

Market Research – Main Findings

Behaviour Business/2000 Consumer MR (Second Round)

Method

161 respondents were interviewed by telephone.

Respondents were randomly selected from telephone numbers using the Sheffield, Solihull, and Southend telephone codes.

All owned houses with gardens valued between £50,000 and £300,000

Main Findings

97 had moved in the last 2 years or less (and had sold a property in order to buy their current property) and 64 were planning to move in the next 12 months.

87% claimed they would be very interested in the service if the costs were acceptable (27% very interested):

- 64% of those who had sold in the last 2 years (22% of these were very interested)
- 77% of those planning to sell during the next 12 months (21% of these were very interested)

Interest was highest among:

- Men (38%)
- C2DEs (37%)
- Those owning properties valued at £90,000 or less (37%)

This overall level of interest is broadly in line with the figures achieved during the last wave for the quoted cost of £1750 - then 89% were interested and 30% very interested (it should be noted, however, that the descriptions of the service were quite different).

Over half (59%) felt the facility fee quoted was too much, and 29% felt it was much too much. Only one-third (34%) felt it was about right, and none felt it was 'a bit of a bargain'.

However, men were more likely to rate it as about right (46%) – so were C2DEs (43%)

A 12% discount was an unacceptable Guaranteed Buying Price. 7% was potentially acceptable to nearly half of the respondents.

| | 12% discount | 10% discount | 7% discount |
|--------------------|-------------------------|-------------------------|------------------------|
| Very acceptable | 0 | 0 | 11 |
| Quite | 7 | 21 | 36 |

| | | | |
|-----------------------|----|----|----|
| acceptable | | | |
| Not very acceptable | 29 | 24 | 17 |
| Not at all acceptable | 60 | 53 | 35 |

Those owning lower value properties were more likely to feel the discounts were acceptable:

- 36% of those owning properties valued at less than £80,000 thought the 10% discount was acceptable compared to 21% for the total sample
- 57% of those owning properties valued at less than £100,000 thought the 7% discount was acceptable

Once the costs were known interest in the service dropped significantly:

- Overall, positive interest dropped from 87% to 41% (with very interested dropping from 22% to 2%)
- Among those who had sold in the last 2 years interest dropped from 64% to 26% (with very interested dropping from 22% to 3%)
- Among those planning to sell in the next 12 months interest dropped from 77% to 40% (with very interested dropping from 21% to 0%)

- But among C2Ds interest only dropped to 54%

Just 45% of those who had previously claimed to be interested (assuming the costs were acceptable) remained interested once they knew the costs – 55% lost interest.

Obviously this level of interest is significantly lower than the level of interest expressed during the first wave of research when the quoted cost was £1750.

However, overall interest rose from 41% to 63% if it was the only way of buying the home they'd set their heart on (very interested from 2% to 23%). This is a little bit closer to the level of interest expressed during the last wave if the service cost £1750, and it was the only way of buying the home they'd set their heart on – then 86% said they would be interested and 27% very interested.

In addition, overall interest rose from 41% to 58% if they had to move for work or family reasons (very interested from 2% to 25%).

The Guaranteed Buying Price is the most controversial part of the offer – it was the main element that attracted people to the service and it was the main element that put others off.

| | Most attracts | Puts you off |
|-----------------------|----------------------|---------------------|
| | % all respondents | % all respondents |
| Valuation fee of £200 | 29 | 13 |

| | | |
|---------------|----|----|
| Facility Fee | 9 | 33 |
| G.B.P. – 10% | 38 | 48 |
| 15% deposit | 0 | 0 |
| None of these | 21 | 6 |

C2D older married men were particularly likely to be attracted by the Guaranteed Buying Price.

Those who felt the Facility Fee was about the right price were also particularly likely to be attracted by the Guaranteed Buying Price.

Conversely younger ABC1 women were more likely to be put off by the Guaranteed Buying Price.

If asked to pay a £1000 Arrangement Fee, 50% said they would be less interested in the service. If the Arrangement Fee was £750, 37% would be put off. And if the Arrangement Fee was £450, only 16% would be put off.

Conclusions

In principle interest in the service remains high. But once the real costs are explained, interest drops rapidly. Then it is only those who feel they have to sell, either because it's the only way of buying the property they've set their heart on or because they have to move for family or work reasons, who remain significantly interested.

The Guaranteed Buying Price was felt to be one of the key features of the service, but at a 10% discount to the Valuation Price it put many off – 78% considered it to be unacceptable.

To be acceptable to nearly half the sample the Guaranteed Buying Price discount would need to be nearer 7%.

The Facility Fee quoted was felt to be too high by most and put many off.

An initial Arrangement Fee of £450 would be acceptable – any higher fee would put potential most customers off (or so they claimed).

Throughout the findings it was evident that downmarket older men with lower value properties showed the most interest, while younger upmarket women showed the least.