Australians' switching behaviour in banking, insurance services and main utilities

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Executive summary

Many previous studies have suggested that people tend not to switch their service providers, even if they are not receiving the most efficient service. However, there is very little evidence on the savings that people could make by switching to more efficient service providers. In this report, we present the main findings of a study conducted with a national representative sample of the Australian adult population, on switching behaviour in banking and financial services as well as in main utilities (energy, internet, mobile phone). Specifically, we report on: 1) the proportion of people who seriously intend to switch and those that actually end up switching, 2) the motives for their decision, 3) the savings resulting from switching and, 4) the minimum amount of money saved that would make people switch. Our main findings can be summarised as follows.

More than 50 percent of consumers seriously consider switching their home loan, credit card, home insurance, energy supplier, groceries main supplier, mobile phone and internet providers, but only about 20 to 25 percent of them end up switching.

The main reasons that **discourage individuals from switching** their **home loan** are: **effort** (37 percent), perceived **switching costs** (36 percent), perception of receiving **preferential treatment** at their current provider (14 percent), **lack of information on different service providers** (13 percent), **perception that all service providers offer the same conditions** (13 percent). Less than 5 percent of the respondents pointed out the location of the service provider as a barrier for switching their **credit card** are: **effort** (29 percent), **the lack of information on how different service providers differ from each other** (23 percent), **the lack of information on other service providers** (13 percent), **costs** the perception of receiving **preferential treatment** (11 percent). Less than 5 percent of the respondents did not switch because they have a good relation with the staff, the location of the service provider or because the complaint was resolved.

Likewise, the main reasons that discourage individuals from switching their home and contents insurance are: effort (25 percent), perception that all service providers offer the same conditions (15 percent), the lack of information on different service providers and receiving preferential treatment (13 percent). Ten percent of the respondents pointed out that costs were a major barrier for switching. Less than 5 percent pointed out the relation with the staff, the location of the service provider and that the complaint was resolved.

With respect to not switching energy suppliers, the main reasons are: effort (30 percent), the lack of information on other service providers (22 percent), having a clear billing (16 percent) and concerns about potential costs (9 percent). With respect to internet and mobile phone, the main reasons for not switching are: clear billing, effort (about 25 percent), costs (14 percent) and mobile phone coverage (39 percent).

Importantly, we also find that the **large majority** of people **switch** their current service providers **to save money:**

- More than 70 percent of people who switched their home loan
- More than 60 percent of those who switched their credit card, mobile phone and internet provider
- Close to 80 percent of the people who switched their home and contents insurance and energy supplier

The overwhelming majority of people who have not switched their current service provider would do so to save money:

- 83 percent of those who have not switched their home loan
- 69 percent of those who have not switched their credit card
- 80 percent of those who have not switched their home and contents insurance or energy supplier
- 85 percent of those who have not switched their main groceries supplier
- **70 percent** of those who have not switched their **internet or mobile phone provider**

When looking at the **savings made by people who have switched their service providers**, we observe that they make very large annual savings:

- At least 30 percent of the people who switched their home loan declared having saved more than \$2000 every year; 22 percent saved between \$1000 and \$2000.
 More than 50 percent of the population who have switched their home loan saved at least \$1000 per year. The most frequent savings range from switching the home loan is [\$1000; \$2000]
- The most frequent savings range from switching the credit card is [\$200; \$300]
- The most frequent savings range from switching the home and contents insurance is [\$100; \$200]. Moreover, 14 percent of people have saved more than \$500
- The most frequent savings range from switching the energy supplier is [\$0; \$200]

- The most frequent range from switching the main grocery supplier is [\$0; \$400]
 Moreover, 14 percent of people have saved more than \$1000
- The most frequent savings range from switching the internet or mobile phone provider is more than \$200

These findings suggest that Australians who do not switch could be savings very large amounts of money by switching.

We also report on whether specific demographics and geographical location impact switching behaviour. We find that **age has a negative effect on switching.** Likewise, **individuals from metropolitan areas are more likely to switch** than those from rural areas. Finally, an interesting finding is that **individuals with a higher household income are more likely to switch** to save smaller amounts of money than those with lower household income

Finally, our findings in this report allow us to conclude that overall, the national annual savings resulting from Australians having switched their:

- home loans in the past 5 years amount to at least \$649,041,490
- credit card in the past 5 years amount to at least \$152,788,770
- home and contents insurance in the past 5 years amount to at least \$324,967,450
- energy supplier in the past 5 years amount to at least \$393,947,060
- groceries supplier in the past 5 years amount to at least \$593,841,514
- internet provider in the past 5 years amount to at least \$136,471,044
- mobile phone provider in the past 5 years amount to at least \$326,937,600

This report investigates switching behaviour in banking, insurance services and main utilities of a nationally representative sample of about 1000 Australian adults. We focus on individuals who currently have a home loan, a credit card, home and contents insurance, a mobile phone and internet contract. This report uses descriptive and regression analysis of respondents' answers to a set of questions eliciting the extent to which individuals switch between different service providers and what motivates or discourages switching in the domains cited above.

This report is organised as follows. The first section provides a brief review of the main findings of existing studies that have investigated consumer switching behaviour. It proceeds with a description of our methodology and respondent pool in the second section. The third section presents a descriptive analysis of respondents' answers and regression analysis of the determinants of switching behaviour. The last section in this report provides a summary of the main findings.

Section 1: Background

Many empirical studies have tried to understand consumer switching behaviour, in particular, in the banking and financial services sector. It is important to understand what motivates individuals to switch and, more importantly, what deters consumers from switching to other service providers with more desirable conditions from the consumers' perspective. For instance, Colgate and Lang (2001) pointed out that the main reasons for consumer inertia are the loss of relationship investments. If consumers perceive that they receive important relational benefits, they may keep the same service provider even if its core attributes are not optimal. Switching costs are also important deterrent factors. In particular, there could be termination costs as well as joining costs with the alternative service provider. Moreover, there may be risks, or uncertainty about loss or gain from switching. The lack of alternatives or perceived differences between different providers has also been identified as an important discouraging factor for switching. Colgate and Hedge (2001) conducted a survey with 646 Australians and 836 New Zealanders, to understand their switching behaviour with respect to banking services. In their sample, 47.9 percent of the people had switched their bank previously. The switchers were typically younger, high income earners and were more educated than those that did not switch.

Section 2: Methodology and respondent pool

Our analysis is based on self-reported information of a nationally representative sample close to 1000 Australian adults, collected through an online survey. The respondents to our survey were recruited by a marketing company that also administered the survey. The survey was conducted in August-September 2015. All respondents in our survey have a home loan, credit card, home and contents insurance, mobile phone and internet contract. The survey asked about past and intended switching behaviour and motives for such decisions. Respondents were also asked about the monetary amounts saved that would lead them to switch from the current service provider to an alternative one.

We start with a brief description of our respondent pool. We have an equal representation of female and male respondents. The larger proportion of the respondents (33 percent) lives in New South Wales, followed by Victoria (27 percent), Queensland (17 percent), Western Australia (11 percent)

and South Australia (8 percent). A substantially smaller number of respondents live in the remaining three zones, Australian Capital Territory, Tasmania and Northern Territory. The majority of the respondents (68 percent) live in a capital city or in metropolitan areas. Given the specificity of our population target, that is, individuals who have a home loan contract, a small number of respondents are under 30 years of age. With respect to the household annual income, very few respondents have a household income below \$20000. The number of respondents with a household income in the range of \$20000 to \$12000 seems to be similarly distributed within this range. A smaller proportion of respondents (11 percent) have an annual household income in the range of \$120,000 to \$150,000; whereas the largest fraction of respondents has an annual household income superior to \$150,000 (17 percent). Overall, our respondent pool is representative of the adult Australian population with a home loan contract. This is a very important feature of our study, as it ensures that we can generalise our findings to the Australian population with a home loan.

Section 3: Analysis

In the first part of this section, we provide a statistical description of respondents' switching behaviour for each of the categories under analysis: home loan, credit card, home and contents insurance, grocery shops, internet and mobile phone providers.

3.1 Home loan

Respondents were asked whether they had seriously considered switching their own loan in the past 5 years and whether they had actually switched. The aggregate answers to these questions are shown in Figure 1. Thirty-nine percent of the respondents have declared having seriously considered switching their home loan in the past 5 years. In contrast, only 18 percent of the respondents have declared that they have actually switched their home loan in the past 5 years and 9 percent have declared Figure 1: Home Ioan: Switching decisions that they are planning to switch in the next 6 months.



The 82 percent of respondents declaring not having switched were asked about the reasons. Their answers are reported in Figure 2. The main reasons for not switching seem to be the perception of having the best deal (43 percent of the respondents), the costs (36 percent) and the effort (37

with percent) associated switching. A smaller proportion of respondents pointed out that they would not know which other provider to choose (13 percent) and that all home loan providers offer the same loan conditions (11 percent). Respondents' perception of receiving preferential treatment from their home loan provider and relationship with the staff also seem to play a somewhat important role in the decision not to switch (14 and 8 percent Figure 2: Home loan: Reasons not to switch respectively).





Respondents who decided not to switch were also asked whether they would switch their home loan to save varying amounts of money. Specifically, they were asked whether they would switch their home loan to save \$500, between \$500 and \$1000, \$1000 and \$2000, \$2000 and \$3000, and more than \$3000 per year. Respondents' answers are reported in Figure 3. We observe that while only 10 percent of the respondents would switch their home loan to save less than \$500 per year, 27 percent of the



respondents would switch to save Figure 3: Home loan: Amount saved for switching

between \$500 and \$1000 per year. Close to half of the respondents would switch if it would allow them to save between \$1000 and \$2000 per year. Sixty-four percent would switch to save between \$2000 and \$3000 per year and 83 percent would switch to save more than \$3000. Seventeen per cent of the respondents would never switch.

The remaining 18 percent of respondents who declared having switched their home loan were also asked what motivated their decision. We report their answers in Figure 4. The main reason for switching is the availability of a cheaper option (71 percent). Twenty-five percent of the respondents also declared that receiving clear information from the staff at their new home loan provider was one of the main motives to switch. Dissatisfaction with the staff of their previous provider or the fact that a complaint was not resolved was also mentioned by 20 and 12 percent of the respondents respectively as one of the main reasons for switching.



Figure 4: Home loan: Reasons to switch

Respondents were also asked about the amount that they saved annually from switching their home loan (see Figure 5). Only 4 percent of the respondents have saved at most \$500. Twenty percent of the respondents have saved between \$500 and \$1000, and 22 percent between \$1000 and \$2000. Sixteen percent have saved between \$2000 and \$3000, and more than \$3000. Twenty-two percent declared not knowing the amount saved from switching.



Figure 5: Home loan: Savings from switching

In summary, although close to 40 percent of the respondents have considered switching only less than 20 percent have actually switched their home loan provider. The main reasons discouraging switching were the perception of having the best deal, and also the switching costs and effort. Seventeen percent of the respondents who did not switch declared that they would never do so, regardless of the potential savings. All other respondents who haven't switched would do so if that would allow them to save a certain amount of money. In addition, the main motive to switch appears to be having found a cheaper provider.

3.2 Credit card

Respondents were asked whether they have seriously considered switching their credit card in the past 5 years, and whether they have actually switched their credit card. Figure 6 shows that 32 percent of the respondents have seriously considered switching their credit card. However, only 17 percent have actually switched and 7 percent have declared intending to switch within 6 months.



Figure 6: Credit card: Switching decisions

All respondents having declared that they did not switch were asked for the main reasons for not switching. The answers are shown in Figure 7. The main reason is the perception of having the best deal (44 percent of the respondents). The effort associated with switching and the belief in the absence of differentiation between credit card providers are also mentioned by a substantial number of respondents in our sample (29 and 23 percent respectively). The lack of information is a reason for not



Figure 7: Credit card: Reasons for not switching

switching for 13 percent of the respondents. For 11 percent of the respondents receiving preferential treatment and the costs associated with switching are barriers for switching.

The respondents who did not switch their credit card in the last 5 years were asked whether they would switch if it would allow them to save less than \$100, between \$100 and \$200, between \$200 and \$300, between \$300 and \$500, and more than \$500. Their answers are shown in Figure 8. Only 14 percent of the respondents would switch their credit card to save less than \$100. Twenty-five percent would switch to save between \$100 and \$200. Thirty-seven percent would switch if it would allow them to save between \$200 and \$300, and 51 percent to save between \$300 and \$500 dollars. It's interesting to notice that 31 percent of the respondents would never switch.



Figure 8: Credit card: Amount saved for switching

We now turn to the description of the responses of those who have switched their credit card. In Figure 9, we show the reasons given by the respondents for switching. The primary reason is having found a cheaper alternative (59 percent of the respondents). The second main reason is better rewards offered by the new credit card (44 percent). The other reasons (with respect to staff, information, and unresolved complaints) are chosen by about Figure 9: Credit card: Reasons for switching 15 percent of the respondents.

In Figure 10, we show respondents' declared savings from having switched. Ten percent of the respondents saved less than \$100. Eighteen percent have saved between \$100 and \$200. Twenty percent have saved between \$200 and \$300. Eleven percent saved between \$300 and \$400, 5 percent between \$400 and \$500 and 14 percent of the respondents have saved more than \$500.







In summary, although 32 percent of the respondents have considered switching, only 17 percent have actually switched their credit card. The main motives for not switching are the belief of having the best deal, the lack of information on other providers and the cost associated with switching. In addition, 31 percent of the respondents would never switch their credit card provider, regardless of the potential savings from switching. The main reasons for switching the credit card are switching for a cheaper alternative and receiving better rewards.

3.3 Home and contents insurance With respect to home insurance, 44

percent of the respondents have seriously considered switching their home insurance in the past 5 years. Twenty-eight percent have actually switched and 6 percent have declared intending to switch within 6 months (see Figure 11).



Figure 11: Home insurance: Respondents' switching decisions

The respondents who declared not having switched listed as a primary reason having the best deal (53 percent). Twenty-five percent indicated that the effort associated with switching is an important barrier (see Figure 12).



Figure 12: Home insurance: Reasons for not switching

Eighteen of the percent respondents who have not switched declared that they would switch if it would allow them to save less than \$100. Thirty-three percent would switch to save between \$100 and \$200, 48 percent to save \$200 and \$300 and 61 percent to save between \$300 and \$500. Eighty percent of the respondents would switch to save more than \$500 and 20 percent would never switch (see Figure 13).



Figure 13: Home insurance: Amount saved for switching

With regards to the respondents who chose to switch, the large majority (close to 80 percent) was motivated by a cheaper alternative. Also, 36 percent of the respondents have switched because their new home insurance offers a better coverage. The other reasons (staff, information, unresolved complaint) were chosen by a smaller proportion of respondents (see Figure 14).



Figure 14: Home insurance: Reasons for switching

Most respondents (27 percent) have saved between \$100 and \$200 by switching their home insurance. Nineteen percent have saved between \$200 and \$300. Fifteen percent of respondents saved between \$300 and \$500. The same percentage of respondents saved more than \$500. Only 9 percent saved less than \$100 (see Figure 15).



Figure 15: Home insurance: Savings from switching - 13 -

In summary, while 44 percent of the respondents have considered switching their home and contents insurance, only 28 percent have actually switched. The main barriers to switching are the perception of having the best deal, the effort and costs associated with switching and the lack of information on other insurance providers. Twenty percent of the respondents who have switched declared that they would never switch. For those who have switched, the main motives are having found a cheaper option and receiving a better coverage.

3.4 Energy

With regards to energy supply, we observe in Figure 16 that 46 percent of the respondents have seriously considered switching their energy supplier, and 29 percent have actually switched (and 6 percent declared planning to switch within 6 months).



Figure 16: Energy: Switching decisions

With respect to the motives for not having switched the energy supplier over the past 5 years, the most frequent is consumer satisfaction (44 percent). The effort associated with switching and the lack of information on other energy suppliers is also a deterrent factor for 30 and 22 percent of the respondents respectively. Nineteen percent of the respondents decided not to switch as they consider that their energy supplier offers a good price/performance ratio, and 16 percent pointed out the clear billing of their supplier (see Figure 17).



Figure 17: Energy: Reasons for not switching

Twenty percent of the respondents who did not switch would do so to save less than \$100 per year, and 37 percent to save between \$100 and \$200. Half of the respondents would switch to save between \$200 and \$300. Sixty-two percent would switch to save between \$300 and \$400, and 82 percent would switch if it would allow them to save more than \$400. Eighteen percent would never switch (see Figure 18).



Figure 18: Energy: Amount saved for switching

For the respondents who decided to switch, three quarters were motivated by lower costs (78 percent). Eighteen percent of the respondents pointed out that receiving information for their new provider was one of the main reasons to switch (see Figure 19).



Figure 19: Energy: Reasons for switching

Thirty-four percent of the respondents saved less than \$200 from switching their energy supplier (8 percent saved nothing). Twenty-three percent saved between \$200 and \$300. Eleven percent saved between \$300 and \$400, and more than \$400 (see Figure 20).



Figure 20: Energy: Savings from switching

In summary, 46 percent of the respondents have considered switching their energy supplier, and 29 percent have actually switched. The main reason for not switching is consumer satisfaction. However, the effort associated with switching and the lack of information on other suppliers also discouraged many respondents from switching. Eighteen percent of the respondents declared that would never switch their energy supplier, regardless of the amount saved. All other respondents would switch if that would allow them to save a certain amount of money. The main motive for switching is the availability of cheaper options.

3.5 Groceries supplier

Respondents were also asked whether they have switched their main grocery supplier over the past 5 years. Twenty-two percent have answered yes (see Figure 21).



Figure 21: Grocery supplier: Switching decisions

Forty-six percent of the respondents who did not switch would do so to save \$400 per year. Sixty percent would switch to save between \$400 and \$600 per year, and 70 percent to save between \$600 and \$1000. Fifteen percent would never switch (see Figure 22).



Figure 22: Grocery supplier: Amount saved for switching

Thirty-five percent of the respondents who have switched saved less than \$400 per year. Twenty-one percent saved between \$400 and \$600, 12 percent between \$600 and \$1000, and 14 percent saved more than \$1000 (see Figure 23).



Figure 23: Grocery supplier: Savings from switching

3.6 Internet and mobile phone provider

With respect to internet and mobile phone provider, respectively 41 and 36 percent of the respondents have seriously considered switching. However, in both cases, only 24 percent of the respondents have actually switched (see Figure 24).



Figure 24: Internet and mobile phone: Switching decisions

With respect to the reasons for not switching, in both cases the predominant reasons are the perception of having the cheapest option and the best coverage (about 40 percent). Other relevant reasons are having a clear billing and the effort required to switch (about 25 percent). See Figure 25.





Fifteen percent of the respondents would switch their internet or mobile phone provider to save less than \$50 per year. Thirty-percent would switch to save between \$50 and \$100, 45 percent to save between \$100 and \$150, and close to 70 percent would switch to save more than \$150. About 30 percent would never switch (see Figure 26).



Figure 26: Internet and mobile phone: Amount saved for switching

With regards to the respondents who have switched, the main motive for switching is having found a cheaper alternative (65 percent). See Figure 27.



Figure 27: Internet and mobile phone: Reasons for switching

With respect to the savings from switching, 40 percent of the respondents have saved at most \$100 per year from switching and about 20 percent have saved between \$100 and \$200. Also about 20 of the percent respondents have saved more than \$200 by switching (see Figure 28).



Figure 28: Internet and mobile phone: Savings from switching

In summary, although about 40 percent of the respondents have considered switching their internet or mobile phone provider, only 26 percent have actually switched. The main reason not to switch is the perception of having the best price and best coverage. Other discouraging factors include receiving a clear bill and the effort to switch. Thirty percent of the respondents declared they would never switch their internet and/or mobile phone providers, regardless of the differences in prices. Still, the main reason for switching is the availability of a cheaper option. Of the respondents that have switched, 40 percent have saved at most \$100 per year and 20 percent have saved more than \$200.

3.7 Regression analysis

We now investigate the determinants of the switching decision and of the amount of money saved from switching. To do so, we conduct a regression analysis, which allows us to isolate the effect of each variable that plays a role in switching decisions.

The main findings are summarised below and all corresponding regression tables can be found in the Appendix. The tables include the coefficient estimates for each of the independent variables considered – gender, age, household income, household size, all Australian states and territories and whether the respondent lives in a metropolitan or rural area. Each estimate corresponds to the average effect of the corresponding independent variable on the dependent variable under analysis (switching decision in Table A1, switching point in Table A2 and amount saved by switching in Table A3). The standard errors of each estimate are given in parentheses in the tables.

Switching decision

In **Table A1**, we observe that gender only plays a role in the decision to switch the mobile phone provider, with males being more likely to switch than females. Moreover, we observe that age plays a relevant role in the decision to switch in several domains under analysis. Older people are less likely to switch their home loan, credit card, main groceries shop and internet provider than younger people. People living in metropolitan areas or capital cities are more likely to switch their home loan, credit card, home insurance, energy supplier and less likely to switch their main groceries shop compared to people living in rural areas.

Switching point

We now turn to the analysis of the determinants of the switching point, that is, the minimal amount of money saved that would lead people to switch (see **Table A2**). We observe that age is an important determinant of the switching point. Older people need to make larger savings so they will make the decision to switch to another service provider, whereas younger people will switch for lower amounts of money. The household income also plays an important role in determining an individual's switching point. Individuals with a higher household income will switch to save lower amounts of money relative to individuals with lower household income. The observed lower inertia from individuals with higher household income may be partly explained by the fact that they may have more information on alternative service providers and may also be less concerned about potential negative financial outcomes from switching.

Amount saved from switching

In **Table A3**, we observe that males declared having saved more from switching their home insurance than females. Individuals with a higher household income save more from switching their

home loan and mobile phone provider than those with lower household income. Moreover, individuals from larger households save more from switching their home loan, credit card and energy supplier than those from smaller households. In addition, individuals from metropolitan areas save less from switching their home insurance than those from rural areas.

Section 4: Conclusion

We report on the results obtained with a survey of a nationally representative sample of 1000 Australian adults, on switching behaviour in a range of financial services and utilities. Our results show that although a very large proportion of consumers seriously consider switching their home loan, credit card, home insurance, energy supplier, groceries main supplier, mobile phone and internet providers, often only about half of them end up switching. This is an important fact, as such financial services and utility contracts account for a large portion of the household budget. Hence, households could be saving a substantial part of their budget by choosing service providers and contracts that are optimal given their needs. The main reasons that discourage individuals from switching are switching costs and the lack of information on different service providers, in particular, how their conditions differ from the ones of their current provider. Moreover, the large majority of respondents would switch their current service providers to save money. In fact, the availability of a cheaper option is the main reason for switching. A significant proportion of respondents would switch their current service providers, even if that would allow them to save relatively small amounts of money. These observations suggest that if people have more information on the conditions offered by different service providers, they would make better choices. Individuals having switched, report important annual savings. For instance, at least 30 percent of the respondents who have switched their home loan or their credit card have declared having saved more than \$2000 and \$300 respectively every year. The data also points out that age has a negative effect on switching behaviour (almost all respondents in our sample are at least 30 years of age). Likewise, individuals from metropolitan areas are more likely to switch than those from rural areas. Finally, an interesting finding is that individuals with a higher household income are more likely to switch to save smaller amount of money than those with lower household income.

References

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APPENDIX

	Home loan	Credit card	Insurance	Energy	Grocery	Internet	Phone
Male	0.025	0.020	-0.005	0.038	-0.011	-0.035	0.059**
	(0.026)	(0.026)	(0.031)	(0.029)	(0.027)	(0.029)	(0.029)
Age	-0.028***	-0.030***	0.006	0.003	-0.015***	-0.013**	-0.010
	(0.005)	(0.005)	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)
HH income	-0.000	-0.007	0.003	-0.001	0.005	-0.008	0.006
	(0.005)	(0.005)	(0.006)	(0.005)	(0.005)	(0.005)	(0.005)
HH size	0.009	-0.014	0.007	-0.003	-0.004	-0.004	-0.011
	(0.010)	(0.010)	(0.012)	(0.011)	(0.010)	(0.011)	(0.011)
Metro	0.096***	0.054*	0.055*	0.064**	-0.052*	-0.015	-0.011
	(0.028)	(0.028)	(0.033)	(0.032)	(0.030)	(0.032)	(0.032)
VIC	-0.039	-0.026	0.002	0.111***	-0.041	0.012	0.003
	(0.034)	(0.033)	(0.039)	(0.038)	(0.035)	(0.037)	(0.037)
QLD	-0.020	0.011	0.077*	-0.194***	0.018	-0.003	-0.021
	(0.038)	(0.038)	(0.045)	(0.043)	(0.041)	(0.042)	(0.042)
SA	-0.038	-0.067	-0.093	-0.147***	-0.024	-0.060	-0.086
	(0.050)	(0.050)	(0.059)	(0.057)	(0.053)	(0.056)	(0.056)
WA	0.005	-0.014	0.056	-0.246***	0.030	-0.089*	-0.024
	(0.045)	(0.045)	(0.053)	(0.051)	(0.048)	(0.051)	(0.050)
NT	-0.193	-0.163	-0.075	-0.327	-0.103	0.255	-0.127
	(0.175)	(0.174)	(0.207)	(0.200)	(0.173)	(0.178)	(0.179)
ACT	-0.137	-0.061	0.028	-0.337***	-0.004	0.090	-0.177*
	(0.094)	(0.094)	(0.111)	(0.108)	(0.102)	(0.105)	(0.106)
TAS	-0.064	-0.152*	-0.153	-0.324***	-0.103	-0.032	-0.273***
	(0.082)	(0.085)	(0.097)	(0.094)	(0.091)	(0.095)	(0.094)
Constant	0.343***	0.492***	0.158*	0.298***	0.378***	0.463***	0.318***
	(0.076)	(0.074)	(0.088)	(0.083)	(0.078)	(0.083)	(0.082)
Ν	907	925	937	942	977	936	952

Table A1. OLS regressions on the determinants of switching decisions

Standard errors in parentheses

* p<0.10; ** p<0.05; * p<0.01

	Home loan	Credit card	Insurance	Energy	Grocery	Internet	Phone
Male	0.074	0.006	0.118	0.066	-0.066	0.106	0.020
	(0.115)	(0.130)	(0.135)	(0.135)	(0.110)	(0.102)	(0.106)
Age	-0.128***	-0.125***	-0.118***	-0.105***	-0.095***	-0.120***	-0.101***
	(0.024)	(0.027)	(0.028)	(0.027)	(0.023)	(0.021)	(0.022)
HH income	0.039*	0.024	0.072***	0.080***	0.040*	0.020	0.005
	(0.021)	(0.024)	(0.025)	(0.025)	(0.020)	(0.019)	(0.020)
HH size	0.012	0.027	-0.026	-0.014	-0.040	-0.023	0.041
	(0.043)	(0.049)	(0.051)	(0.050)	(0.040)	(0.038)	(0.040)
Metro	-0.154	0.070	0.010	-0.089	0.026	0.049	0.190
	(0.122)	(0.138)	(0.147)	(0.147)	(0.121)	(0.110)	(0.119)
VIC	-0.052	-0.175	0.082	-0.251	0.172	-0.145	-0.334**
	(0.149)	(0.165)	(0.172)	(0.191)	(0.138)	(0.130)	(0.139)
QLD	-0.143	-0.319*	0.158	-0.243	0.116	-0.171	-0.034
	(0.169)	(0.190)	(0.203)	(0.192)	(0.164)	(0.150)	(0.157)
SA	-0.195	-0.166	0.128	0.059	0.105	-0.140	-0.128
	(0.219)	(0.242)	(0.247)	(0.251)	(0.210)	(0.191)	(0.200)
WA	-0.047	0.013	0.084	0.428**	0.338*	-0.053	-0.104
	(0.200)	(0.224)	(0.242)	(0.217)	(0.194)	(0.173)	(0.185)
NT	1.107	0.539	-0.904	0.736	1.486**	0.304	1.043*
	(0.691)	(0.780)	(0.859)	(0.768)	(0.664)	(0.768)	(0.628)
ACT	0.343	-0.180	-0.060	-0.562	-0.597	-0.889**	-0.744**
	(0.396)	(0.460)	(0.504)	(0.429)	(0.405)	(0.391)	(0.360)
TAS	-0.332	-0.374	0.011	-0.028	0.351	-0.566*	-0.285
	(0.348)	(0.391)	(0.387)	(0.372)	(0.341)	(0.331)	(0.303)
Constant	3.228***	2.848***	2.778***	2.908***	3.101***	2.548***	2.268***
	(0.338)	(0.383)	(0.397)	(0.381)	(0.321)	(0.292)	(0.311)
N	732	751	659	650	755	705	710

Table A2. OLS regressions on the switching point

Standard errors in parentheses

* p<0.10; ** p<0.05; * p<0.01

	Home loan	Credit card	Insurance	Energy	Grocery	Internet	Phone
Male	0.036	-0.220	0.338**	-0.209	-0.153	-0.227	-0.128
	(0.206)	(0.292)	(0.169)	(0.164)	(0.187)	(0.249)	(0.255)
Age	0.022	0.112*	0.055	-0.034	0.042	0.027	0.058
	(0.043)	(0.062)	(0.034)	(0.034)	(0.035)	(0.051)	(0.048)
HH income	0.122***	0.094	0.039	0.021	0.047	0.070	0.090*
	(0.043)	(0.057)	(0.032)	(0.031)	(0.036)	(0.049)	(0.047)
HH size	0.202**	0.228**	0.065	0.117*	0.093	0.076	0.075
	(0.081)	(0.102)	(0.061)	(0.064)	(0.074)	(0.091)	(0.091)
Metro	-0.006	-0.153	-0.532***	-0.092	0.214	-0.159	0.421
	(0.269)	(0.354)	(0.193)	(0.191)	(0.208)	(0.294)	(0.271)
VIC	0.135	0.270	-0.031	0.104	-0.068	0.323	0.502*
	(0.246)	(0.362)	(0.209)	(0.178)	(0.236)	(0.314)	(0.299)
QLD	0.019	0.168	0.296	0.033	0.236	0.270	0.348
	(0.287)	(0.410)	(0.235)	(0.284)	(0.257)	(0.371)	(0.347)
SA	-0.409	0.006	-0.299	0.344	-0.811**	0.340	-0.186
	(0.540)	(0.634)	(0.371)	(0.339)	(0.372)	(0.514)	(0.532)
WA	-0.526	0.322	-0.489*	-0.318	-0.569*	-0.103	-0.528
	(0.325)	(0.492)	(0.268)	(0.399)	(0.312)	(0.532)	(0.438)
NT			-2.965**			-2.735**	0.531
			(1.251)			(1.258)	(1.790)
ACT	1.417	0.801	-0.882	-1.202	0.396	-0.073	-0.813
	(1.152)	(0.984)	(0.579)	(1.196)	(0.641)	(0.750)	(1.283)
TAS	-0.432	0.171	0.471		-0.894	1.017	
	(0.682)	(1.666)	(0.897)		(0.887)	(0.814)	
Constant	1.531***	1.253	2.350***	2.810***	2.064***	2.859***	1.922***
	(0.552)	(0.766)	(0.483)	(0.469)	(0.489)	(0.728 <u>)</u>	(0.674)
N	137	134	237	229	183	203	222

Table A3. OLS regressions on the amount saved by switching

Standard errors in parentheses

* p<0.10; ** p<0.05; * p<0.01

Calculations for savings presented in the executive summary

Home loan:

Nb of households in Australia (2011 Census): 9,117,033 % with home loan: 35% Nb of households with home loan: 0.35 x 9,117,033 = 3,190,962 % who have switched: 18% Nb of households who have switched: 0.18 x 3,190,962 = 574,373 Lower bound of savings: \$1130 per year Lower bound for national savings from switching: \$1130 x 574,373 = \$649,041,490

Credit card:

% of households in Australia with credit card (2011 Census): 53%
Nb of households with credit card: 4,832,028
% who have switched: 17%
Nb of households who have switched: 0.17 x 4,832,028 = 821,445
Lower bound of savings: \$186 per year
Lower bound of national savings from switching: \$186 x 821,445 = \$152,788,770 per year

Home and contents insurance:

(We will assume that all homeowners have home insurance)
% of households in Australia who own their home: 67%
Nb of households in Australia that own their home: 0.67 x 9,117,033 = 6,108,412
% who have switched: 28%
Nb of households who have switched: 0.28 x 6,108,412 = 1,710,355
Lower bound of savings: \$190
Lower bound of national savings from switching: \$190 x 1,710,355 = \$324,967,450 per year

Energy supplier:

% who have switched: 29%
Nb of households who have switched: 2,643,940
Lower bound of savings: \$149 per year
Lower bound of national savings from switching: \$149 x 2,643,940 = \$393,947,060

Groceries supplier:

% who have switched: 22%

Nb of households who have switched: 2,005,747

Lower bound for savings: \$296 per year

Lower bound of national savings from switching: \$296 x 2,005,747 = \$593,841,514 per year

Internet:

% of households who have internet access: 77%

Nb of households who have internet access: 0.77 x 9,117,033 = 7,020,115

% of households who have switched: 24%

Nb of households who have switched: 0.24 x 7,020,115 = 1,684,828

Lower bound for savings: \$81 per year

Lower bound of national savings from switching: \$81 x 1,684,828 = \$136,471,044

Mobile phone:

% of Australian adults with mobile phone: 90%
Nb of Australian adults with mobile phone: 0.9 x 17,200,000 = 15,480,000
% of respondents who have switched: 24%
Nb of Australian adults who have switched: 0.24 x 15,480,000 = 3,715,200
Lower bound for savings: \$88 per year
Lower bound of national savings from switching: \$88 x 3,715,200 = \$326,937,600