

Gill Wales research

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**Consumers' engagement with markets and the
implications for their use of time**

Review of existing research

February 2014

Contents

	Page
Executive summary	3
1. Introduction and background	7
1.1 The rational choice model	7
1.2 How consumers behave in reality	8
1.3 Characteristics of regulated markets	9
1.4 Use of time	10
1.5 A new hypothesis	10
2. Objectives	12
3. Approach to the review	12
3.1 How many markets are there?	13
3.2 What is 'engagement'?	14
3.3 The search for material	14
4. Main findings	17
4.1 Time use	17
Demographic differences	20
The impact of lifestage changes	23
Time use perceptions	25
Time and consumption	28
Time and engagement with markets	30
4.2 Consumer capabilities	34
Financial capabilities	39
4.3 Engaging with markets	42
Loyalty and switching	48
Buying and selling homes	53
Car hire	56
Energy	58
<i>Switching</i>	60
<i>Not switching</i>	64

	Fashion	66
	Financial services	68
	Consumer credit	69
	Current accounts	70
	<i>Current account switching</i>	73
	Investments	75
	Mortgages and home insurance	77
	Motor insurance and mobile phone insurance	79
	Pensions	80
	Savings	82
	Food	83
	Gym memberships	84
	Holidays	85
	Home furnishings	86
	Horticultural products	88
	Mobility aids	89
	Public services and democracy	90
	Dentists	92
	Education	93
	Health	94
	Water	95
	Second hand cars	96
	Telecommunications	98
	<i>Switching</i>	101
	<i>Not switching</i>	103
	Tradesmen	104
4.4	Engagement and the internet	105
	User types	108
	Shopping online	110
	Finding and processing information online	113
4.5	Engagement with contracts	115
4.6	Complaining	117
	Incidence of problems	117
	Willingness to complain	119

	Complaints and time	121
4.7	Increasing engagement	123
5.	Discussion and Conclusions	126
Appendix 1	- Markets	129
Appendix 2	- Source organisations	139
	Academic and statutory websites	139
	Trade association websites	140
Appendix 3	- Source documents	143

Executive summary

This report reviews how consumers engage with markets and the implications for their use of time. It draws on 70 market and social research reports, and academic papers in the public domain. It was commissioned as part of a programme of research by Consumer Futures¹ (now part of Citizens Advice) aiming to establish:

- whether consumers have a hierarchy of priorities that determines how much time they allocate to engaging in markets
- where the regulated energy, telecommunications and financial services markets fit into the hierarchy.

The purpose of this report is to establish what is already known about the relationship between consumer engagement in markets and their use of time.

Use of time studies show that the amount of time people devote to shopping more than doubled between 1961 and 2001. Even so, two thirds of people's time remains taken up by activities such as work, sleep, eating, caring for their families. Based on 15 reports and papers analysing use of time, our best estimate of the average amount of time UK consumers currently spend engaging with markets is between three and four hours per week.

Some studies provide measures of the amount of time consumers spend choosing and buying goods and services in particular markets, and in specific forms of engagement. For example, consumers spend an average one hour and 50 minutes on fashion shopping, but five hours and 33 minutes shopping for individual home furnishing items. In both these markets, the internet means that consumers have more choice and thus spend more time browsing the markets than was the case in 2002.

Other studies show that consumers can spend a significant amount of time trying to resolve problems with purchases or seeking redress. Consumers report spending an

¹ On 1 April 2014, Consumer Futures – which represented the interests of consumers across essential, regulated markets and was the statutory representative for consumers of postal services across the United Kingdom, for energy consumers across Great Britain, and for water consumers in Scotland – became part of the Citizens Advice Service.

average 3.5 hours trying to resolve problems with their internet services, for example, while 26 per cent of consumers spend more than four hours trying to seek redress for problems with purchases.

But no information has been found to show how the average figure for time spent engaging with markets breaks down between different types of engagement (for example browsing, transacting, paying bills for ongoing contracts, seeking redress, etc) or between each of the 235 markets in which consumers can engage.

Averages in any case disguise differences between consumers. In the markets for energy, landline telephones and home insurance, there is evidence that consumers who switch suppliers divide into those who spend only a few minutes making a decision and those who spend several hours comparing alternative options. There is also evidence that searching for and switching electricity and telecommunications deals at all rely heavily on consumer's believing that the expected gain is worth the effort.

Several studies point to differences in consumers' general willingness to shop around and compare offers (34 per cent of consumers enjoy browsing, 37 per cent like to complete their transactions as quickly as possible), and to differences in consumer literacy.

Education levels impact on consumer skills, but age and experience are a major influence on overall consumer literacy. In markets where consumer decisions are made only infrequently, or where consumers have only limited feedback about the quality of their decisions, they are less likely to be able to accumulate experience.

Behavioural science shows that consumers make choices in markets by relying on heuristic searching, using trial and error, simultaneously working out what they need to know, looking for and evaluating information as they go, using mental shortcuts. Brands provide one such shortcut, with a well-known, trusted brand carrying considerable weight in consumer decisions about what to buy.

1. Introduction and background

This report reviews how consumers engage with markets. It draws on market research, social research and academic papers in the public domain. It was commissioned as part of a programme of research by Consumer Futures (now part of Citizens Advice) aiming to establish:

- whether consumers have a hierarchy of priorities that determines how much time they allocate to engaging in markets
- if so, where the regulated energy, telecommunications and financial services markets fit into the hierarchy.

1.1 The rational choice model

According to classical economics, markets are in equilibrium when there are many suppliers competing for consumer attention and many consumers demanding products and services. As long as there are no shortages of products or raw materials and that supply can meet demand, then prices are driven down and quality improves.

Underpinning this classical model is the rational choice model. This assumes that consumers will secure the best deal for themselves by weighing up the costs and benefits of available offers in order to arrive at a purchase decision that maximises personal advantage (utilities). It further assumes that consumers have access to complete and easily understood information, and that they are willing and able to spend the necessary time evaluating all the available offers.

There are problems with this model and they are particularly acute in regulated markets: utility markets that were formerly in public ownership and operating as monopolies, and financial services. Information about offers is not always easy for the average person to understand, and the number of choices may variously be limited or overwhelming.

In the energy market, in spite of many market interventions, and appeals from Ofgem, Consumer Focus, price comparison websites and even the Prime Minister, for consumers to save money by seeking out the best deals, most consumers have stubbornly resisted the pressure to switch suppliers or tariffs. Or, if they do switch, they do not always reap the expected benefits.

The general unwillingness of consumers to switch suppliers when it seems in their best interests to do so is referred to as “market stickiness”. Despite many attempts at “unsticking” the energy market by:

- simplifying tariffs
- making the process of switching quicker and easier
- publicising the benefits of switching

and in spite of continuing rising prices and growing fuel poverty, there continues to be only a minority of consumers switching suppliers or tariffs. The pattern is repeated across telecoms and financial services markets.

Although regulators and other bodies are increasingly questioning the rational choice model, a good deal of their activity continues to be based on the belief that if only consumers can be provided with the right information they will make rational choices and switch.

1.2 How consumers behave in reality

Behavioural economics shows that, faced with a daunting array of choices to make every day, consumers do not make rational choices. They use intuition and short cuts to reduce the work of navigating all the choices open to them every day. These intuitions and short cuts are in part based on experience and perceptions, a combination of thoughtful and slow (‘objective’) evaluation and fast, intuitive (‘subjective’) evaluation. ²

There is also evidence that consumers do not regard all markets in the same way. They trust some markets more than others, they believe some markets offer greater

² D Kahnemann “Thinking Fast and Slow Penguin 2012

choice than others and that in some markets it is easier to compare products and services than in others.³ They may not always believe that there is any advantage in switching from one supplier to another.

There are some obvious practical differences in the many markets that consumers must navigate. Some markets concern physical goods, where consumer decisions about what to buy include the functionality and aesthetic attributes of the items (for example clothing, furniture, cars). Other markets concern services, which further divide into those that consumers directly experience (such as holidays, out of home entertainment, gyms, pubs and restaurants) and those that enable other products and services to function or be accessed (for example electricity, bank accounts, credit services, public transport, broadband).

Some markets are also more interesting to some people. As a result, some people enjoy the process of browsing and choosing, others see shopping as a chore, to be completed as quickly as possible.

1.3 Characteristics of regulated markets

Regulated markets all involve ongoing contracts to supply services that consumers benefit from indirectly: consumers do not directly consume the gas, the borrowed money, the broadband signal but use these commodities to enable other activities or transactions.

Regulated markets all involve infrequent 'purchases'. This would be true even if consumers switched suppliers regularly: the essence of a service contract is that it remains in place for a period of time. It is unlikely that consumers or suppliers would expect regulated services to be switched with the same frequency as shopping for groceries or buying other commodities such as petrol.

In most cases there is no requirement for consumers to make more than one 'purchase' in regulated markets. Consumers do not *have* to set up new bank

³ <http://www.consumerfutures.org.uk/reports/consumer-conditions-in-the-uk-2012-analysis-of-the-eu-market-monitoring-survey-results>

accounts, energy contracts or telecoms services unless they move home or there is some other significant change in their circumstances. The default position is that the service continues to be supplied unless the consumer ends or changes the contract. Even in the case of general insurance (such as buildings and contents, motor or travel insurance), consumers do not have to choose a new policy each year.

1.4 Use of time

All agencies in the energy and other regulated markets are committed to encouraging greater consumer engagement. But greater engagement requires more of consumers' time.

The amount of time consumers are willing and able to devote to engaging in markets may be limited: time to engage in additional consumer tasks only available by sacrificing another activity.

In particular, complex, unfamiliar or infrequently visited markets may demand a significant amount of time to find the best deal, especially if the decision concerns a major household expense and is influenced by factors other than price alone. The amount of time the average consumer is willing or able to spend engaging in energy and other regulated markets may therefore be insufficient to identify and obtain a better deal.

1.5 A new hypothesis

Citizens Advice hypothesised that consumers may prioritise time spent on markets depending on the importance to them of the goods and services that each market delivers, the expected benefit or reward and whether engaging in the market is enjoyable. The hypothesis is that consumers effectively have a *hierarchy of priorities* that determines how much time and in what way they are prepared to engage with different markets.

The priorities are likely to vary among different social groups. So, for example, wealthier people may have a different hierarchy of priorities than people who are

struggling financially. But other factors, such as lifestage and attitudinal differences, may also influence consumers' priorities.

Citizens Advice hypothesised that understanding the hierarchy and the criteria that determines it might provide a way for agencies to design initiatives that complement consumer behaviour in regulated markets.

2. Objectives

Citizens Advice wished to understand how consumers prioritise the time and effort needed to engage in regulated markets compared to other markets, and the implications for policy. To this end, it commissioned research from GfK (Consumers' Hierarchy of Priorities, March 2014) testing consumer engagement and behaviour in a sample of markets.

Before commissioning new primary research, Citizens Advice felt it important to review existing research about use of time and consumer engagement in a wide range of markets.

The purpose of the review was both to inform the design of the newly commissioned primary research, and establish what is already known about the relationship between consumer engagement in markets and their use of time.

3. Approach to the review

3.1 How many markets are there?

A market is an environment in which goods and services are exchanged, usually for money. A market implies that there is a choice of suppliers, that buyers can choose when and how much to buy, and whether to buy at all.

But some markets do not allow consumers to choose (for example, mains water supply), or offer limited choice (for example public transport operators on a given route), or operate in both the commercial and public sector (for example health and education). These markets nonetheless involve consumer expenditure, either direct spending or through taxation, and they demand at least some degree of engagement with suppliers.

The Office of National Statistics Family Spending Survey 2011 provides a comprehensive measure of consumer outgoings, including money paid in taxes, fines and penalties, donations to charity, money set aside as savings. The survey identifies 235 commercial markets in which UK consumers buy goods and services. Some of these markets are for specific goods or services (for example pet food, heating oil, driving lessons), others are for categories of goods or services (for example toilet requisites, audio accessories, garden tools). The list of commercial markets covered by the Family Spending Survey is reproduced in Appendix 1.

Most of the markets can be grouped into macro-markets, for example Groceries, Clothing, Household Goods and Services, Transport, etc. But while consumers might sometimes engage in macro-markets, for example buying groceries in a single shopping trip, in most cases they engage in individual markets: they do not engage in the 'Recreation and Culture' market, they go to the cinema, buy a magazine, buy a personal computer; they do not buy 'Household Goods and Services', they buy fridges and lawnmowers and cushions; they do not buy 'Public Transport', they buy train tickets and catch buses; they do not engage in 'Financial Services' or 'Telecoms', they take out credit cards and savings accounts, buy telephone services and broadband.

The full list of 235 markets was used as the start point for considering the many different markets in which consumers engage, and the organisations that might carry out and publish research about consumer behaviour.

3.2 What is 'engagement'?

Although the word 'market' implies transacting (buying the desired goods and services), engagement encompasses a very wide range of activities, broadly summarised as pre-sale, sale and post-sale:

- Pre-sale activities include browsing, researching options; this is sometimes called 'shopping around'
- Sale activities include placing orders and making the purchase
- Post-sale activities include cancelling and changing orders, returning unwanted goods, paying ongoing bills, checking statements, dealing with suppliers' ongoing marketing communications, raising queries, making complaints, etc.

Not all markets involve the same post-sale activities, for example only energy markets involve the consumer providing meter readings. Some markets involve no post-sale activities at all.

Pre-sale browsing and researching do not necessarily result in a purchase: browsing and researching may be undertaken with the intention of purchasing but end with a decision not to buy. In the case of ongoing service contracts, pre-sale activities can include renegotiating with the existing supplier.

Sale and post-sale activities involve engaging with a particular supplier rather than with a market, but they may have a bearing on consumers' next purchasing decisions.

For these reasons, the research takes as broad a definition as possible of 'engagement'.

3.3 The search for material

The search for material included how people decide what to buy, the buying process itself, post-purchase interactions with suppliers and, where meaningful, with the products and services themselves. It also included public services where people may not have a choice of suppliers but do have opinions and choice about their level of engagement.

The search for material included factors that influence or limit engagement with markets: how people use and think about time, skills and capabilities, psychological and attitudinal differences.

Source organisations

Market research is typically conducted by manufacturers and retailers in order to gain a competitive advantage. This kind of material is rarely in the public domain. But Government bodies and market regulators undertake and publish consumer behaviour research in certain markets, academic institutions investigate some consumer behaviours and some trade associations might be expected to do so.

The Trade Association Forum lists over 2,000 trade associations in the UK. Websites of the 66 associations felt most likely to undertake consumer research were examined and promising material downloaded. We are indebted to the Direct Marketing Association for allowing us to download reports that are only intended to be available to its members.

A further 18 organisations' websites were searched for research reports concerning consumer behaviour in any markets. These include European Commission departments, UK Government departments, UK Government agencies and social research institutions.

Academic institution websites were searched for reports and papers concerning consumer behaviour and use of time.

Consumer Futures' research library was searched for published reports and original research materials material gathered since 2011 (search terms 'engagement', 'switching' and 'time'). Earlier material from Consumers Futures' library was drawn from research summaries prepared in 2011.

Other material came from the author's own library.

The search for material took place in September 2013. The list of organisations searched appears in Appendix 2.

Source documents

In total, 99 reports, papers, summaries and sets of tables were located and examined between October and December 2013. Of these, 70 contain material relevant to the enquiry, including 18 from the libraries of Consumer Futures and its predecessor organisations.

The reports and papers relate to use of time, general consumer behaviour and behaviour in the following specific markets:

Cars (buying and renting)	Consumer credit
Current accounts	Democracy
Dentists	e-commerce
Education	Energy (electricity and heating fuel)
Fashion	Food
Gym memberships	Health
Holidays	Home buying
Home furnishings	Home insurance
Horticultural goods	Investments
Mobile phone insurance	Mobility aids
Mortgages	Motor insurance
Pensions	Sport
Telecommunications (telephones, broadband)	
Tradesmen	Water

All source documents used are listed in Appendix 3. In the Main Findings, sources are identified via the number in the Appendix 3 list.

4. Main findings

The findings in this report are drawn from the source material listed in Appendix 3. Reference numbers at the end of each paragraph and figure relate to the source documents in Appendix 3.

4.1 Time use

The findings in this chapter on Time Use are drawn from 15 reports and papers published by University of Essex, University of Oxford, the European Commission, Office of National Statistics, Department for Work and Pensions, the National Consumer Council and Ipsos MORI.

Time use research is a social science with a very wide range of economic and cultural applications. The most recent and comprehensive time use surveys relating to the UK population are those conducted in 2000 and 2005 by the Office of National Statistics. In these surveys, participants kept diaries to record the amount of time they spent on each activity.

Aside from during the two World Wars, time use surveys were conducted in the UK throughout the twentieth century by various bodies, among various sections of the population and/or on specific aspects of time use. For example, the British Household Panel Survey, last conducted in 2010, asked direct questions about the number of hours in paid work and caring activities. Other countries, especially USA, Canada, Australia, France, Germany, Japan and Russia, have also conducted large numbers of time use surveys⁴.

Time use research organises activities into overall time categories: contracted time, which refers to paid work, formal study and the associated travel; committed time, which refers to other forms of productive work such as maintaining a home and looking after dependants; necessary time, which means eating, sleeping, washing and dressing, etc; free time, which means everything else. Committed and necessary time might be jointly regarded as relating to 'non-optional' activities.

⁴ <http://bit.ly/1iPAk1T>

Academic researchers such as Jonathan Gershuny have extensively analysed time use survey data. Gershuny reports that, between 1961 and 2001, the amount of time people in Britain spent in paid work reduced by 27 per cent, from 280 to 205 minutes a day. (4, 8)

Over the same period unpaid domestic work (cooking, cleaning, household maintenance, gardening, childcare, shopping) increased by 14 per cent, from 196 to 224 minutes a day. (8)

Within this, and in spite of the trend towards smaller families, the amount of time devoted to childcare activities doubled between 1961 and 2001. This is thought to reflect the increased priority given to child-related activities, for example actively participating in children's homework. (4, 11)

The amount of time devoted to shopping more than doubled between 1961 and 2001. The increase in car ownership and the growth of out-of-town shopping centres meant that consumers have spent more time driving to and walking round more distant but larger shops, walking round them and queuing to pay for their purchases. (4, 11)

Even so, people spend only a fraction of their time on all forms of shopping. The most recent (2005) Time Use Survey conducted by the Office of National Statistics (ONS) shows that on average people spend only 34 minutes a day on all 'shopping and appointments'. (7)

Figure 1 shows that two thirds (15.4 hours) of the average person's average day are taken up by non-optional activities (sleep, paid work, formal study, travel, eating and drinking, washing and dressing). A further 10 per cent of the day (2.4 hours) is taken up by all domestic work, including shopping, cooking, cleaning and looking after children. The remaining 25 per cent of the day (6.1 hours) is spent in social and leisure activities, including spending time with friends and family, watching TV, resting. (7)

Figure 1: Average number of hours per day spent on activity types

Hours per person per day spent on:

Non-optional activities (sleep, work, etc)	15.4
All domestic work, including shopping	2.4
Social activities	1.4
Leisure activities	4.7

Based on 4,941 respondents in Great Britain. Office for National Statistics, 2006 (7)

The 'average day' does not mean every day. So, rather than being spread evenly across the week, ONS reports that most domestic work is crammed into the weekend. (7)

Any further increase in time spent on 'shopping' would probably mean a reduction in time for social or leisure activities. ONS reports that, in reality, between 2000 and 2005, the average amount of time spent socialising increased, while time spent on all domestic work continued to decrease. (7)

Demographic differences

Average measures do not mean that every person's life is the same. Academic researchers report that people with higher qualifications and higher paid jobs work longer hours than other people. (11)

Other sources find that lower paid people work longer and often unsociable hours. In 2008, the National Consumer Council (NCC) conducted a series of deliberative forums among people living in areas of high multiple deprivation. An enduring theme throughout the forums was the extent to which the daily grind of dealing with day-to-day problems left people in these areas with little time, money or energy to enjoy themselves or try to make their lives better. The NCC concluded that managing on a low income takes a great deal of time and effort. (20)

Analyses of time use surveys by academic researchers show that, in spite of their greater participation in the labour force, women continue to spend more time than men do on domestic work. This is evident in Figure 2, based on statistics compiled by the European Commission in 2005. (1, 3, 7)

Figure 2: Hours and minutes per day spent by UK adults

	<u>Men</u>	<u>Women</u>
	hours:mins	hours:mins
Sleep	8:18	8:27
Free time	5:30	5:05
Paid work, study	4:18	2:33
Domestic work	2:18	4:15
Meals, personal care	2:04	2:16
Travel	1:30	1:25

Comparable Time Use Statistics, compiled by Eurostat Population and Social Conditions, February 2005. Based on 10,366 respondents in the UK. (3)

The Office of National Statistics provides a more detailed analysis of domestic work undertaken by men and women. Figure 3 shows that, with the exception of 'repairs and gardening', more of women's time is taken up with domestic work, including caring duties and shopping. (7)

Figure 3: Time spent on domestic activities and rates of participation, Great Britain, 2005

	Average minutes per person per day		Per centage of people participating in activity	
	<u>Men</u>	<u>Women</u>	<u>Men</u>	<u>Women</u>
Cooking, washing up	27	54	57%	81%
Cleaning, tidying	13	47	21%	54%
Shopping and appointments	27	40	32%	42%
Caring for own children	15	32	11%	21%
Washing clothes	4	18	6%	30%
Repairs and gardening	23	11	15%	12%
Caring for other children	7	10	5%	7%
Caring for adults, other household	2	3	2%	2%
Caring for adults, own household	2	1	2%	2%
Total no. hours	2	3.5		

Total number of respondents (unweighted): 2238 men, 2703 women. Office for National Statistics, July 2006 (7)

The 2005 Time Use Survey report notes that women with pre-school and primary school children spend considerably more of their time than other women or men on domestic work. (7)

This pattern of time use gender differences was not unique to 2005. A 1991 study had also found that women were more likely to take charge of routine, daily, repetitive tasks such as cooking, shopping, cleaning, washing and tidying, while men spent a greater proportion of their time on less frequent outdoor tasks such as gardening and DIY. (10)

However, the increase in time spent on childcare, shopping and shopping-related travel since the 1960s applies to both men and women. (11)

Women in part-time employment and with small children are likely to be under the greatest pressure of time. The fewer hours they spend in paid work are more than outweighed by the additional hours spent in housework and childcare. Time is also much more pressured for dual-earner couples and single parents. (11)

The impact of lifestage changes

Gershuny has shown that people's use of time does not usually change much from one year to the next. But lifestage changes, such as becoming a couple, having children, grown up children leaving home, loss of a partner, trigger time use changes. The biggest such change is triggered by the arrival of the child, when new mothers dramatically reduce the amount of time in paid work. Prior to becoming parents, there is little difference in the amount of time men and women spend in paid work. But even after the children leave home, women's paid work time hardly increases and by the end of the family raising lifestage, women do 30 per cent less paid work than men. (2)

Changes in routine housework mirror those in paid work. Before the arrival of the first child, men do up to 60 per cent as much cooking and cleaning as their partners; just after the child they do 55 per cent and in long term partnerships with children they do 46 per cent. Other types of domestic work (childcare, shopping, gardening, household repairs and household management) also become women's activities once children are born but gradually return to being more equally shared between the partners. (2)

Leisure time is also affected by having children. Both parents reduce their leisure time by just under an hour per day with the arrival of the first child and this hardly recovers until the last child leaves home. (2)

A 2012 study by Hazel Pettifor of the Institute of Social and Economic Research, University of Essex, investigated how households absorb new domestic tasks and responsibilities such as recycling waste. A 2006 study had found more women than men initiating and sustaining household recycling (45 per cent women compared to 16 per cent men). This appeared to fit with time availability theory, which suggests that women, especially once they have children, are more likely than men to take on responsibility for managing the home. (10)

Pettifor tested the hypothesis that, as a new domestic practice, the work of sorting and cleaning waste for recycling would be carried out mostly by women. The hypothesis was not supported by her findings, but Pettifor notes that, among couples

who marry or cohabit, the division of domestic labour is the product of some form of bargaining between partners. This raises the question: when households are faced with new household management tasks, such as whether to switch a utility or financial services account, who takes the responsibility for investigating the options?

(10)

Time use perceptions

People's perceptions of how their time is consumed are not always clear cut.

Analysis of a 1974 diary study, in which participants classified their activities as work, leisure, neither or both, found that 28 per cent of all 'leisure' was classified by participants as not pure leisure. (8)

Similarly, while the increased amount of time spent on childcare is thought to reflect the increased priority given to child-related activities, that shift in priorities is also thought to have changed people's perceptions of activities. Time use data are collected in diary studies, with participants recording what they did under various category headings. In the 1950s, parents who took their children to watch football matches may have recorded the activity as 'attending sporting event', while the 1990s parent may have been more likely to record it as a 'child-related activity'. (11)

Academics also report a gap between the measures of actual time used and what people feel is happening to their time, with most people feeling they are 'running out of time'. (11)

In the 2000 Use of Time survey, 23 per cent of adults reported that they 'always feel rushed'. A further 48 per cent said they 'sometimes feel rushed'. (6)

One possible explanation for this is that people are doing more things, particularly leisure activities, for shorter periods of time. This could have the effect of making the time spent in those activities seem more fragmented and consequently more pressured. For instance, Gershuny and Jones found evidence that rates of participation in particular leisure activities are increasing, but the total time spent in each of them is decreasing – suggesting that people enjoy more leisure activities, but for shorter durations of time. (11)

It has been argued that leisure activities are also becoming more intensive, with more time spent on out-of-home leisure such as eating out, playing sport, etc. For that reason, too, leisure time may feel more pressured. (11)

The 2000 UK Use of Time survey asked people what they would choose to do if they had more time. Figure 4 shows that responses were very varied but dominated by leisure and self-improvement activities. Only 1 per cent of the population would choose to spend more time on 'shopping and services'. (6)

In the 2000 survey, physical exercise was the most commonly mentioned activity that people said they would do if they had more time. A 2005 study undertaken for Sport for England concluded that between one and two thirds of the UK population are in 'chronic contemplation' where physical activity is concerned: thinking about doing more of it but not quite getting around to it. The most frequently cited barrier is lack of time. (6, 19)

Figure 4: What would people choose to do if they had more time?

Many people say that there are things they would like to do more often but can't because they are too busy or other things get in the way. What one activity would you choose to spend more time on if you could?

	%
<u>Leisure and self-improvement activities</u>	
Physical exercise	27
Travel	10
Social life	9
Entertainment and culture	4
Reading	4
Arts	3
Productive exercise (eg fishing)	2
Hobbies	2
Free time study	1
TV/video	1
Radio and music	1
<u>Domestic activities</u>	
Gardening and pet care	5
Childcare	2
Making/repairing/washing clothes, polishing shoes	2
Construction and repair of house	2
Shopping and services	1
Housework (mostly cleaning)	1
<u>Rest</u>	
Resting	5
Sleep	1
Personal care	1
Work (relating to employment)	1
Other	4
Don't know	7
None	5

Based on 9,151 adults in Great Britain. Ipsos Mori, 2000 (6)

Time and consumption

Historically, people with the most money also had the most time for spending it, because they could afford to pay other people to carry out their domestic work. They therefore had both time and money for greater 'consumption', buying goods and services. But analysis of the working hours of better qualified (and hence more highly paid) workers suggests that as qualification levels rise, so do hours of work. This is exacerbated by the tendency for both partners in a high income household to be working long hours. (8, 12)

One phenomenon of work-rich time-poor households is inconspicuous consumption⁵. This is where expensive goods are bought but stored away unused, because putting them to use involves appreciable periods of time. (12)

In *The Time Bind*, Hochschild (1996) describes the lives of time-pressured families in the town of Spotted Deer. She describes several strategies that parents devise in order to cope with the guilt imposed by lack time, including the idea of the 'potential self' – the person they would be 'if only I had time'. (12)

One example concerns a manager, a husband and father, who had bought all the expensive equipment needed for a camping tour with his two daughters, but he bought it three years ago and never used it. In another example a time-pressed father bought an expensive saw and drill set with the intention of building a tree house for his daughter, but the equipment was kept unused in a cupboard. (12)

Other examples of inconspicuous consumption relate to wishing to be the type of person who actively participates in outdoor activities or has a particular expertise, therefore buying expensive sports equipment or cameras. (12)

There is, for example, the 'cookery contradiction'. More people are eating out in restaurants more often, supermarkets are selling more ready-to-eat dishes and there has been substantial growth in home delivery of take-away meals. But at the same time sales of expensive cooking equipment and cookery books have grown. It

⁵ In the 19th century, the economist Thorsten Veblen coined the phrase 'conspicuous consumption'. It has to come to refer to the practice of buying goods and services in order to display social status.

appears that there is a wish to produce high quality meals at home but the practice remains eating out or buying ready-to-serve meals because of time pressure and tiredness. (12)

Time and engagement with markets

The ONS Time Use surveys do not collect or report time spent on engagement with markets in great detail. The ONS 2000 Time Use survey collected data in diaries containing a pre-printed activity list. The list included some different types of shopping (see Figure 5) but published results show only time spent on all shopping. The finer detail may be accessible in the raw data. (5)

Figure 5: Market engagement categories in the ONS 2000 Time Use diaries

Shopping and services:

Shopping for food

For clothing

Related to accommodation (eg house-hunting, shopping for DIY goods)

Shopping or browsing at car boot sales or antiques markets

Commercial and administrative services

Defined as visiting bank, post office, local authority offices, lawyer, travel agency, insurance adviser, labour exchange, etc

Personal services

Other specified shopping and services

Unspecified shopping and services

Household management not using the internet

Definition includes 'phone calls to institutions' and 'correspondence with authorities'

Household management using the internet:

Shopping for and ordering food

Shopping for and ordering clothing

Shopping for and ordering goods and services related to the accommodation

Shopping for and ordering mass media

Shopping for and ordering entertainment

Shopping for and ordering unspecified goods and services

Banking and bill paying

Other

Time Use 2000, User Guide, Office of National Statistics (5)

Some other types of market engagement were included in the diaries, but not as separate activities. For example internet banking and internet bill paying were a single activity; non-internet banking was included in 'commercial and administrative services' along with other activities such as visiting the Post Office or town hall. (5)

It is not clear where participants recorded time spent on non-internet bill paying or other forms of engagement with suppliers such as making complaints or post-sale enquiries. Window shopping was categorised as a leisure activity. 'Information searching on the Internet' was included in 'Hobbies'. Again, this level of detail does not feature in the reports of results, but may be accessible within the raw data. It seems likely that the reason for not including the detailed activities in reports is because they account for very small proportions of people's time. (5)

The 2005 survey also used diaries as a data collection method but participants were free to record activities in their own words rather than against pre-printed activity lists. Reports of the 2005 organise the results into the same broad categories as the 2000 study. (7)

The 2005 ONS Time Use survey reports that consumers in the UK spend an average 34 minutes per day shopping. This translates into four hours per week. (7)

Other sources provide slightly different estimates of the time spent on engaging with markets, possibly depending on what activities are included in the measure. A 2011 European Commission working paper on consumer empowerment states that an average 3.2 hours a week are spent on 'all consumer tasks'. (9)

Another source, the Harmonised European Time Use Survey⁶, shows an average 3.7 hours per week spent on 'shopping and services' in the UK. This includes time spent by children aged 10 and over.

Our best estimate of the average amount of time UK consumers spend engaging with markets is between three and four hours per week.

⁶ <http://bit.ly/LWvMup>

The European Commission working paper notes that consumer empowerment depends on confidence and knowledge, plus willingness and time to play an active consumer role; but that consumers are pressed for time. (9)

In the 2012 Consumer Detriment Survey, 26 per cent of consumers who experienced problems with purchases said it had taken over four hours of their time to seek redress. One in 10 such consumers had to take time off work to do so. (12)

Problems with purchases had been experienced by 22 per cent of consumers but almost all adults in the UK buys things. Not everyone enjoys it. Figure 6 shows that around half the UK population enjoys food shopping and two thirds enjoy other types of shopping. (6, 12)

Figure 6: Proportions of UK population that enjoys shopping

<i>Please can you tell me how much you do or don't like doing...?</i>		
	Food shopping %	Non-food shopping %
Like a lot	18	38
Like a little	31	28
Neither like nor dislike	22	14
Dislike a little	14	9
Dislike a lot	16	11
Based on all adults who undertake the activity:		
	8,462	8,753
% all adults undertaking the activity	92%	96%

National Survey of Use of Time, Ipsos MORI, 2000 (6)

A 2009 survey for the Department for Work and Pensions reported that most people like to feel in control of life and seek to do well. But people believe that a social life and time to relax are as important as doing well at work and saving money. (30)

As shown in Figure 3, if people had more time they would choose to spend it on leisure and self-improvement activities. Most of these activities involve consumption and, in many cases, engagement with a market. But the engagement is secondary to the chosen activity.

4.2 Consumer capabilities

The findings in this chapter on Consumer Capabilities are drawn from seven reports published by the European Commission, Which?, Department for Business Innovation and Skills (BIS), Department for Work and Pensions (DWP), the Scottish Consumer Council and the BBC.

A 2011 European Commission working paper, Consumer Empowerment in the EU, states that in order to make informed decisions, consumers need certain skills, such as the ability to perform simple calculations and read labels. But in tests only 45 per cent of EU consumers were able to correctly answer three simple arithmetic questions and only 58 per cent could identify information about fat content on a box of cereal. (9)

The paper also says that knowing your rights is fundamental to consumer empowerment and yet:

- 34 per cent of consumers who had recently bought an airline ticket did not know that the advertisement should have stated the total price of the ticket, including fees, charges and taxes
- six per cent of consumers did not know they have a faulty fridge repaired or replaced up to 18 months after purchase
- 25 per cent of consumers who buy goods over the internet did not know they could return a product bought online
- only 28 per cent of consumers are fully aware of the cooling-off period for buying financial services. (9)

Research carried out by the Scottish Consumer Council in 2002 found that 68 per cent of consumers in Scotland felt well informed about their consumer rights, with most (54 per cent) felt themselves to be 'fairly' rather than 'very' well informed. Consumers with lower household incomes felt less well informed than those on higher incomes. (66)

Only 27 per cent of the consumers in Scotland were aware of their rights in relation to obtaining refunds for faulty goods. Again, consumers on lower incomes, without formal qualifications, or unemployed were less likely to know their rights. (66)

In 2013, Which? undertook a large scale study (based on over 5,000 interviews) measuring consumer literacy in the UK population. The study tested people's skills in three aspects of consumer literacy: consumer skills, consumer knowledge and the propensity to use the first two. (17)

The study found that only one per cent of consumers score well in all three aspects of consumer literacy and only 20 per cent score well in any one aspect. The vast majority of consumers, 80 per cent, score highly in none of the three aspects of consumer literacy. (17)

The European Commission's research shows that consumer empowerment is strongly linked to age, profession, education level and internet use. (9)

Which? also found that capabilities vary a great deal across the population: participants' performance in the consumer literacy tests were linked to their age, education and income. (17)

Education levels have a strong impact on consumer skills and knowledge. People with higher educational qualifications scored considerably better in the maths part of the consumer literacy tests than those with lower qualifications. But education levels make no difference to people's propensity to use their skills and knowledge and Which? concludes that education on its own may not be enough to change people's behaviour. (17)

Similarly, income levels are related to consumer skills, but have no bearing on the propensity to use the skills. (17)

Age had the biggest influence on consumer literacy in the Which? study. This is probably because experience teaches us how to use our knowledge and skills, and

gives us the confidence to do so. The survey found that differences between older and younger people centre on the application of knowledge and skills:

- 25 per cent of people aged 65 or over know how much they have in their bank account within a pound or two – a significantly higher proportion than any other age group
- 43 per cent of people aged 65 or over reconcile their bank statements with receipts, compared to 24 per cent of the overall population who do so
- People aged 65+ are significantly more likely than any other age group to keep track of their spending
- People aged 65+ are considerably more confident than younger people at complaining about problems with goods and services. (17)

The Skills for Life Survey, undertaken by the Department for Business, Innovation and Skills (BIS), categorises people according to levels of literacy and numeracy:

- Level 2 is equivalent to GCSE grades A*-C. Adults with skills below Level 2 may not be able to compare products and services for the best buy or work out a household budget.
- Level 1 is equivalent to GCSE grades D-G. Adults with skills below Level 1 may not be able to read bus or train timetables or check the pay and deductions on a wage slip.
- Entry Level 3 is the attainment level expected of pre-secondary school pupils aged 9-11. Adults with skills below Entry Level 3 may not be able to understand price labels or pay household bills. (22)

In 2011, BIS found that 43 per cent of adults in England have literacy skills below Level 2. This includes 15 per cent whose literacy skills are below Level 1 and formally classed as 'weak'. BIS found that participants with weak literacy skills are aware of the fact. One consequence of this is that they avoid checking their bills and bank statements. (22)

BIS found that 78 per cent of adults in England have numeracy skills below Level 2. This includes 49 per cent whose numeracy skills are below Level 1 and 24 per cent whose numeracy skills are below Entry Level 3. In contrast with people's self-assessment of their literacy skills, BIS found that people are inclined to claim greater confidence in numeracy skills than their test results warranted. (22)

Demographic factors that relate to weak (below Level 1) literacy and numeracy skills include a first language other than English, parents who did not continue their education past the age of 16, having a learning difficulty, being aged 45 or older, having a 'blue collar' occupation, infrequent or no use of computers and low educational qualifications. Numeracy is also influenced by gender: women are more likely than men to have weak numeracy skills. (22)

BIS also surveyed Information and Communication Technology (ICT) skills. It found that around half of adults in England have a high standard of emailing skills and can use the internet to access and evaluate information competently. Similar demographic factors influence ICT skills as affect literacy and numeracy, but the most significant influence on ICT skills is the person's age. (22)

Performance in the ICT assessments were also related to participants' experience of computers and the internet: the higher their frequency of computer usage or online activity, the higher they scored in the ICT assessment and the greater their confidence in the ICT skills. Participants who lacked access to a computer or the internet at home performed poorly, not only in the ICT assessments but also in the literacy and numeracy tests. (22)

Which? found a link between people's consumer skills and their income. Research published in Science journal and reported by BBC News in August 2013 demonstrates how being poor saps a person's mental resources. Using evidence from studies carried out among farmers in India and the USA, researchers found a causal relationship between poverty and bad decision making. (13)

Farmers' income fluctuates throughout the year. Cognitive tests conducted at different parts of the growing season revealed that the same individuals' mental

acuity varied with their current income level. The study concludes that those in poverty spend more of their mental capacity worrying about money, leaving less mental capacity for other tasks. (13)

Financial capabilities

A research report published by the European Commission defines financial capability as the knowledge and skills required to make decisions that favour the consumer's own long-term interests. The research investigated consumers' decision-making processes when they take out investments. It includes a review of behavioural economics and other literature, and finds repeated evidence that many households do not possess a sufficient level of financial capability. Many consumers do not possess basic knowledge of interest rates, inflation or risk. (31)

Researchers, especially those in the area of behavioural economics, believe that what limits financial capability is not information and the knowledge required to process it, but deep-seated cognitive biases. It cites as evidence that people who have taken a class designed to improve financial literacy do little better than those who have not had such instruction. If poor financial capability is a matter of psychology rather than of information, then information-based approaches to educating consumers are unlikely to have much impact. (31)

People are in any case wary of new information if it contradicts their previously-held beliefs. They may even ignore new information or misinterpret it so as to reinforce their existing opinion. (31)

The European Commission research found evidence that a combination of experience and good cognitive skills are needed for consumers to avoid making bad financial decisions. It therefore agrees with the Which? conclusions that consumers learn from experience and adjust their behaviour accordingly. But when consumer decisions are made only infrequently, or if consumers have only limited feedback about the quality of their decisions, they are less likely to gain the necessary experience. (31)

A programme of qualitative and quantitative research conducted by the Department for Work and Pensions (DWP) found that British consumers regard money as a sensitive subject. Money is closely connected to people's feelings of self-worth and self-confidence. Conversations about money matters risk causing embarrassment to

themselves or the other person, that one of the party might seem ignorant or be judged for not having enough money. (30)

To overcome these anxieties, some people (especially women) abdicate ownership and therefore control over the main money decisions. Commonly, one partner takes control of 'big' spending and investment decisions while the other is in charge of 'smaller' spending, like shopping and clothing. In this way, money becomes the 'ward' of one or the other and major decisions deferred to the 'owner' rather than debated between the pair. (30)

Another mechanism to control anxiety over money is to segment the household budget into small pots, each assigned to a different household need such as bills, mortgage, children's shoes. Direct debit and multiple accounts are used in order to not have to think about money on a daily or monthly basis. (30)

DWP found that almost all households say there is someone responsible for paying bills. Women are more likely than men to say that they are solely responsible for day-to-day finances and short-term savings for things like Christmas or a holiday. (30)

A third coping mechanism identified by the DWP research is not to think about money at all, to the extent of not knowing how much money they have each month. This strategy appears linked to functional numeracy levels, but lack of time, lack of organisation, debt worries, children and relationship problems all take a stronger pull on attention and time. (30)

DWP found that 41 per cent of consumers are uncomfortable about financial matters. White collar and professional households are significantly more likely than people in blue collar households to feel confident and knowledgeable about financial matters. People in blue collar households are more likely to say they dread anything financial and only think about finances if they absolutely must. (30, 31)

Even so, DWP found that consumers have higher levels of financial confidence than actual knowledge: 39 per cent of consumers gave themselves eight or more out of

10 for financial confidence, 28 per cent of rated their financial knowledge at eight or more out of 10. (30)

Men and women gave themselves similar ratings in terms of knowledge, but men were more likely to say they were financially confident. (30)

Self-ratings for knowledge increased with age, but confidence ratings did not. However, some people aged 45+ and with low incomes have an aversion to thinking about their financial situation, either because they are worried about their particular circumstances and/or because they have a real fear of all matters financial. (30)

4.3 Engaging with markets

In this initial section of the chapter on engaging with markets, information is drawn from 14 reports published by the European Commission, the Office for Fair Trading, Consumer Futures, the Scottish Consumer Council, the National Consumer Council, Which?, Andrew Smith Research, Epsilon and the Direct Marketing Association. Sources used in the sub-sections relating to specific markets are indicated at the beginning of each sub-section.

The European Commission surveys consumer opinions of 51 different markets across Europe. Consumer Futures' analysis of the 2012 results found that most UK consumers' engagement in most markets is limited to transacting and consuming. The vast majority (90 per cent) of consumers do not experience post-sale problems that require them to engage further with suppliers. In markets involving ongoing contracts, engagement is mainly limited to making the payments. (43)

Consumers believe there is plenty of choice in most markets in the UK. They especially rate FMCG markets, cafes and restaurants, small appliance, household insurance and vehicle insurance markets highly (9 out of 10) for choice. The average rating for choice across all markets is 8 out of 10. Exceptions to the rule are gas services, commercial sports services, TV-subscriptions and postal services, which achieve relatively modest scores for choice (6 or 7 out of 10). (43)

While there may be plenty of choice, it does not follow that it is always to compare offers. Consumers find it easy to compare offers in FMCG and household appliance markets, but not particularly easy to compare offers in financial services, energy, public transport, estate agent, legal services and vehicle repair markets. Consumers acknowledge that there is plenty of choice in these markets, but feel it is not easy for them to exercise choice. (43)

A 2007 literature review commissioned by the Office of Fair Trading (OFT) concluded that extensive shopping around was rare, because consumers rarely have time or inclination to carry out exhaustive searches. Instead, consumers engage in heuristic behaviour when they are shopping. Heuristic behaviour means using their

own experience to make mental shortcuts, for example educated guesses, rules of thumb, intuition or common sense. (16)

Consumers also rely on unit prices to provide mental shortcuts: EU research reports that 69 per cent of consumers refer to unit prices at least sometimes, with consumers on tight budgets doing so even more. (9, 31)

The OFT notes that, in most markets, most consumers have previous experience of buying the product or service and this experience helps them make their choice. They may also have in their minds a pricing framework to help them assess what is good or poor value. Those lacking experience may be unsure of where to go, find it difficult to assess the quality or utility of products on offer and have little idea of what constitutes a fair price. (51)

Consumers often have inadequate knowledge to evaluate products they only buy infrequently. In this situation, they may welcome advice from other people. (16, 52)

Which? points out that consumers are often expected to place the same value on finding a good deal in a market that is uninteresting or complex as on finding one in a market that is interesting or easy to understand. (17)

In any case, consumers do not all share the same attitudes towards shopping around. Figure 7 shows that 57 per cent of UK consumers claim to shop around to find the best deal. One in three (34 per cent) enjoys browsing regardless of whether it leads to a purchase. But a similar proportion (37 per cent) likes to get their shopping over with as quickly as possible. (42)

Earlier research, commissioned by the National Consumer Council (NCC) in 2005, had found that consumer attitudes to shopping can seem contradictory: 77 per cent of consumers claim to shop around for the best deal but 55 per cent believe that life is too short to worry about saving a pound here and there. The implication is that consumers have a view on what constitutes the 'best deal' and when 'best' is good enough to justify switching. The same research found that 95 per cent of consumers

are keen to avoid unnecessary inconvenience and 70 per cent prefer a familiar company to a new one, even if the new supplier is offering a better deal. (37)

Figure 7: Attitudes to shopping

How well does each of the following describe you when it comes to how you feel about shopping in general?

	%
I shop around to find the best bargain/deal	57
I bargain with a salesperson to lower the price of a product or service	21
I like to browse and look at items without actually making a purchase	34
Shopping is a social occasion for me	15
I try to do my shopping as quickly as possible	37

Epsilon, 2013; based on 419 UK consumers. Per centages represent the proportions giving agreement ratings of at least 8 out of 10 (42)

Research undertaken by the Scottish Consumer Council in 2008 identified four broad personality types that influence how consumers engage with markets:

- One in three (34 per cent) consumers is pro-active. They are the most likely consumers to have internet access and to shop around, and have a high propensity to switch suppliers. But they also believe that all companies end up charging the same in the long run. They welcome independent advice but dislike approaches by sales people. This group includes a high proportion of people in professional occupations.
- One in four (25 per cent) consumers is bargain hunters. This group also likes to shop around, welcomes independent advice and dislikes approaches by sales people. But they differ from the first group in that they reject the ideas that it is not worth trying to save a few pounds and that all companies' prices are similar. Consequently, this group has the highest propensity to switch suppliers. The

group includes high proportions of people under 35 and people in white collar occupations.

- One in five (21 per cent) consumers is open both to independent advice and to sales approaches. They like to shop around, but they also feel that life is too short to worry about saving a few pounds here and there. This group includes a high proportion of people in blue collar occupations.
- One in six (18 per cent) of consumers are uninterested in shopping around and switching suppliers. They believe that most companies end up charging the same in the long run and that life is too short to worry about saving a few pounds here and there. This group include a high proportion of people aged 55+. (64)

In 2011, an online survey found that 56 per cent of consumers claimed to be increasing their use of using price comparison tables and websites. (68)

But the choices consumers make are complex and not just about price. Qualitative research commissioned by the NCC in 2006 found that the nature of the supplier is also taken into account. For example, consumers trust retailers to give them what they pay for: chain stores are expected to behave fairly because of the damage that negative publicity causes to their brand, while local independent shops have to win their customers every day and so offer quality, service and value for money. (66)

An online survey in 2011 found that only 22 per cent of consumers were willing to sacrifice poor service for cheaper prices; 48 per cent would not make that trade-off. (68)

The survey also produced evidence that some organisations fail to make it easy for consumers to engage with them. Figure 8 shows that substantial numbers of consumers encounter hurdles when trying to engage with companies, particularly over the telephone and because of poorly trained or unempowered staff. (68)

Figure 8: Engagement experiences that most annoy consumers

Percentage of consumers annoyed by:	%
Being left on hold for long periods when you telephone	41
Voice activated or routed telephone answering systems	30
Staff who are not competent to help	35
Arrogant or condescending staff attitudes	28
Staff who fail to do what they say they will do	23
Standardised responses	18
Junk mail and email	21
Special offers unavailable to existing customers	17
Misleading or dishonest information	15
Sales telephone calls	16
Hard sell of warranties	8
Goods and services not delivered on time	11
Inadequate compensation and apologies	5

Andrew Smith Research and Research Now, 2011; based on 1,002 consumers (68)

Research carried out by Epsilon in 2013 suggests that consumers are not interested in engaging with markets and suppliers outside of their immediate purchase needs. Unsolicited communications from companies are ignored: 75 per cent of consumers do not read unsolicited communications or sales communications from companies they do not know; 57 per cent do not read sales communications from companies they do know. If a known supplier is too persistent and sends material too frequently, the proportion of consumers who ignore it rises to 64 per cent. (42)

The Direct Marketing Association (DMA) also surveyed consumers' views of receiving communications from suppliers in 2013. It found that some types of communications were more welcome than others: 70 per cent of consumers enjoy

receiving vouchers, coupons and discounts in the mail, but only 19 per cent enjoy receiving customer magazines and only 11 per cent enjoy receiving leaflets. (62)

Consequently, 52 per cent of consumers enjoy receiving direct mail from stores and supermarkets, but only 14 per cent enjoy receiving direct mail from banks or telecommunications companies, 10 per cent from other utilities companies and less than 10 per cent from other financial services suppliers. (62)

The DMA found that few consumers would miss any advertising, but advertising from financial services and utilities, including telecommunications companies, is the least likely to be missed: 76 per cent and 71 per cent of consumers respectively would not miss advertising from these types of firms. (62)

Loyalty and switching

Epsilon's research focused on retailers. It found that only 15 per cent of UK consumers believe that it pays to be loyal to their favourite retailers but that loyalty is much more likely in financial services and grocery markets. Figure 9 shows the proportions of consumers who feel loyal⁷ to their financial services, grocery, clothing and travel suppliers. (42)

Figure 9: Loyalty to retailers

Thinking of the companies you use most often in each of the following categories, how 'loyal' would you say you are towards each of them?

	%
Financial services	38
Grocery	34
Clothing	23
Travel	20

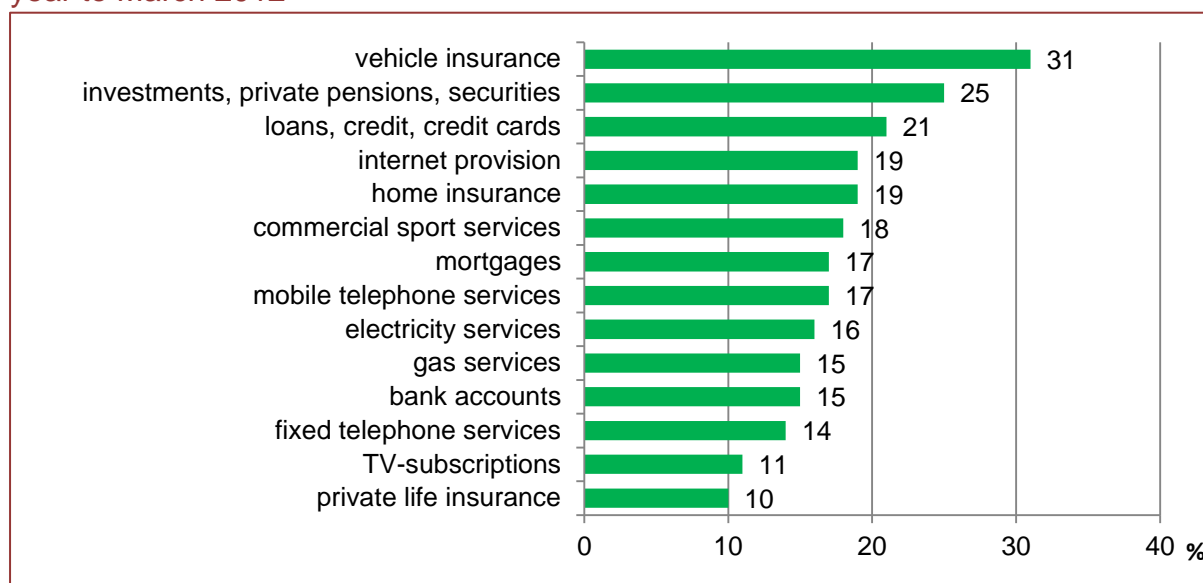
Epsilon, 2013; based on survey participants who have purchased in each category (total sample is 419 consumers). Per centages represent the proportions giving agreement ratings of at least 8 out of 10. (42)

Epsilon found that self-declared loyalists are twice as common among middle-income consumers as among high income groups. Consumers in the 45-54 age group are especially likely to feel loyalty to their financial services suppliers. Convenient location is a major factor for loyalty towards grocery suppliers. (42)

Consumer Futures reports that most consumers with ongoing contracts do not switch these in a given year even when (as in the case of vehicle insurance) the contract is annually renewable (see Figure 10). (43)

⁷ Loyalty means buying the same brand or using the same supplier every time the customer buys in a particular market. Consumers may not be aware of that strict definition. Epsilon asked how loyal customers feel, which some may have been interpreted more loosely, eg how favourable do you feel towards the company.

Figure 10: Per centage of UK consumers who switched provider or product in the year to March 2012



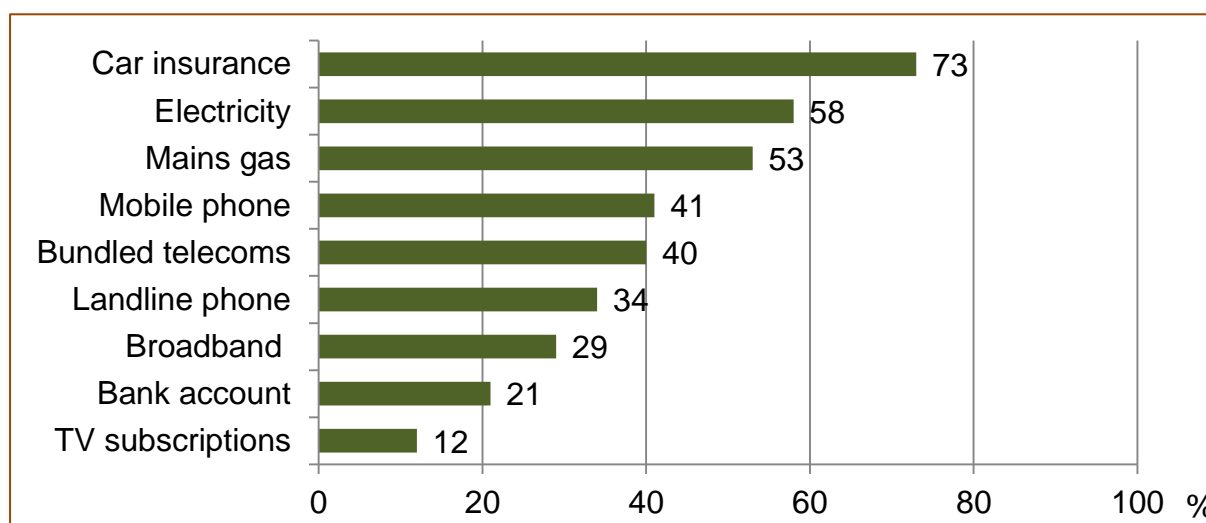
Consumer Focus analysis of European Commission data, 2013. Based on 500 consumers using each service. (43)

Figures compiled by Consumer Futures show that the incidence of switching has declined since 2008:

- from 19 per cent to 12 per cent of electricity consumers, from 20 per cent to 13 per cent of mains gas consumers in 2012
- from 6 per cent to 2.5 per cent of bank current account holders in 2012
- from 12 per cent to 9 per cent of landline telephone users, from 12 per cent to 6 per cent of mobile phone users in 2011 (28)

Figure 11 shows that most drivers have switched their car insurance policy at some time, and just over half of consumers have switched mains gas or electricity at some time, but most consumers have never switched their bank account or their telecommunications contract. (38)

Figure 11: Proportions of consumers who have ever switched services



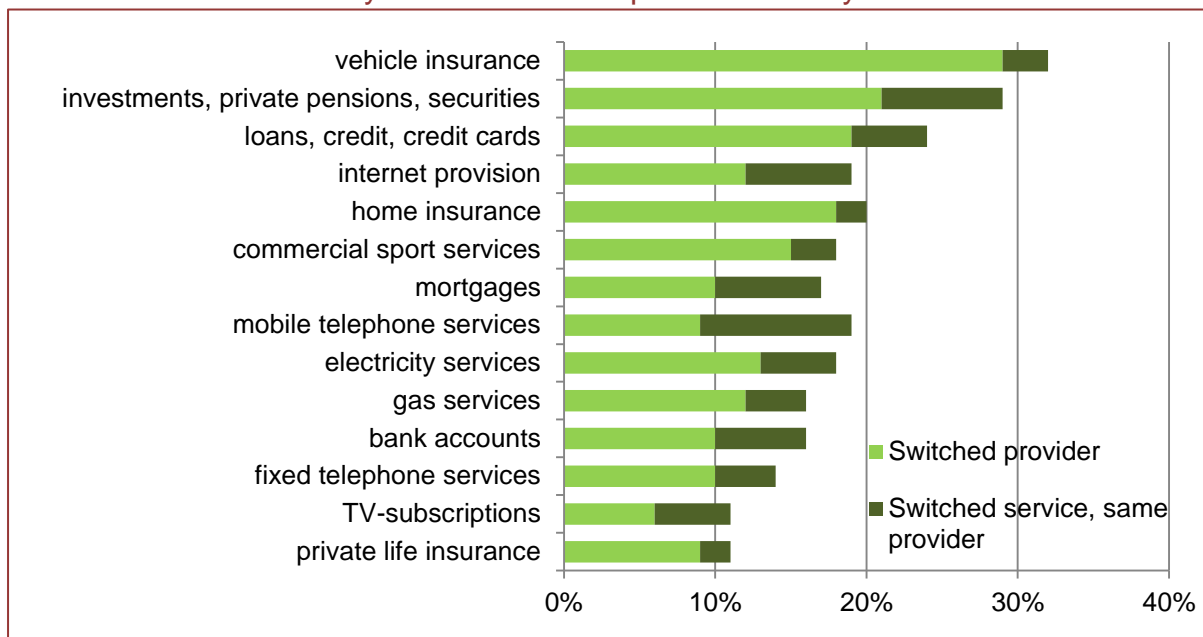
Ofcom, based on 2,000 consumers, 2011 (38)

A 2012 survey conducted for the European Commission found that only 11 per cent of UK households had ever switched their internet service provider. It is not clear what is behind this discrepancy. (69)

Figure 12 shows that if people do switch an ongoing contract they are more likely to switch providers than switch to a different deal with their existing provider. The only exceptions are mobile phones and TV-subscriptions, where switching is equally likely to involve either activity. (43)

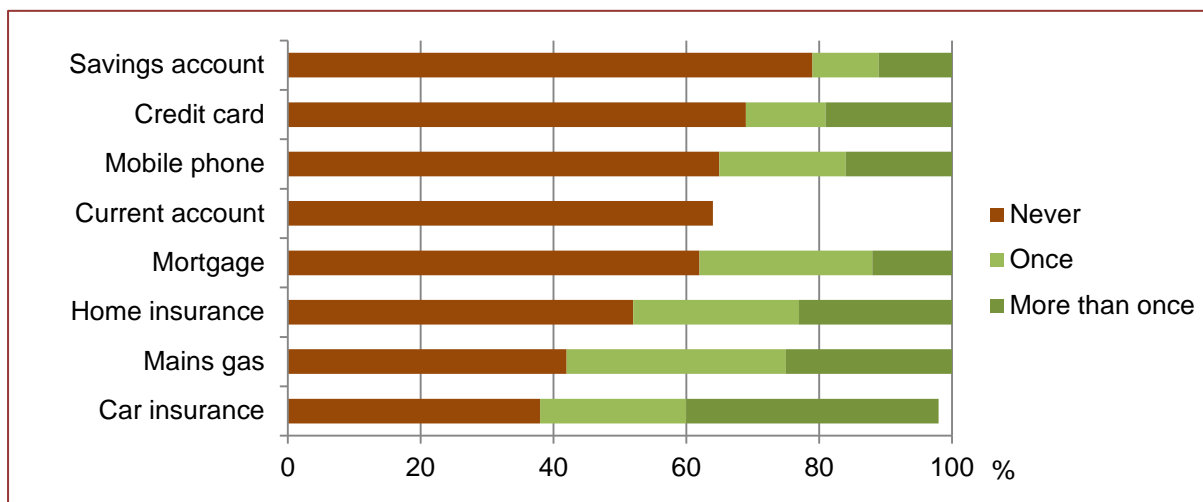
Figure 13 shows that, if consumers switch mortgages or mains gas they are most likely to do so once only. If consumers switch other services, they are more likely to do so repeatedly. (35)

Figure 12: Per centage of UK consumers who switched providers and those who switched services but stayed with the same provider in the year to March 2012



Consumer Focus analysis of European Commission data, 2013. Based on 500 consumers using each service. (43)

Figure 13: Number of times consumers have switched



Ipsos MORI for OFT, 2008. Based on 2,074 consumers in GB who have a current account. Repeat switching figure for current accounts not available. (35)

Epsilon asked survey participants what loyalty meant and found that it most commonly meant remaining with the retailer even if it made a mistake and even if they were more expensive. It is the overall value that matters. (42)

One in three consumers (30 per cent) believe that if their first shopping experience with a retailer is a good one then that is enough to turn them into a loyal customer. (42)

The factors likely to trigger switching from one supplier to another depend on the market. Figure 14 shows the factors most likely to trigger switching financial services, grocery, clothing and travel suppliers. In financial services, consumers regard errors, poor responsiveness and poor service as more influential than uncompetitive pricing. (42)

Figure 14: Factors likely to influence switching

How influential is each of the following experiences, leading you to switch from your most often used brand/company for your next purchase. Please use the scale from 1 to 10, where 1 means “not at all important” and 10 means “very important”.

	Clothing	Grocery	Financial Services	Travel
	%	%	%	%
Incorrect bills	21	22	29	26
Not responsive to requests/ complaints	22	21	28	26
Uncompetitive pricing	21	24	19	24
Products/services do not meet needs	19	21	23	24
Bad sales/service	22	21	23	22
Difficult return/refund policies	23	19	19	21
Mistake leading to product/ service not received	19	16	20	23

Epsilon, 2013; based on 419 UK consumers. Per centages represent the proportions rating 10 out of 10 for importance. (42)

Buying and selling homes

The findings in this section are drawn from four reports, based on qualitative and quantitative research commissioned by the Office of Fair Trading (OFT).

Based on a small scale diary study with consumers buying and/or selling a home in 2010, the OFT found that the length of time between offer and completion ranged from two to 10 months. The average time was just under six months. (54)

Buying and selling a home is very stressful. This is partly because of the many months it takes and the consumer's lack of control over the process, particularly if they are in a chain. But there is also an emotional pressure: consumers are keen to fulfil their buying and selling aims, and they form emotional attachments to the properties involved. Sellers feel unable to lead a normal life while their property is on the market, because of having to keep it clean and tidy, and available for viewings. Some wonder whether to give up. (54)

Consumers are often unaware of the steps involved in buying or selling a home. They develop their understanding as they encounter each stage in the process, but some do not even know what their first step should be, for example whether to put their existing home on the market before looking for one to buy. They rely on estate agents and solicitors to guide them through the process, but are unclear about what they can expect from these third parties. Very few consumers in the diary study were given any guidance about the buying and selling process by their estate agent or solicitor. (53, 54, 55, 56)

Buying and/or selling a home therefore involves simultaneous engagement with several different markets: the property market, the estate agency market, the markets for conveyancing services and for mortgages. While the consumer's aim is to buy and/or sell a home, much of their engagement is with the estate agent.

Buyers and sellers rely heavily on the internet to identify properties for sale and gauge prices, and to estimate how much their existing home is worth. They also use

'for sale' boards, estate agent windows and advertising to identify properties for sale. (55)

In 2009, the OFT found that 72 per cent of buyers in England and Wales, and 55 per cent of buyers in Scotland, had relied on information and guidance from the estate agent when deciding whether to view properties. Estate agents also influenced whether and how much the buyer should offer: 66 per cent of buyers in England and Wales experienced this, 50 per cent of buyers in Scotland. (56)

The OFT found that 87 per cent of sellers in England and Wales, and 96 per cent of sellers in Scotland used an estate agent to sell their property. Only a minority of sellers (27 per cent in England and Wales, 20 per cent in Scotland) had considered using an alternative to an estate agent, but most of these decided against it because of the amount of work involved in marketing the property. (56)

Two thirds of sellers shopped around for estate agents in 2009, comparing two or three firms. Location, personal recommendation and reputation influence which estate agents to compare, the eventual choice of agent being based on the agents' property valuations and commission. But, while the vast majority of sellers claim to compare estate agents' commission fees, only 33 per cent of sellers in England and Wales, and 26 per cent in Scotland, negotiated a lower commission fee in 2009. Consumers assumed the fee was fixed and did not question it. (54, 55, 56)

Estate agents play a substantial role in introducing the consumer to other professionals in the process. The estate agent recommended a solicitor, conveyance, surveyor or mortgage advisor to 72 per cent of sellers and 65 per cent of buyers in England and Wales in 2009. In other cases, consumers relied on recommendations from family, friends and colleagues. (55, 56)

As with estate agents, consumers enter into contracts with solicitors without questioning the rates or scale of charges, although they do question irregularities in solicitors' bills. (54, 55)

People buying a new build property come under pressure to use the property developer's solicitors and mortgage provider partners. These services are sometimes packaged with the purchase price. But consumers who buy a new build property are often aware of the need to pay reservation fees until they are shown round a prospective property. This is because few people intend to buy a newly built property when they start to look for a home. (53)

Consumers are happy to delegate the purchase and sale tasks to their estate agent or solicitor, but they want to be kept continuously informed. They are frustrated at being unable to contact their estate agent or solicitor and not knowing what is happening. They are also frustrated and outraged if a buyer or seller withdraws late in the process. (54, 55)

In Scotland legal penalties imposed on defaulters give greater certainty that an agreed sale will go through. Consumers therefore have a higher level of confidence with the system in Scotland than in England and Wales. (55)

Even so, the OFT found that 19 per cent of sellers in Scotland experienced a sale falling through in 2009, compared to 25 per cent of sellers in England and Wales. One in six (17 per cent) buyers in England and Wales experienced a purchase falling through because they had been gazumped. (56)

Other problems arise from the slow pace of progress, from buyers trying to renegotiate the agreed price, from late or incorrect paperwork and poor communication by the professionals. Buyers of new build properties describe having continually to press the developer for progress towards completion. (53, 54, 55, 56)

Consumers have a poor view of estate agents. Neither buyers nor sellers are clear about where an estate agent's loyalties lie and they do not feel that estate agents' fees accurately reflect the amount of work the estate agent has done. But they are reluctant to lodge formal complaints if there are unhappy with the service because once the transaction is finally complete there is a desire to put it all behind them; while the transaction is ongoing they do not want to 'rock the boat' in case that results in even worse service being delivered. (54, 55, 56)

Car hire

The information in this section is drawn from qualitative research commissioned by the Office of Fair Trading. All participants in the research had hired cars before.

Consumers wanting to hire a car research their options online. Some prefer to visit price comparison sites, others opt for visiting the websites of car hire firms they know and trust. In both cases, the information-gathering process centres on the headline daily hire price, the reputation of the car hire company, the location/pick up point and availability of the desired car. (53)

Consumers feel more comfortable and confident hiring a car with a 'big name' company, especially if travelling to an unknown destination abroad. But smaller, local firms are used where there has been positive previous experience or word of mouth recommendation. This is especially true for repeat visits to the same destination. (53)

Returning to the same company to hire a car streamlines the process: consumers feel they can turn up, sign and drive off. This is useful because a primary concern for many is inspecting the condition of the car before driving it. Inspecting the car is more tangible, visual, and less reliant on comprehension or knowledge, than reading the contract. (53)

If they have hired a car before, consumers give scant attention to the contract. They assume car hire contracts to be standard so do not feel the need to interrogate the terms and conditions each time. If they have hired a car from the same company before, they feel they are already familiar with the terms and conditions. (53)

This is reinforced if a problem is encountered during the hire period and the car hire company deals with it promptly and effectively. (53)

Consumers are especially unlikely to read the contract if they are presented with it at the counter (compared with online). At the counter they feel pressured by time and the queue of people behind them and don't want to have to be delayed by an

administrative task. Their perception is that not reading the contract carries little risk given their familiarity with the process. (53)

Energy

The findings in this section are drawn from 23 reports and papers published by the European Commission, University of East Anglia, the Office of Fair Trading, Consumer Focus, Consumer Focus Wales, the National Consumer Council, the Scottish Consumer Council, the Welsh Consumer Council and energywatch.

Almost all households in Britain engage with the energy market insofar as almost all households have and pay for a mains electricity supply (only those in remote rural areas have to generate their own electricity) and 89 per cent are connected to mains gas⁸. But qualitative research commissioned by Consumer Focus in 2011 found that few consumers have much knowledge of how the energy industry operates or of the way pricing and tariffs work, including the fact that individual suppliers have a range of tariffs. Tariff itself is felt to be an arcane word. (24)

In a separate study, Consumer Focus found that 69 per cent consumers believe themselves to be well informed about their rights with energy suppliers but, when tested, only four per cent were fully aware of their rights and 51 per cent were aware of only half their rights. (25)

A survey of electricity consumers conducted by the European Commission in 2010 concluded that consumers are more satisfied with the electricity market if there is a large variety of suppliers, tariffs and contract types; and more likely to be satisfied with the choice of suppliers if they are also satisfied with the choice of tariffs. But the survey found that, while 91 per cent of UK consumers are aware of the available electricity suppliers, only 43 per cent feels well informed about the suppliers' tariffs. (23)

In a separate survey, consumers rated the UK electricity market 8 out of 10 for supplier choice and the mains gas market a more modest 7 out of 10. But both markets were rated only 6 out of 10 for ease of comparing deals. (43)

⁸ <http://bit.ly/1c0dZyZ>

One factor that must contribute to the ease of comparing deals is that consumers do not always understand the deal they already have. The European Commission survey had found that only 59 per cent of UK consumers knew the broad characteristics of their existing electricity tariff, for example whether or not it was a fixed rate deal, and only 49 per cent knew the unit price of their electricity. Consumer Focus found even fewer consumers (43 per cent of electricity consumers and 41 per cent of mains gas consumers) aware of which tariff they are on or how much they pay per unit. (23, 24)

This limited engagement with their existing energy deals is at least partly due to the way information is presented in energy bills. Consumers find the information in energy bills an obscure and complex mix of equations, serial numbers, calorific value calculations, two tiered unit rates. Energy bills are felt to be intended to baffle and 35 per cent of consumers admit that they find them difficult to understand. (24)

Consequently, consumers look at their energy bills to see how much they owe, not how much they've consumed: 81 per cent look at the amount they owe, but only 41 per cent look at how much they have used. (23, 24)

Most (80 per cent) consumers have nonetheless been trying to reduce their electricity consumption by using energy efficient light bulbs, turning off lights and appliances, not leaving appliances on standby. (23)

A separate source reports that only 39 per cent of consumers in Britain are trying to reduce energy in the home. Both surveys were conducted in 2010. It may be that the phrasing of the questions affected the results, for example some people may turn off appliances through habit or for safety reasons rather than primarily to save energy. (14)

One in eight (13 per cent) households in Britain has a pre-payment gas and/or electricity meter. One in four (26 per cent) of these consumers is on a low income. Consumers with pre-payment meters like them because they help them budget, but 60 per cent are unaware that energy bought through pre-payment meters is more expensive than energy paid for by other means. (24)

The EU survey found that 57 per cent of UK consumers contacted their electricity supplier in 2009/10, usually because of a power cut or a query about their bill. These causes for contact were not necessarily perceived as problems: only 13 per cent of UK consumers said they had experienced a problem with their supplier. A 2007 survey by Consumer Focus had similarly found 16 per cent of consumers dissatisfied with their energy supplier. (23)

Both surveys found that not all consumers complain to their energy suppliers if they experience problems or dissatisfactions. Consumer Focus found that half of those who did complain had to do so more than once and did not feel that it had been worthwhile. Those who did not complain about problems said it was because they expected it to be a waste of time. (23, 24)

Energy switching

Ten years after the energy market liberalised, approximately half the UK's consumers had never switched energy suppliers. But research by the European Commission shows that the UK electricity market nonetheless has one of the highest levels of switching in Europe. This is because switching rates correlate with the number of years the market has been liberalised and the UK's energy market was one of the first to do so, in 1998. (23, 24)

The European Commission (EC) analysis suggests that, across Europe, 10 per cent of consumers would be expected to switch electricity suppliers in a market that had been liberalised for 10 years, rising to 13 per cent after 12 years. The research found that, in reality, 17 per cent of UK consumers had switched electricity suppliers in the two years to mid-2010 (that is, 10-12 years after the UK market liberalised). (23)

It is not clear what assumptions the EC analysis made about repeat switching and therefore what cumulative level of switching in the two years to mid-2010 was expected. So it is hard to say whether the 17 per cent supplier switching rate was above or below expectations. But there is a hard core of repeat switchers contributing to the figures: Ofgem estimates that between 10-20 per cent of British consumers are 'active' energy switchers who switch every 1-2 years. (27)

The Office of Fair Trading found that, by 2008, 58 per cent of consumers had switched mains gas suppliers at some time, including 25 per cent who had done so more than once. (35)

In most European states, consumers are more likely to switch electricity tariff than to switch supplier. In the UK, the opposite is true. EC research consistently finds UK consumers switching suppliers rather than moving from one tariff to another with the same supplier. But the UK's overall level of electricity was one of the highest in Europe in 2012: 28 per cent of UK consumers had switched electricity supplier or tariff, similar to the levels in Ireland and Sweden and lower only than Germany. (23, 43)

Consumer Focus finds that around half of consumers in Britain never even compare energy prices and that only 22 per cent of consumers have *ever* switched tariffs with the same supplier. (24, 27)

Older consumers (aged 55+) and those in the DE social grades are especially unlikely to switch energy suppliers or compare energy prices. (24)

It is not just electricity and mains gas that see only a minority of consumers switching. Research carried out among consumers in Wales found that only half of those who use oil for heating have switched suppliers and fewer than 40 per cent of solid fuel users have done so. (24)

In 2012 Consumer Focus found that 12 per cent of UK consumers switched electricity supplier, 13 per cent their mains gas supplier in the previous year. The previous year, the European Commission had found 16 and 15 per cent of consumers respectively switching electricity and gas. (26, 43)

The incidence of switching varies with social grade, from 10 per cent (electricity) and 11 per cent (gas) among consumers in the DE social grades, to 15 per cent (electricity) and 16 per cent (gas) among consumers in the AB social grades⁹. (26)

Overall, two in three consumers pay for their mains gas and/or electricity by monthly direct debit. It might be assumed that people who pay by direct debit are less engaged in their domestic fuel consumption than those who have to respond to a quarterly bill, but people who pay by direct debit are the more likely to switch: 16 per cent of consumers who pay for their energy through monthly direct debits switched suppliers in 2011, compared to 10 per cent who paid by cash or cheque. (28)

Men are more likely than women to say they are responsible for paying the household's mains gas (72 per cent) and electricity (67 per cent) bills. But it is not clear whether men or women are more likely to instigate a switching decision. (26)

Research conducted by the Scottish Consumer Council in 2008 found that 34 per cent of energy switchers spent several hours selecting a new supplier but a slightly higher proportion (35 per cent for gas, 43 per cent for electricity) spent only a few minutes on the task. The remainder estimated they had spent an hour on the decision. (64)

The motive for switching is to reduce bills: 59 per cent of switchers in 2011 said they switched in order to find a cheaper deal, with a further 14 per cent saying they wanted to save money. (24, 27, 28)

But the EC research found that only 23 per cent of electricity switchers in 2010 felt they had made a significant saving in switching and only 59 per cent felt they had made a saving at all. In 2012, Consumer Focus found that one in five energy switchers ended up paying more. (23, 28)

⁹ * Social grade is derived from the occupation of the head of household. Grades A and B relate to professional occupations, C1 relates to other white collar occupations, C2 relates to skilled manual occupations, D relates to semi- and unskilled occupations, E relates to people reliant on state benefits.

A recent paper by the Centre for Competition Policy at the University of East Anglia notes that there are behavioural explanations for low consumer activity in energy markets, such as a bias toward the existing supplier, lack of confidence and experience in searching and switching to better deals, lack of interest or capability, an expectation that searching and switching will be time-consuming and difficult, an expectation that all suppliers' prices are similar so the time and effort is not worthwhile. (15)

The researchers analysed consumer search and switching behaviour in the electricity market, examining the influence of consumer beliefs about the availability of better deals and general attitudes to seeking out deals and switching suppliers. They found that some consumers are highly active, regularly checking the electricity deals available and switching if they find a better deal than the one they already have. This group accounts for 36 per cent of consumers who know they can choose electricity suppliers. Since the annual rate of electricity switching is somewhat less than 38 per cent, this group clearly does not switch suppliers every year; it is not clear how often they check prices or how often their search fails to identify a better deal. (15)

Other consumers check for deals but do not switch (26 per cent of consumers aware they can choose their supplier fall into this group) and others switch without searching. This last group accounts for 38 per cent of consumers who know they can switch electricity suppliers. This group is least likely to worry about making a 'bad' choice and is thus inclined to switch in response to a direct sales approach without checking alternatives. (15)

The analysis found that the main drivers of searching for and switching electricity deals are the expected gain, the person's confidence and experience of switching in other markets, and their internet use. The people most likely to search for deals and decide to switch are those with the greatest confidence that the gain will make it worthwhile. (15)

Other sources confirm that around one in three switchers do so after being contacted by an energy company sales person and that a similar proportion uses price

comparison websites to compare deals. Switchers in the white collar and professional (ABC1) social groups are more than twice as likely to use price comparison websites as switchers in blue collar (C2DE) social groups. The reverse is true for sales approaches: switchers in C2DE social groups are twice as likely to receive a direct sales approach as those in ABC1 social groups. (24, 27, 28)

Ofgem found that when direct sales approaches are involved only 15 per cent of switchers compare prices from other potential suppliers. Ofgem and Consumer Focus Wales have also found that consumers who respond to a direct sales approach are less likely to believe they have achieved a price saving than those who checked other sources of price information. (23, 27)

Consumer Focus found very little evidence of energy suppliers doing anything to retain customers who instigate a switch. (28)

Not switching

The most common reasons for not switching energy suppliers in Britain are because consumers see no reason to switch: they are variously satisfied with their existing suppliers, uncertain about the savings likely to be achieved, and expect it (or have previous experience of it) to involve hassle. (23, 24, 27)

Consumers in Scotland are less likely than those in England and Wales to feel that switching energy suppliers is worth the bother. (64)

The EC research found that 70 per cent of UK consumers wanted to stay with their existing electricity supplier in 2010; 23 per cent wanted to change suppliers. But Figure 15 shows that one in five of those who tried to switch electricity deals gave up, either because they could not find a better deal or because it was too difficult. (23)

Figure 15: Experiences of UK consumers trying to switch electricity deals in 2010

All UK consumers who tried to switch electricity:	Supplier %	Tariff %
Succeeded and it was easy	65	73
Succeeded but it was difficult	11	8
Failed because could not find a better offer/tariff	10	14
Failed because too difficult	12	8

European Commission, 2010. Based on 115 UK consumers (23per cent of all interviewed) who tried to switch suppliers, 65 (13per cent of all interviewed) who tried to switch tariffs with the same supplier. (23)

The EC's 'tried and failed' figures imply that around eight per cent of all UK consumers had been frustrated in their attempts to switch electricity deals in 2010. More recent research by Consumer Focus found that only one per cent of consumers in Britain had tried and failed to switch gas or electricity suppliers in 2012. (26)

Fashion

The information in this section comes from a 2012 report published by Conlumino.

Fashion shopping involves three stages - browsing, research (checking sizes and availability, comparing prices) and purchasing. (45)

The internet has increased the amount of choice for fashion shoppers by allowing them to access retailers that are not nearby. This means there are more places in which to browse. In 2002, 86 per cent of fashion shoppers browsed in no more than two types of outlets, typically physical shops and catalogues. In 2012, 91 per cent browsed via *at least* two channels, typically physical shops, catalogues and online. (45)

The average fashion shopper spends one hour and 50 minutes on the total process compared to one hour and 23 minutes in 2002. The increase is entirely due to more time spent browsing, with many consumers looking at fashion shopping as a fun or relaxing activity at home. (45)

But buying online also means the process has become more elongated: the hour and a half of browsing, researching and buying took place within half a day in 2002; in 2012 the near two hours of browsing, researching and buying were spread across 3.5 days. (45)

Physical shops remain popular, however, because some people prefer to try things on and want the item immediately. Figure 16 shows that 83 per cent of consumers bought fashion items in a physical store in 2002. In 2012, this had fallen to 72 per cent. The proportion of consumers buying fashion items online increased from 37 per cent to 63 per cent in that time. (45)

The internet has also changed purchasing habits: consumers now order items in a range of sizes and colours knowing they can send back what they do not want. This means there are two further stages associated with online purchasing: collection and returns. Fashion items bought in a physical shop are collected simultaneously and, if

they need to be returned, taken back to the shop. Items ordered online or from a catalogue are most commonly delivered to the buyer's home. (45)

Figure 16: Channels used in fashion shopping stages

	2002 %	2012 %
Percentage of fashion shoppers using channels for:		
<u>Browsing</u>		
Physical store	88	75
Internet	27	65
Catalogue	32	15
<u>Research</u>		
Physical store	61	42
Internet	40	85
Catalogue	20	6
<u>Purchasing</u>		
Physical store	83	72
Online	37	63
Catalogue	19	8

Conlumino, 2012, based on 1,507 UK fashion shoppers

Financial services

Information in this section is drawn from 17 reports published by the European Commission, the Department for Work and Pensions, The Office of Fair Trading, the Direct Marketing Association, Consumer Focus, the National Consumer Council, the Scottish Consumer Council, and NTC Publications/WARC.

A survey conducted by the Direct Marketing Association found that only 30 per cent of UK consumers feel well informed about financial services. A further 34 per cent does not know where to find trustworthy information, while 26 per cent admits to needing to know more but finds it too dull and 10 per cent leaves financial matters to someone else. (34)

Research for the Department of Work and Pensions found that only 30 per cent of consumers would have a clear idea of what to do if they had to make an important financial decision such as take out a mortgage, loan or pension. Half (53 per cent) felt they would have some idea of what to do but 18 per cent admitted they would have no idea. (29)

Men were more likely than women to feel they had a clear idea (37 per cent compared to 23 per cent of women). Consumers' confidence in their ability to make important financial decisions rises with age and experience: only 16 per cent of consumers aged 18-24 would have a clear idea of what to do, 43 per cent among those aged 65-69. (29)

People consequently do not feel on an equal footing and 'expert' enough to engage with banks, pension providers and other financial institutions. This contributes to feelings of inequality, inadequacy, cynicism and inertia. (30)

The European Commission reports that many consumers do not possess basic knowledge of interest rates, inflation or risk. It quotes a study by the Financial Services Authority which found that consumers conduct very limited information searches when they buy financial products, with the majority consulting only one source of information. (31)

Consumer credit (including home credit)

Qualitative research conducted by the European Commission in 2008 found that credit users' priority was to establish whether they could buy the desired product without destabilising their financial situation. Some admitted that they paid less attention than they should to the contractual information about credit arrangements because their main aim was to obtain the funds to make the desired purchase. (32)

Many credit users did their own preliminary research before contacting any institutions, asking friends and family for advice or their opinions on information and offers. But inexperienced consumers are not in a position to gather the necessary information and therefore look for a competent representative at their usual bank who they can trust. (32)

Home credit refers to low value, unsecured cash loans which are repaid in fixed instalments usually over a period of around a year or less to an agent that visits the borrower's home each week.

An investigation by the National Consumer Council in 2004 found that levels of financial literacy are particularly low among the consumers most likely to be using home credit. They are willing to pay a premium for the service but they do not make a decision based on interest rates. Instead, they judge the affordability of the loan in terms of the total amount of the loan and the weekly repayments. (37)

In 2009, Consumer Focus Wales found that many consumers with low incomes find it hard to assess the home credit and other forms of borrowing. They feel they have little choice but to use home credit due to a lack of affordable alternatives. (37)

Consumers who use credit cards may be more engaged with this form of borrowing: the European Commission found that 21 per cent of UK consumers had switched credit cards in 2011. (43)

OFT found that 31 per cent of credit card holders had ever switched cards, with two thirds of switchers changing suppliers more than once. (35)

Current accounts

Most (90 per cent) households have a current account and most current account holders stick with the same provider for a long time: in 2008, 64 per cent of consumers had held the same current account for more than 10 years; 45 per cent were using the first current account they had ever opened. (35)

More recent research conducted in 2012 for the European Commission confirms that UK current account holders have held the same current account for an average 11.5 years. Consumers with a higher level of education are more likely to have held their account for a shorter time, suggesting that switching accounts is more common in this group. (33)

The Office of Fair Trading (OFT) found that consumers see their relationships with banks as a mutually beneficial arrangement: customers benefit from all the services that a current account provides and the bank makes money from the funds they invest. The OFT's qualitative research found that current account holders' engagement with their providers varies, with three broad consumer types:

- Those who are disorganised and disengaged from financial affairs in general. For this group a current account is there to serve a basic function and they pay little attention to the balance of their account or how they manage their money. They have no interest in switching provider
- Those who admit that they pay less attention to their current account and the way in which they manage their money than they should
- Those who manage their money with care and who pay attention to other providers' offers. (35)

Even though 69 per cent of current account holders suspect there are better alternatives to their existing product, only five per cent of consumers make a conscious effort to keep up-to-date with what other providers are offering. (35)

Several factors contribute to this lack of engagement with the current account market:

- a perception that current account offers are complex and confusing: 46 per cent of current account holders feel overloaded by the amount of information available about current accounts
- a perception that all current account offers are similar
- a lack of time: 63 per cent of current account holders say they do not have time to compare offers and 76 per cent that shopping around for an alternative is too much hassle
- poor awareness of the terms and conditions of their existing account:
‘Although they give you the literature of the terms and conditions, it’s too much to read. The language is very legal, it can be confusing.’ (35)

In particular, 67 per cent of current account holders do not know the charges for unauthorised overdrafts on their account; even 26 per cent of those who incurred such charges in the previous year do not know what they would be charged for going into unauthorised overdraft. (35)

Most (63 per cent) consumers do not expect to need an overdraft when they open a new current account. A further 19 per cent do not expect to exceed the authorised overdraft limit. Consequently they do not check the overdraft charges when they choose a new current account. (35)

Yet 60 per cent of consumers with an overdraft facility use it to some extent. Overdraft use is more common among households in the DE social grades and households with incomes below £10,000: one in eight of these households say they live in overdraft. One in four (24 per cent) consumers has gone into unauthorised overdraft, most commonly because they have not checked their account or they forgot about a payment. (35)

Few consumers regard any of the account features as a point to consider when opening a new current account, especially when they first enter the market: only 16 per cent of consumers who opened their first current account in 2007 and 28 per cent who switched current accounts that year said the account features had been an important influence in their choice of provider. (35)

Recommendations had been an important influence in choice of supplier for 35 per cent of consumers opening their first account in 2007. (35)

The branch location has historically been a key consideration when choosing a current account provider. However its influence is declining:

- Branch location was a key consideration for 35 of consumers who opened their account before 1998
- But by only 10 per cent of those who opened their main account in 2007. (35)

Even so, most current account holders were continuing to visit their bank branches in 2008: 66 per cent visiting a branch at least once a month, 92 per cent at least once a year. Branch visits were mainly to deposit cheques or withdraw money, but consumers also valued the opportunity for face-to-face contact in case anything went wrong. (35)

Most (71 per cent) current account holders were using other channels as well:

- 55 per cent use telephone banking to some extent, with 12 per cent using it at least once a week (compared to 27 per cent who visit a branch once a week)
- 52 per cent use internet banking to some extent, 36 per cent using it at least once a week. (35)

Two separate studies in 2012 and 2013 show that internet banking has since become much more widespread: the European Commission and the Direct Marketing Association(DMA) both found that 77 per cent of current account holders were using online banking. Both studies also show that at least 60 per cent of current account holders continue to use their bank branch. (33, 34)

The OFT had found that although 66 per cent of current account holders read their statements thoroughly, only 21 per cent always read other material they receive from their bank. (35)

The DMA found that some consumers receive more communication from their bank than they want:

- 71 per cent of current account holders receive letters other than statements from their bank; this includes 11% who wish to stop receiving such communications
- 33 per cent of current account holders receive phone calls from their bank, including 20 per cent who wish their bank would stop. (34)

Current account switching

In 2012, research for the European Commission found that only four per cent of UK current account holders had switched providers in the previous two years. (33)

Switching levels had previously been a little higher: the OFT found that six per cent of current account holders had switched in 2007, the National Consumer Council had reported seven per cent switching in 2005. The OFT found that 36 per cent had switched current accounts at some time in the past. (35, 37)

The most common reasons for deciding to switch current accounts concern price (obtaining a better rate or lower charges) and poor customer service experiences. (33, 35)

Switchers compared 2-3 providers on average but 43 per cent only considered one provider. (35)

In 2012, 53 per cent of current account switchers spent less than four hours comparing and switching accounts, 25 per cent spent between half and one whole day, 22 per cent spent more than a day comparing and switching. (33)

In 2008, the Scottish Consumer Council found that 53 per cent of current account switchers spent just a few minutes looking at alternative suppliers. (64)

Current account holders typically have 5.5 different regular payments in and out of the account, most commonly income from employment or benefits, rent or mortgage

payments, utility bill payments and insurance premiums. These are payments that would need to be redirected if the consumer wanted to switch their current account to a new provider. (33)

In 2008 the OFT found consumers fearful of regular payments being missed if they move their current account. The same year, Consumer Focus found that 44 per cent of consumers who did switch current accounts encountered some sort of problem, including 27 per cent who experienced errors in direct debit payments when the mandate was transferred. (35, 37)

The European Commission reported that 38 per cent of current account holders had no intention of switching. In 2010 Consumer Focus found that 75 per cent had never even considered switching current accounts. (33, 35)

Most (69 per cent) current account holders believe it is possible to save a significant amount of money by switching to a less expensive current account. But the main reasons for not switching is that consumers are happy with their current provider and see no need to change, the existing provider is convenient and it would be necessary to change direct debits and other automatic payments. (33)

Investments

Research conducted for the European Commission investigated consumers' decision-making processes when they take out investments. The research found that many consumers do not possess basic knowledge of interest rates, inflation or risk. Without this financial capability, consumers may fail even to consider the factors that should affect their investment decisions. (31)

Better educated households and people with higher incomes have a higher level of relevant knowledge. Some consumers rely on the experience and already-acquired information of other people in their peer group. (31)

The research found that:

- only 33 per cent of consumers who had recently taken out an investment product had looked around to see what was on offer
- only 29 per cent had compared products from more than one provider and only 14 per cent considered more than one of the provider's products
- 26 per cent only considered investments from companies they had heard of, while 19 per cent only considered products they had heard of
- 25 per cent said they did not have time to consider alternatives. (31)

A study by the Financial Services Authority found that investors' confidence and experience in financial services influenced how much they shopped around when taking out investment products. (31)

A small qualitative study by the European Commission indicated that consumers differ in their approach to investment purchases. Some consumers gather information and compare products themselves, buying investments online, often making a quick decision. Others rely on an advisor, because they regard analysing and comparing product information to be difficult and tedious. (32)

The European Commission's quantitative research found that 59 per cent of consumers had bought their investment product through a salesperson or adviser. (31)

But it also found that only 45 per cent of consumers felt they understood the investment product they had bought. One in three (30 per cent) admitted they did not understand the 'jargon' describing their investment, while nearly 40 per cent of stocks and shares investors wrongly believe their investment was protected. (31)

It noted a gap between experts' and consumers' understanding of risk: experts think of risk as something that is objectively measurable; consumers assess risk in terms of the extent to which they trust products and providers, the volatility of returns, the protection offered by regulation. (31)

The European Commission's research included online experiments to test consumers' capabilities in making appropriate investment choices in the absence of advice. The experiments showed that:

- consumers struggle to make optimal investment choices even in very simplified investment tasks
- older, female, less educated and less numerate subjects made worse decisions
- investment decisions are prone to behavioural biases and framing effects: participants made worse investment decisions when the optimal choice was harder to understand (for example, fees framed as per centages, annual returns not compounded over the duration of the investment)
- participants were put off by risky investments, incomplete information and product complexity
- standardising and reducing the amount of information helped participants identify the optimal choice, as did providing information on the expected value of each investment (31)

Mortgages and home insurance

Mortgages and home (buildings and contents insurance) are often investigated together because a substantial proportion of home insurance policies (31 per cent in 2001, 25 per cent in 2005) are arranged by mortgage lenders. (36)

The National Consumer Council (NCC) found that 41 per cent of consumers expected to be able to make major savings by switching mortgages in 2005. The research found that 31 per cent of borrowers did switch their mortgage that year. (37)

But the European Commission found that only 17 per cent of UK mortgage borrowers had switched their mortgage in 2011. In most cases, this involved switching provider rather than switching to a different loan with the same provider. (43)

The decline in mortgage switching could be due to reduced availability of mortgages and to falling interest rates. But NCC had also found that 28 per cent of consumers had switched their home insurance policy or provider in 2005 and this too had dropped, to 19 per cent, in the European Commission's 2011 survey. (43)

In 2008, the Office of Fair Trading (OFT) found that 48 per cent of consumers have switched their home insurance at some time, with half doing so more than once. Among mortgage borrowers, the OFT found that 38 per cent had switched mortgages at some time, but only 12 per cent had done so more than once. (35)

The Scottish Consumer Council (SCC) found that the most common reason for switching home insurance is to obtain the lowest quote: 57 per cent of home insurance switchers said this was their motive. SCC found that 63 per cent of switchers had spent at least an hour shopping around for their new policy, including 35 per cent who spent 'several hours', but 29 per cent spent only a few minutes. (64) SCC found that two thirds of mortgage switchers spent several hours shopping around for a new mortgage. (64)

The NCC found that the propensity to switch home insurance or mortgages was linked to income, with consumers on higher incomes twice as likely to switch as those on low incomes. (37)

The NCC found that some consumers with low incomes are confused about over the way a lower insurance premium affects the level of cover provided by a policy. They also assume that a higher premium charged by a well-known brand means the insurer would be less likely to dispute a reasonable claim. (37)

Some consumers with low incomes feel that high pressure sales tactics led them to take out insurance policies that they later discovered, when making a claim, did not meet their needs or expectations. Few had read the paperwork or taken account of the terms and conditions attached to the policy, because the paperwork was 'boring' or 'confusing'. (37)

Motor insurance and mobile phone insurance

Motor insurance policies are renewable every year. In 2008, the Office of Fair Trading found that 62 per cent of car insurance policy holders had switched providers at some time. This includes 48 per cent who had done so more than once. (35)

In 2005, GfK's Financial Research Survey found that 91 per cent of consumers who switched providers when their car insurance was last due for renewal chose the new provider on the basis of price. Only nine per cent of switchers had been influenced by the identity of the provider. (36)

Among consumers who renewed their car insurance policy with the same provider, 81 per cent had been influenced by price and 22 per cent by the identity of the provider. (36)

Qualitative research commissioned by the Office of Fair Trading found that most consumers who buy mobile phone insurance do not intend to do so. They buy the insurance policy, along with other add-ons, towards the end of the process of buying the phone itself. Consequently, they do not compare the insurance with policies available from other providers. (53)

They also do not pay much attention to the insurance policy terms and conditions: their interest is the new phone and, at the point in which the insurance is introduced, understanding the detail of an insurance contract is a low priority. (53)

Consumers also give little attention to the terms and conditions of the contract because they assume contracts are 'much of a muchness'. They only look at the policy details if they have to make a claim. (53)

Pensions

Research conducted in 2009 for the Department of Work and Pensions (DWP) found that only half of all adults who had not yet retired had some form of retirement provision in place. Those with no provision had a wide range of reasons why they had not been saving, many around the theme of living in the present rather than thinking about the future, as well as having other demands on their income and struggling with day-to-day finances. (30)

The most widespread negative attitudes among consumers towards pensions relate to the process of engaging with this product: 71 per cent of consumers feel that pensions can seem too complicated to know the best thing to do, 38 per cent find pensions boring. Only 23 per cent of consumers feel they know enough about pensions to decide with confidence how to save for retirement. (29)

Even among consumers with a degree, 67 per cent find pensions too complicated to know the best thing to do. Women are significantly more likely than men to feel that pensions are too complicated. (29)

An earlier survey for DWP (in 2006) found that many working consumers were unaware that pension funds were often invested in the stock market and did not know whether their own pension scheme was a defined benefit or defined contribution plan. (31)

Research by the National Consumer Council (NCC) in 2004 had also reported that consumers are confused by pensions and find it difficult to find relevant information with which to make an informed choice (37)

The NCC's research had found that the concepts of pensions and saving to provide retirement income are unclear to young adults. These consumers distrust pension scheme providers and financial advisers and do not believe that paying pension contributions will benefit them in future. (37)

Five broad segments, linked to age and income, emerged from the DWP research:

- The Really Sorted segment is confident about retirement, has a wide range of financial products and is more likely to be financially knowledgeable. People in this group are predominantly aged 35+ with a high (£75,000+) personal income
- The Maybe Sorted segment is also confident about retirement but is relying on someone or something which could ultimately be outside of their control, for example a partner's pension. This group includes a high proportion of women aged 50+
- The Competing Priorities segment is anxious. They are middle class and affluent, but with more financial commitments than they can afford
- The Unprepared segment is predominantly younger people (under 30) who are optimistic about the future but have not made plans for retirement. Their household income is less than £25,000 but they *'Expect to be better off in future'*
- The Daunted segment has the lowest financial resources (household income below £15,000) and an aversion to thinking about their financial situation, either because they are worried about their particular circumstances and/or because they have a real fear of all matters financial, including pensions. This group is typically aged 40+ (30)

Savings

The Office of Fair Trading found that in 2009 79 per cent of consumers with a savings account had never switched the account. Among those who had, half had only ever switched once. (35)

In 2008, the Scottish Consumer Council found that 67 per cent of consumers who did switch savings spent just a few minute looking at alternative accounts. (64)

Food

The information in this section is drawn from two reports conducted for the Food Standards Agency and the European Commission.

Most people eat their breakfast and main evening meals at home, but one in every six meals, most commonly lunch, is consumed outside the home. (50)

Consequently, the vast majority (97 per cent) of UK households shops for food, with 79 per cent doing so every week. Women are more likely than men to be responsible for all or most of the household's food and grocery shopping: 70 per cent of women are responsible for this compared to 29 per cent of men. (50)

Food shopping is dominated by buying at large supermarkets: 95 per cent of consumers use large supermarkets regularly and 88 per cent say large supermarkets are the source of household's main food shop. But 71 per cent of consumers also buy food from local or independent stores and at markets. (50)

Most people rely on the look and smell of food, rather than the use by dates, to judge if perishable food is safe to eat. They check the use by date, but they ultimately rely on their own judgement. (50)

When buying meat, 68 per cent of consumers look at the use by/best before date but only 36 per cent of consumers interpret this information correctly. Similar proportions (67 per cent) look at the price and the unit price (the price per kilogram). But the most important factors that consumers take into account are sensory cues ('the meat looks fresh', 'the meat looks tasty', 'the meat is displayed hygienically'), whether this price seems reasonable and affordable, and country of origin. (48)

Gym memberships

The information in this section is drawn from qualitative research commissioned by the Office for Fair Trading in 2011.

Most consumers shop around prior to joining a gym, focusing on convenient location, price and facilities. At their chosen gym, they focus on finding out about the gym facilities and classes, and discussing their personal details such as fitness levels.
(53)

They do not always read the membership contract. They are more likely to do so if they or their friends and family have had previous problems with gym memberships. But factors that deter them from reading the contract are:

- their lack of experience and knowledge about gym contracts (among those joining a gym for the first time)
- their lack of understanding of contracts in general
- the length and appearance of the contract (53)

Holidays

This information is drawn from qualitative research commissioned by Visit Britain in 2006.

Holidays, or even just family days out, are special. They are expensive and emotionally charged, because they are a reflection of the state of family relationships. Their success or failure is therefore important. (49)

In families with children, decisions about holidays are made by the parents, but children are consulted and influence the decisions. This is partly because parents believe that life is easier if the children are happy and not bored, and partly because ensuring the children have a good time relieves the guilt that parents feel about being busy and working. (49)

Most holiday decisions start off with an idea of the type of holiday, for example camping, caravanning, renting a cottage, going to a family centre. Then extensive research is done, mainly using the internet, but also brochures and guide books. (49)

The influence of friends is also important and can encourage consumers to try a type of holiday or supplier that they would otherwise not consider. (49)

Home furnishings

The home is central to consumers' lives: 60 per cent of consumers see their home as a sanctuary in which they can relax and unwind, 16 per cent see it as an investment, to improve and sell on. These groups are willing to spend and invest in their home. A further 24 per cent of consumers see their home as just a crash pad, including those who do not expect to stay at their current address for long. (46)

The number of people undertaking large scale redecoration and refurbishment fell following the recession. In 2007, 69 per cent of consumers were redecorating whole rooms at once; in 2012 only 38 per cent did so. Instead, consumers in 2012 were buying key items to refresh a room rather than everything at once. The consequence was that consumers were using more stores and browsing more. (46)

The internet in any case gives people more access to more retailers and therefore more choice. In 2002, 86 per cent of consumers used one or two channels in home goods purchasing, typically physical shops and either the internet or catalogues. In 2012, 94 per cent of consumers used at least two channels, with half using at least three. The mix of channels is the same, but more people are using the internet, especially to browse and research items. Figure 17 shows the per centages of consumers using each channel at each stage of the shopping process. (46)

More choice means shopping for home furnishings now involves more time. The average consumer spent three hours and 25 minutes browsing large home furnishing items in 2012, compared to two hours and eight minutes in 2002. The total purchase process took five hours and 52 minutes in 2012, compared to three hours and 33 minutes in 2002. (46)

The duration of the purchase process has doubled, from five to 10 days, because it is more fragmented. The most common route to buying is to visit stores for inspiration, then browse and research technical details and prices online, then return to a store to make a final decision and complete the purchase. Some consumers like to have face-to-face contact before committing to a major purchase. (46)

Delivery and collection patterns have not changed a great deal since 2002. A high proportion of bulky home goods have always been delivered to consumers' homes.

(46)

Figure 17: Channels used in home furnishing shopping stages

	2002 %	2012 %
Per centage of home furnishings shoppers using channels for:		
<u>Browsing</u>		
Physical store	86	68
Internet	28	70
Catalogue	30	21
<u>Research</u>		
Physical store	55	35
Internet	39	89
Catalogue	18	10
<u>Purchasing</u>		
Physical store	88	80
Online	12	39
Catalogue	19	6
<u>Delivery and collection</u>		
Physical store	73	63
Delivered to home	51	60
Delivered to work/elsewhere	12	20
Click and collect	negligible	10
<i>Conlumino, 2012, based on 1,520 UK home furnishings shoppers</i>		

Horticultural products

This information is drawn from two reports published by the Horticultural Trades Association in 2010 and 2011.

Qualitative research identified nine types of 'garden consumer', of which only three are predominantly aged under 45. (47)

Younger garden consumers see the garden as an extension of the home, so their gardening purchases focus on furniture. Price is an important consideration and they use the internet to research best prices. (47)

Older gardeners also use the internet in relation to gardening, but in a different way. Older gardeners are more passionate about gardening and are twice as likely as younger gardeners to use the internet just to gather ideas and information. (47)

Half of households with gardens grow bedding plants. They are planned rather than impulse purchases and more often bought by women than by men. (44)

Younger consumers' bedding plant purchases are influenced by what they see in their neighbours' gardens and by the advice of older family members. Younger consumers depend on displays at gardening outlets to help them find bedding plants that will quickly provide colour in their gardens. The quality of in-store displays therefore dictates whether engaging with gardening outlets is an enjoyable and leisurely experience or a confusing and disappointing one. (44, 47)

Older gardeners are less concerned with buying plants for immediate impact and more likely to buy young plants or seedlings that they can nurture. (44)

Mobility aids

This information is drawn from research commissioned by the Office of Fair Trading in 2011.

Most consumers have no previous experience of the market when they buy a mobility aid: 78 per cent of consumers using mobility aids said the last mobility aid they bought was the first they had bought of that type; 53 per cent had no previous experience of buying any type of mobility aid. (51)

Half (51 per cent) the consumers who were buying a mobility aid for themselves did not look at alternative suppliers, brands or models before they made their purchase. Around one in four felt they either had no choice or not very much choice in suppliers. (51)

Qualitative research among mobility aid users revealed that first-time buyers are initially unsure that the aid will make a difference to them. If an in-home salesperson convinces them the mobility aid they are offering will meet their needs they might simply buy that aid without investigating whether other aids would be better or more competitively priced. Only a quarter of those buying for through an in-home salesperson made any product comparisons. (51)

Only half the people buying mobility aids knew there would be maintenance costs for the product. Only one in four were told this by the salesperson or retailer. In some cases, information about maintenance costs influenced the purchase decision, which implies that some consumers ended up buying a product without all the relevant information. (51)

Public services and democracy

Although this report is concerned with consumers' engagement with markets, we have included information about public services and democracy because people can exercise choice in some services and are offered opportunities to engage in others. The information in this section is drawn from 18 reports published by the National Centre for Social Research, the Office of Fair Trading, Consumer Focus, Consumer Focus Scotland, the National Consumer Council, the Scottish Consumer Council and the Welsh Consumer Council.

The general theme that emerges is that people's engagement depends on the issue having direct relevance to them, but that there is also a limit to how much they feel they can engage.

The British Social Attitudes Survey reports that the proportion of people who feel it is not worth voting grew steadily from 3 per cent in 1987 to 18 per cent in 2010. One of the main influences on whether people vote in elections is whether they feel the outcome of the election might make a difference. That in turn depends on whether they perceive a real difference between the parties and whether the parties can be trusted. (14)

Most consumers (70 per cent) have expressed their views to public service providers at some point, either in person or by telephone, but the extent to which people want to engage is limited: only 28 per cent want to get involved in decisions about local services and only one in 10 actually participate in decision making groups. The single most common reason for not wanting to be more involved is lack of time. (67)

Consumers also expect engagement to be difficult and this deters them from even trying. They want to feel they are at the heart of public service delivery but that decisions are made by people with the appropriate expertise. (67)

When people do engage more, for example by taking part in public consultations and community initiatives, it is in response to issues that have a direct impact on their families, their interests or their locality. Engagement is often in response to the threat of a service being withdrawn, or a service needed and not supplied. (67)

For example, an estimated 2.7 million consumers made their views known about the post office closure programme through signing petitions, attending public meetings, taking part in newspaper campaigns, writing to MPs and local councillors; but only 190,000 people took the further step of making formal responses to the Post Office Ltd consultation. (63)

In 2010, Consumer Focus commissioned the Public Sector Service Satisfaction Index. This found that, in general, consumers award higher satisfaction ratings to public services than to commercial sector markets (average satisfaction scores respectively 79 and 72 out of 100). But the average satisfaction score for public services hides a wide variation. Consumers are highly satisfied with public services that provide a clear and tangible outcome: over 70 per cent of users award scores of at least 80 out of 100 to primary schools, health services, libraries and doorstep recycling. They are much less satisfied with public services where users' have difficult circumstances or complex needs, for example social housing, social care, the courts service, Jobcentres. (67)

Almost one in 10 (8 per cent) consumers had cause for complaint about public services in 2010 but fewer than half of these (3 per cent of all consumers) actually did complain. (67)

Dentists

In 2003, the Office of Fair Trading (OFT) found that 73 per cent of consumers were registered with a dentist, 81 per cent of whom were registered with a NHS dentist. (58)

The choice of dentist is driven by three main considerations: 33 per cent of consumers were registered with the dentist their family had always used, 32 per cent chose their current dentist because of the convenient location of the practice, 25 per cent had acted on recommendation. (58)

Only 16 per cent of consumers have ever changed their dentist. Most (79 per cent) have never even thought about doing so. Among consumers who use a private dentist, 29 per cent said it was because they could no longer receive NHS treatment from their dentist but did not want to switch to another practice. (58)

Among those who have changed dentist, the most common reason was because they had moved home or had found one closer to work or home. (58)

OFT found that 6 per cent of consumers had ever had cause to complain about their dentist, but only half of these actually did complain. Those who had not complained were unaware were unaware of how to do so. (58)

Education

The Scottish Consumer Council found that parents generally believe they share responsibility with schools for ensuring their children have a good education. Those who send their children to private schools feel it is the parents' responsibility alone. (67)

In 2009, Consumer Focus Scotland found that one in three parents in Scotland gets involved in their child's school, for example helping out at the school, on school trips, in pre-and after school clubs. Parental involvement is more common in primary schools, where 54 per cent of parents help, than in secondary schools, where only compared to 15 per cent of parents help. (67)

But smaller proportions of parents in Scotland are members of a parent body at their child's school: 26 per cent are members of primary school parent bodies, 10 per cent of secondary school parent bodies. Parents in social grades AB are almost twice as likely as those in social grades DE to be members of a parent body. (67)

Four in five parents wanted schools to allow greater access to the teachers and 29 per cent wanted more information about their child's education. But the biggest barrier to involvement in parent bodies is lack of time. (67)

Consumer Focus Scotland found that 16 per cent of parents in Scotland had cause to complain about their child's schooling and three quarters of these actually did so. However, if the complaint related to the standard of teaching, parents were less likely to complain than if it related to bullying. (67)

Health

In 2010, Consumer Focus Scotland found that 53 per cent of consumers seek information about health conditions, symptoms or treatment online and 79 per cent want to be able to look at their health records online. (67)

Earlier research by the Welsh Consumer Council (WCC) had found that patients are often reluctant to question doctors about their medication, but those who look for information online do not always take account of the validity of information on websites or the reliability of the source. (67)

WCC found that 81 per cent of consumers wanted more readily available information about health services made more readily available, including information about patient rights and medical records, self care advice, information on healthy eating, healthier living and specific health concerns. (67)

Qualitative research conducted in 2005 found that consumers wanted to be much more engaged in their own healthcare. They wanted appropriate and timely information about their healthcare in plain English, to be kept informed of progress with their care and information about options. But in 2006, 47 per cent of people who had been on a waiting list felt they had not been kept adequately informed about progress or even when they were likely to receive treatment. (67)

Water

In 2003, 78 per cent of consumers in Scotland did not know how much they paid for water and sewerage and 76 per cent did not know how their water and sewerage bills are calculated. (67)

Research by the Welsh Consumer Council found that half the population claims to be cautious in their use of water in the home, mainly by showering instead of bathing, not leaving the tap running when brushing teeth and using kitchen appliances economically. Consumers are more likely to be cautious with water if their home has a water meter: 72 per cent of consumers in Wales with a water meter say they try to reduce the amount of water used in the home, compared to 48 per cent of consumers without a water meter. (67)

Second hand cars

In 2009, the Office of Fair Trading (OFT) reported that 93 per cent of second hand cars were bought from a dealer rather than at auction. Consumers were almost equally divided between buying from independent dealers (51 per cent) and franchises (42 per cent). (57)

The choice of particular dealer was largely motivated by whichever outlet had a car that suited the buyer's needs, but consumers who bought through a franchise were more likely to have selected the dealer first, then the car. (57)

OFT reported that most consumers buying second hand cars had previous experience of buying a car. Even among 17 - 24 year old buyers, two in three were not first time buyers. (57)

Four in 10 second hand car buyers had looked online for guidance before buying and a third had asked for help or advice from a friend or relative. Among 17-24 year old buyers, two thirds sought help or advice from a friend or relative with experience of buying cars. (57)

Most buyers undertook basic checks prior to purchase: looking over the exterior and interior, taking a test drive, checking under the bonnet, looking at the log book. But only 15 per cent had the car mechanically inspected before they bought it. Just over half (58 per cent) said the dealer had already undertaken a mechanical inspection, but 28 per cent bought without any mechanical inspection having been done. Among those who bought at auction, half had no mechanical inspection at all. (57)

One in five (19 per cent) buyers had problems with the car after the sale. Younger people and those buying their first car were significantly more likely than others to experience problems. This might be because younger and first time buyers were more likely to buy older, cheaper cars with a higher mileage: it was the older cars with higher mileage that were more likely to develop problems. But seeking advice from more experienced buyers did not always avoid problems: significantly more of those who experienced post-sale problems had sought assistance from a friend or relative. (57)

If a buyer experienced a problem they were more likely to contact the dealer if they bought through a franchise than if they bought through an independent dealer, in spite of the incidence of problems being higher among buyers who had bought through an independent dealer. (57)

Telecommunications

The information in this section is drawn from nine reports published by Ofcom, Consumer Focus, the Office of Fair Trading, the National Consumer Council, the Scottish Consumer Council, the European Union Executive Agency for Health and Consumers.

Telecommunications refers to landline telephones, mobile phones, broadband services and TV subscription services. The vast majority of consumers in Britain engage in the telecommunications market in some way: 84 per cent of households has and pays for a landline telephone service, 80 per cent has internet access (although only 75 per cent has broadband) and 92 per cent of individuals have a mobile phone. (70)

Just over half (60 per cent) of households buy telecommunications services in a bundle, most commonly landline telephone plus broadband. The incidence of buying bundled services has doubled since 2005. But consumers are not always aware if the bundled services they are buying are discounted. (38, 70)

Consumers' engagement with the telecommunications services they are paying for is varied, possibly because they are mostly satisfied with the services and do not have to think about them:

Landline telephones

- 87 per cent of consumers with a landline telephone are satisfied with the service
- 40 per cent have been with the same provider for at least 10 years
- 22 per cent of those responsible for the bill cannot even estimate how much they pay for it each quarter
- In any three month period, 12 per cent of consumers contact their landline provider, usually with a query about the bill (39, 40)

Mobile phones

- 89 per cent of mobile phone users are satisfied with the service, even though 63 per cent regularly experiences problems with coverage
- 41 per cent has been with the same network for at least six years
- 85 per cent has a contract, which almost always includes the handset; consequently almost all mobile phone users know how much they spend on their phone each month
- In any three month period, 20 per cent of mobile phone users contact their provider, either with a query about the bill or in order to change their package (38, 39, 40)

Broadband

- 85 per cent of broadband users are satisfied with the service, although 30 per cent find the connection speed slower than they expected
- 65 per cent have been with the same supplier for at least two years, but only 28 per cent have been with the same supplier for six or more years
- 75 per cent know how much they pay for their service
- In any three month period, 17 per cent of broadband users contact their provider, usually in relation to connection speeds or to change their package (38, 39, 40)

TV subscription services

- 58 per cent of households have TV subscription and 90 per cent of these are satisfied with the service
- 76 per cent have been with the same provider for at least two years and almost all know how much they are paying for it
- In any three month period, 17 per cent of users contact their provider, usually in order to change the package (39, 40)

In 2012, Ofcom found that, across all four telecommunications services, one in four consumers had been contacted by their supplier with the offer of a new deal. (40)

Switching

The incidence of switching landline telephone services almost doubled, from 11 to 20 per cent, between 2000 and 2005. But, as Figure 18 shows, it has since fallen back to the earlier level. (38, 40)

Figure 18: Telecommunications switching behaviour

	Landline telephone %	Mobile phone %	Broadband %	TV subs %
Have ever switched supplier	48	45	40	17
Switched within the last year	11	9	4	2
Thought about switching in the last year	18	8	17	8
Negotiated with existing supplier and supplier:				
- matched deal	2	5	4	3
- did not match deal	1	2	3	3

Ofcom, based on 2,000 consumers, 2011 and 2012 (38, 40)

More recent figures from Consumer Focus show that landline and mobile telephone switching have dropped further, to 6 per cent and 9 per cent respectively. (28)

Figure 17 also shows that more consumers think about switching suppliers than actually switch. In some cases this is because consumers look at alternative deals then negotiate with their existing supplier. (38)

Price is the most important trigger for switching landline and mobile telephone services. (41, 69)

Price is also the most common reason for switching internet services, but it is not the only reason: while 47 per cent switch internet services for a better price, 30 per cent switch because of poor customer service, 28 per cent because connection speeds

are too slow, 24 per cent because the service is often interrupted. Connection speed is especially likely to be the trigger for switching to a fibre optic service. (69)

Consumers who think about switching internet providers but do not actually switch are also motivated by price, connection speeds and service interruptions but are less likely to have received poor customer service. (69)

In 2012, internet switchers across Europe spent an average 2.5 hours researching new providers and comparing offers, contacting the new provider, signing the contract and installing the new equipment. (69)

In 2008, the Scottish Consumer Council (SCC) found that 50 per cent of consumers in Scotland who had switched their landline telephone service had been prompted to do so by a sales person or an advertisement. The influence of sales and marketing may explain why 44 per cent of landline switchers had taken only a few minutes to decide on their new supplier; another 28 per cent of switchers had spent several hours choosing a new supplier. (64)

SCC had found that fewer consumers (32 per cent) who switched internet service providers in 2008 had been prompted by a sales person or advertisement. Internet switchers were consequently more likely to spend longer choosing a new supplier: half had spent several hours doing so. (64)

In 2012, only half the consumers who had switched internet providers in the UK said their new provider had arranged the switch. The rest had to arrange it themselves, including contacting the existing provider. Almost half experienced a technical difficulty in the switching process and 71 per cent lost their internet service for an average 4.3 days during the switching process. (69)

But the vast majority (84 per cent) of UK internet switchers are satisfied with their new provider and estimate that they saved an average 17.3 Euros a month as a result of the switch. (69)

Not switching

At least two thirds of consumers who have never switched a telecommunications service nonetheless assume it would be easy to do so. But Ofcom finds the reasons for not switching are because consumers do not believe there will be any cost benefit in doing so. (38, 69)

In 2005, only 10 per cent of consumers believed that they could achieve substantial savings by switching landline telephone services. At that time consumers said they were not prepared to dedicate more than half an hour to searching for an alternative fixed line, mobile and internet markets supplier. (41, 69)

The lack of expected cost benefit may be influenced by ease of making comparisons. Among mobile phone and broadband users, 70 per cent believe it is easy to compare the price of services, but not easy to compare other crucial factors such as mobile network coverage or broadband speed. (40)

Two in three (62 per cent) broadband users had tried to compare internet providers in 2011, with 84 per cent of these using a price comparison website for the purpose and 30 per cent doing so 'several times'. But one in three who had compared providers said it had been complicated and, in an experiment, some consumers failed to understand the difference between internet download speeds and download limits, which led them to them thinking they needed more expensive deals. (69)

Tradesmen

The information in this section is drawn from qualitative research commissioned by the National Consumer Council in 2002.

There is substantial consumer anxiety about using traders, particularly in the case of major purchases such as building works on the home. Consumers are highly aware of rogue traders and are keen to ensure they will not be caught out. But they do not know where to go for advice and have little confidence in the systems in place to deal with the rogues. (66)

Consumers look for evidence of good past performance when choosing traders. They are at their most confident if someone they know and trust has recommended a trader, but otherwise rely on their own intuition. They recognise the limitations of this approach and therefore see their choice of trader as having an element of 'pot luck'. (66)

Older people, those living in rural areas, people with low incomes, unemployed people and people with limited basic skills are potentially disadvantaged when employing traders, because price can be the primary decision-making factor. The overwhelming influence of price can drive these vulnerable groups to hiring firms with unsatisfactory trading histories and risking poor quality work. (66)

4.4 Engagement and the internet

As the previous chapters show, the internet is now a significant information and purchasing channel in many markets. Several organisations have examined how consumers engage with markets via the internet. The information in this section has been drawn from seven reports published by the Office of Fair Trading, Ofcom, The European Commission Executive Agency for Health and Consumers, the Direct Marketing Association and the Department for Business, Innovation and Skills.

Most (80 per cent) UK households have internet access, 75 per cent have broadband. (70)

Half (49 per cent) of all internet users access the internet via a mobile device, but in most cases they also have fixed broadband access. Only 23 per cent of internet users say that a smartphone or tablet is their most important internet connection device; a laptop is the most important internet connection for 46 per cent of users and a desktop computer for 28 per cent. (70)

In April 2013, the average internet user was spending 35.4 hours per month browsing web pages on a laptop or desktop computer. The equivalent time on a mobile phone was 5.2 hours per month (this measure excludes browsing via a WiFi connection). Both measures exclude time spent watching online video and listening to streamed music. (70)

Research by the European Commission (EC) found that, across 27 Member States, 90 per cent of consumers had bought products online in 2011. (18)

In 2007, when only 38 per cent of consumers in Britain had access to the internet, 90 per cent of internet users had bought goods or services online, 88 per cent had used a search engine to find goods and services to buy, and 71 per cent had researched goods and services online. (59)

Two in three online shoppers in 2007 had already been shopping online for at least a year and 49 per cent shopped online at least once a month. (59)

But although it is popular in terms of the number of consumers who do it, online shopping and browsing accounts for only a small proportion of the time internet users spend online. Social media sites account for almost half the browsing time in an average month. The top 10 sites, by time spent on them, include Facebook and Google sites, Yahoo!, eBay and the BBC. (70)

eBay is the only retailer site to feature in the top 10 sites by share of browsing time. Half (51 per cent) of internet users visit eBay in an average month, typically spending 2.5 hours per month on the site. A similar proportion (52 per cent) of internet users visits Amazon each month. The next most popular retailer websites are Argos (visited by 21 per cent of internet users per month), Tesco, (18 per cent), Asda (14 per cent), Next (10 per cent) and Marks and Spencer (nine per cent). But none of these retailers are among the top 10 sites in terms of share of browsing time. (70)

Online retailer websites are three times more likely to be visited by people using a laptop or desktop computer than by people using a mobile device. The 2.5 hours per month spent on eBay represents only seven per cent of all browsing time on desktops and laptops. (70)

That does not mean that online shopping is undertaken quickly. A pan-European survey in 2011 found that 66 per cent of online shoppers spent up to an hour making their last online purchase, with 22 per cent taking between one and two hours. This is similar to the time consumers had taken to purchase similar products in shops. (18)

In 2013, the Direct Marketing Association (DMA) found that more than half the participants in an online survey regarded the internet as their preferred channel for planning a holiday, organising finances such as insurance renewals, and buying electronic equipment such as TV sets or computers. Online survey consumers might be expected to show a predisposition to online shopping, but even among these consumers, the internet is not the preferred browsing or shopping channel for clothes, groceries or cars. These findings are supported by a literature review commissioned by the Office of Fair Trading (OFT) in 2007. (16, 62)

Qualitative research commissioned by the OFT found that price was one of the main reasons for shopping online: goods and services are considered to be cheaper online, even those from retailers with a presence in the high street. The convenience of being able to shop at any time is also a significant motivator, as is the ability to avoid the unpleasant aspects of travelling to and walking around shops, looking for a parking space, crowds and queues, and aggressive salesmen. The EC research found that finding cheaper prices was the single most important motive for shopping online. (18, 60)

Consumers who live in rural locations or who have mobility problems like online shopping for bringing a wider range of products into their reach. (60)

The majority (86 per cent) of online shoppers have at least some concerns when shopping online, mainly in relation to the security of their personal and financial details, and to getting a refund if they do not like the goods they have ordered. But these concerns diminish with familiarity: those who have been shopping online for two years or less are significantly more likely to be concerned about shopping online than those who have been shopping for longer (92 per cent compared to 76 per cent). (18, 59)

Most (73 per cent) online shoppers in 2007 felt face to face shopping was safer than buying online, but no more risky than shopping by mail order or telephone and safer than buying from a door-to-door salesman. (59)

User types

The OFT's literature review concluded that the inclination to shop online is related to experience and comfort with information technology. Personality, emotions and other unconscious motives also play a part, with more confident and out-going people favouring e-shopping. (16)

A pan-European survey commissioned by the European Commission in 2011 found that online shoppers fall into two categories: frequent and occasional online shoppers. A frequent online shopper shops at least once a month online, an occasional online shopper less often but at least once a year. In the UK, 71 per cent of online shoppers are 'frequent'. (18)

The study found that men are more likely to be frequent online shoppers, women to be occasional online shoppers. Consumers aged 25-54 are more likely to be frequent online shoppers, consumers aged 55+ to be occasional online shoppers. The gender difference is explained by women being more likely than men to want to see the product before they buy and to take it home immediately. (18)

Frequent online shoppers are more confident than occasional online shoppers, particularly about how to solve any problems that might occur with their order. Frequent online shoppers' concerns about the risks are therefore outweighed by their perceptions of the price advantage and convenience of buying online. Occasional and non-online shoppers enjoy the act of going shopping and touching before they buy, so they see fewer advantages in buying online and place greater weight on the risks. (18)

Qualitative research by the Office of Fair Trading (OFT) found that frequent online shoppers regard internet shopping as recreational, a source of entertainment and enjoyment. Those who regularly shop on eBay find it addictive. By contrast, occasional and non-online shoppers' focus on the risks of online shopping mean they feel anxious about it. (60)

The OFT's research identified a third type of online shopper, who has increased their frequency of shopping online but remains cautious. They only use websites and

online retailers that they trust, and are more likely to use these sites to make their decision, then to buy the item offline. (60)

This group's knowledge of which sites to trust comes partly from the advice of friends and relatives. But they also prefer online retailers that have physical shops, regarding retailers with only an online presence as more risky in terms of the potential for fraud and ordered goods not being delivered. (60)

Consumers who have internet access at home but do not shop online have concerns about resolving problems if things go wrong with the purchases as well as the potential misuse of personal information and payment card details. These consumers also prefer to see the product and take it home immediately. (16, 18, 60)

Shopping online

In 2007, a literature review conducted for the Office of Fair Trading (OFT) found that consumers were more likely to buy online when the website can provide all the information the consumer might need (as is the case with cd's, books or packaged grocery products, for example). There was less willingness to buy online when the goods ideally required physical inspection (as is the case with clothes, cars, fresh foods or domestic appliances, for example). But the report noted that consumers were becoming used to buying all kinds of goods and services online, possibly examining the item offline and buying it online at the best price. (16)

A 2007 quantitative survey by the OFT and a 2011 survey by the European Commission confirmed that online shoppers combine their online searches with offline shopping around, especially for high value items: 18 per cent of online shoppers had also visited the shops in person when making their last online purchase. (18, 60)

The European Commission found that consumers' approaches to shopping online involve a mix of strategies: visiting retailers' websites, using a general search engine such as Google, Bing or Yahoo, using price comparison websites. Frequent online shoppers are more likely to use search engines and price comparison websites, occasional online shoppers are more likely to look for information on manufacturers' and retailers' websites. (18)

Most consumers who use price comparison websites say it is the quickest way to compare prices and find the cheapest price, but a sizeable proportion (22 per cent) use price comparison websites simply to find out about the range of offers. (18)

Qualitative research commissioned by the OFT found that a substantial amount of consumers' internet use is for the pre purchase research and selection. Consumers recognise the internet's value in allowing them to window shop, peruse and research goods or services even if they do not actually purchase online. (60)

Consumers use search engines to find retailers, price information, user feedback, information about reliability of retailers. Search engines provide the stepping stone to price comparison sites. (60)

The disadvantage of search engines is the sense of overwhelming the consumer with 'results'. Many consumers look only at the top three or four results of a search. (60)

Consumers are loyal to sites that provided the items they are interested in, that guarantee a delivery period or are user friendly. So they will head straight for their favourite retailer sites or to retailer sites offering a discount for purchasing online. But some consumers dismiss websites that ask them to log in and provide personal information. This is because it is time consuming and because they suspect it will lead to them being bombarded with offers and junk mail. (60)

The OFT found that 70 per cent of consumers look for the security padlock symbol when shopping online, although many are unsure what this symbol actually means. The OFT also found that 69 per cent of consumers recognise the ABTA symbol, 61 per cent the VeriSign symbol and 43 per cent the Verified by Visa symbol, but only 24 per cent look for Codes of Practice. (59)

Confident online shoppers judge online retailers by the look and feel of their websites. Certain design and layout cues suggest professionalism, but pop ups suggest a lack of website security. (60)

Shopping online is not without its downsides. Some consumers are frustrated by the inability to correspond and ask questions when buying online. Those buying a service such as car insurance or booking a hotel are often keen to discuss the service before purchasing. (60)

Shipping costs are an annoying 'add on' and a third of online shoppers abandon their 'trolley' when faced with information about the shipping costs. Consumers may also give up and leave the site if the process of placing the order and completing the transaction online takes too long. (16)

Some consumers spend considerable amounts of time choosing items only to have the site crash or freeze. (60)

Having to return unwanted goods is regarded as difficult and time consuming. The OFT found that only 56 per cent of consumers felt even fairly confident of their rights when shopping online in 2007. (59, 60)

Finding and processing information online

The literature review commissioned by the Office of Fair Trading (OFT) in 2007 reported that the mass of poorly structured information on the internet can be frustrating for online shoppers. Companies not only provide information but a prodigious amount of it. This causes information overload so that, in order to find the products that best fulfil their needs, consumers would need to spend more and more time surveying the relevant information. This is particularly a problem with commodities that are bought infrequently, because consumers may have insufficient experience to make sense of the information and evaluate the offers. (16)

Despite being able to provide customised information in real time, the internet still demands that consumers read information and it is therefore a substitute for print media such as direct mail rather than for contact with customer service or sales staff. (16)

The OFT's research concluded that it is unrealistic to assume consumers would always want to search in an effective economic manner. Consumers rarely have time or interest for searching, so extensive and comprehensive pre-purchase searches are rare, even for large products. Consumers may make decisions based on a visit to a single outlet. (16)

Besides, the Department of Business, Innovation and Skills found that, although people's internet skills increase the more they use it, only half the adult population in 2012 had a good understanding of using and evaluating information on the internet. (22)

Online searches are primarily heuristic (using trial and error, navigating through hyperlinks, recognising relevant information as you go) or analytical (pre-planned and focused, requiring cognitive effort). Analytical searches are appropriate for finding specific facts or for comprehensive searches. (16)

Window shopping and browsing shop displays are typical examples of heuristic behaviour, with consumers' preferences forming while they browse. Consumers are simultaneously working out what they need to know, and looking for and evaluating

information. In this respect, brands represent a practical shortcut, with a well known, trusted brand carrying considerable weight in consumer decisions about what to buy. The problem with heuristic search is that, although it is less mentally taxing, it is inefficient for comprehensive searches involving a large amount of information. (16)

Having said that, information gathering for shopping is inherently satisfying: consumers gain diversion, sensory stimulation and pleasure from shopping. (16)

Enjoyment of online shopping as an experience in itself is related to the concept of 'flow', the sense of total, pleasurable involvement with the process. Websites that promote this sense of 'flow' are likely to hold consumers' attention for longer. Interactive features such as banner advertisements and pop-up windows may make it easier for e-tailers to push selective information to consumers but they interrupt consumers' natural cognitive flow. (16)

4.5 Engagement with contracts

The information in this section is drawn from three reports published by the Office of Fair Trading, the European Commission and Consumer Focus.

A 2011 survey commissioned by the Office of Fair Trading (OFT) found that over three quarters of consumers who had recently taken out contracts admitted having had the opportunity to read the terms and conditions, but only 58 per cent had read the whole contract or the key points in full. One in 10 did not read the contract at all. (52)

The same year, the European Commission reported that only 31 per cent of consumers had read their most recent service contract (for example, for electricity, bank, telephone services) carefully and completely. (9)

Older consumers are more likely to read contracts: in the OFT survey, 64 per cent of consumers aged 50+ did so compared to 44 per cent of those aged under 30. Older consumers are also more likely to feel they understand contracts and to feel confident about discussing and negotiating contracts. (52)

The main reasons for not reading contracts fully were: it takes too long (cited by 57 per cent who had not read the contract fully), the print is too small (35 per cent), the contract is too difficult to understand (25 per cent). (9, 52)

There is also an assumption that contracts are 'standard', that the supplier's reputation or the consumer's own experience meant they did not need to read the contract, or that there was no point in reading it as there would be no opportunity to change anything. (52)

The European Commission found that consumers with less knowledge of consumer rights were more likely to read terms and conditions than those with a good knowledge of consumer rights. (9)

But qualitative research commissioned by Consumer Focus in 2008 had found

widespread ignorance and neglect of contract small print among consumers, regardless of age, income levels or financial literacy. This work reported that consumers consider contract details to be relatively unimportant, a view reinforced by the presence of a 'Key Facts' summary box: consumers assume that anything else cannot be 'key'. (65)

The OFT survey found that consumers regarded the key points of their contracts to be the headline prices or payment terms. This was especially the case if they had shopped around on the basis of price: considering and comparing other terms and conditions was a lower priority. But believing the 'key points' to be price and payments meant consumers had less understanding of details such as how the contract would renew, whether or not it could be changed or cancelled, whether there were penalties for doing so. (52)

When taking out credit arrangements, consumers focus their attention on the headline interest rate and interest free periods. Credit contracts are felt to be full of dense, inaccessible small print; written in jargon and legalese and there to protect the company rather than the consumer. So contract detail is largely ignored when consumers are considering whether or not to take out credit. (65)

4.6 Complaining

The information in this section is drawn from 12 reports published by the European Commission, the Office of Fair Trading, Consumer Futures, Consumer Focus, Consumer Focus Scotland, the Scottish Consumer Council, the National Consumer Council, Which? and Andrew Smith Research.

Incidence of problems

The European Commission surveys consumer opinions of 51 different markets across Europe. Consumer Futures' analysis of the 2012 results reveals that, across all markets, 10 per cent of consumers in the UK experienced problems in 2011. (43)

There are 10 markets, half of which are regulated markets, where at least one in six consumers experienced a problem they felt gave them cause for complaint:

- second hand cars
- mobile telephone services
- postal services
- TV subscriptions
- clothing and footwear
- train services
- other public transport
- bank accounts
- internet provision
- real estate services (43)

Internet provision and real estate services were the worst markets in terms of problems arising: respectively 26 per cent and 25 per cent of consumers had experienced problems in these markets in the year prior to interview. (43)

The 2012 Consumer Detriment survey, conducted by Consumer Focus, found that twice as many (22 per cent) consumers had experienced one or more problems with goods or services purchased in 2011. The most common problems in this survey related to regulated industries and the purchase of household fittings and

appliances: seven per cent of consumers in each of these market sectors experienced a problem. (21)

The difference between the two surveys' results is likely to be due to differences in survey method. The European Commission survey is based on telephone interviews in which each participant is asked about a single market. The Consumer Detriment survey uses face-to-face interviews and asks about problems arising with any of a list of goods and services. Other sources find that the incidence of consumers experiencing problems is nearer to that measured by the Consumer Detriment survey.

In 2011, the Office of Fair trading (OFT) surveyed consumers who had recently taken out contracts for goods and services and found that one in five had experienced at least one problem with the purchase. The goods or services with the highest prevalence of problems were telecommunications and internet services, home entertainment packages, goods delivered to the home and home improvements or building works. (52)

OFT found young people (aged under 30) more likely than older people (aged 50+) to have experienced problems with contracted goods and services. Older consumers believed their experience and general knowledge helped them avoid problems. (52)

One in four (24 per cent) online shoppers had a problem with an online purchase in 2011. This compares to 20 per cent who experienced problems with purchases bought through all offline channels (shops, mail order) combined. (16, 18)

A similar proportion (23 per cent) of consumers had experienced a problem when shopping online in 2007. Around half the problems relating to delivery issues, but 40 per cent of consumers who bought downloadable music found they were unexpectedly restricted in its use. (59)

The European Commission found that 37 per cent of consumers in the UK had experienced problems with their internet service provider in 2011. The most common

problems were interrupted connections (typically involving a loss of service for between three and four days) and slower than expected connection speeds. (69)

For around half the consumers who experienced problems with goods or services the experience made them frustrated and/or angry. For one in three, the experience caused stress and worry. The likelihood of emotional impact is related to the financial loss caused by the problem, with women and consumers in C2DE social grades especially likely to suffer an emotional impact. (21)

Willingness to complain

Sources consistently report that, in most markets, most consumers complain if problems arise with their purchases, most commonly to the supplier. (9, 21, 43)

An online survey conducted in 2011 found that, on average, 13 per cent of consumers had complained to a supplier in the previous year. In particular, 26 per cent had complained to a supermarket, 27 per cent to a bank, 20 per cent to a telecommunications company (most commonly about broadband or mobile phone services), 18 per cent to the Post Office or Royal Mail, 17 per cent to a water company. The survey found that 82 per cent of consumers were happy to give companies feedback if they are confident the companies will act on it. (68)

Seven out of 10 consumers who had a problem with an online purchase in 2011 complained to the seller. The most common reasons for not complaining were because the consumer could not be bothered and the value of the item was too low for the effort required to complain. (16, 18, 59)

The likelihood of consumers taking action is related to the cost of the item or service, with action more likely in the case of more expensive goods or services. Consumers are most likely to take action about problems relating to telecommunications, postal services, insurance, banking, domestic fuel, and home improvements and repairs. They are least likely to take action about problems relating to public transport or small domestic appliances. (21, 43)

Consumer Focus Scotland found that consumers do not complain about problems if the goods or services involved are of relatively low value because the effort involved is disproportionate to the value of the goods. Very low-value items are seen as disposable and easily replaced, even if they could reasonably have been expected to last longer. (66)

The same survey found that some consumers are unsure of their rights and think it may be difficult to resolve a complaint. In particular, 34 per cent of consumers do not know who to contact if they have a problem with an online purchase, 28 per cent do not know who to contact about a problem with a credit agreement; 25 per cent do not know where to seek help if they have a problem with a car purchase and 17 per cent do not know where to go if they have a problem with a builder. (66)

A survey commissioned by Consumer Focus Scotland in 2009 found that consumers were less likely to take action about problems with goods than with services: 23 per cent do nothing about problems relating to goods, compared with 10 per cent who do nothing about service-related problems. This is in spite of the research finding that complaints about goods are more likely to be resolved: 42 per cent of complaints about goods are resolved compared to 32 per cent of service problems. (66)

Consumer Focus found that women and consumers in the AB social grades are the most likely to take action about problems. People in ethnic minorities and people living in rented accommodation are significantly less likely to take action. (21)

Which? found that older and university educated consumers were the most confident about making complaints, especially in writing or to an official body. Younger consumers are less likely to complain: 34 per cent of consumers aged under 30 had not complained about a problem they experienced in 2012, compared to 20 per cent of consumers aged 65+. (17)

Which? found that consumers with incomes below £15,000 are less likely to complain than those with higher incomes. (17)

Consumers on low incomes sometimes feel that providers, especially big business, deliberately make complaining difficult and complex in the hope that people will simply give up. They feel they are '*given the run-around*' by inefficient call centres, staff who are not empowered to solve problems, an insistence on complaints being made in writing and general 'buck-passing' between departments. (20)

Consumers on low incomes often feel they are not believed if they complain, or that they are blamed for problems. The difficulty of pursuing a problem, combined with the cost and time of doing so and no guarantee of success mean they do not always bother to assert their rights or complain. The cost and time outweigh the perceived benefit, even if they were to succeed. (20)

The Scottish Consumer Council found that most consumers expect problems to be corrected or money refunded in full, but at the time of the research (2002) these outcomes were rare: corrective action was achieved in 18 per cent of cases, refunds issued in only seven per cent. (66)

Where appropriate remedial action is taken, consumers usually feel that the incident is closed, with no lasting damage to their opinion of the company. If a company handles a problem well, it can actually increase its standing in the eyes of the customer. (66)

But a 2011 online survey found that 47 per cent of consumers simply take their custom elsewhere if a company lets them down. (68)

Complaints and time

In the 2012 Consumer Detriment survey, 57 per cent of consumers who took action to resolve a problem said it consumed up to four hours to do so, 26 per cent that it took more than four hours. One in 10 consumers who took action had to take time off work to do so. (21)

Action relating to problems in professional and financial services typically involves more time than other types of problem. (21)

Consumers who experienced problems with their internet service in 2012 said that resolving these problems involved 3.5 hours of their time when it involved a standalone service, 6.5 hours if the service was bought as part of a bundle. Qualitative research revealed that consumers who try to raise problems with their internet service provider often have to give the same information over and over again, each time they call and at each stage of the contact filtering process. (69)

4.7 Increasing engagement

Increasing engagement – whether increasing the number of people who participate in an activity or encouraging people to do more of an activity – essentially requires a change of behaviour. This brief section presents examples of the various behavioural change challenges in Britain.

The 2012 British Social Attitudes Survey reports that turnout in the 2010 general election was slightly than in the 2005 election (up four points to 65 per cent), but was still low by historical standards. This was despite the introduction of televised leaders' debates and much greater use of the internet in political campaigning. The proportion of people who feel it is not worth voting has grown steadily from 3 per cent in 1987 to 18 per cent in 2010. (14)

The survey found there had been a marked decrease in the levels of Green activism. The proportion signing a petition about an environmental issue dropped from 30 per cent in 2000 to 22 per cent in 2010, while the proportion saying they have given money to an environmental group fell from 23 per cent to 16 per cent. (14) But, as Figure 19 shows, the numbers engaging in environmentally friendly behaviours was increasing. (14)

Figure 19: Proportions of people engaging in environmentally friendly behaviours

	1993 %	2000 %	2010 %
Proportion who always or often:			
Make an effort to recycle	42	51	86
Make an effort to buy insecticide/chemical free fruit and vegetables	20	na	37
Cut back on driving the car	9	14	19

British Social Attitudes Survey, based on 1,261/972/968 adults (14)

The growth in recycling is thought to be due to it having been made easier, through doorstep collections. People may be less likely to change their behaviour for the sake of the environment if this will cost them money, time or effort. (14)

Two thirds (63 per cent) of the population makes at least one car journey of less than two miles each week. Many feel they could just as easily make these journeys on foot or by bus but have not done so in spite of feeling that 'people' should reduce their car use for the sake of the environment. The report concludes that more coercive measures may be needed to reduce car use. (14)

A literature review conducted for Sport England found that the majority of people hold very positive attitudes to physical activity and know that physical activity is good for health. However, very few people know how much activity is recommended, possibly because of the difficulty in self-assessing activity levels. (19)

Consequently, many people in the UK are in chronic contemplation: thinking about doing more physical activity but not quite getting around to it. Between one third and two thirds of people are in this stage at any one time. They are motivated to do more, particularly by the health benefits and to feel in good shape, but not enough to make them change behaviour. The report concluded that encouraging people to move from contemplation to action presented a major challenge. (19)

Similarly, research by the National Consumer Council and Scottish Consumer Council found that, among the 64 per cent of consumers who have not made a will, the most common reason for not doing so is because they 'haven't got round to it' (42 per cent of those without a will give this reason, followed by 30 per cent who have just never thought about it). (66)

The Institute of Practitioners in Advertising has a database of the 1,208 winners of IPA Advertising Effectiveness Awards since 1980. The papers are only available to members, but an online search of the database, using the search terms 'behaviour' or 'engagement', generated 91 case studies. (61)

Of these, 20 related to advertised campaigns that won an IPA Effectiveness Award because they succeeded in changing consumer behaviour: not simply persuading people to buy one product or brand over another, but changing deep-seated habits. Each of the case studies was supported by statistical evidence for the campaign's success. (61)

The 20 case studies mostly relate to public information campaigns (smoking, cancer, firework safety, adult literacy, road safety, energy efficiency, healthy eating, the Census, charity bequests, and fire and rescue services) but some were campaigns by commercial companies that aimed to change behaviour: to stop people switching to competitors (O2 mobile phones), to reduce carrier bag use (Tesco), to use public transport rather than cars (Virgin Trains). A campaign by De Beers was credited with changing people's attitudes towards gold as the only material for weddings rings. (61)

The implication is that it is rare for information campaigns to persuade people to change their behaviour. (61)

There have also only been three energy company IPA award winners since deregulation in 1998. One of these concerned energy saving in Ireland. The other two were campaigns by British Gas and Scottish Power to customers switching. (61)

5 Discussions and conclusions

This report has reviewed what is already known about how consumers engage with markets and the implications for their use of time. It is part of the investigation by Citizens Advice to establish whether consumers have a hierarchy of priorities that determines how much time they allocate to engaging in markets, and where the regulated energy, telecommunications and financial services markets fit into the hierarchy.

Use of time studies show most of people's time is taken up by committed activities such as work, sleep, eating, caring for their families. Based on 15 reports and papers analysing use of time, our best estimate of the average amount of time UK consumers currently spend engaging with markets is between three and four hours per week.

Some studies provide measures of the amount of time consumers spend choosing and buying goods and services in particular markets, and in specific forms of engagement. But no information has been found showing how the three to four hour average breaks down between different types of engagement (for example browsing, transacting, paying bills for ongoing contracts, seeking redress, etc) or between each of the 235 markets in which consumers can engage.

There is evidence that markets differ in terms of the amount of time consumers spend on them, for example fashion versus home furnishings. This supports the hypothesis that there is a hierarchy of priorities, if only in terms of the amount of time demanded by certain markets.

There is also evidence that consumers differ in the amount of time they are willing to spend engaging in markets. For example, in the markets for energy, landline telephones and home insurance, consumers who switch suppliers divide into those who spend only a few minutes making a decision and those who spend several hours comparing alternative options.

What is not known is how much time is required to make an optimum choice in all markets, and whether consumers are always willing and able to invest the required time.

Evidence from behavioural science shows that consumers make choices in markets by relying on heuristic searching, using trial and error, simultaneously working out what they need to know, looking for and evaluating information as they go, taking shortcuts. Several studies point to attitudinal differences influencing consumers' willingness to shop around and to differences in consumer literacy. These factors may have an impact on the quality of consumers' decisions.

One surprising finding has been the number of consumers who claim to have switched energy suppliers in the UK: one in eight consumers switched gas and/or electricity suppliers in 2012 but around half claim to have switched at some time since the markets deregulated. This raises two important questions: if prices in regulated markets can be driven down by consumer switching, what proportion of consumers need to switch and with what frequency for that to happen?

There is evidence from several sources that consumer engagement in markets depends on the consumer having confidence in the expected gain: whether switching energy or telephone suppliers or seeking redress for faulty goods and services, consumers will only engage if they believe it is worthwhile.

But there is also evidence that consumer literacy is generally weak and dependent on age and experience. Markets in which consumers transact infrequently and/or which provide inadequate confirmation that the consumer has made a good decision mean that most consumers remain inherently inexperienced in those markets.

Appendix 1 – Markets

Components of household expenditure, United Kingdom, Office of National Statistics Family Spending Survey, 2011

ONS categories and
section numbers

Groceries

1.1.1	Bread, rice and cereals
1.1.2	Pasta products
1.1.3	Buns, cakes, biscuits, puddings etc.
1.1.4	Pastry (savoury)
1.1.5-9	Meat
1.1.9	Bacon and ham
1.1.10	Meat products and preparations, eg sausages, pate
1.1.11	Fish and fish products
1.1.12	Milk
1.1.13	Cheese and curd
1.1.14	Eggs
1.1.15	Milk products, eg yoghurt
1.1.16	Butter
1.1.17	Margarine, other vegetable fats and peanut butter
1.1.18	Cooking oils and fats, inc olive oil
1.1.19	Fresh fruit
1.1.20	Chilled or frozen fruits
1.1.21	Dried fruit and nuts
1.1.22	Preserved fruit and fruit based products
1.1.23	Fresh vegetables

1.1.24	Dried, preserved, processed vegetables
1.1.28	Sugar and sugar products
1.1.29	Jams, marmalades
1.1.30	Chocolate
1.1.31	Confectionery products
1.1.32	Edible ices and ice cream
1.1.33	Sauces, condiments and larder products
1.2.1	Coffee
1.2.2	Tea
1.2.3	Cocoa and powdered chocolate
1.2.4	Fruit and vegetable juices
1.2.5	Mineral or spring waters
1.2.6	Soft drinks (inc. fizzy and ready to drink fruit drinks)
9.3.5.1	Pet food
5.5.5	Electrical consumables
5.6.1	Cleaning materials (detergents, disinfectants, polishes, etc)
5.6.2	Kitchen disposables (matches, kitchen gloves and cloths)
12.1.2	Toilet paper
12.1.3.1	Toiletries (disposables including tampons, lipsyl, toothpaste etc.)
12.1.3.2	Bar of soap, liquid soap, shower gel etc.
12.1.3.3	Toilet requisites (durable including razors, hairbrushes, toothbrushes etc.)
12.1.4	Baby toiletries and accessories (disposable)
2.1.1	Spirits and liqueurs (brought home)
2.1.2	Wines, fortified wines (brought home)

- 2.1.3 Beer, lager, ciders and perry (brought home)
- 2.1.4 Alcopops (brought home)
- 2.2.1 Cigarettes
- 2.2.2 Cigars, other tobacco products and narcotics

Clothing & footwear

- 3.1.1 Men's garments
- 3.1.3 Women's garments
- 3.1.5 Children' garments (5-15)
- 3.1.7 Infants' garments (under 5)
- 3.1.9 Men's accessories
Women's accessories
Children's accessories
Protective head gear
- 3.1.10 Haberdashery, clothing materials and clothing hire
- 3.1.11 Dry cleaners, laundry and dyeing
- 3.2.1 Footwear for men
- 3.2.2 Footwear for women
- 3.2.3 Footwear for children (5 to 15 years) and infants (under 5)
- 3.2.4 Repair and hire of footwear

Housing, fuel & power

- 4.1.1 Housing rent
- 4.1.4 Second dwelling - rent
- 13.1.1 Mortgage
- 4.2.1 Central heating repairs

- 4.2.2 House maintenance etc.
- 4.2.3 Paint, wallpaper, timber
- 4.2.4 Equipment hire, small materials
- 4.3.3 Refuse collection, including skip hire
- 5.3.8 Repairs to gas and electrical appliances and spare parts

Electricity, gas and other fuels

- 4.4.1 Electricity
- 4.4.2 Gas
- 4.4.3 Coal and coke
- Heating oil
- Paraffin, wood, etc

Household goods & services

- 5.1.1 Furniture and furnishings
- 5.1.2 Floor coverings
- 5.2.1 Household textiles, eg duvets, pillows, cushions, towels, curtains
- 5.3.1 Cookers
- 5.3.3 Clothes washing machines and drying machines
- 5.3.4 Refrigerators, freezers and fridge-freezers
- 5.3.5 Other major electrical appliances, dishwashers, micro-waves
- Vacuum cleaners, heaters etc.
- 5.3.6 Fire extinguisher, water softener, safes etc
- 5.3.7 Small electric household appliances, excluding hairdryers

- 5.3.9 Rental/hire of major household appliances
 - 5.4.1 Glassware, china, pottery, cutlery and silverware
 - 5.4.2 Kitchen and domestic utensils
 - 5.4.3 Repair of glassware, tableware and household utensils
 - 5.4.4 Storage and other durable household articles
 - 5.5.1 Electrical tools
 - 5.5.3 Small tools
 - 5.5.4 Door, electrical and other fittings
Nails, nuts and bolts etc.
 - 5.6.3 Domestic services, including cleaners, gardeners, au pairs
Carpet cleaning, ironing service, window cleaner
Hire/repair of household furniture and furnishings
 - 5.5.2 Garden tools, equipment and accessories eg lawn mowers etc.
 - 9.3.4.1 BBQ and swings
 - 9.3.4.2 Plants, flowers, seeds, fertilisers, insecticides
 - 9.3.4.3 Garden decorative
 - 9.3.4.4 Artificial flowers, pot pourri
 - 12.5.3.5 Photocopying
- Health**
- 6.1.1.2 Non-NHS medicines and medical goods
 - 6.1.1.3 Other medical products (eg plasters, condoms, hot water bottle etc.)
 - 6.1.1.4 Non-optical appliances and equipment (eg wheelchairs, hearing aid batteries)

- 6.1.2 Spectacles, lenses, accessories and repairs
- 6.2.1 Private medical, optical, dental and medical auxiliary services

Transport

- 7.1.1 Purchase of new cars and vans
- 7.1.1.2 Loan/Hire Purchase of new car/van
- 7.1.2 Purchase of second hand cars or vans
- 7.1.2.2 Loan/Hire Purchase of second hand car/van
- 7.3.4.7 Car leasing
- 7.1.3 Purchase of motorcycles
- 7.1.3.2 Loan/Hire Purchase of new or second hand motorcycles
- 7.3.4.6 Hire of self-drive cars, vans, bicycles
- 7.2.1 Spares and accessories
- 7.2.2 Petrol, diesel and other motor oils
- 7.2.3 Repairs and servicing
- 7.2.4.1 Motoring organisation subscription (eg AA, RAC)
- 7.2.4.2 Garage rent, other costs (excluding fines), car washing etc.
- 7.2.4.4 Driving lessons
- 7.2.4.5 Anti-freeze, battery water, cleaning materials
- 7.1.3.3 Purchase of bicycles and other vehicles
- 9.2.1 Purchase of boats, trailers and horses
- 9.2.2 Purchase of caravans, mobile homes (including decoration)
- 9.2.3 Accessories for boats, horses, caravans and motor caravans

- 7.3.1 Rail and tube fares
 - 7.3.1.1 Season tickets
- 7.3.2 Bus and coach fares
 - 7.3.2.1 Season tickets
- 7.3.4.1 Air fares
- 7.3.4.4 Taxis and hired cars with drivers
- 7.3.4.8 Water travel, ferries and season tickets

Communication

- 8.1 Postal services (inc. couriers)
- 8.2.1 Telephone purchase
- 8.2.2 Mobile phone purchase
- 8.2.3 Answering machine, fax machine, modem purchase
- 8.3.1 Telephone account
- 8.3.3 Mobile phone account
- 8.4 Internet subscription fees
 - 9.4.3.2 Satellite subscriptions
 - 9.4.3.3 Rent for TV/Satellite/VCR
 - 9.4.3.4 Cable subscriptions

Recreation & culture

- 9.1.1.1 Audio equipment, CD players including in car
- 9.1.1.2 Audio accessories eg tapes, headphones etc.
- 9.1.2.1 Purchase of TV and digital decoder
- 9.1.2.2 Satellite dish purchase and installation
- 9.1.2.5 DVD/video player/recorder
- 9.1.2.6 Blank, pre-recorded video cassettes, DVDs

- 9.4.3.6 Video, cassette and CD hire
- 9.1.2.8 Spare parts for TV, video, audio
- 9.1.2.7 Personal computers, printers and calculators
- 9.3.2 Computer software and games
- 9.1.3.1 Photographic and cine equipment
- 9.1.3.2 Camera films
- 9.4.5 Development of film, passport photos, school photos
- 9.1.3.3 Optical instruments, binoculars, telescopes, microscopes
- 9.2.4 Musical instruments (purchase and hire)
- 9.2.5 Major durables for indoor recreation
- 9.4.1.5 Hire of equipment for sport and open air recreation
- 9.1.2.9 Repair of audio-visual, photographic, IT and other recreational durables
- 9.3.1 Games, toys and hobbies
- 9.3.3 Equipment for sport, camping and open-air recreation
- 9.3.5.2 Pet purchase and accessories
- 9.3.5.3 Veterinary and other services for pets identified separately
- 9.4.1.1 Spectator sports: admission charges
- 9.4.1.2 Participant sports (excluding subscriptions)
- 9.4.1.3 Subscriptions to sports and social clubs
- 9.4.1.4 Leisure class fees
- 9.4.4.3 Subscriptions for leisure activities and other subscriptions
- 9.4.2.1 Cinemas
- 9.4.2.2 Live entertainment: theatre, concerts, shows

9.4.2.3	Museums, zoological gardens, theme parks, houses and gardens
9.4.4.1	Admissions to clubs, dances, discos, bingo
9.4.6.4	Bookmakers
9.5.1	Books
9.5.2	Stationery, diaries, address books, art materials
9.5.3	Cards, calendars, posters and other printed matter
9.5.4	Newspapers
9.5.5	Magazines and periodicals
9.6	Package holidays
11.2	Holiday accommodation
13.3.1	Foreign currency
13.3.2	Duty free goods bought in UK
13.4.2.2	Charitable donations and subscriptions

Education fees (private schools)

Restaurants & hotels

11.1.1	Restaurant and café meals
11.1.2	Alcoholic drinks (away from home)
11.1.3	Take away meals eaten at home
11.1.4	Other take-away and snack food
11.1.4.2	Confectionery
11.1.4.3	Ice cream
11.1.4.4	Soft drinks

Personal care/effects

- 12.1.1 Hairdressing, beauty treatment
- 12.1.5.1 Hair products
- 12.1.5.2 Cosmetics and related accessories
- 12.1.5.3 Electrical appliances for personal care, including hairdryers, shavers etc.
- 12.2.1 Jewellery, clocks and watches and other personal effects
- 12.2.2 Leather and travel goods (excluding baby items)
- 12.2.3 Sunglasses (non-prescription)
- 12.2.4 Baby equipment (excluding prams and pushchairs)
- 12.2.5 Prams, pram accessories and pushchairs
- 12.2.6 Repairs to personal goods

Social protection

- 12.3.1 Residential homes
- 12.3.2 Home help
- 12.3.3 Nursery, crèche, playschools
- 12.3.4 Child care payments

Insurance

- 12.4.1.1 Structure insurance
- 12.4.1.2 Contents insurance
- 12.4.1.3 Insurance for household appliances
- 12.4.2 Medical insurance premiums
- 12.4.3.1 Vehicle insurance
- 12.4.3.2 Boat insurance

- 12.4.4 Non-package holiday, other travel insurance
- 13.1.2 Mortgage protection premiums
- 14.1.1 Life assurance premiums eg mortgage endowment policies
- 14.2 Other insurance including friendly societies

Home purchase/Moving house

- 12.5.1.1 Moving and storage of furniture
- 12.5.1.2 Property transaction - purchase and sale
- 12.5.1.3 Property transaction - sale only
- 14.5.3 Central heating installation
- 14.5.4 DIY improvements: Double glazing, bathroom fittings, kitchen units, sheds etc.
- 14.5.5 Home improvements - contracted out
- 14.5.7 Capital Improvements

Financial services

- 13.4.3.2 Credit cards
- 14.1.3 Personal pensions
- 14.6.2 Additional Voluntary Contributions
- 14.6.1 Savings, investments (excluding AVCs)
- 14.7 Pay off loan to clear other debt
 - Personal loans
 - Current accounts
- 12.5.3.2 Other legal fees
- 12.5.3.3 Funeral expenses

Appendix 2 – Source organisations

Academic and statutory organisation websites

Centre of Time Use Research

Communication and Information Resource for Administrations, Businesses and Citizens (CIRCABC)

Consumer Association

Consumer Futures

Department of Work and Pensions

DG Sanco

European Commission (other sections)

Food Standards Agency

HM Treasury (archive and .gov.uk)

Institute of Social and Economic Research

National Centre for Social Research

Ofcom

Office of Fair Trading

Office of National Statistics

Ofgem

Open University library

Sport England

University of Essex UK Data Archive

Visit England

Trade association websites

There are over 2,000 trade associations in UK. The associations selected for inclusion in the search are those judged most likely to conduct consumer behaviour research (other trade associations being unrelated to consumer markets or too small and specific to commission research).

[ABTA The Travel Association \(ABTA\)](#)

[ASBCI: The Forum for Clothing & Textiles \(ASBCI\)](#)

Association of British Insurers

[Association for Marketing & Development in Independent Schools \(AMDIS\)](#)

UK Payments Administration (formerly [Association for Payment Clearing Services \(APACS\)](#))

[Association of Manufacturers of Domestic Appliances \(AMDEA\)](#)

[Automotive Distribution Federation \(ADF\)](#)

[Baby Products Association \(BPA\)](#)

[Bathroom Manufacturers Association \(BMA\)](#)

[British Allied Trades Federation \(BATF\)](#)

[British Apparel & Textile Confederation \(BATC\)](#)

[British Ceramic Gift & Tableware Manufacturers' Association \(BCGTMA\)](#)

[British Council of Shopping Centres \(BCSC\)](#)

[British Disposable Products Association \(BDPA\)](#)

[British Fashion Council \(BFC\)](#)

[British Federation of Audio Limited \(BFA\)](#)

[British Footwear Association \(BFA\)](#)

[British Furniture Manufacturers Association \(BFMA\)](#)

[British Hardware Federation Group \(BHF\)](#)

[British Home Enhancement Trade Association \(BHETA\)](#)

[British Independent Motor Trade Association \(BIMTA\)](#)

[British Independent Retailers Association \(BIRA\)](#)

[British Institute of Funeral Directors \(BIFD\)](#)

[British Insurance Brokers' Association \(BIBA\)](#)

[British Retail Consortium \(BRC\)](#)

[British Shop & Stores Association \(BSSA\)](#)

[Cosmetic, Toiletry & Perfumery Association Ltd](#)

[Credit Card Research Group \(CCRG\)](#)

[Direct Marketing Association \(UK\) Ltd](#)

[Electrical Distributors Association](#)

[European Snacks Association \(ESA\)](#)

[Federation of \(Ophthalmic & Dispensing\) Opticians \(FODO\)](#)

[Federation of Petroleum Suppliers](#)

[Federation of Tour Operators \(FTO\)](#)

[Fitness Industry Association \(FIA\)](#)

[Food and Drink Federation \(FDF\)](#)

[Food from Britain](#)

[Garden Centre Association \(GCA\)](#)

[Institute of Builders' Merchants \(IoBM\)](#)

[Institute of Practitioners in Advertising \(IPA\)](#)

[Institute of Sport & Recreation Management \(ISRM\)](#)

[Institute of Travel & Tourism \(ITT\)](#)

[National Association Leisure Industry Limited \(NAFLIC\)](#)

[National Association of Funeral Directors](#)

[National Childrenswear Association of Great Britain & Northern Ireland \(NCWA\)](#)

[Payments Council](#)

[Pet Food Manufacturers Association \(PFMA\)](#)

[Radio, Electrical & Television Retailers' Association \(RETRA\)](#)

[Snack, Nut & Crisp Manufacturers Association Limited \(SNACMA\)](#)

[Society of Motor Manufacturers and Traders Ltd \(SMMT\)](#)

[Sporting Goods Industry Association \(SGIA\)](#)

[The Advertising Association \(AA\)](#)

[The British Hospitality Association \(BHA\)](#)

[The Horticultural Trades Association \(HTA\)](#)

[The Incorporated Society of British Advertisers Ltd \(ISBA\)](#)

[The Institute of Sales and Marketing Management \(ISMM\)](#)

[The Kitchen Bathroom Bedroom Specialists Association \(KBSA\)](#)

[The Leisure and Outdoor Furniture Association](#)

[The UK Interactive Entertainment Association Ltd](#)

[The Wine & Spirit Trade Association \(WSTA\)](#)

[Toy Retailers Association \(TRA\)](#)

[UK Cards Association \(UKCA\)](#)

[UK Fashion & Textile Association](#)

[UK Payments Administration Ltd \(APACS\)](#)

[United Kingdom Petroleum Industry Association \(UKPIA\)](#)

[White Goods Association \(WGA\)](#)

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