Annexe K - Segmentation of consumers
1.1 To gain a more detailed picture of how consumers think and act in relation to initiating home improvements, maintenance and repairs work and how attitudes and behaviour differ between consumers, a segmentation of consumers was conducted. The results from the survey have shown that consumer attitudes and behaviour varied to some extent by the type and cost of work they undertook. The segmentation is intended to provide a fuller picture of these differences.

1.2 The segmentation involved dividing the total sample of 1,680\(^1\) consumers into seven groups, based on the type and cost of work they initiated:

1. Emergency repairs (all values)

2. Low value non-emergency maintenance/repair (less than £250)

3. Higher value non-emergency maintenance/repair (£250 or more)

4. Very low value home improvement (less than £250)

5. Low value home improvement (£250 to £999)

6. Mid value home improvement (£1,000 to £4,999)

7. High value home improvement (£5,000 or more)

1.3 Chart K.1 shows the breakdown of the full sample of consumers into these seven segments.

\(^1\) 124 of these respondents did not provide enough data to be allocated to a specific segment, although they are included in overall percentage figures.
The sections below profile each of these segments and show the key features of consumers that are prevalent in each group.

**Segment 1 – emergency repairs**

All consumers who had initiated an emergency repair are included in this group – regardless of the cost of the work. It was however evident that most consumers included in this segment undertook relatively low value work (64 per cent less than £500).

**Profile:**

The most common types of work selected among this segment were plumbing repairs (30 per cent) or having their central heating repaired or serviced (30 per cent).

**Choice of supplier:**

Consumers undertaking emergency repair work were more likely than any other group to have got no quotes (28 per cent). Most consumers in this segment got one quote (57 per cent). Just one in ten got three or more quotes. Consumers who initiated low, mid or high value home improvements are more likely to have got multiple quotes.
improvement work were significantly more likely to have obtained three or more quotes (31 per cent overall). (Chart K.6)

1.8 For those who undertook emergency repairs, the most common reasons for choosing the supplier they did were recommendations (36 per cent) and because they had used them before (34 per cent). These reasons were commonly cited by all segments. (Chart K.3)

1.9 Only a small proportion of consumers undertaking emergency repairs choose a supplier due to them being cheapest. Three per cent of consumers in this group spontaneously mentioned this as a factor. Consumers who undertook home improvement work (of all values) were much more likely to say they chose the supplier they did because they were cheapest (14 per cent).

1.10 As would be expected, those undertaking emergency repairs were the most likely segment to value 'when the work could be done' as extremely or very important (88 per cent), with 51 per cent saying that it was extremely important. In contrast, just 18 per cent of consumers undertaking low value non-emergency repairs or maintenance saw this as being extremely important. (Chart K.2)
1.11 Consumers undertaking emergency repairs were also most likely to value customer service as very or extremely important (91 per cent). There was a particular contrast here with consumers undertaking all values of non-emergency maintenance or repair work. Among these groups overall, three quarters saw customer service as being very or extremely important in their choice of supplier. (Chart K.9)

1.12 Consumers in this group were more likely than any other segments to have used a medium/large business (with 50+ employees) to undertake the work (20 per cent).

Payment structures and documentation:

1.13 As with all other segments, the most common method of payment used by consumers initiating emergency repairs was payment in full on completion of the work with no deposit up front (69 per cent). Consumers in this segment were the most likely to be covered by a maintenance or repair plan (18 per cent versus 4 per cent overall).

1.14 These consumers were the most likely to say that they had obtained no written documentation before starting work. More than two thirds (68 per cent) said they obtained no documentation compared with just five per cent of those undertaking high value home improvement work. (Chart K.7)

1.15 A quarter of consumers undertaking emergency repair work obtained a written quotation. They were just as likely as those undertaking non-emergency maintenance or repair work (24 per cent) to have obtained a quotation but notably less likely than those who undertook home improvement work (65 per cent overall). Only a small minority of consumers who undertook emergency repairs obtained any other documentation, with basic specifications being most common (11 per cent).

Overall satisfaction and experience of problems:

1.16 Satisfaction levels were high amongst consumers who initiated emergency repairs, 85 per cent saying they were completely satisfied with all aspects of the work. One in ten reported experiencing a problem. (Chart K.4)
Segment 2 – low value non-emergency maintenance or repair work

Profile:

1.17 As with those undertaking emergency repairs, the most common types of work undertaken by consumers in this group were central heating repairs or servicing (33 per cent) or plumbing repairs (19 per cent).

Choice of supplier:

1.18 Two in ten consumers who initiated low value non-emergency maintenance or repair work got no quotes. The majority (69 per cent) asked one company to quote with just 11 per cent getting more than one quote. Consumers in this segment were less likely than any other groups to have got three or more quotes (just 2 per cent got 3+ quotes). (Chart K.6)

1.19 As was a common pattern across segments, the most frequently mentioned reasons for choosing supplier amongst this group of consumers were the supplier being recommended by family, friends, colleagues and neighbours (36 per cent) and having used the supplier before (42 per cent). Consumers in this group were more likely than any others to cite previous use as a factor for choosing the supplier they did – in fact they were the only segment who mentioned this more commonly than recommendations. (Chart K.3)
1.20 Consumers in this segment were less likely than those who had undertaken home improvement work to say spontaneously that they chose their supplier because they were cheaper than others (4 per cent compared with 11 per cent).

1.21 Most consumers (83 per cent) in this group used micro-businesses. 
(Chart K.5)

Payment structures and documentation:

1.22 Almost eight in ten consumers in this segment paid on completion of the work with no deposit up front. Similar to those undertaking emergency repairs, some also used a maintenance or repair plan (12 per cent).

1.23 Levels of documentation provided were similar to among consumers undertaking emergency repairs. A quarter of those undertaking low value non-emergency maintenance or repair work obtained a written quotation in advance of starting work while most members of this group obtained no documentation at all (61 per cent). (Chart K.7)

---
2 'Micro-businesses' are defined as those with 10 or fewer employees, 'small businesses' are defined as those with between 11 and 49 employees and 'medium/large businesses' as those with 50+ employees.
Overall satisfaction and experience of problems:

1.24 The vast majority of consumers in this segment were completely (85 per cent) or very (11 per cent) satisfied with the work done.

1.25 Just six per cent of consumers in this group reported a problem with the work undertaken, making them least likely of all to have experienced problems. Problems were notably more common among consumers undertaking mid (20 per cent) or high (30 per cent) value home improvement work. (Chart K.4)

Segment 3 – higher value non-emergency maintenance or repair work

Profile:

1.26 The most common type of work undertaken by this group was decorating one or more rooms inside the home (41 per cent).

Choice of supplier:

1.27 Consumers in this group were less likely to have got no quotes (7 per cent) in comparison with those who undertook emergency repairs (28 per cent) and other low value maintenance or repair work (20 per cent).
Those undertaking high value maintenance work were significantly more likely than those who undertook low value maintenance work to have asked at least three companies to quote for the work (17 per cent versus 2 per cent). (Chart K.6)

1.28 As was a common pattern across segments, the most frequently mentioned reasons for choosing suppliers were being recommended (39 per cent) and having used the supplier before (37 per cent). (Chart K.3)

1.29 Consumers undertaking high value non-emergency maintenance or repair work were the most likely to use micro businesses (94 per cent). (Chart K.5)

![Chart K.5 – Proportion of consumers in each segment who used micro-businesses (with 1-10 employees)](chart-k5)

Base: All who had a home improvement in the last two years or maintenance and repair in the last 12 months (1,880)

Payment structures and documentation:

1.30 As with consumers undertaking low value maintenance work, most of those taking on higher value maintenance work paid the full amount on completion of the work (78 per cent).

1.31 Consumers undertaking higher value maintenance work were more likely than consumers undertaking low value work of this nature to obtain documentation. They were more than twice as likely to obtain a written quotation (58 per cent versus 24 per cent) and almost twice as likely to have obtained a basic specification (20 per cent versus 12 per cent).
little over a third (37 per cent) of consumers undertaking higher value maintenance work did not obtain any documentation compared with 61 per cent of those who undertook lower value maintenance work. (Chart K.7)

Overall satisfaction and experience of problems:

1.32 Overall satisfaction levels among consumers in this segment were slightly lower compared with those who undertook maintenance work of lower value (78 per cent of the former being completely satisfied compared with 85 per cent of the latter). Nevertheless, nine in ten said they were completely or very satisfied overall.

1.33 Nine per cent of consumers in this segment reported at least one problem. They were slightly more likely than consumers who undertook low value maintenance work (6 per cent) to report problems but less likely to have experienced problems compared with those who initiated mid (20 per cent) or high (30 per cent) value home improvement work. (Chart K.4)

Segment 4 – very low value home improvement

Profile:

1.34 The most common types of work undertaken by members of this group were electrical installations (24 per cent) and having insulation installed (20 per cent).

Choice of supplier:

1.35 Consumers who undertook the lowest value home improvement work were far more likely than those undertaking more costly work of this nature to have received no quotes (17 per cent versus 4 per cent overall for other home improvement groups) and far less likely to have asked three or more companies to quote for the work (8 per cent versus 31 per cent). It was notable that those in the next lowest value category of home improvement work (£250-£999) were three times as likely as those who paid less than £250 to have got at least three quotes (24 per cent). (Chart K.6)
1.36 As with most other segments, recommendations were the most common reason for choosing the supplier they did (35 per cent). Consumers in this group were however significantly less likely than those doing low value maintenance work to cite previous use of the supplier as being a factor in their decision (25 per cent versus 42 per cent). (Chart K.3)

1.37 Consumers in this group were similar to those who undertook non-emergency maintenance work (both low and high value) in being less likely to value price and customer service as being important. Those who undertook higher value home improvement work were more likely to see these as important factors.

1.38 Consumers in this segment were also similar to those who undertook non-emergency maintenance work in that most used micro-businesses (76 per cent). (Chart K.5)

Payment structures and documents:

1.39 Most consumers in this segment paid for their work in full and on completion (76 per cent). Again there were similarities here with those who initiated non-emergency maintenance work (78 per cent of these consumers paid in the same way).
Overall satisfaction and experience of problems:

1.40 Overall satisfaction levels were high among this group, with 85 per cent completely satisfied with all aspects of the work and a further seven per cent very satisfied. Satisfaction levels were lower among those who undertook more expensive home improvement work.

1.41 One in ten consumers in this group reported a problem. Those who undertook mid and high value home improvement work were notably more likely to have experienced problems (20 per cent and 30 per cent respectively). (Chart K.4)

Segment 5 – low value home improvement

Profile:

1.42 Work undertaken by consumers in this group was varied and included having a new boiler or central heating system fitted (13 per cent), a new fitted bathroom (12 per cent), electrical installations (12 per cent), glazing, conservatories or external doors (11 per cent) and new guttering, fascias or soffits (8 per cent).

Choice of supplier:

1.43 As was common for all those undertaking home improvement work worth at least £250, a very small proportion of consumers in the low value home improvement segment obtained no quotes at all (3 per cent). The proportions that got two quotes (21 per cent) and three or more quotes (24 per cent) were very similar to those who undertook mid value home improvement work. (Chart K.6)

1.44 As with most other segments, the supplier being recommended by family, friends, colleagues or neighbours was the most commonly reported reason for choosing the supplier they did (41 per cent). (Chart K.3)

1.45 On prompted factors this group was very similar to the mid value home improvement segment. Eight in ten valued price as extremely important and six in ten valued quality as extremely important.
1.46 Eighty six per cent of consumers in this group used micro-businesses, which was a higher proportion compared with the mid and high value home improvement segments.

Payment structures and documentation:

1.47 Similar to those who undertook non-emergency maintenance work (both high and low value), eight in ten consumers in the low value home improvement segment made payment in full on completion of the work with no deposit up front. Consumers who undertook home improvement work of a higher value were less likely to have paid the full amount on completion.

1.48 Although this group had many similarities to the mid value home improvement segment, there were clear differences in documentation received. Around a third (35 per cent) said they received no documents at all, compared with just eighteen per cent of those in the mid value home improvement group. This is part of a trend whereby the proportion of consumers claiming to have been provided with no documents at all decreased significantly as the value of work undertaken increased. (Chart K.7)
Overall satisfaction and experience of problems:

1.49 Three quarters of consumers in this group said that they were completely satisfied with all aspects of the work.

1.50 Fourteen per cent said that they had experienced a problem. Those who undertook mid and high value home improvement work were notably more likely to have experienced problems (20 per cent and 30 per cent respectively). (Chart K.4)

Segment 6 – mid value home improvement

Profile:

1.51 The most common type of work undertaken by this group was having a new boiler or central heating system installed (26 per cent). Other work included having a new fitted bathroom (18 per cent), glazing, conservatories or external doors (12 per cent) or a new fitted kitchen (12 per cent).

Choice of supplier:

1.52 The proportion of this group who got two quotes (22 per cent) and three or more quotes (27 per cent) was very similar to those who undertook low value home improvement work. Nearly a half (45 per cent) got just one quote. Only five per cent said that they got no quote at all. Consumers who undertook high value home improvement work were somewhat more likely to have got three or more quotes (43 per cent). (Chart K.6)

1.53 Reasons spontaneously given by this group for choice of supplier were similar to those given by consumers who had undertaken home improvement work of a lower value. A third said that the supplier was recommended and a quarter said they had used them previously. (Chart K.3)

1.54 Consumers in this group also placed a similar level of importance on prompted factors as those in the low value home improvement segment. Around eight in ten (78 per cent) valued price as extremely important.

1.55 Three quarters of consumers in this group said that they used a micro-business to undertake the work.
Payment structures and documentation:

1.56 As for other segments, payment in full on completion of work with no deposit up front was the most commonly reported payment method for this group (66 per cent). However this was a smaller proportion than for those undertaking lower value home movement works (77 per cent) and non-emergency maintenance work (78 per cent overall). The proportion paying in full on completion decreased further for those who undertook higher value home improvement work (where deposits were more common).

1.57 Excluding those who undertook high value home improvement work, consumers in this group were more likely than other segments to have obtained some form of documentation. Just 18 per cent claimed to have received no documents at all. (Chart K.7)

Overall satisfaction and experience of problems:

1.58 The proportion of consumers in this group who said that they were completely satisfied was lower than for those who undertook home improvement work of a lower value (73 per cent compared with 85 per cent). This was however a greater proportion than for those undertaking home improvements of a higher value.

1.59 One in five consumers in this group reported experiencing a problem. Along with those who had undertaken home improvement work of a high value, businesses in this group were more likely than all other segments to have reported experiencing problems. (Chart K.4)

Segment 7 – high value home improvement

Profile:

1.60 Work undertaken by consumers in this group included having a new fitted kitchen (33 per cent), general building work (18 per cent) or glazing, conservatories or external doors (17 per cent).

Choice of supplier:

1.61 Consumers in this group were the most likely to have asked three or more suppliers to quote for the work (43 per cent), with only two per cent saying that they did not get any quotes. (Chart K.6)
1.62 As with most other segments, the supplier being recommended by family, friends, colleagues or neighbours was the most commonly reported reason for choosing the supplier they did (36 per cent). Unique to this segment, the second most common reason given was price related. Two in ten said they chose the supplier because their price was reasonable or competitive (but not the cheapest). (Chart K.8)

![Chart K.8 – Proportion of consumers in each segment who chose their supplier because their price was reasonable, but not the cheapest](chart)

1.63 It was notable that consumers in this segment were no more likely than those undertaking lower value home improvement work to say they chose a supplier due to them being cheapest. This suggests that while price is a significant concern for many undertaking high value home improvement work this does not necessarily mean that they choose the cheapest supplier. Other reasons for choosing a supplier demonstrated some of the other concerns among members of this group. In particular, they were more likely than all other segments to say that the supplier had a reputation for high quality (12 per cent versus 6 per cent overall).

1.64 Consumers in this group were most likely to value the quality of the product and work as extremely important (67 per cent). Nearly four in ten (38 per cent) valued customer service as extremely important, a significantly higher proportion than all other segments except those undertaking emergency repairs (44 per cent). (Chart K.9)
Consumers in this group were less likely than others to use micro-businesses (65 per cent). They were more likely than others to have used a small business, with 11-49 employees (15 per cent). (Chart K.5)

Payment structures and documentation:

These consumers were less likely to pay in full on completion of the work with no deposit up front (47 per cent versus 67 per cent overall) although this was still the most frequently cited payment method for consumers in this group.

As would be expected when initiating work of a higher cost, consumers in this group were the most likely to pay a deposit up front and the balance on completion of the work (30 per cent versus 14 per cent overall). They were also more likely than all other segments to pay a deposit up front and then the balance in instalments (9 per cent versus 3 per cent overall).

Consumers in this group were the least likely to say they had not received any documents from their supplier (5 per cent versus 31 per cent overall). Eighty-five per cent received a written quotation, 41 per cent received a basic specification and 35 per cent a more detailed specification. Looking at other documentation, 30 per cent were
provided with details of any warrante or guarantee offered, 26 per cent a contract and 13 per cent received a complaints procedure. The high level of documentation received relative to work carried out at a lower cost is unsurprising. However the proportions of consumers receiving a contract or a complaints procedure might be viewed as small when considering that all work undertaken by this group cost at least £5,000.

Overall satisfaction and experience of problems:

1.69 Although consumers in this group were the least likely to be completely satisfied with all aspects of the work (60 per cent versus 70 per cent overall), they were the most likely to claim that they were very satisfied with the work (29 per cent versus 16 per cent overall). Consumers in this segment were most likely to have encountered a problem (30 per cent versus 16 per cent overall). (Chart K.4)