

## Digital Comparison Tools Market Study:

### Response form

1. Thank you for taking the time to respond to the questions in the Statement of Scope for our Market Study of Digital Comparison Tools (DCTs), published on our [website](#) on 29 September 2016.
2. Please download and save this form before completing it. Please submit your response by **5pm on Monday, 24 October 2016**, either by:
  - Email to: [comparisontools@cma.gsi.gov.uk](mailto:comparisontools@cma.gsi.gov.uk).
  - Or by post to: Digital Comparison Tools Market Study  
Competition and Markets Authority  
7<sup>th</sup> floor  
Victoria House  
37 Southampton Row  
London WC1B 4AD
3. Please note:
  - You can choose which questions to respond to, but we ask all respondents to provide a small amount of background information at the start of this form. The boxes will 'expand' to accommodate long responses if required.
  - We are particularly keen to receive evidence in support of responses. If you are able to supply evidence please attach this with your response.
  - We intend to publish responses to our Statement of Scope in full. If you wish to submit information that you consider to be confidential, this should be indicated to us clearly and an explanation given as to why you consider it to be confidential.
  - The CMA may use the information you provide for the purposes of facilitating the exercise of any of its statutory functions. This may include the publication or disclosure of the information. Prior to publication or disclosure, in accordance with its statutory duties under Part 9 of the Enterprise Act 2002, the CMA will have regard to (among other considerations) the need to exclude, so far as is practicable, any information relating to the private affairs of an individual or any commercial information relating to a business which, if disclosed, would or might, in our opinion, significantly harm the individual's

interests or, as the case may be, the legitimate business interests of that business (confidential information). Further information about how the CMA will use information submitted during the Market Study can be found on our [website](#).

4. If you have any questions about our Market Study or this online form please contact the team at [comparisontools@cma.gsi.gov.uk](mailto:comparisontools@cma.gsi.gov.uk).

## Your details

(Fields marked \* are required)

<b>Title*</b>	Mr
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<b>Forename</b>	Joe
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<b>Surname*</b>	Linford
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<b>Email*</b>	[✕]
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<b>What is your role / profession*</b>	Head of Product & Marketing
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<b>Are you representing yourself or an organisation?*</b>	An organisation
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<b>If you are representing yourself rather than an organisation would you be content for us to include your name when we publish your response?*</b>	
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### If you are representing an organisation:

<b>(a) What is the organisation's name?*</b>	Broadband Genie ( <a href="http://broadbandgenie.co.uk">http://broadbandgenie.co.uk</a> )
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<b>(b) Please could you briefly explain the role of your organisation, including the sectors in which it operates or has most interest?*</b>
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Broadband Genie is a comparison website specialising in broadband and mobile broadband, operating since 2004.

## Theme 1: Consumers' perceptions, use and experience of DCTs

We will analyse consumers' awareness, understanding and perceptions of DCTs – for instance, how well consumers understand and/or trust DCTs, and what this means for whether they use them.

We also want to understand consumers' behaviour and experiences with DCTs, including what consumers expect to get from DCTs compared with what they actually receive. We will also look at whether they use DCTs just to compare products and suppliers or also to switch; how many DCTs they use; how successfully they use them; and the benefits they derive from doing so. We will also want to understand what happens when something goes wrong and consumers' expectations are not met (knowingly or otherwise). We also plan to understand whether increased use of DCTs results in excessive focus on price, to the exclusion of other factors and to the detriment of consumers' overall decision-making.

### 1. When and why do consumers use DCTs? To what extent do they trust them?

Consumers use broadband and TV comparison websites to help them research and switch services. We find that consumers will access a DCT\* at all stages of the buying decision process.

Based on the number of users that access Broadband Genie and consumers we help through the switching process each year, it's our understanding that DCTs are a trusted source of information. However, without further consumer research it's hard for us to judge to what level DCTs are trusted in the marketplace.

***\* Please note that when we refer to DCTs in this document we are referring to our own experience of DCTs in the telecoms sector specifically***

### 2. How do consumers choose which and how many DCTs to use?

It's likely that most consumers end up choosing a DCT either through brand awareness or by simply clicking the first DCT they see on a search engine such as Google.

In many cases, consumers may be looking for a specific service, (e.g. broadband for gaming) so they may end up choosing a DCT based on whether they tailor to this.

It's hard for us to know how many DCTs consumers use as we have little visibility on this. From discussions with marketing agencies our understanding is that it's not uncommon for consumers to look at multiple DCTs before making a purchase decision.

### 3. What are consumers' expectations of DCTs – for instance in terms of market coverage and the relationships between DCTs and the suppliers they list?

Consumers expect DCTs to be free-to-use and provide accurate information on suppliers' products. DCTs can also be expected to provide additional information and tools such as guides, speed tests and reviews.

From our experience consumers are happy to use a DCT if the main providers are covered. The suppliers listed on Broadband Genie currently provide around 95% coverage for the UK broadband market.

We believe that consumers understand the need for there to be a relationship between a DCT and supplier. However, it's our understanding that consumers would not want this relationship to impede on their ability to switch to a supplier.

#### **4. What are consumers' experiences of using DCTs? Do they benefit from using them and, if so, how? What works well and what could be improved?**

Each year we successfully help thousands of consumers through the process of switching their broadband and TV services. By using a DCT consumers are better educated and more informed, and therefore should end up with a better service.

The use of DCTs can help consumers find the best and cheapest deals in the market. In the broadband market, DCTs play an important role in helping consumers understand a complex marketplace. The terminology used by the suppliers can be technical and products confusing, and therefore it can be hard for consumers to understand what type of package they should choose. DCTs, through their comparison tables, filters, guides and additional support, help consumers make an informed decision.

A key benefit of a DCT is that they give consumers all the key information and in the same place for each offer so they can be easily compared. Where suppliers may occasionally have important product information such as installation fees, data costs and line rental in the small print, DCTs display this information clearly for consumers.

DCTs can improve if more accurate information on product availability was made available. For example, in the broadband market we're only able to provide accurate information on broadband availability by partnering with a service such as SamKnows. If more information such as this was provided by the suppliers or OpenReach, then it's likely that DCTs could provide more accurate and helpful information to consumers.

## **Theme 2: Impact of DCTs on competition between suppliers of the services they compare**

A critical test of DCTs' impact is whether they are improving or hindering competition between suppliers. A major way of improving competition is increasing engagement through reducing search costs. We plan to understand this effect and whether anything may be hindering it.

We also want to explore the relationships between DCTs and suppliers and to know whether DCTs are having effects on supplier behaviour. For example, we want to explore the impact of DCTs on the range, quality and pricing of their services, and the extent to which this leads to better or worse outcomes for consumers. We also want to understand the extent to which DCTs facilitate supplier entry or expansion.

### **5. What factors influence suppliers' use and choice of DCTs and why?**

A supplier may choose to work with a particular DCT to ensure their brand and products are being well represented, and that the relationship results in relevant consumers who are well-matched to their products and are likely to switch. Suppliers will look for DCTs that have a high-quality website which is regularly updated and provides accurate information.

### **6. To what extent do DCTs make it easier for suppliers to enter the market, attract more consumers and engage more effectively with them?**

DCTs can provide immediate visibility for new entrant suppliers alongside existing suppliers. We are always willing to engage with smaller or new suppliers and look to list these on Broadband Genie where possible. We offer them an instant route to market that is far more cost effective and less risky than it might be to invest in traditional marketing channels. We have seen new suppliers make an immediate impact on Broadband Genie, well before they have established a strong brand in the broadband space - recent examples have included NOW TV and Origin broadband.

### **7. How have DCTs affected competition between suppliers? What impact has this had on the price, quality and range of products offered by suppliers?**

Suppliers have increasingly felt the need to offer more competitive pricing on DCTs, as their pricing is being directly compared against their competitors in this space. Offering different deals or 'exclusives' to specific DCTs has become a regular practice for suppliers, as it's a proven way to increase sales and gain an edge on their competitors. The impact of exclusives has resulted in suppliers offering different elements at a discounted price improving the range of products available in the market. This includes but is not limited to free setup, included anytime calls and added vouchers. Another exciting development over the last 12 months has been the inclusion of stronger deals or exclusives in the fibre space too.

The strong impact of DCTs on a supplier's overall volume has resulted in better deals across all DCTs, benefiting the consumer with bigger rewards and savings across various products.

**8. What are the barriers, if any, to DCTs increasing competition between suppliers, and how can these be overcome?**

In our experience, some 'smaller' suppliers or those entering the market can be more difficult to work with. This is primarily because they often don't work with trusted third-party referral tracking technologies.

This could be overcome by these suppliers having a greater understanding of the risk of DCTs listing their products and services whilst having no visibility of sales and being willing to work with a trusted tracking and reporting platform.

**9. In what ways, if any, have DCTs changed suppliers' approach to consumers - for instance in terms of whether they treat consumers who use DCTs differently to those who do not?**

We believe that DCTs have a positive effect on the supplier's' approach to consumers. By engaging with DCTs, suppliers understand that their customers often want to compare suppliers and products before they buy, and are keen to learn more about the products in an unbiased environment.

DCTs are often extremely demanding in terms of how product information is presented on the supplier website, because we are interested in consumers having a clear journey with clear, consistent, accurate information. This has led to suppliers improving the quality of their own service – for example by adding more informative website content, as they understand how valuable this is to consumers.

Another way that DCTs are often able to use their impartiality to evaluate and compare a group of providers' service is in the form of consumer surveys. For example, Broadband Genie run an annual broadband survey using real consumer data to score providers from 1-100 for a range of important factors such as customer service, reliability, technical support and value. The results of this regularly gain national coverage and helps to ensure the providers are moved to constantly improve their service for consumers.

### Theme 3: Competition between DCTs

We will aim to establish whether DCTs are competing effectively with each other, as well as facilitating competition between suppliers of the services they compare. If not, we will explore what may be holding back competition in any particular market.

We will explore how DCTs compete both for consumers and for suppliers. We will assess what well-functioning DCT competition looks like, and the potential for DCTs or suppliers to engage in practices that limit this.

**10. In what ways do DCTs compete with each other – for instance in terms of coverage, the savings consumers can make, the services they provide, their ease of use, transparency and how they protect consumers' data?**

DCTs compete at all stages of the consumer lifecycle, from buyers' guides, money-saving advice and market research at the start, through to the comparison and email experience at the end. Broadband Genie continuously develop and test the layout of our comparison tables to maximise consumer engagement, and are currently investing heavily into personalised comparison. Broadband Genie also compete heavily in promoting our brand, by providing relevant consumer information through consumer advice media. DCTs also regularly compete over the right to have supplier 'exclusives' to ensure they provide the best savings for their customers.

**11. What factors influence how effectively DCTs can compete – for example, whether they can secure the necessary consumer data, supplier information or other data?**

All data listed on Broadband Genie is publicly available through provider websites. Some of the finer points of a broadband contract are sometimes obscured (for example the price after a contract ends), and need to be sought out in terms and conditions of the supplier sites. Our role as a DCT is to gather this information and display it to the consumer as transparently as possible.

Postcode availability data is publicly available to DCTs via SamKnows.

**12. If there are barriers to competition between DCTs, how significant are these and how can they be overcome?**

Broadband Genie are unaware of any barriers to competition between DCTs.



## Theme 4: The regulatory environment

There is a range of regulation of DCTs in place across our sectors of interest, from full regulation in financial services to voluntary accreditation in the telecoms and energy sectors. We will provide an overview of the different approaches to regulation being adopted and assess whether there are lessons to be learnt from comparing approaches.

<b>13. Are there any areas of regulation or self-regulation applying to DCTs that lack clarity, certainty, consistency, or enforcement?</b>
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Broadband Genie are unaware of any areas of regulation or self-regulation applying to DCTs that lack clarity, certainty, consistency or enforcement.
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<b>14. Do there appear to be any areas where DCTs may not be meeting competition or consumer protection requirements?</b>
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Broadband Genie are unaware of any DCTs not meeting competition or consumer protection requirements.
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<b>15. Do any aspects of regulatory approaches to DCTs need to change and, if so, why?</b>
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Broadband Genie do not believe any changes need to occur in regulatory approaches to DCTs.
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In relation to all of the themes and issues set out earlier, we will look at both the current situation and the effect of likely future developments in the DCT sector.

**16. Finally and in relation to all of the issues above, what likely developments over the next three years should we take into account and why?**

The most recent ASA regulations outlining how suppliers should provide pricing to consumers is a key one to consider. Rather than treating line rental separately it will now be included in the overall price of the product. You should potentially consider how each supplier is communicating this change to their consumers once this regulation comes into place on 31<sup>st</sup> October 2016.

The Government's commitment for broadband across the country including rural areas should also be considered. They have outlined things need to be done to ensure all areas can receive high quality broadband and you should consider what suppliers are doing to try and achieve this.

**Other comments and further contact**

**Do you have any other comments you would like to add?**

**Would you be willing for us to contact you to discuss your response?\***

Yes / No  
*(please delete as appropriate)*

**Thank you for taking the time to complete this form.**

**Please email it to: [comparisontools@cma.gsi.gov.uk](mailto:comparisontools@cma.gsi.gov.uk).**

**Or post it to:**

**Digital Comparison Tools Market Study  
Competition and Markets Authority  
7th floor  
Victoria House  
37 Southampton Row  
London  
WC1B 4AD**