy, Spain, the UK and the US



- The series offers insight about key metrics by **country** in four main fields as follows:
 - ❖ Purchasing rates for white, brown and grey goods
 - ❖ Take-up rates for extended warranties for white, brown and grey goods
 - ❖ Distribution channels and interfaces
 - ❖ Claims frequency and outcomes
- Each report is supported by a data file in Excel format

How will this report help my business?

Questions answered include...

▶ **How did purchasing rates for white, brown and grey goods change between 2017 and 2022?**

- We examined the percentage of respondents buying any type of selected white, brown and grey goods and compared this to results from our 2017 study

▶ **How has the uptake of extended warranties shifted from previous years?**

- We compared results from our 2017 and 2022 surveys to identify key trends and found that the take-up (or attachment rate) of extended warranties is up in all of the countries surveyed. We also look at how common it is for extended warranty cover to be held through other personal financial products, such as bank accounts or home insurance

▶ **Have consumers changed the distribution channels and interfaces they use to buy extended warranties?**

- We report on trends in the use of three distribution channels (manufacturer brands, retailers and independent providers), and on the use of interfaces such as digital, face-to-face and phone sales

▶ **Have claims frequency and acceptance rates changed since 2017?**

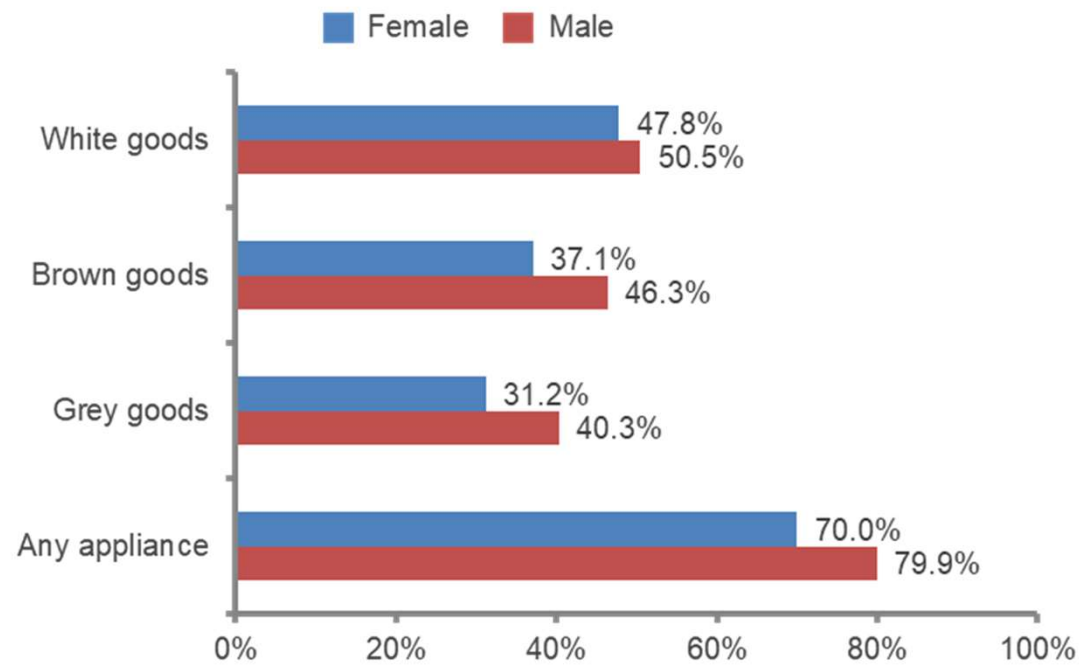
- We compared results from 2017 and 2022 to identify changes in claims frequency and acceptance rates, and compared these metrics between stand-alone policies and extended warranties packaged with personal financial products such as bank accounts and home insurance

What methodology has been used?

- ❖ The research for this study, which covers over 13,000 consumers across ten countries, was carried out in the first half of 2022 using the online consumer research panel of mo'web research (www.mowebresearch.com)
- ❖ At least 1,000 respondents were surveyed in each of Australia, Canada, France, Germany, Italy, Spain and the UK, over 1,500 in Brazil and around 2,000 in each of China and the US
- ❖ In all cases, quotas were set in order to ensure representative survey samples by the gender, age and annual household income of respondents. The specific composition of each country sample can be obtained from Finaccord if required
- ❖ The exact types of goods included in this survey are:
 - white goods: dishwashers, fridges / freezers and washing machines
 - brown goods: hi-fi / audio systems or digital radios, televisions, set-top boxes or DVD / Blu-ray players and satellite dishes
 - grey goods: desktop computers (together with printers / scanners) and non-portable game consoles

How many consumers buy the goods in scope?

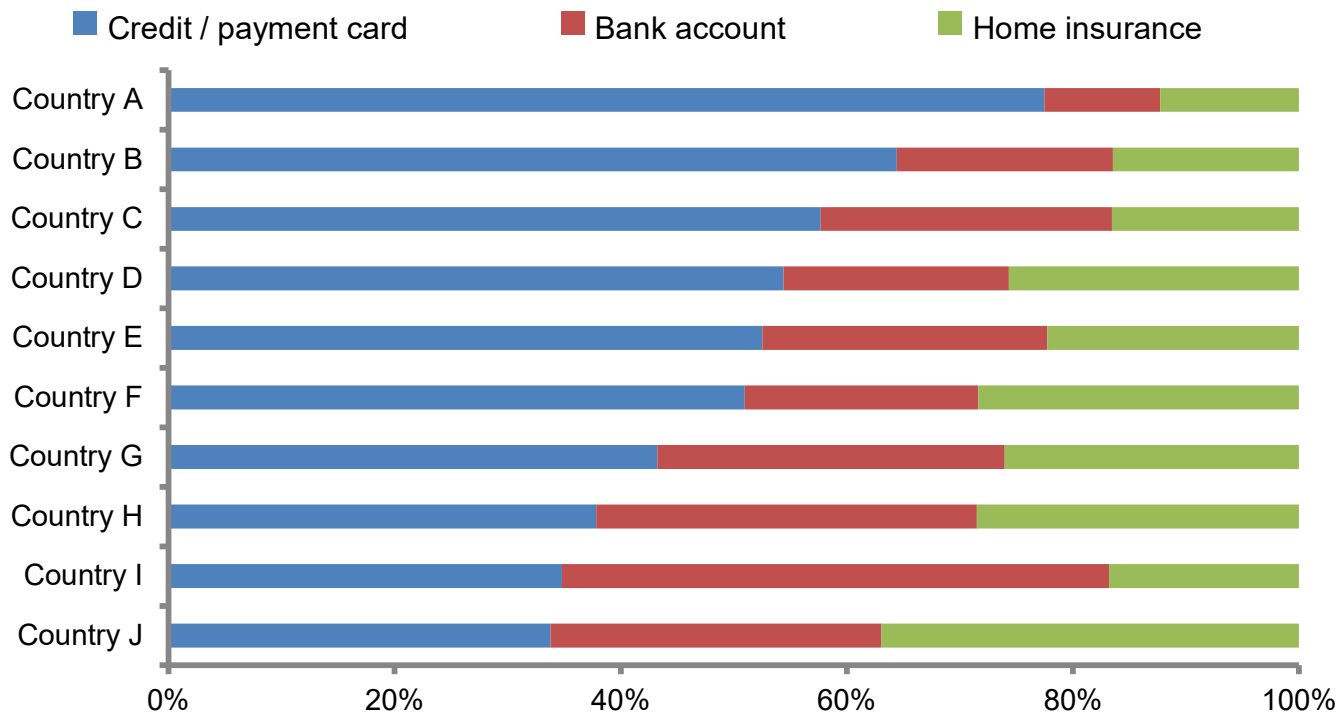
Percentage of respondents buying selected white, brown and grey goods in the last three years (country A)



The majority of respondents in country A purchased some type of white, grey or brown goods in the last three years

Which financial products provide packaged extended warranties?

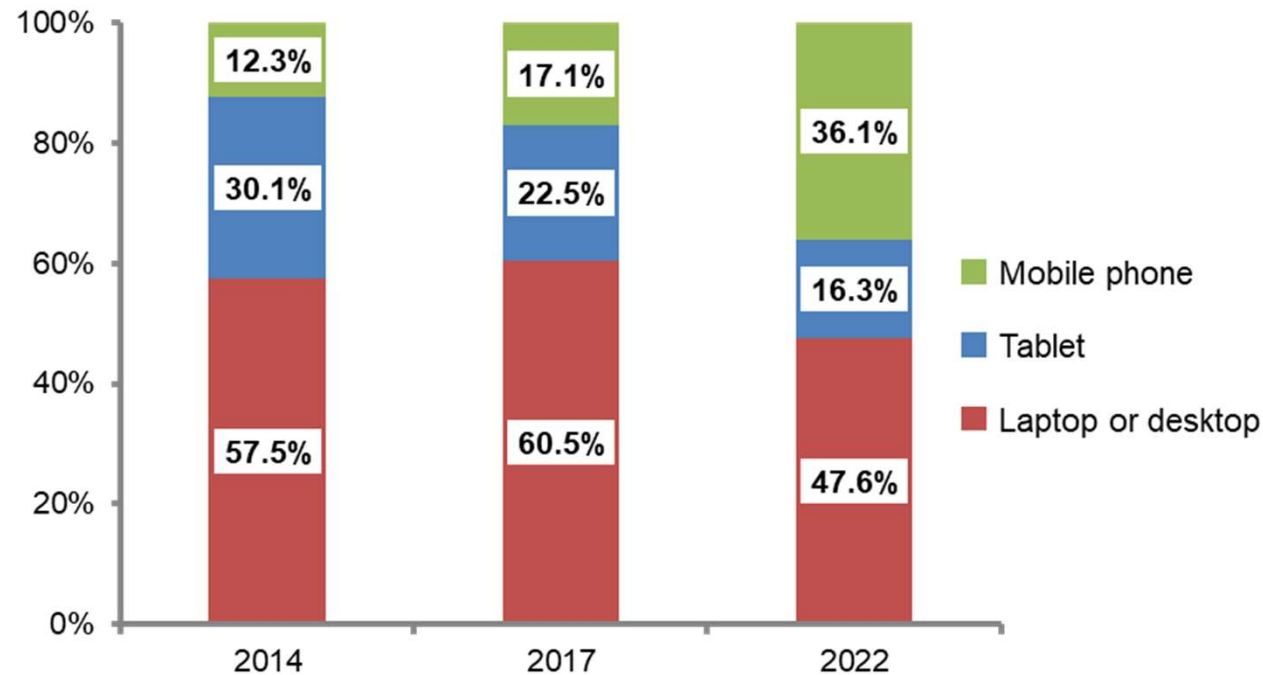
Breakdown of personal financial products that include extended warranties as a benefit by type of product (selected global markets, 2022)



Credit or other payment cards are the most common way for consumers to hold extended warranties packaged with another financial product

What devices are used for digital sales?

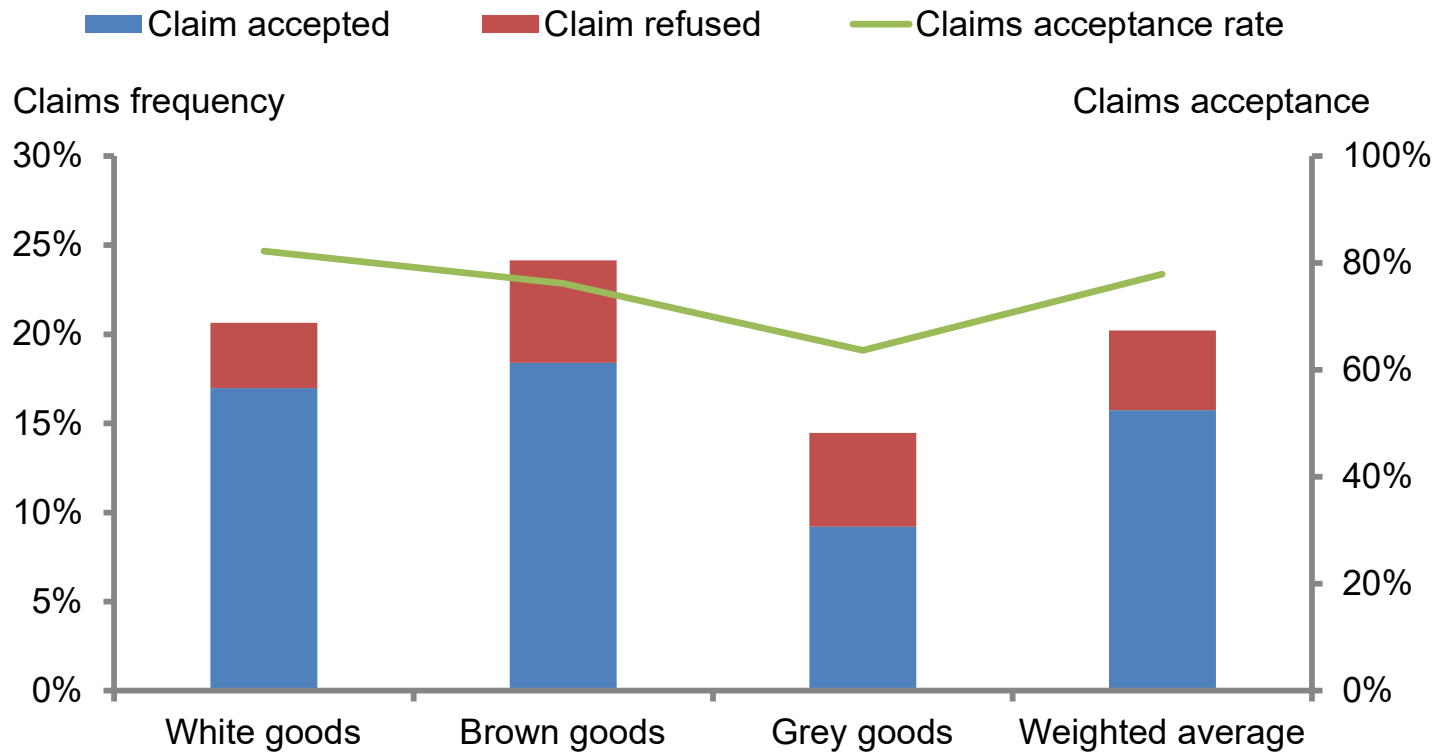
Digital extended warranty sales, segmented by device (country B, 2014, 2017 and 2022)



Laptop / desktop remains the primary digital sales interface in country B but mobile could overtake it soon

What is the claims frequency by type of good?

Frequency and outcome of claims for stand-alone extended warranties for white, brown and grey goods (country C, 2022)



More claims were made for brown goods than white or grey goods in Country C