

ISBA response to themes and key questions

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

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

Consumers use DCTs when they need a specific product or service. For convenience, to be able to quickly compare the price of products or services of rival suppliers. Consumers are generally becoming more cautious on the internet. Their level of trust is low, they tend to be more aware of data issues and are less inclined to hand over their personal data if it is unclear how it will be used.

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

Once consumers are confident they are choosing between companies offering the same product or service, price is normally the most important factor. If a consumer is confident that a DCT offers a comprehensive, trustworthy choice, they probably won't access another DCT.

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

[✕]

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?

We assume that consumers' experience of using DCTs must have been good, otherwise there wouldn't have been an increase in their popularity over the last few years. The main benefits of using DCTs are convenience and time saving. [✕]

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

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

Size, reputation, TV and online advertising, social media, word of mouth and influencers (vloggers and bloggers) all influence suppliers' use and choice of DCTs.

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

By making the purchasing process simpler, easier and quicker, more consumers will enter the market. By reducing the friction between consumers and suppliers, more suppliers will enter the market, more consumers will be attracted and DCTs should be able to engage more effectively with suppliers.

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

By concentrating on price, DCTs have helped to increase price competition between suppliers.

[×]

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

DCTs can try to ensure that they offer a comprehensive range of products and services. [×]. DCTs which aren't sponsored / influenced by a particular supplier will be able to offer a comprehensive range of products and services.

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?

Suppliers realise that consumers have more choice and can quickly and easily compare products and services. Suppliers therefore need to be more competitive in order to develop loyalty amongst consumers. Consumers are becoming increasingly less loyal and more willing to switch for a better deal.

Theme 3: Competition between DCTs

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?

Competition between DCTs is keen, with each one offering novel, exclusive offerings to differentiate themselves from the competition.

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

Consumers are now much more aware of data protection and data privacy. DCTs which concentrate on consumers trust will have a commercial advantage. With companies having to be compliant with the General Data Protection Regulation by May 2018, DCTs will need to ensure that they are fully transparent as to how they collect and process data.

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

Theme 4: The regulatory environment

13. Are there any areas of regulation or self-regulation applying to DCTs that lack clarity, certainty, consistency, or enforcement?

14. Do there appear to be any areas where DCTs may not be meeting competition or consumer protection requirements?

15. Do any aspects of regulatory approaches to DCTs need to change and, if so, why?

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