

# **Extended Warranties and Insurance for Mobile Consumer Products in Southern and Western Europe**

**Report Prospectus**

*July 2011*

*Expertise in financial services*

# Prospectus contents

	<b>Page</b>
What is the research?	3
How does it fit into the wider series?	4
What methodology has been used?	5
How do organisations surveyed break down?	6
What is the report structure?	7
What are the key features of the research?	8
How can the research be used?	9
How can the PartnerBASE™ be used?	10
Who can use the research?	11
What are some of the key findings?	12-15
What is the cost and format?	16
How can the research be purchased?	17

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## What is the research?

This report titled *Extended Warranties and Insurance for Mobile Consumer Products in Southern and Western Europe* is about the market for extended warranties and insurance sold in conjunction with mobile gadgets and telephones in eight countries: Belgium, France, Ireland, Italy, the Netherlands, Portugal, Spain and the UK.

**Mobile gadgets** are defined as camcorders, cameras, portable (laptop or notebook) computers and portable media players with no conventional mobile telephony facility. **Mobile telephones** are defined as any mobile handsets that incorporate a conventional mobile telephony facility including 'smartphones'. Mobile gadget insurance can cover one or more of accidental damage, loss, technical breakdown and / or theft, while mobile telephone insurance can also cover airtime abuse (unauthorised usage).

The report draws on extensive primary and secondary research covering over 700 organisations involved in the production and distribution of mobile consumer products including manufacturers, mainstream mobile network operators, mobile virtual network operators (MVNOs), specialised retailers of consumer electronics, supermarkets and other types of retailer (namely, department stores, DIY outlets, speciality retailers and variety retailers).

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## How does it fit into the wider series?

This study is one of a series of reports published by Finaccord in July 2011 on the subject of extended warranties and insurance linked to mobile and non-mobile consumer products in Europe. The specific product and geographical coverage of this publication is shown in the grid below while a full list of other titles in the series can be seen on the penultimate slide of this report prospectus.

Product group	AT	BE	CZ	DK	FI	FR	DE	IE	IT	NL	NO	PL	PT	RO	RU	ES	SE	CH	TU	UK
White goods																				
Brown goods																				
Grey goods																				
Mobile gadgets																				
Mobile telephones																				

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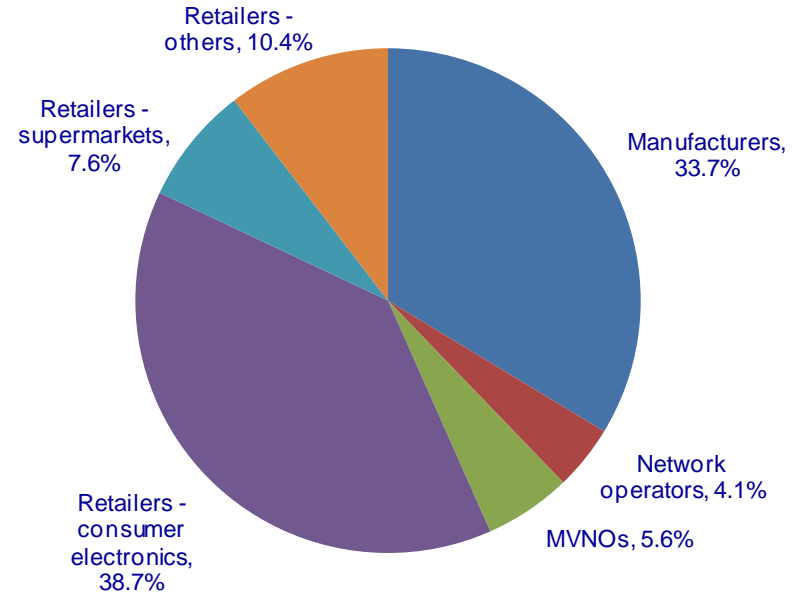
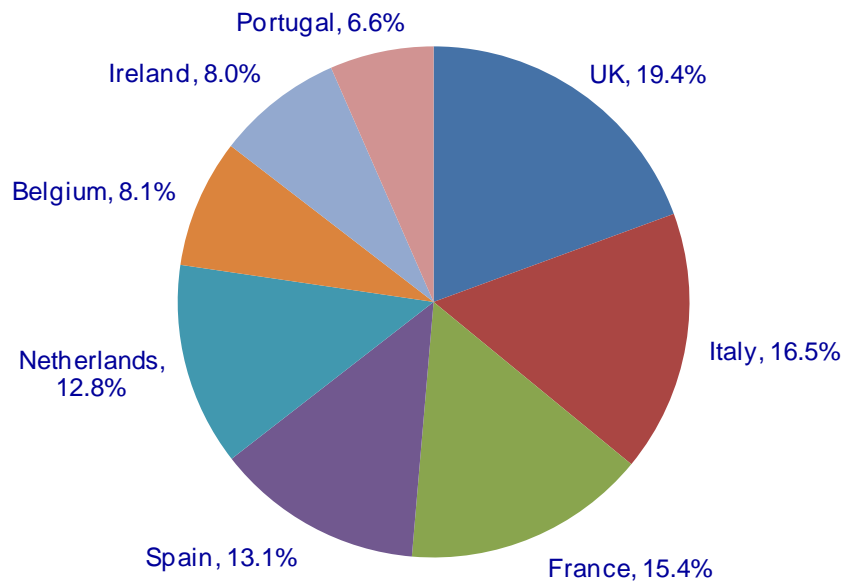
## What methodology has been used?

The majority of the research for this report, in addition to the associated PartnerBASE™ dataset, was undertaken during a 12-week period from April to June 2011. The research extended to a total of 700 organisations, breaking down by type and country as depicted in the graphics overleaf, and should account for most significant entities involved in the production and distribution of mobile gadgets and telephones in each country. In particular, the research answers the following questions:

- whether extended warranties and / or related insurance are provided in association with the mobile consumer products manufactured or sold by these organisations;
- if so, whether cover includes protection in the event of accidental damage, loss, technical breakdown, theft and, in the case of mobile telephone insurance, unauthorised usage;
- if so, how... through captive or internally managed schemes, through a single partner, through a broker or through relationships with multiple partners?
- if through external entities, the identity of the partner(s) used in each instance.

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# How do organisations surveyed break down?



Source: Finaccord

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# What is the report structure?

*Executive Summary:* providing a concise evaluation of the principal findings of the report.

*Introduction:* offering rationale, description of methodology and some definitions.

*Regional Overview:* comprising overviews of the market for extended warranties and insurance linked to mobile gadgets and telephones across all eight countries including a calculation of the value of the extended warranty and insurance market in 2010 and a forecast for the likely evolution up to 2010. In addition, this chapter analyses comparative penetration rates for mobile gadget and telephone insurance schemes among the manufacturers, network operators and retailers surveyed in each country and compares the operating models that they use for these programs.

*Specific country chapters (eight):* an in-depth analysis of the market for extended warranties and insurance sold with mobile products in each country including: introduction to the markets for the underlying mobile gadgets and mobile telephone subscriptions; survey results for manufacturers; survey results for retailers (including network operators); analysis of risks covered by all schemes (i.e. accidental damage, loss, technical breakdown, theft and, in the case of mobile telephone insurance, unauthorised usage); existence of independent distribution channels; and estimates for the market size for mobile gadget and telephone insurance in 2010, with forecasts to 2014.

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# What are the key features of the research?

Key features of this report include:

- quantification of the market size for extended warranties and insurance linked to mobile consumer products: how much is the market really worth across the eight territories considered in Southern and Western Europe, how does it break down by country and how does it segment between cover for mobile gadgets and mobile telephone insurance?
- analysis of extended warranty and insurance underwriters and brokers in each country that have established scheme relationships with manufacturers and retailers of mobile gadgets and telephones, including their unweighted share of partnerships
- consideration of the potential for cross-selling stand-alone mobile gadget and telephone insurance policies through independent channels that are separate from either manufacturers or retailers: in which countries does an emerging market exist for this form of distribution?
- forecasts for the market size for extended warranties and insurance linked to mobile consumer products up to 2014: assuming no significant changes in the number of manufacturer, network operator and retailer schemes, what factors will cause this sector to grow or decline in the next few years?

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## How can the research be used?

You may be able to use this report and the PartnerBASE™ dataset that accompanies it in one or more of the following ways:

- appreciate the size of the opportunity in the market for extended warranties and insurance linked to mobile consumer products in Southern and Western Europe: in aggregate, this is a substantial market;
- understand how dynamic competitors in several countries are helping the sector to expand at a rate in excess of the underlying markets for mobile gadgets and telephones;
- assess the position of national and international competitors such as ACE European Group, Actua, AmTrust International, Anovo, Assurant Solutions, BNP Paribas Assurance, CPP, Domestic & General, Estendo, Lifestyle Services Group, Marsh, Mondial Assistance, NEW Asurion, Pier Insurance, ProAssist, SFG, SPB, Summit Insurance Services, and The Warranty Group;
- consider how the value of the markets for extended warranties and insurance linked to mobile consumer products in Southern and Western Europe may reasonably be expected to evolve up to 2014.

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# How can the PartnerBASE™ be used?

Organisation	Country	Category	Product type	Extended warranty or insurance offered?	Operating model	Non-captive partner(s) and / or captive broker
Mobile Hut	France	Retailer	Mobile telephones	Yes	Broker	Gras Savoye
Mobile Phones Direct	UK	Retailer	Mobile telephones	Yes	Broker	Citymain Insurance
mobile shop	UK	Retailer	Mobile telephones	Yes	Single partner	Protect Your Bubble (Assurant)
Mobistar	Belgium	Retailer	Mobile telephones	Yes	Single partner	ProAssist / Taurus Insurance
Monclick	Italy	Retailer	Mobile telephones	Yes	Broker	Estendo

**Select country** (points to France)  
**Filter by category of distributor** (points to Retailer)  
**Filter by product type** (points to Mobile telephones)  
**View operating model** (points to Broker)  
**Look up specific distributors** (points to Mobistar)  
**Identify distributors with schemes** (points to Yes)  
**Identify extended warranty and insurance providers** (points to Protect Your Bubble (Assurant))

Source: Finaccord PartnerBASE

Note - The PartnerBASE also classifies distributors that are retailers (as opposed to manufacturers) according to their sub-category (e.g. department store, MVNO, network operator, supermarket etc.) and their distribution model (i.e. mixed or online only).

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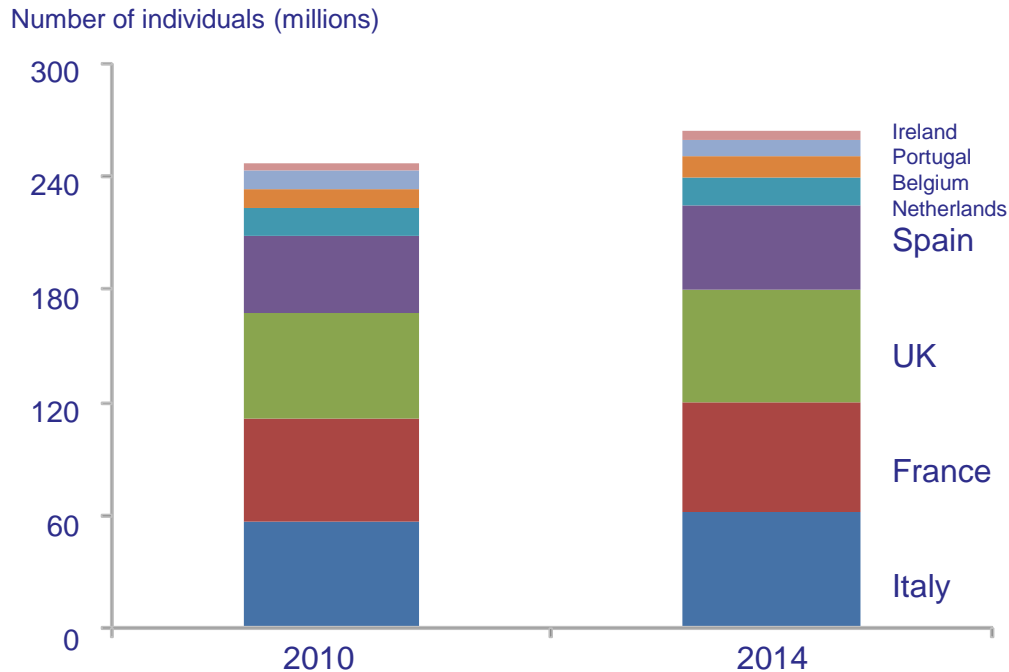
## Who can use the research?

1. *Extended warranty and insurance underwriters and brokers:* this study is a unique guide to an under-researched yet significant and evolving market with pan-European development potential - be fully appraised of what growth in these markets could mean for your organisation;
2. *Manufacturers, network operators and retailers:* growth in the market for extended warranties and related insurance linked to mobile gadgets and telephones, allied to apparently high profit margins, presents a revenue enhancement opportunity not only for the warranty and insurance providers but also for their partner organisations;
3. *Management consultancies:* are you helping a an extended warranty or insurance provider to develop its business in this region, or are you advising a manufacturer, network operator or retailer with regards to how it can improve its profitability? If so, this research will provide you with important insights into the market for extended warranties and insurance linked to mobile products;
4. *Administration and repair firms:* a variety of other organisations can also benefit from the development of the market for mobile gadget and telephone insurance - this study offers a comprehensive picture of the current state of this sector.

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# What are some of the key findings?

1. The number of individuals who own a mobile telephone will not grow much further hence driving out extra revenues from services such as mobile insurance will become more important



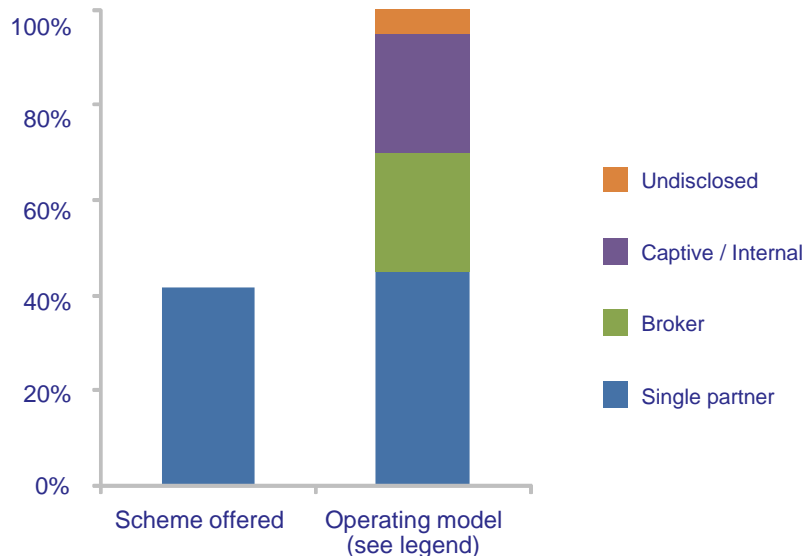
Source: Finaccord PartnerBASE

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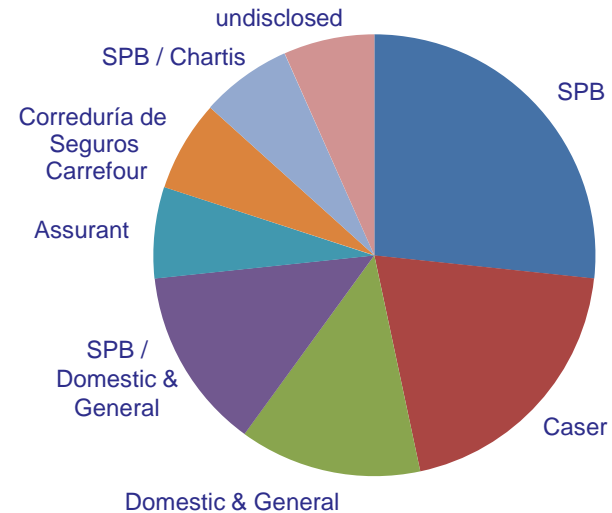
# What are some of the key findings? (cont.)

## 2. Competition for partnerships with retailers in Spain for schemes for mobile gadget insurance is spread among several non-captive competitors

% of retailers offering scheme, and operating models used



Provider share of non-captive partnerships, %

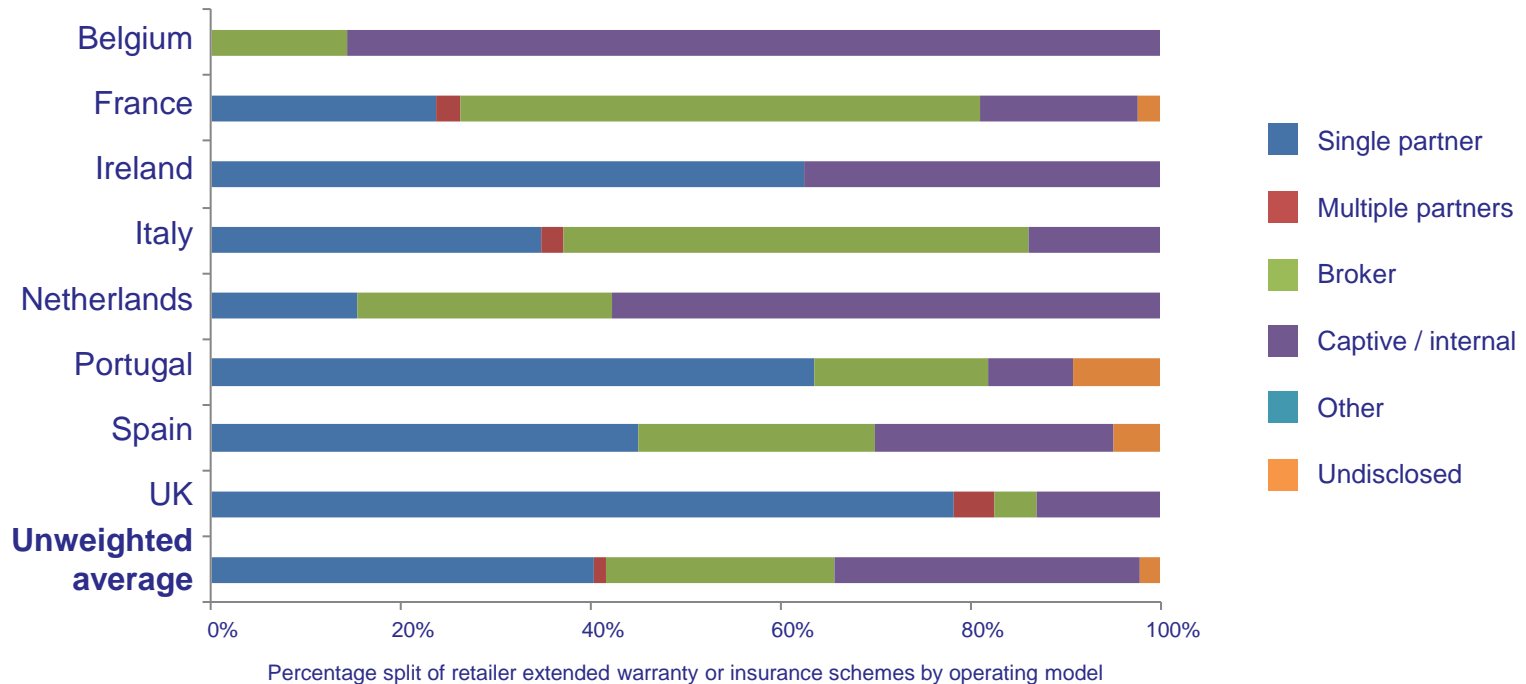


Source: Finaccord PartnerBASE

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# What are some of the key findings? (cont.)

3. In Southern and Western Europe, the operating models used for programs for extended warranties and insurance linked to mobile gadgets vary by country



Source: Finaccord PartnerBASE

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## What are some of the key findings? (cont.)

### 4. Key findings from the executive summary include:

- For Southern and Western Europe as a whole, the value of the market for mobile telephone insurance in 2010, in terms of gross written premiums and other revenues, was almost 30% higher than that for extended warranties and insurance sold in conjunction with mobile gadgets;
- measured in the same way, the UK and France accounted for the lion's share of the region's aggregate market in 2010, with Italy, the Netherlands and Spain estimated to be ranked third, fourth and fifth, respectively;
- generally speaking, stand-alone extended warranties and insurance for mobile consumer products are sold mainly via manufacturer and retailer schemes: however, independent distributors are seeking to develop a market in several countries, most notably in the UK;
- in aggregate, Finaccord forecasts that the region's market for mobile gadget and telephone insurance combined will increase at an average rate per annum of 8.5% up to 2014, a trend that could see it exceed EUR 3 billion in terms of its total value by 2014.

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## What is the cost and format?

*Extended Warranties and Insurance for Mobile Consumer Products in Southern and Western Europe* is available as a standard *Adobe Acrobat* PDF document and / or hard copy. The *PartnerBASE* that accompanies it at no further charge is in *Microsoft Excel* format. Costs for this research set and other titles in this series are as follows:

REPORT	COST *	FORMAT
Extended Warranties and Insurance for Mobile Consumer Products in Southern and Western Europe	GBP 2,495	c. 250 pages
Extended Warranties and Insurance for Brown Goods in Europe	GBP 1,995	c. 225 pages
Extended Warranties and Insurance for Grey Goods in Europe	GBP 1,795	c. 230 pages
Extended Warranties and Insurance for Mobile Consumer Products in Northern, Central and Eastern Europe	GBP 2,495	c. 320 pages
Extended Warranties and Insurance for Non-Mobile Consumer Products in Northern, Central and Eastern Europe	GBP 2,495	c. 420 pages
Extended Warranties and Insurance for Non-Mobile Consumer Products in Southern and Western Europe	GBP 2,495	c. 325 pages
Extended Warranties and Insurance for White Goods in Europe	GBP 1,995	c. 225 pages
Mobile Gadget Insurance in Europe	GBP 2,495	c. 235 pages
Mobile Telephone Insurance in Europe	GBP 2,495	c. 270 pages
Extended Warranties and Insurance for Mobile and Non-Mobile Consumer Products in Austria, Belgium etc. *	GBP 595	c. 60 pages

*\* Titles focused on single territories are available for all 20 countries covered by this series.*

*For UK-based clients, VAT at the prevailing rate will be added to the basic price.*

*Costs quoted are for a single site user licence only.*

*For a corporate user licence, please see the next slide for further details.*

*Invoices can be paid in EUR, at the prevailing exchange rate, if preferred.*

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## How can the research be purchased?

Simple. Just go to the relevant area of the Finaccord web site available at [www.finaccord.com/order\\_eu\\_mpr.htm](http://www.finaccord.com/order_eu_mpr.htm) and fill in the online order form, clearly indicating:

- report required
- type of corporate user license, if required \*
- billing name
- address and e-mail address
- purchase order number, if applicable

Please allow up to one working day for the delivery of electronic copy by e-mail copy and one working week for the arrival of hard copy.

\* For the **corporate user license** please choose one of the following options:

1. One office, one country: no supplement over and above basic cost of reports ordered
2. Multiple offices, one country: additional 20% over and above basic cost of reports ordered
3. Multiple offices, two to ten countries: additional 50% over and above basic cost of reports ordered
4. Global (unlimited offices in unlimited countries): additional 100% over and above basic cost of reports ordered

*VAT at the prevailing rate will be added to the price of any corporate user license acquired by UK-based buyers.*

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