

ONLINE SEARCH FOR RETAIL BROADBAND SERVICES

WHO SEARCHES MOST?

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Online search for retail broadband services: Who searches most?¹

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INTRODUCTION

Online price comparison websites help consumers to search for better deals on home broadband services. Those who use such tools may find better offerings for their own needs and can switch package or provider to save money. However, some households are less likely than others to use price comparison sites and may therefore miss out on the potential benefits. In this paper, we analyse the geographic areas from which searches to an Irish price comparison website originate. The analysis provides evidence about which groups of consumers are which groups of consumers are more likely to use online price comparison tools.

DATA AND METHODS

This study used anonymised data from *bonkers.ie*, a major online platform for price comparison searches in Ireland. For a subset of searches carried out between August 2016 and June 2017, the origin of the search could be spatially mapped to one of 18,641 ‘small areas’ across the country. These ‘small areas’ are administrative boundary units used by the Central Statistics Office (CSO) when collecting census data. The frequency of searches in each area could therefore be linked to the socioeconomic and demographic characteristics of the locality reported in Census 2016. Statistical methods were then used to test whether searches were more or less likely to originate from areas with specific local characteristics. We explored how search frequency differed between areas with different profiles in terms of age, family status, marital status, educational attainment, social class, housing tenure, employment status place of birth, and

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commuting patterns. The models also controlled for broadband availability in each area.

RESULTS

Search frequency varies significantly in areas with different socioeconomic and demographic characteristics.

Areas with older residents generate fewer searches than those where younger people live. This may reflect lower internet usage among older people in general. Interestingly though, areas with a higher proportion of retired individuals undertake more searches, perhaps indicating that retirement, in itself, offers consumers more time to engage with the market.

Among localities where online search is less frequent are those with higher proportions of students, unemployed individuals, or people looking for their first job. Individuals in these groups may be less likely to hold broadband contracts directly, leading to a lower likelihood of searching.

High levels of educational attainment in an area are strongly associated with search activity. Consumers with higher educational attainment may be more aware of the potential benefits from search and better equipped to navigate the complexities of the telecoms market.

Areas in which most people report having longer commutes give rise to more searches than those where residents tend to have shorter commutes. A 60-90-minute commuting duration is associated with a higher level of searching than areas where residents make shorter journeys. For those using public transport, the commute itself may offer consumers time to go online and engage in search activity.

The data reveal fewer searches in areas where high-speed broadband is not yet available or where a lower proportion of households reports having access to the internet at home. This is understandable because residents have less need to search for broadband deals or may lack the means to do so.

POLICY IMPLICATIONS

This analysis does not tell us what exactly causes individuals to search more or less for broadband, but it does show that specific groups are more or less likely to engage with price comparison tools. If certain groups systematically search less, they are unlikely to get the best quality services at the best price for their needs. Policymakers might consider targeting information about the availability of price comparison tools and the potential benefits at the less active searchers identified by this research.

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