

Barriers to engagement with the broadband market

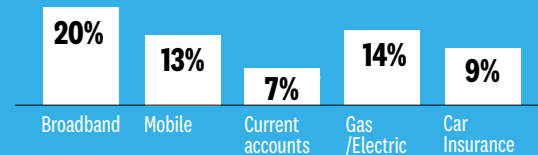
<http://which.co.uk/broadband-engagement>

Complex and technical

The broadband market is seen as more technical and complex than other markets.

Percentage who say that 'there are lots of technical terms which make researching and identifying the right product/service difficult.'

Market perceptions



Low confidence and ability to identify own needs and therefore the right package.

23% say it's complicated to try and work out what the best product/service is for them.

Low knowledge about how pricing works

45% say that 'providers have new/alternative deals for current customers that aren't advertised'.

The Barriers

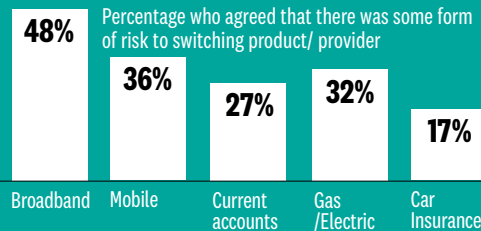
Choice overload: the difficulty of making decisions when faced with a large number of options.

"You need to calculate all these things into comparisons and it's too confusing to make a good judgement if you would be better off."

Behavioural Factors

High risk

There is higher risk aversion to making changes to packages - particularly provider - in broadband, than in other markets.



Fear of worse service if provider is changed

59% say 'it's too risky to change provider as the broadband service may be worse than I have now'.

Fear of unexpected costs if package/provider changes

36% say they're 'put off switching broadband package as they think it's likely there are hidden costs involved'.

Risk aversion: a preference for a certain outcome over an uncertain one, even if taking the uncertain route could result in an equal or better result.

"I enjoy my package from [provider] but feel it's too dear. But I'm not wanting the hassle of changing over and maybe not getting as good a service as I already do."

Lack of incentives and prompts

People don't perceive a benefit to engaging

62% say that 'there isn't a big enough benefit to switch broadband package or provider'.



People don't perceive the need to engage as they think their service is fine, despite many experiencing service issues or paying a relatively high price.

54% say if their broadband works fine 'there is no need to review, at the end of the contract, that it's the best package available to them'.

There is a lack of prompts in the form of effective communications about current and alternative packages.

44% say they don't receive deals from their provider that seem relevant to them.

Status quo bias: people tend to be drawn to their current position even when gains can be made from moving away from it. It is an emotional preference for the current state of affairs.

Low salience: how prominent or emotionally striking something is. Consumers tend to focus on higher salience subjects and items in their day-to-day lives.

"There are no problems so I will just let it roll [on] until it doesn't work for me."