



Home Services:
The key to
homeowner loyalty

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Foreword



Give homeowners what they want and they'll reward you with loyalty.

Building and retaining customer loyalty is always on a company's mind and for good reasons. Loyal customers are more engaged, more likely to consider additional products and services, and to recommend.

In order to obtain homeowner loyalty in an increasingly competitive environment, providers must find ways to strengthen and lengthen relationships with customers outside of a narrow transactional feel.

Our purpose is to make home repairs and improvements easy.

Today, homeowners are pressed for time and crave solutions that will make their daily lives easier, so convenience and peace of mind are at the top of their wish list. They're looking to add home appliances and systems that will boost comfort, efficiency and peace of mind. This increases their need for help installing, maintaining and repairing.

They worry about being caught unprepared for an appliance or home system breakdown, especially since research has shown they usually have little to no money set aside for that eventuality. This

takes on added significance as homes are becoming more tech-intensive requiring specialised installation and repair services. Post COVID-19 pandemic, keeping homes running smoothly has become even more important to homeowners, but they continue to have concerns with quality, safety and convenience when it comes to tradespeople.

Ultimately, customers want more from providers such as utilities. While our survey shows, as it did in 2017, they are satisfied overall with their provider, they still don't find them very caring, engaged or communicative.

The results point to possible solutions in order to generate more positive feelings. Capturing homeowners' hearts (not just their money) in a competitive world will require more creativity and forward thinking. Propositions delivering peace of mind and convenience in the home at a reasonable cost could ensure companies become more relevant in their customers' lives, leading to increased loyalty.

A handwritten signature in black ink, appearing to read 'Richard Harpin', with a stylized, flowing script.

Richard Harpin
Founder and CEO

Report highlights

Homeowners indicate that they are likely to purchase more home appliances and systems in the near future, which bring with them a greater need for installation and repair services.

Homeowners have concerns about tradespeople in their home, and would very much welcome a subscription programme to cover them for home repairs. This means they do not have to be concerned about finding a reliable tradesperson in their moment of need.

They also feel the peace of mind of paying monthly for this type of service, and not having unexpected bills when something goes wrong, would be a great benefit.

Overall around 7 in 10 respondents say they would be likely to buy Home Assistance (an increase of 20% over 2017).

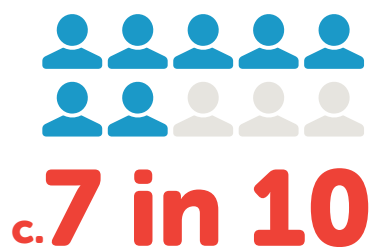
The good news is that they see the companies they have day to day relationships with such as utilities, manufacturers and retailers as suitable providers of Home Assistance. They go as far as saying that they would look more favourably on a company

who offered such a type of programme, and would be more likely to remain a customer of theirs.

The research shows us that customers in the UK who hold a HomeServe programme are more likely than non-customers, to agree with these statements, having already experienced similar first-hand cover from HomeServe.

With customers looking for brands to be more caring and helpful, one clear way of improving customer engagement is by offering Home Services programmes to homeowners.

Customers who are likely to buy home assistance cover:



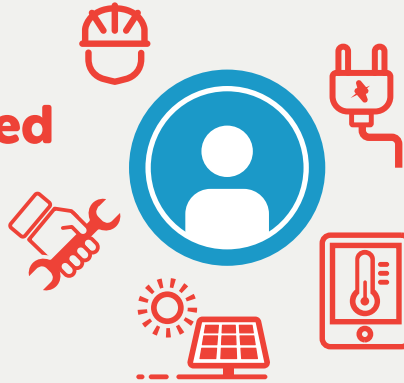
+20%
from
2017

Home Services: The key to homeowner loyalty.

1 Address a homeowner need

Homeowners likely to purchase a home appliance in the next 12 months.

up to **47%**



up to **84%**

Homeowners interested in some form of appliance or system cover.

2 Allieviate concerns with tradespeople

Homeowners mistrust tradespeople.

“

I like having the peace of mind that repairs will be taken care of with no inconvenience to me. ”



Concerned the repair may not be done properly.



Believe genuine parts may not be used.

+



Would use a 'Home Expert' website to help them find a suitable tradesperson.

+

3 Offer valued services

Customers are likely to buy Home Assistance cover.



c.7 in 10

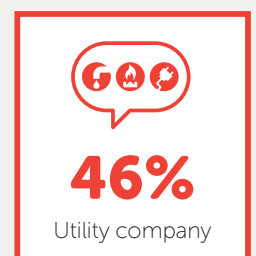
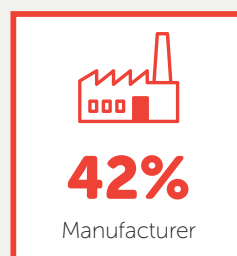
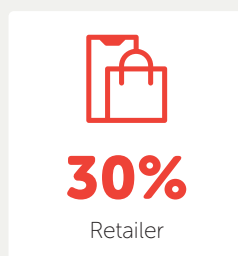
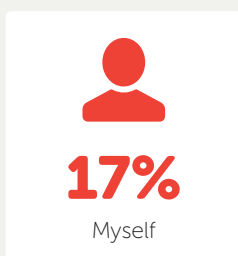
+20% from 2017

71%

would feel better about / remain with the company who provides Home Assistance cover.

4 Stay relevant

Utilities and manufacturers are seen as the most suitable provider of Home Assistance cover.



= Greater loyalty



Home Services:
The key to
homeowner loyalty



1

Homeowner needs

More energy related appliances and systems in the home

Purchase of home appliances expected to rise.

The average home is becoming more sophisticated with smart appliances and systems increasingly making an appearance.

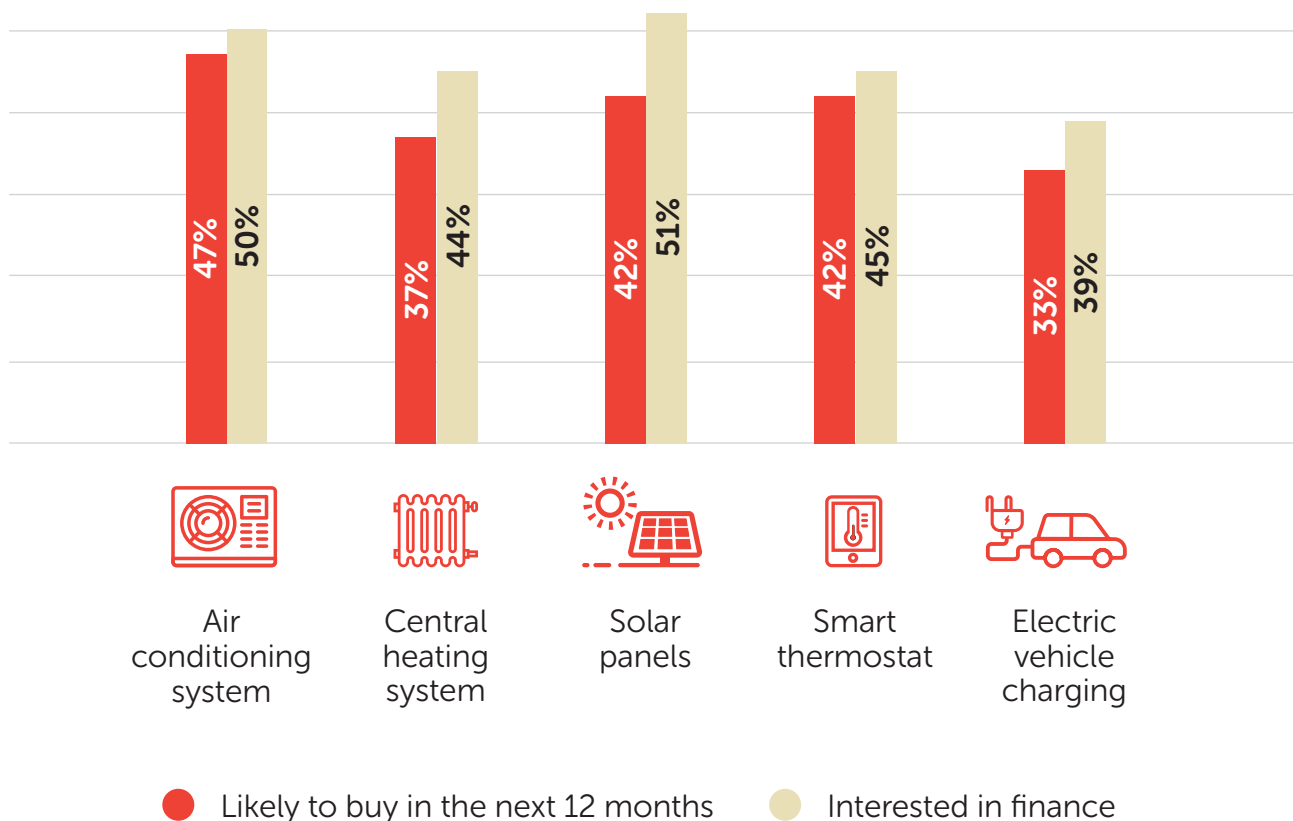
In fact, many homeowners are actively considering buying new equipment in the next 12 months.

Among the top appliances coveted by almost half of homeowners on average,

are new air conditioning systems (47%) and solar panels (42%).

Many other home systems are on homeowners' wish lists. Water purifiers (47%), air purifiers (42%) and smart thermostats (42%) also garner high interest.

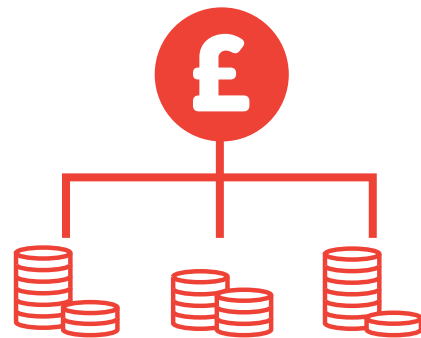
Likelihood of purchasing/financing home appliances and systems in next 12 months



Spreading the cost

Homeowners are clearly interested in purchasing home systems that will make their homes safer and more efficient.

That said, the initial cost can sometimes be quite high so it's no surprise to see that almost half of them would also like to soften the burden through a finance plan that would allow them to pay monthly.



From installation to repair

In addition, while buying a new appliance or system guarantees an instant boost in home comfort, it is not the end of the road. They also require specialist support.

Homeowners then must also consider how they will manage the installation, maintenance and repair.



Companies have an opportunity to address the growing need of specialist support in the home.

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Concerns with Tradespeople

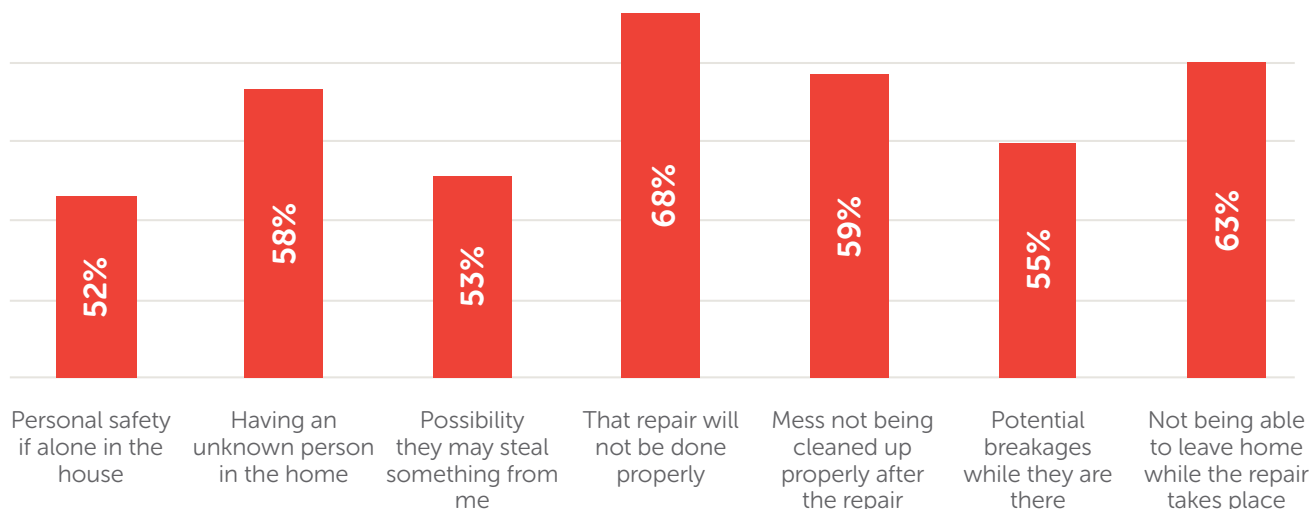
Relationships with tradespeople

Homeowners have concerns about tradespeople

Homeowners and tradespeople often meet at stressful times. As a result, their relationship can be complex. The survey

highlighted three main areas of concern surrounding their interactions: quality, safety and convenience.

Level of homeowner concern about tradespeople in their home



● % concerned with the issue

Quality

Just like in our 2017 survey, the quality of workmanship is homeowners' top worry with 68% expressing concern that the 'repair will not be done properly' followed by 55% worrying about 'potential breakages while they were there'.

Because the home has special significance, expectations can be high. When they require the services of tradespeople, homeowners do not want to be billed more

than the quoted price, they would like a 12-month guarantee, and the assurance that genuine spare parts will be used.

Spare parts

The survey found that less than half (44%) of homeowners overall, completely trust that tradespeople will use genuine spare parts. This is especially true in Japan, where the figure is just 14%.

Safety

Quality however, is not the only thing homeowners worry about when having to deal with tradespeople. More than three quarters also express safety concerns. They worry about their personal safety when alone with a stranger in their home and the possibility they may steal something.

53%

Worry about the possibility of a tradesperson stealing something from them when in their home.

Convenience

Finally, most homeowners find the whole transaction inconvenient with 63% worrying about 'not being able to leave home while the repair takes place' and 59% fearing messes 'not being cleaned up properly after the repair'.

63%

Dislike the inconvenience of having to stay at home when a tradesperson has to conduct repair work.

The relationship between homeowners and tradespeople is often overshadowed by mistrust and concerns around quality, safety and convenience. This presents an opportunity for those with solutions at the ready.

Desired attributes of tradespeople:



84%

Guarantee they would use genuine spare parts



81%

Evidence of relevant training or qualification



82%

Provide formal identification at my door



78%

Number of years of relevant experience



76%

From a company whose name I am familiar with



72%

Being able to come within two hours of contacting



87%

Repair guaranteed for 12 months



88%

Guarantee that final price will be no more than quote

% agreeing attribute is important

Home Services:
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3

**Valued
services**

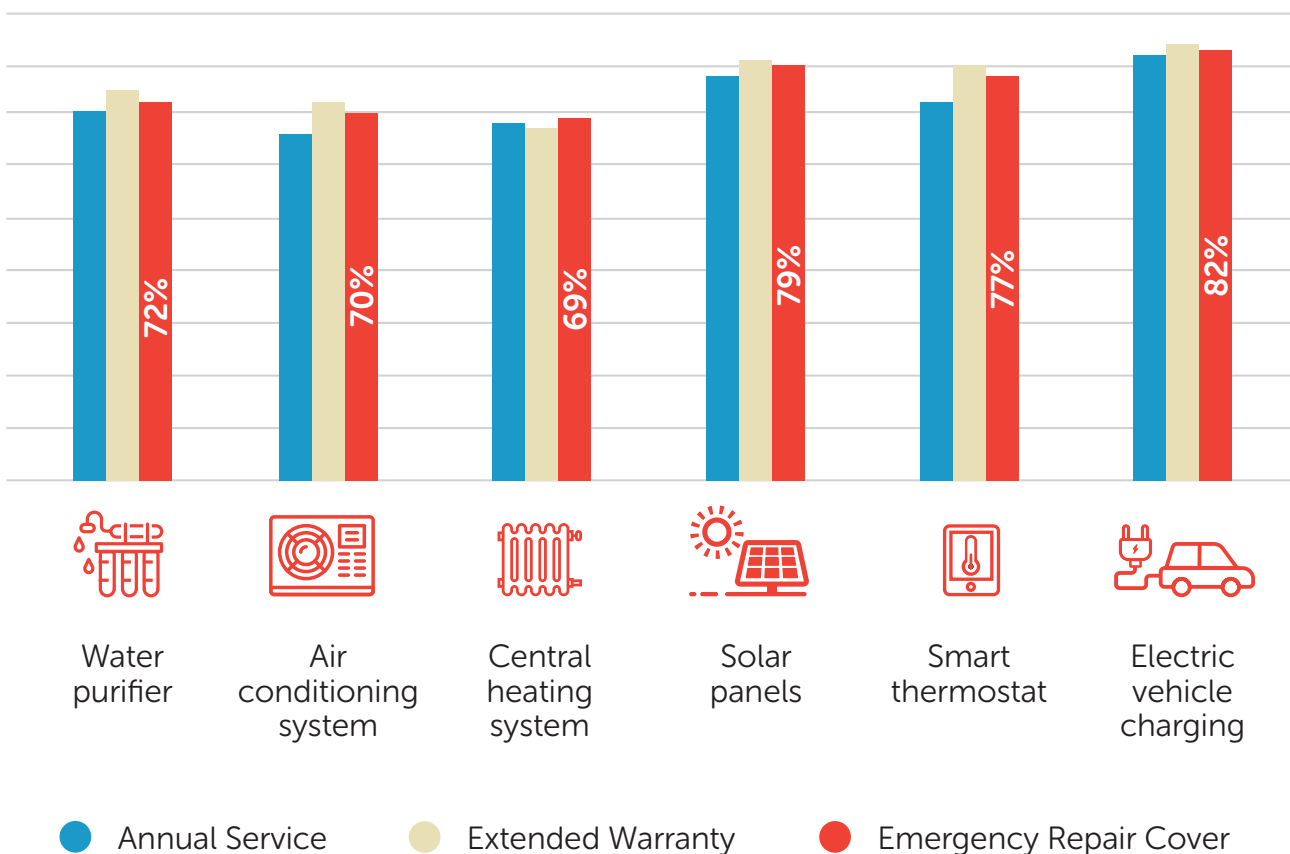
Interest in Home Services

Managing appliances and systems

In light of their concerns with tradespeople, and the increasing complexity of home appliances and systems, homeowners say they would like some help managing them. This is particularly true in the case of specialised appliances such as solar panels, electric vehicle station, smart thermostats and air conditioning systems.

Results show high levels of support overall (ranging between 69% and 82%) for installation, home assistance cover and extended warranty services. The highest interest was recorded in India and Turkey where more than 90% of homeowners surveyed were interested.

Level of interest in Home Assistance cover by appliance type



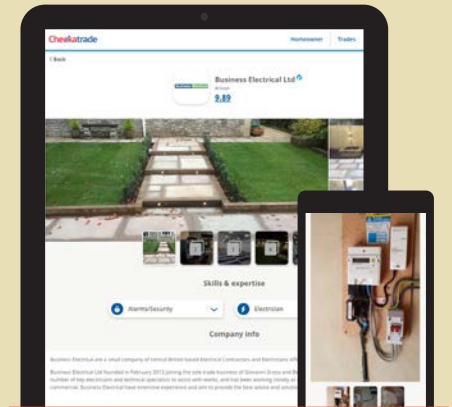
A Home Expert website

Considering their worries about tradespeople, it's not surprising to see that homeowners are interested in the existence of a Home Expert website where they could go to find a suitable, vetted tradesperson to help them manage their home appliances and systems.

Across all markets, the survey found that at least 7 out of 10 homeowners find the idea appealing and would be likely to use the website. This is an 11% increase compared to the results of our 2017 survey when the same question was asked, suggesting a greater need for specialised installation and repair services in the home.

70%

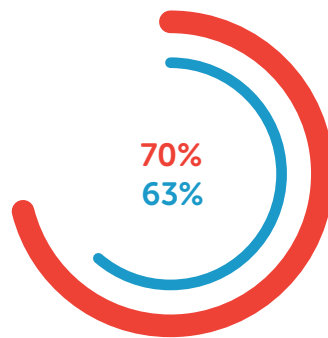
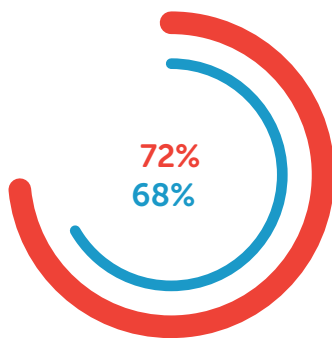
Likely to use trusted trades website.



Level of interest in Home Expert website

Find it appealing

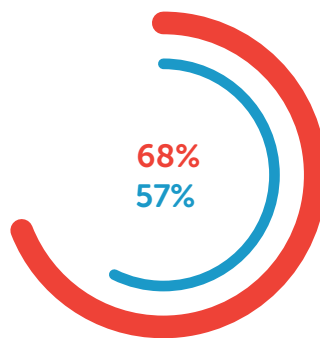
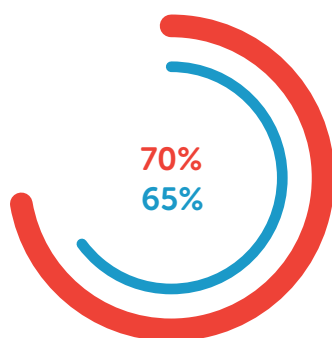
Likely to use



Level of interest in Home Assistance proposition

Find it appealing

Likely to use



● 2017

● 2019

Respondents were shown a general description of a website for finding trusted tradespeople:

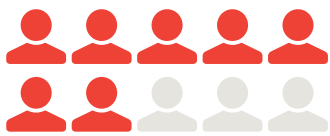
A website for finding and selecting a plumber, heating or cooling engineer or electrician you can trust. Simply enter your repair needs and we will show you a selection of suitable tradesman from our network of reliable experts.

You can ask for a quote or book an appointment online. Simple jobs have a fixed price and we guarantee the quality of the work of anything you book through us.

Home Assistance Cover

Increasing interest

Just like in our 2017 survey, homeowners were shown a concept for Home Assistance cover that explains how many appliances and systems in the home would be covered for maintenance and repair in return for a monthly fee.



c.7 in 10

Customers are likely to buy Home Assistance cover.

The level of interest was very high with 70% of customers finding the concept appealing. As for their likeliness to buy the cover, the survey shows a 20% increase between 2017 and 2019 from 57% to 68%. Likelihood to purchase Home Assistance is highest in India (95%), Turkey (88%) and Brazil (83%).

The missing link for homeowners when it comes to managing their home?

This type of plan ticks many of the homeowner's boxes. It allows them to pay monthly for total peace of mind. They can sleep soundly with the knowledge that

breakdowns will be taken care of by a tradesperson they trust, quickly and conveniently, and with no surprise bill at the end. And it's convenient... no need to waste time searching when an urgent and effective solution is needed.

Respondents were shown a generic description of Home Assistance Cover:

Pay a monthly subscription to cover you for unexpected plumbing, drainage, heating/cooling issues and major electrics failure, as well as an annual service for your heating/cooling system. We will repair free of charge up to four times per year.

What's included in the cover?

- Heating/ air con annual service and repair in event of breakdown.
- Mains electrics/ wiring/ switch failure (not including appliances).
- Leaking tap/ water pipes/ toilet/ radiator/ air con unit.
- Blocked drain, toilet or sink.

Positive feedback

Homeowners had very positive feedback about the Home Assistance cover proposed.

“ I like having the peace of mind that repairs will be taken care of with no inconvenience to me. ”

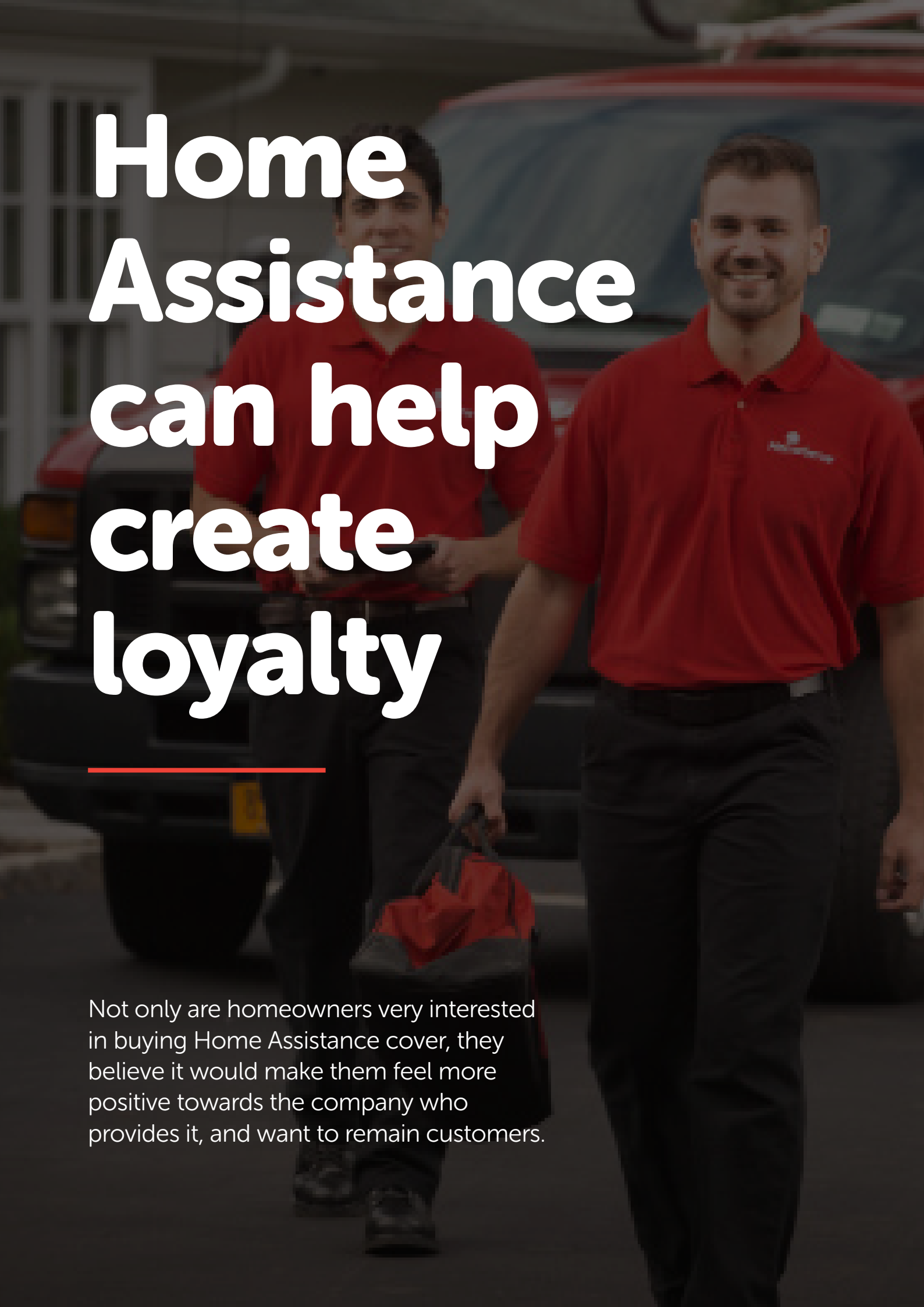
“Monthly subscription makes me feel free because I don't want to search for money at sudden crisis”

“It is a annual service, and you won't have to remember”

“Idea is new, innovative and more importantly very necessary for me”

“Able to pay a monthly subscription and have one company attend to repairs rather than having to shop around and find someone who can do it straight away”

“No unexpected high costs”

The background of the entire page is a photograph of two men in red polo shirts and dark trousers walking towards the camera. They are smiling. The man on the right is carrying a red bag. Behind them is a red truck. The text is overlaid on the left side of the image.

Home Assistance can help create loyalty

Not only are homeowners very interested in buying Home Assistance cover, they believe it would make them feel more positive towards the company who provides it, and want to remain customers.

Positive feelings means less churn

Offering Home Assistance cover could go a long way to improve perceptions and reduce churn.

In our survey, most homeowners say cover would make them want to remain customers of the company offering it.

71%

Homeowners that feel Home Assistance cover would make them want to remain a customer of that company.

How customer would feel about the provider of Home Assistance cover



72%

Would make me feel better about the company who provides it. A number that climbs to 94% in India.



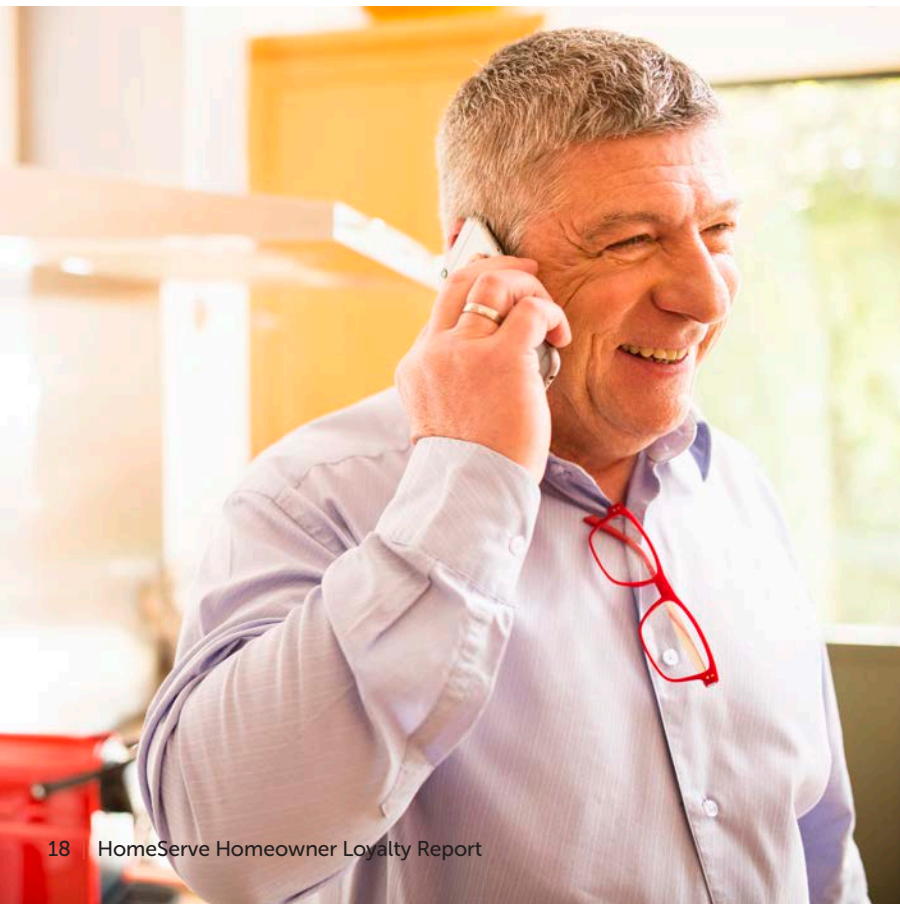
71%

Would feel the company who provides it is looking out for me/ cares about me. A number that climbs to 93% in India.



71%

Would make me want to remain a customer of the company who provides it. A number that climbs to 85% in Mexico and Brazil.

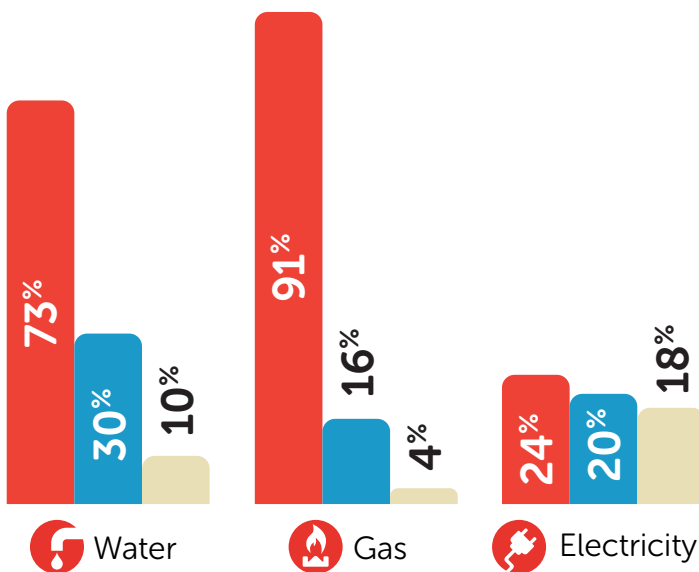


Case study: Impact of HomeServe's cover on loyalty

In the UK, where HomeServe Home Assistance cover has been offered since 1993, we can see very positive results for providers.

Through Home Services programmes, businesses gain a great opportunity to get closer to their customers. In the case of utility companies in the UK, our research shows that customers who have HomeServe Home Assistance cover feel they are more likely to stay, recommend and feel their utility is more caring.

- Feel they are more caring
- More likely to stay
- More likely to recommend



% uplift in sentiment for UK utility customers with HomeServe policy vs those without.



HomeServe customers are:

 **up to 30%**
More likely to stay

 **Up to 91%**
More likely to feel their utility company is caring

 **Up to 18%**
More likely to recommend

Home Services:
The key to
homeowner loyalty

A man with a beard, wearing a red shirt, is focused on working on a white cabinet. He is using a screwdriver to adjust a white plastic component. The background shows a kitchen setting with a yellow spray bottle and a black flexible vent pipe.

4

**Staying
relevant**

Becoming and remaining relevant

Who to trust?

Utilities and manufacturers are seen as the most suitable providers of Home Assistance cover and a Home Expert website.

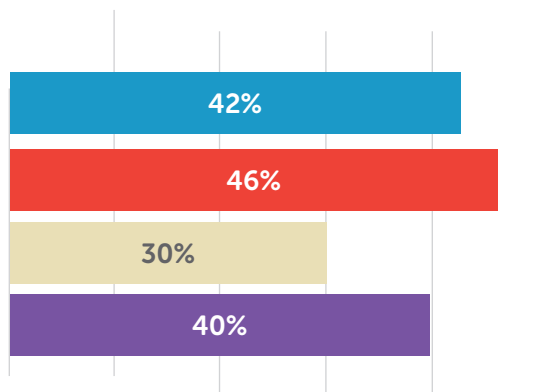
Assisting at the right time

What better way to endear yourself to your customers than being there when they need you the most. Through Home Assistance cover, providers can offer a solution to alleviate the burden of repairs, and become more relevant in their customers' homes.

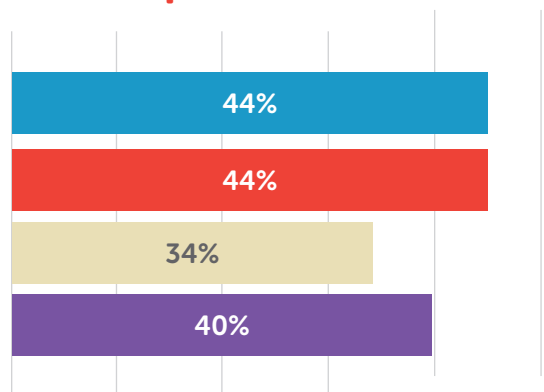


Suitability of company as a provider of Home Services

Home Assistance:



Home Expert website:



● Manufacturer
 ● Utility
 ● Retailer
 ● Tradesperson

Increasing loyalty

Home assistance cover leads to loyalty

Customer loyalty is hard to gain in a market where offerings can be practically indistinguishable.

Our research has identified that Home Services are likely to improve both sentiment and loyalty for the provider. In the UK, homeowners with HomeServe Home Assistance cover are up to 30% more loyal, up to 18% more likely to recommend and up to 91% more likely to feel their provider cares about them.

The results show that homeowners increasingly need support with their appliances and systems in the home. Their relationship with tradespeople is complex however, with concerns around quality, safety and convenience.

As a result, when shown a proposition for Home Assistance cover that would solve these issues, 70% of homeowners found the concept appealing and 68% expressed their readiness to buy.

Homeowners are just as enthusiastic about a proposition for a Home Expert website where they could find and select tradespeople already vetted for various repair jobs.



The loyalty levers of Home Services:

- 1** Addressing a homeowner need
- 2** Alleviating concerns with tradespeople
- 3** Providing highly valued services
- 4** Helping companies be more relevant in their customers' homes

68%

Home owners ready to buy Home Assistance Cover now.

If you are looking to increase customer engagement and loyalty, offering Home Services is a sure way to win customers' hearts by giving them the peace of mind they crave.

About the research

9 Countries

This online research survey was commissioned by HomeServe with international research agency 3Gem, following up on a 2017 study. Fieldwork was completed in December 2019.

It used a sample of 11,000 homeowners, from 9 countries. The Respondents are homeowners with online access and the decision maker for maintaining the home and paying household bills.



11,000 Homeowners

Segment

AB = 48%
C1 = 24%
C2 = 9%
DE = 18%

Average age



54% Male • 46% Female



Living in home

27% <5 years
55% 5-20 years
19% >20 years

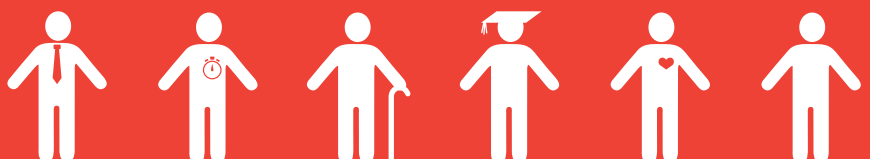
Detached • Semi-detached • Terraced • Flat/Apartment



2.9 adults and 1.1 children
per household



82% Full Time 2% Part Time 9% Retired 2% Student 2% Carer 3% Not Working



Founded in 1993, HomeServe has become a global leader in Home Services solutions with over 8 million customers worldwide. Working closely with partners in many markets, HomeServe delivers a range of Home Services to homeowners that include maintaining and repairing plumbing, drainage, electrics, and heating/cooling.

HomeServe's propositions help companies acquire and retain more valuable customer relationships by extending their relevance within their customers' homes.

For more details on the findings in this study or for more information about home assistance opportunities;

Get in touch
global@homeserveplc.com

Or visit
homeserveglobal.com

