

Extended Warranties and Insurance for White Goods in Europe

Report Prospectus

October 2014

Prospectus contents

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What is the research?

Extended Warranties and Insurance for White Goods in Europe is a report about the market for extended warranties and insurance sold in conjunction with white goods in 20 countries: Austria, Belgium, the Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Poland, Portugal, Romania, Russia, Spain, Sweden, Switzerland, Turkey, and the UK.

White goods are defined as major built-in and free-standing kitchen appliances including large cooking appliances, dishwashers, home laundry appliances and refrigeration appliances. Small appliances such as air treatment products, small cooking and non-cooking appliances, food preparation appliances, heating appliances, personal care appliances and vacuum cleaners are excluded. Related extended warranties and insurance always cover mechanical and / or technical breakdown with protection for accidental damage also incorporated in an increasing number of cases.

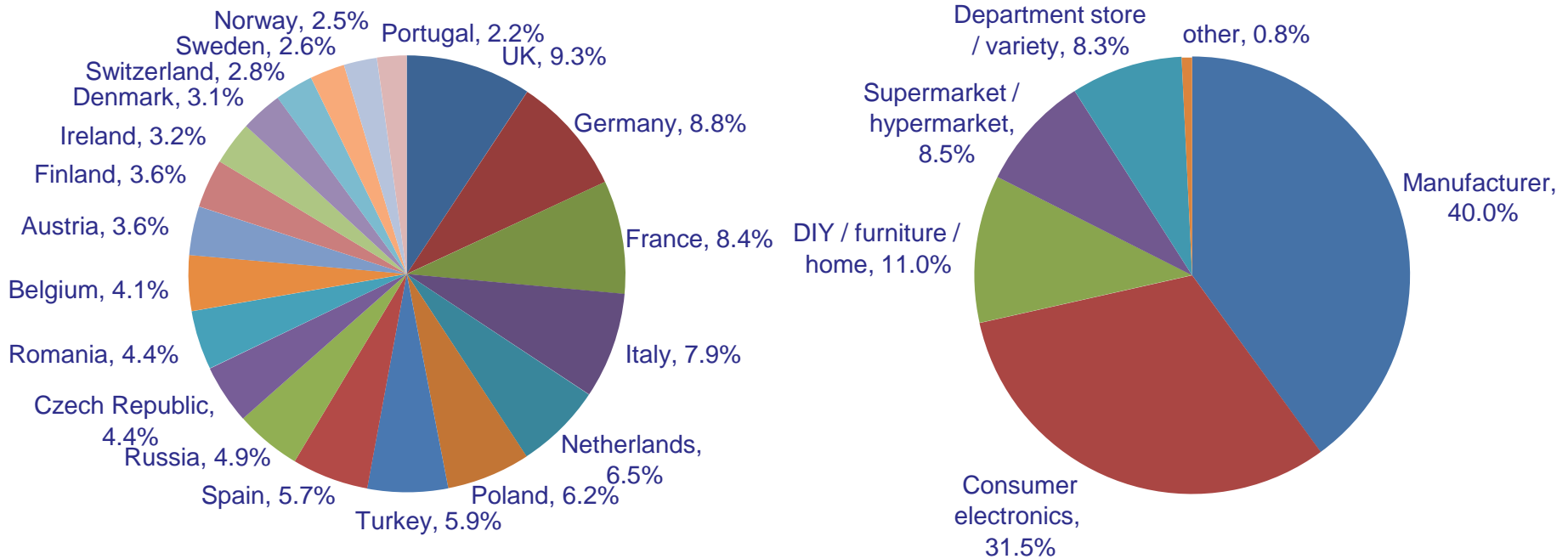
The report draws on extensive primary and secondary research covering close to 800 organisations involved in the production and distribution of white goods including manufacturers, specialised retailers of consumer electronics, supermarket / hypermarket brands, department stores, variety retailers and other types of retailer (e.g. DIY, furniture and home product outlets and speciality retailers).

What methodology has been used?

The majority of the research for this report, in addition to the associated PartnerBASE™ dataset and market data annexe, was undertaken during a 16-week period from May to August 2014. The research extended to a total of close to 800 organisations in total, 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 white goods in each country. In particular, the research answers the following questions:

- whether extended warranties and / or related insurance are provided in association with the white goods manufactured or sold by these organisations;
- if so, whether cover includes protection in the event of accidental damage in addition to mechanical / technical breakdown;
- if so, how... through captive or internally-managed schemes, through a single partner, through multiple partners or through a combination of these?
- if through external entities, the identity of the partner(s) used in each instance.

How do organisations surveyed break down?



Source: Finaccord

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.

European Overview: comprising an overview of the market for extended warranties and insurance for white goods across all 20 countries including a calculation of the value of this market in 2013, an assessment of how it has developed since 2009 and a forecast for the likely evolution up to 2017. In addition, this chapter analyses comparative penetration rates for extended warranty and insurance schemes among the manufacturers and retailers surveyed in each country and compares the operating models that they use for these programs.

Specific country chapters (20): an in-depth analysis of the market for extended warranties and insurance for white goods in each country including: introduction to the market for the underlying white goods; survey results for manufacturers; survey results for retailers; analysis of risks covered by all schemes (i.e. mechanical breakdown only or also accidental damage); existence of independent distribution channels; and estimates for the market size for extended warranties and insurance for white goods in 2009 and 2013, with forecasts to 2017.

What are the key features of the research?

Key features of this report include:

- quantification of the market size for extended warranties and insurance for white goods: how much is the market likely to be worth across the 20 territories considered in Europe and how does it break down by country?
- analysis of extended warranty and insurance underwriters and brokers in each country that have established scheme relationships with manufacturers and retailers of white goods, including their unweighted and weighted share of partnerships;
- consideration of the potential for cross-selling stand-alone extended warranty or insurance policies through independent channels that are separate from either manufacturers or retailers: in which countries does a market exist for this form of distribution?
- forecasts for the market size for extended warranties and insurance for white goods up to 2017: assuming no significant changes in the number of manufacturer and retailer schemes, what factors will cause this sector to grow or decline in the next few years?

How can the research be used?

You may be able to use this report plus the PartnerBASE™ dataset and market data annexe that accompany 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 white goods in Europe: in aggregate, this is a substantial market;
- understand how dynamic competitors, including independent distributors, are helping the sector to grow at a rate in excess of the underlying market for white goods in a number of countries;
- assess the position of national and international competitors such as Ageas, AIG, Allianz Global Assistance, AXA, BNP Paribas Cardif, Domestic & General, Estendo, Europ Assistance, MAPFRE Asistencia, Moderna Försäkringar, Solid Försäkringar, SPB, SquareTrade, The Warranty Group and Wertgarantie;
- consider how the value of the market for extended warranties and insurance linked to white goods in Europe may reasonably be expected to evolve up to 2017.

How can the PartnerBASE™ be used?

Organisation	Country	Category	Sub-category	Extended warranty or insurance offered?	Operating model	Partner(s)	Partner(s) UHC
Delamaison.fr	France	Retailer	DIY / furniture / home	Yes	External partner	SFG	AEGIDIUS Rückversicherung
digital	France	Retailer	Consumer electronics	Yes	External partner	Domestic & General	CVC Capital
DimiPro.com	France	Retailer	Consumer electronics	Yes	Internal	DimiPro.com	SD
E. Leclerc	France	Retailer	Supermarket / hypermarket	Yes	External partner	SPB / Europ Assistance	SPB, Generali
Euronics Gitem	France	Retailer	Consumer electronics	Yes	External partner	AXA France	AXA

Select country (points to Country column)

Filter by category and sub-category of distributor (points to Category and Sub-category columns)

View operating model (points to Operating model column)

Look up specific distributors (points to Organisation column)

Identify distributors with schemes (points to Extended warranty or insurance offered? column)

Identify extended warranty and insurance providers and their UHCs (points to Partner(s) and Partner(s) UHC columns)

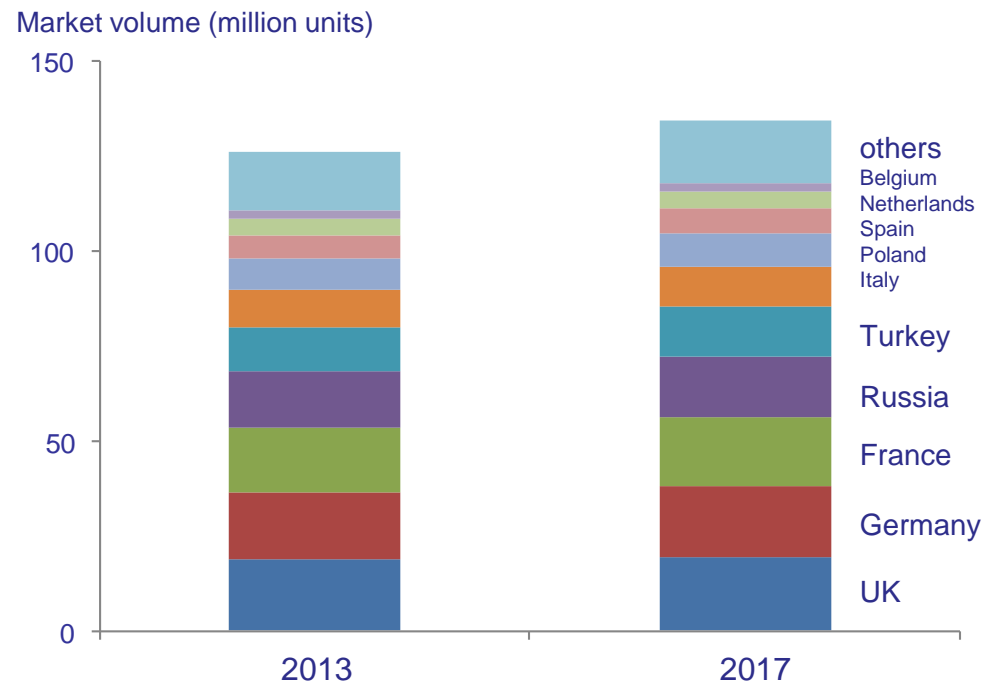
Source: Finaccord PartnerBASE

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 potential – be fully appraised of what developments in this sector could mean for your organisation;
2. *Manufacturers and distributors:* the magnitude of the market for extended warranties and insurance for white goods, allied to apparently high profit margins, presents a revenue enhancement opportunity not only for the extended warranty and insurance providers but also for their partner organisations;
3. *Management consultancies:* are you helping an extended warranty or insurance provider to develop its business in Europe, or are you advising a manufacturer 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 for white goods;
4. *Administration and repair firms:* a variety of other organisations can also benefit from the development of the market for extended warranties and insurance for white goods – this study offers a comprehensive picture of the current state of this sector.

What are some of the key findings?

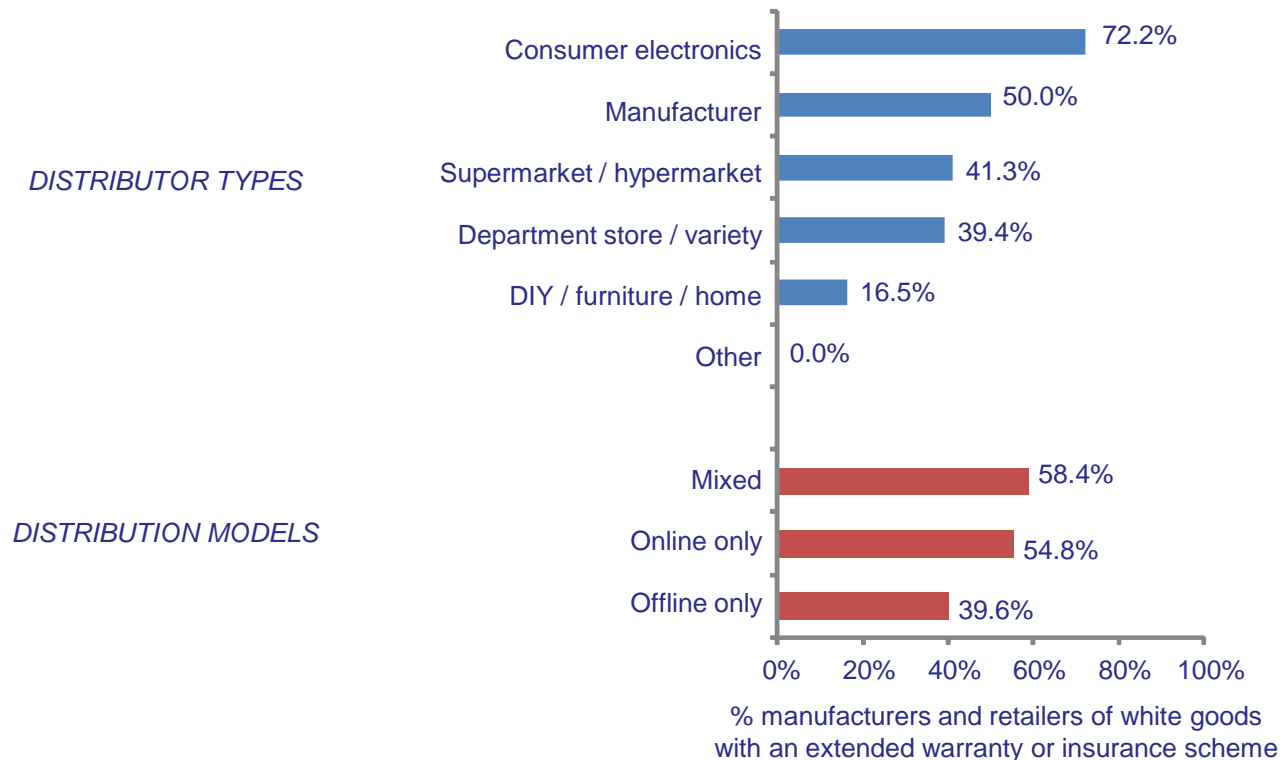
1. Sales of the underlying white goods are forecast to expand by around 6.5% between 2013 and 2017 which will help support the associated extended warranty and insurance market



Source: Finaccord analysis of multiple data sources

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

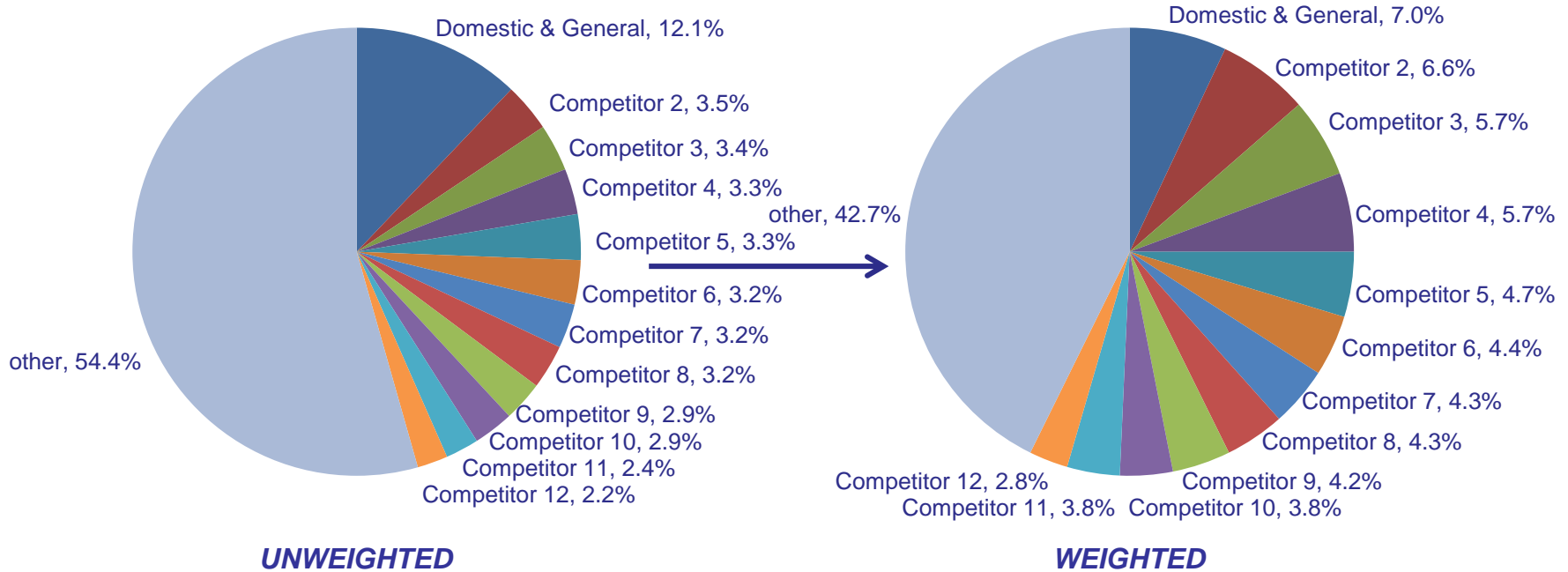
2. Across all 20 countries in Europe, retail brands selling white goods both offline and online (i.e. with a mixed distribution model) are most likely to promote extended warranties



Source: Finaccord PartnerBASE

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

3. At the pan-European level, the supply structure for extended warranties and insurance for white goods is fragmented whether viewed in unweighted or weighted terms



Note – the identities of competitors 2 to 12 in each chart are revealed in the report itself
 Source: Finaccord PartnerBASE

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

4. Key findings from the executive summary include:

- the market for extended warranties and insurance linked to white goods across 20 countries in Europe was worth around EUR 1.18 billion in gross written premiums and other revenues in 2013 and is expected to have risen in value by 2017;
- out of a total of 377 manufacturer and retailer extended warranty and related insurance schemes identified, 206 (54.6%) were wholly dealt with by a single external partner, 159 (42.2%), were managed entirely internally by the manufacturer or retailer, and the remaining 12 (3.2%) were organised through an alternative operating model (such as use of multiple external partners or the combination of an internally-managed extended warranty with use of an external underwriter for additional insurance);
- in contrast to the parallel markets for brown goods, grey goods, mobile gadgets and mobile phones, the white goods market is the most immune to volatility, as the underlying products are well-established and are often regarded by consumers as a necessity rather than a luxury purchase;
- in addition, the white goods market is also less susceptible to disruption from evolving technology which, depending upon its nature, can cause consumer appetite for extended warranty or insurance cover to rise or fall quite rapidly.

What is the cost and format?

Extended Warranties and Insurance for White Goods in Europe is available as a standard PDF document. The PartnerBASE™ and market data annexe that accompany it at no further charge are in Excel format. Costs for this research set and other titles in this series are as follows:

REPORT	COST *
Extended Warranties and Insurance for Brown Goods in Europe	USD 2,795
Extended Warranties and Insurance for Grey Goods in Europe	USD 2,595
Extended Warranties and Insurance for White Goods in Europe	USD 2,795
Mobile Gadget Insurance and Extended Warranties in Europe	USD 3,495
Mobile Phone Insurance and Extended Warranties in Europe	USD 3,495
Extended Warranties and Insurance for Mobile and Non-Mobile Consumer Products in Austria, Belgium etc. *	USD 1,195 to USD 1,395

For Singapore-based clients, GST at the prevailing rate will be added to the basic price.

Costs quoted are for one office / one country user licence only.

For other licence options, please see the next slide for further details.

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

What about consumer research on this subject?

The reports listed below are based exclusively on consumer research commissioned by Finaccord across a representative sample of respondents in each country covered. These will be helpful for understanding metrics such as consumers' usage of distribution channels and claims frequency, as well as take-up rates. Separate tables of contents and a series prospectus are available for these which can be downloaded either from the relevant pages of the Finaccord website or by contacting Finaccord directly.

Warranty Metrics: Consumer Approaches to Extended Warranties for White, Brown and Grey Goods in Selected Global Markets	USD 8,395
Warranty Metrics: Consumer Approaches to Extended Warranties for White, Brown and Grey Goods in Australia	USD 1,395
Warranty Metrics: Consumer Approaches to Extended Warranties for White, Brown and Grey Goods in Brazil	USD 1,395
Warranty Metrics: Consumer Approaches to Extended Warranties for White, Brown and Grey Goods in Canada	USD 1,395
Warranty Metrics: Consumer Approaches to Extended Warranties for White, Brown and Grey Goods in China	USD 1,395
Warranty Metrics: Consumer Approaches to Extended Warranties for White, Brown and Grey Goods in France	USD 1,395
Warranty Metrics: Consumer Approaches to Extended Warranties for White, Brown and Grey Goods in Germany	USD 1,395
Warranty Metrics: Consumer Approaches to Extended Warranties for White, Brown and Grey Goods in Italy	USD 1,395
Warranty Metrics: Consumer Approaches to Extended Warranties for White, Brown and Grey Goods in Spain	USD 1,395
Warranty Metrics: Consumer Approaches to Extended Warranties for White, Brown and Grey Goods in the UK	USD 1,395
Warranty Metrics: Consumer Approaches to Extended Warranties for White, Brown and Grey Goods in the USA	USD 1,395

** For Singapore-based clients, GST 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 final slide for further details.

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

How can the research be purchased?

Simple. Just go to the relevant area of the Finaccord website, create your account (if you do not have one already) and place your order online. Products paid for online by card will be delivered immediately by e-mail but please allow up to one working day for delivery by e-mail if you choose to pay on receipt of invoice.

With regards to the **corporate user licence**, you will be asked to 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

Alternatively, you can place an order by sending your request to order@finaccord.com, clearly stating the product(s) required, associated price(s) and billing details for eventual invoice or card payment receipt.