2022 Product Protection Consumer Study

Product Protection Shoppers: Who are they, what matters to them, and why?

mulberry

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INTRODUCTION

Background

What is product protection and who was surveyed about it?

ABOUT THIS STUDY

Survey Methodology

1600+ US adult consumers

Respondents were reached through a third-party survey panel representing the general US population ages 18 and up.

January 2022

All respondents completed the survey during the survey period in January 2022.

Third-party survey panel

This study was sponsored by Mulberry and conducted by a third-party service.

ABOUT MULBERRY

Online shopping should be worry-free. Mulberry helps you shop confidently with affordable product protection plans and better coverage backed by our gotcha-free philosophy. That means no more deductibles, inflated upfront costs, or claims denied on confusing technicalities.

Shoppers can get 12 months of free accident protection and the lowest rates on long-term plans wherever they shop online with Mulberry's Chrome browser extension. Brands can bring Mulberry peace of mind straight to their customers by embedding Mulberry protection plan offers seamlessly into their customer journey, increasing customer engagement and driving incremental revenue.

WHAT IS PRODUCT PROTECTION?

An extended warranty, or product protection plan, is a service plan purchased by a consumer to provide additional coverage beyond the limited manufacturer's warranty.

Product protection plans typically offer coverage for unexpected product issues, including defects, malfunctions, and accidents for time periods longer than standard manufacturer warranties.

Protection plans are popular among shoppers who want comprehensive coverage for expensive purchases, and for retailers who want to offer consumers more security.

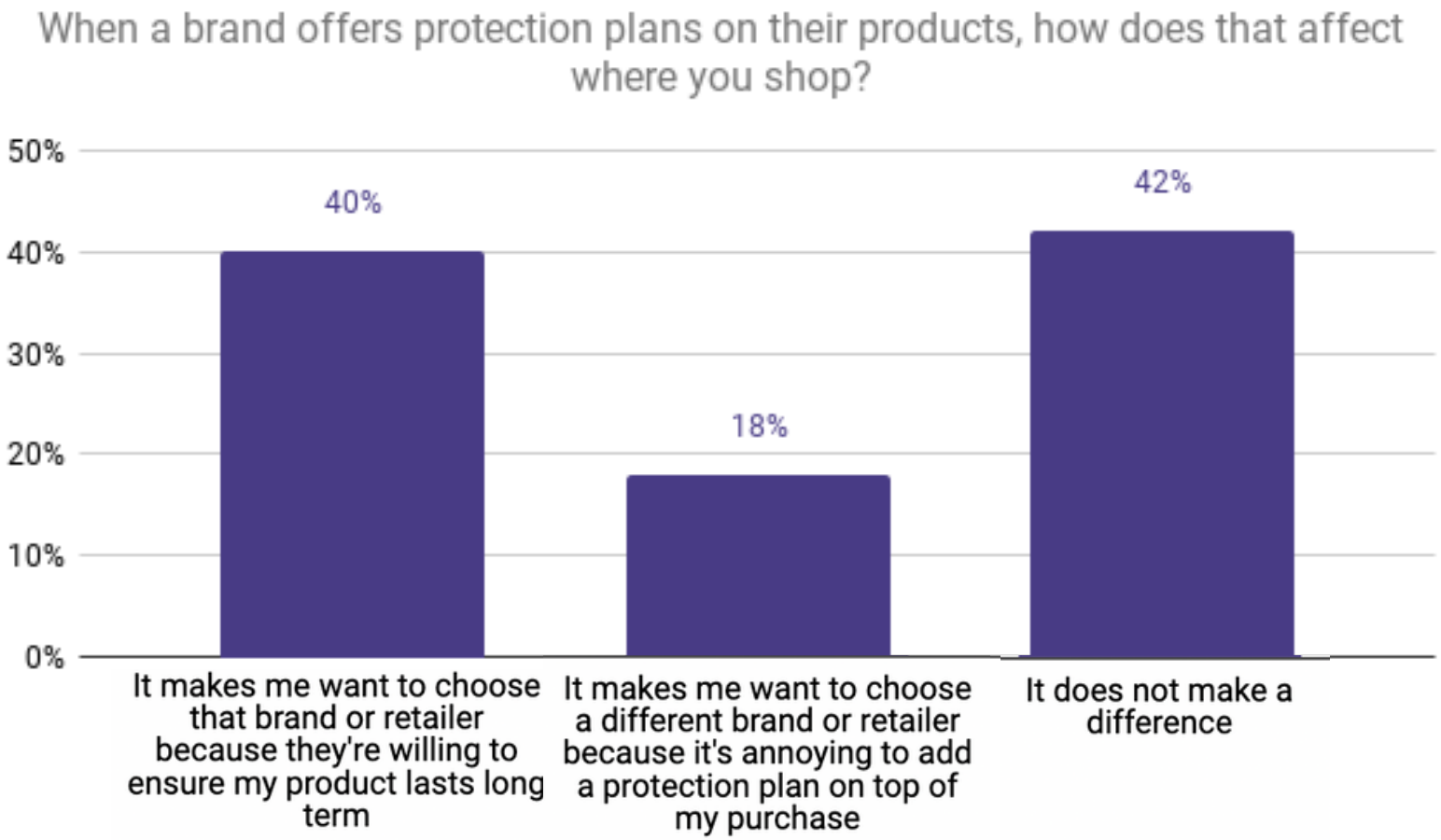
Product protection offers peace of mind for shoppers and a way to build loyalty and drive revenue for retailers.

BRAND LOYALTY

Why consumers stay

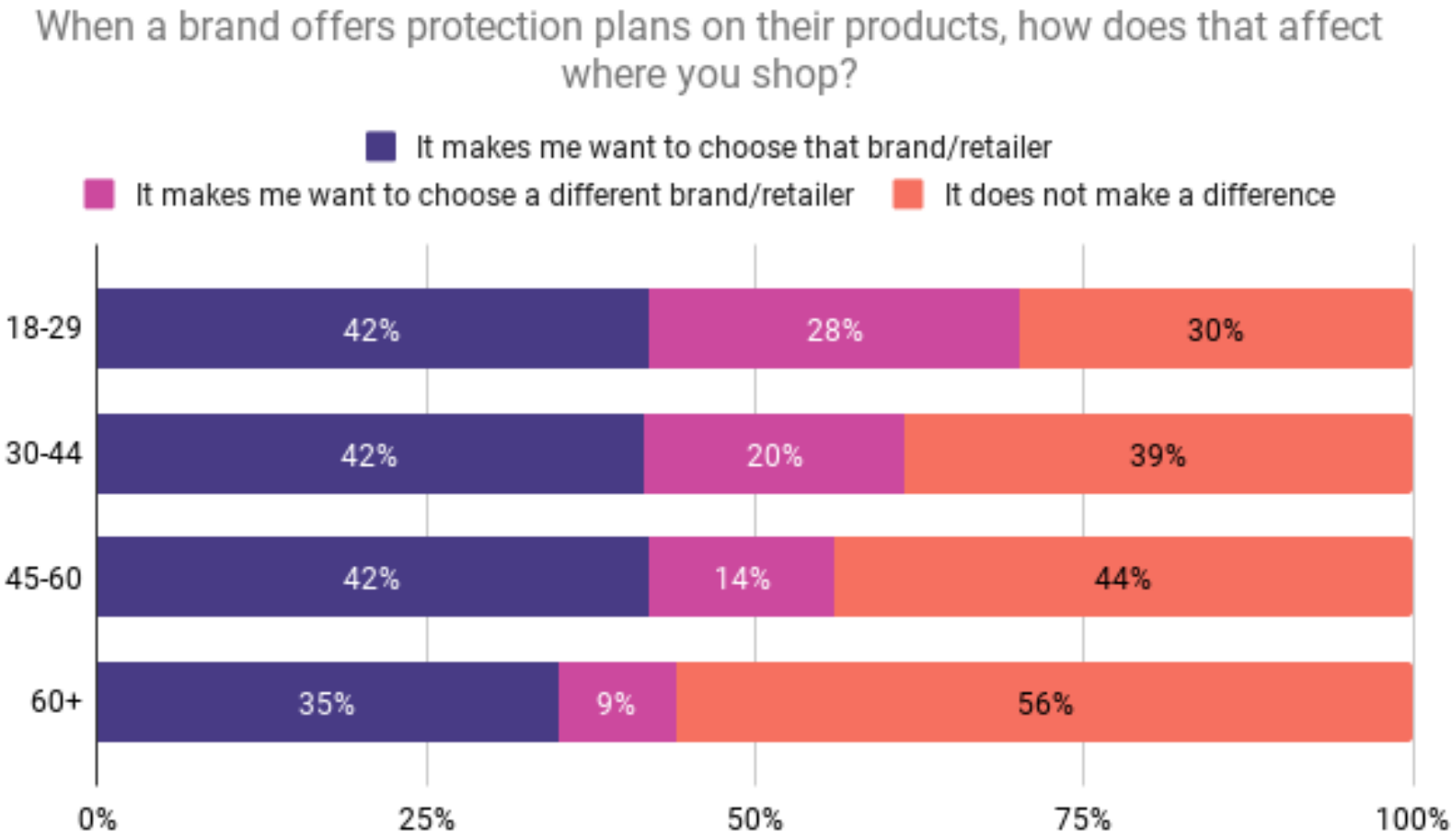
How does product protection influence where consumers shop?

40% of shoppers would be more likely to choose a brand that offers product protection plans



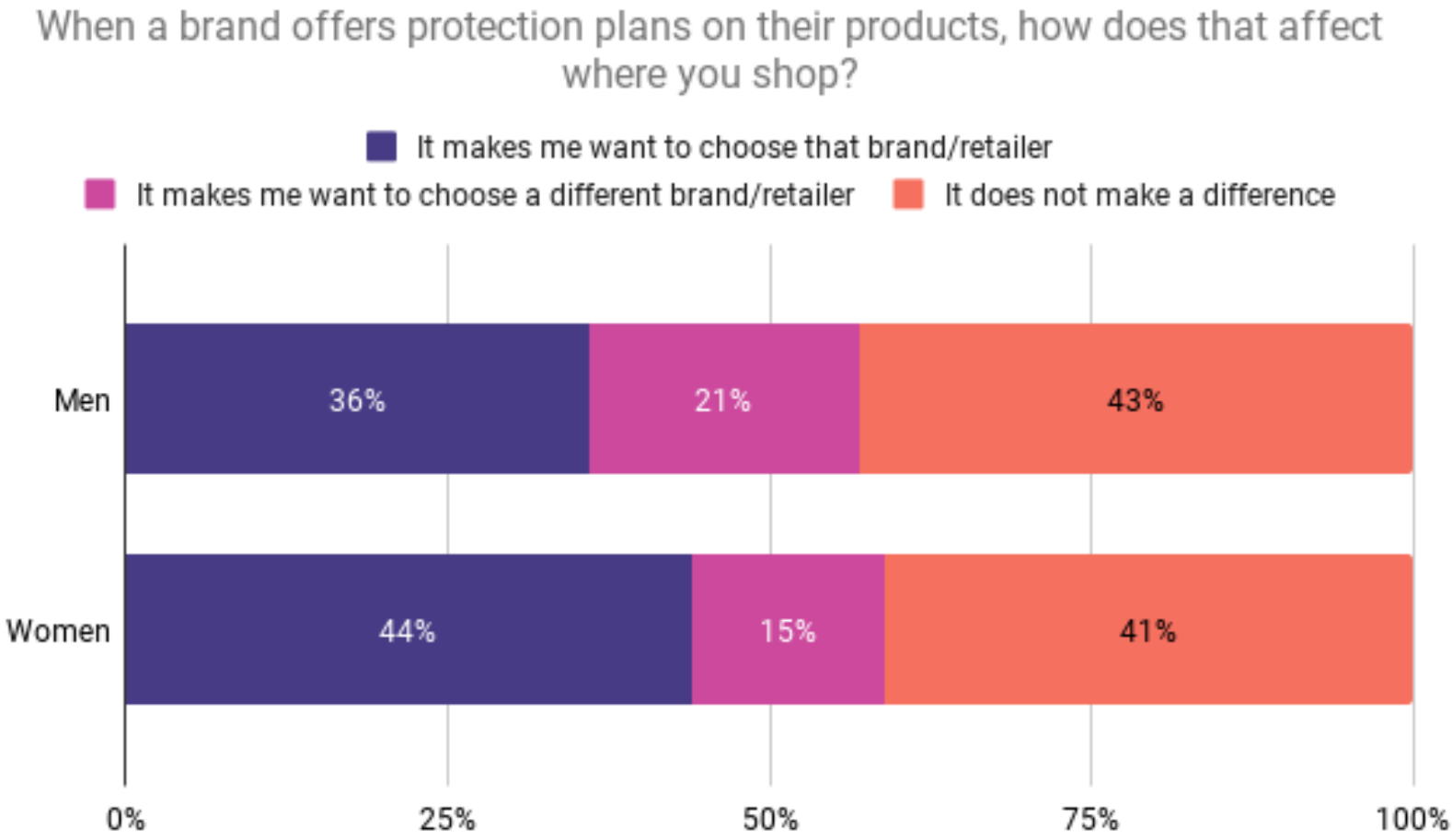
In 2021, 47% of consumers responded that they would prefer a brand that offers protection, showing a decrease of 7 points year-over-year.

Younger shoppers are more likely to be impacted by product protection offers in their shopping experience

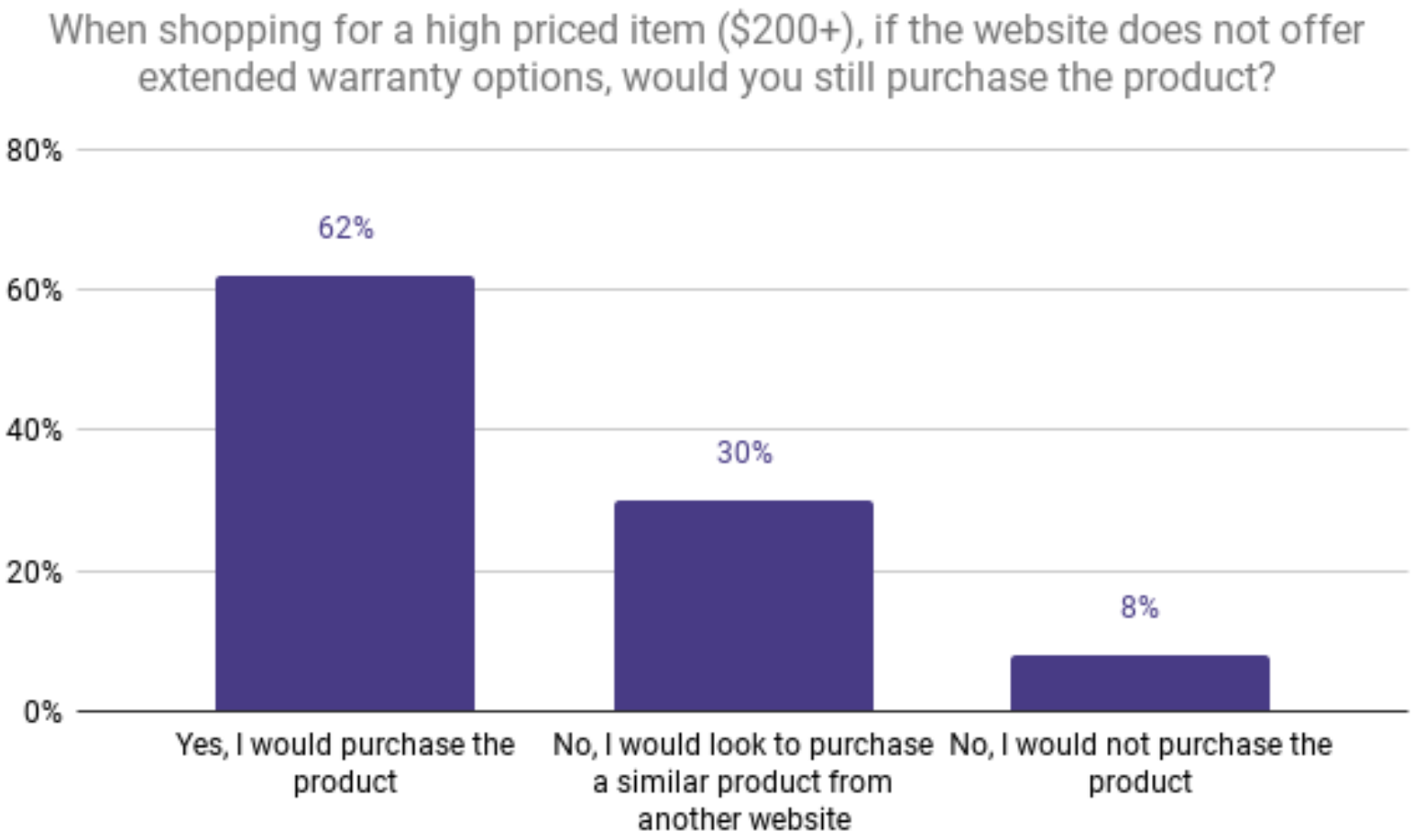


Younger shoppers are also more polarized by the presence of product protection—28% are actually less likely to choose a brand as a result of protection offerings.

Women shoppers are more likely than men to choose a brand because it offers product protection

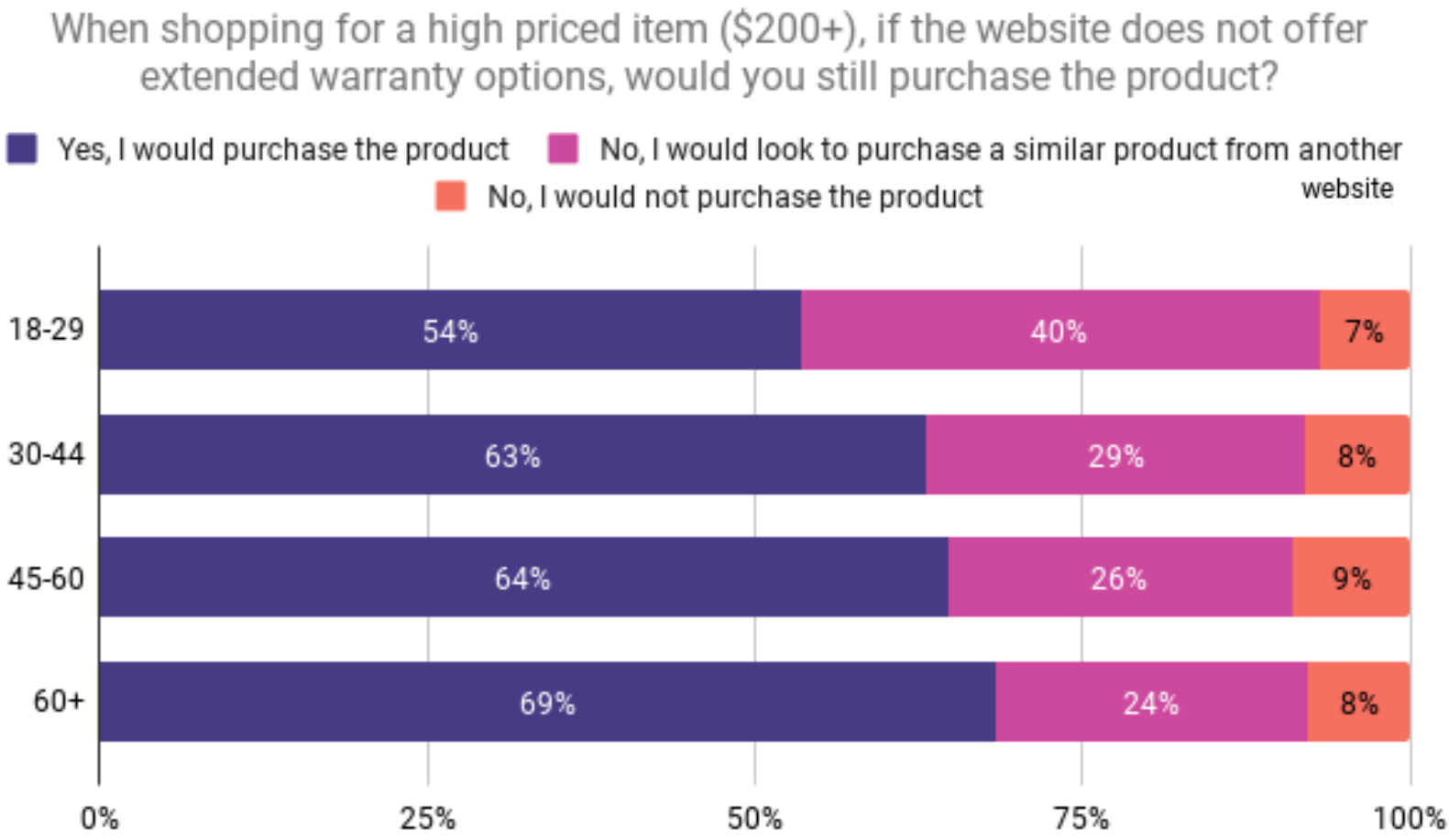


38% of shoppers would not purchase a high-priced item if a brand didn't offer protection plans

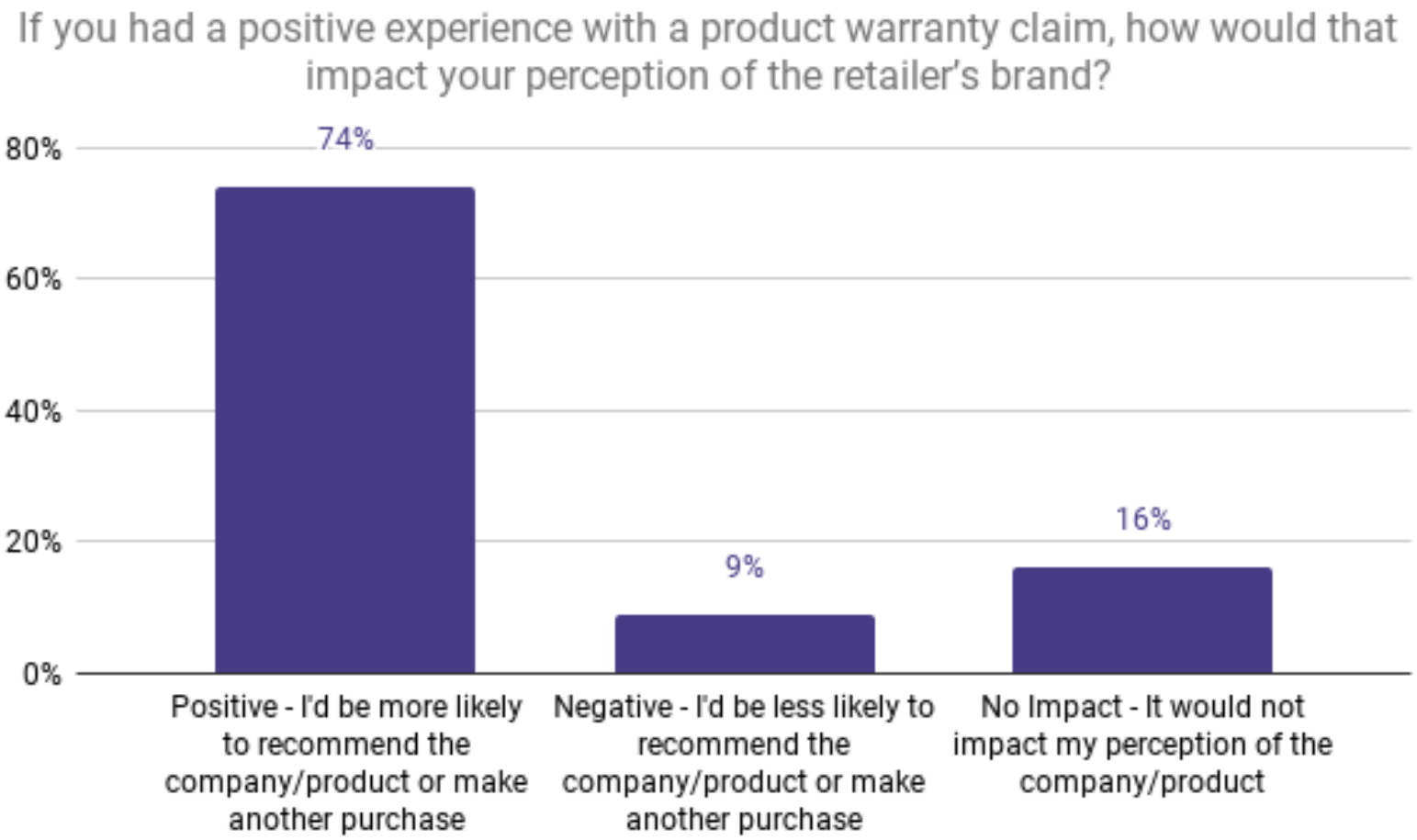


There is a 6 point increase year-over-year in shoppers who would not purchase a product if a protection plan is not offered, up from 32% of shoppers in 2021. The main difference? More shoppers this year say they would look to shop for a similar product from another website.

Young adults are the most likely to go to a competitor site if product protection isn't offered



74% of shoppers would be more likely to recommend or purchase again if they had a positive claims experience



Compared to 2021 data, there is a 7 point decrease year-over-year in consumers who would be more likely to recommend or purchase again after a positive experience (81% to 74%).

WARRANTY VALUE

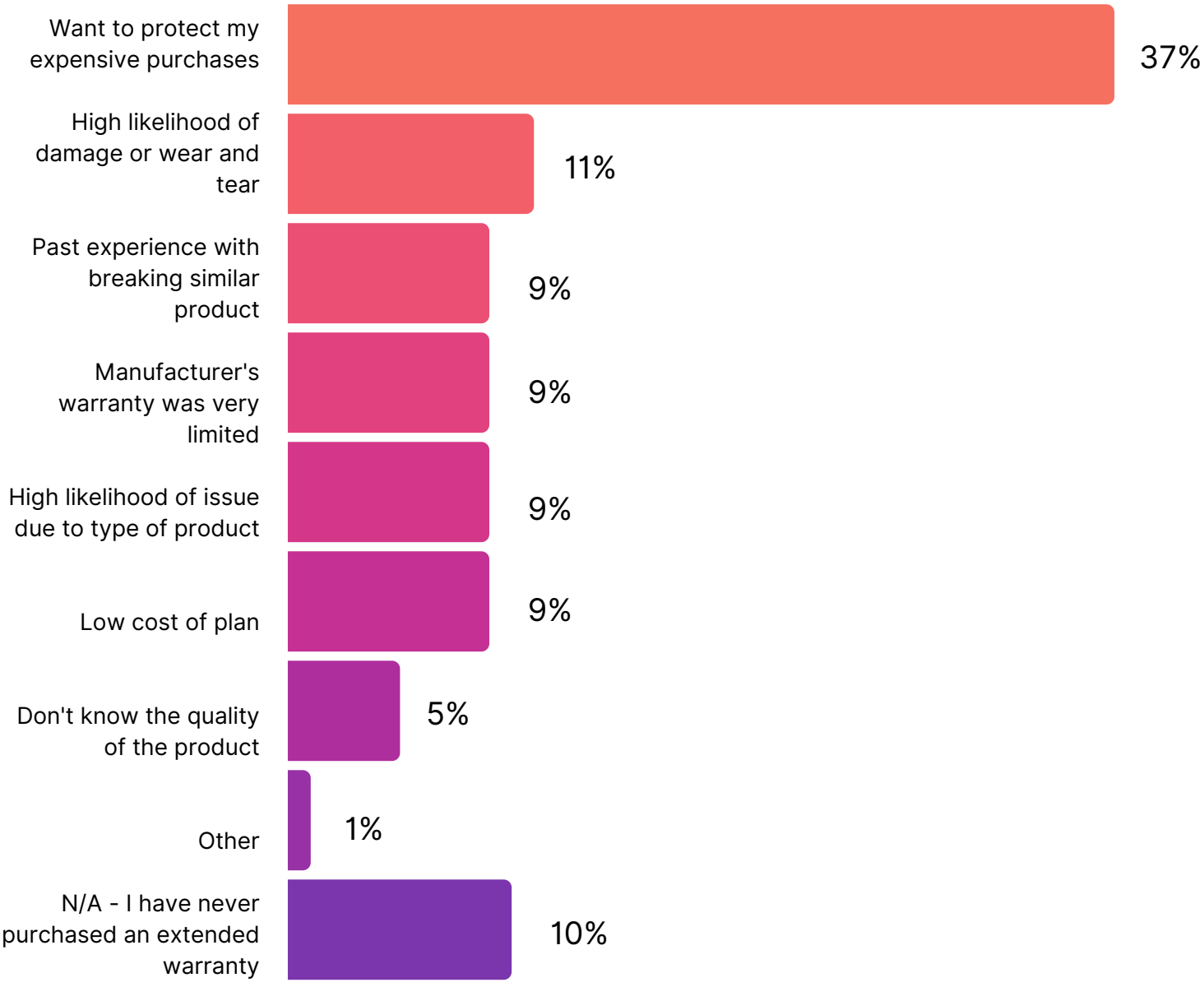
What consumers want

What matters most when choosing to buy product protection?

The #1 reason

customers purchase an extended warranty is to protect expensive purchases

When you've purchased an extended warranty, what was your primary reason?

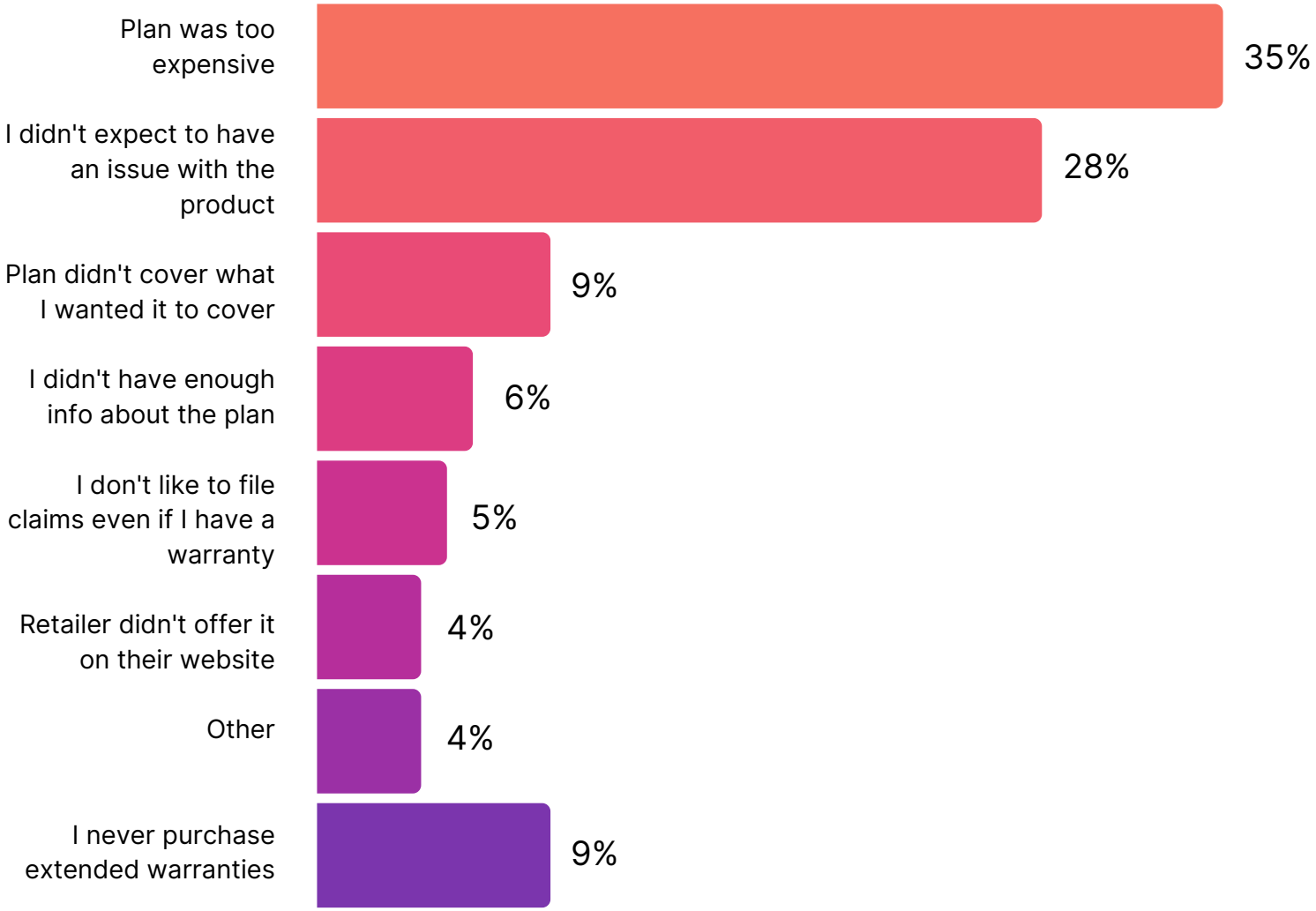


The number of consumers who have never purchased an extended warranty decreased by 41% year-over-year (from 17% to 10%).

Price and product

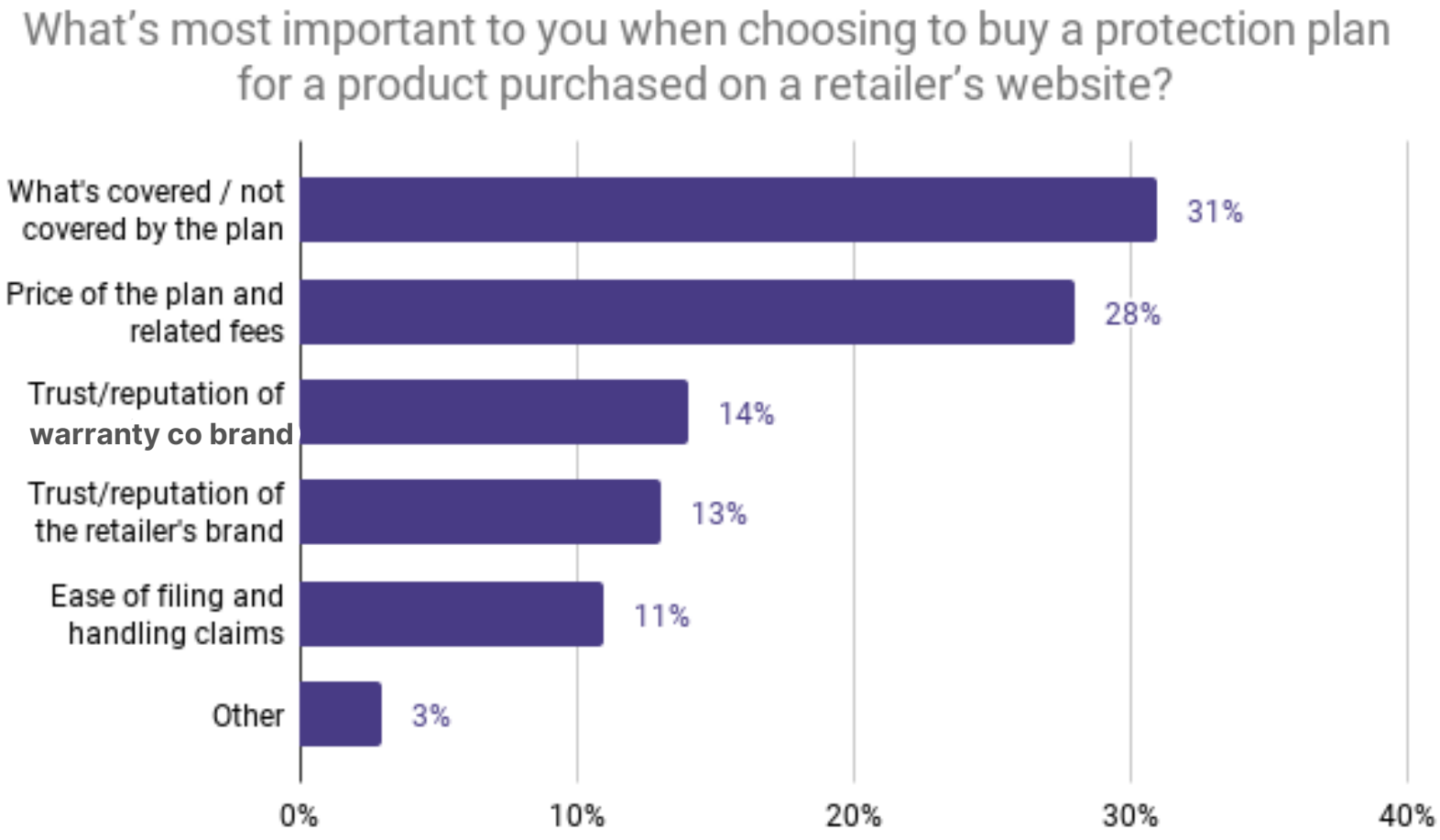
are the primary reasons for not purchasing product protection

What is your primary reason for not purchasing an extended warranty?



The number of consumers who selected that a retailer didn't offer extended warranties dropped by more than half year-over-year, from 9% in 2021 to 4% in 2022.

Coverage & price matter most when buying a product protection plan—more than the brand reputation



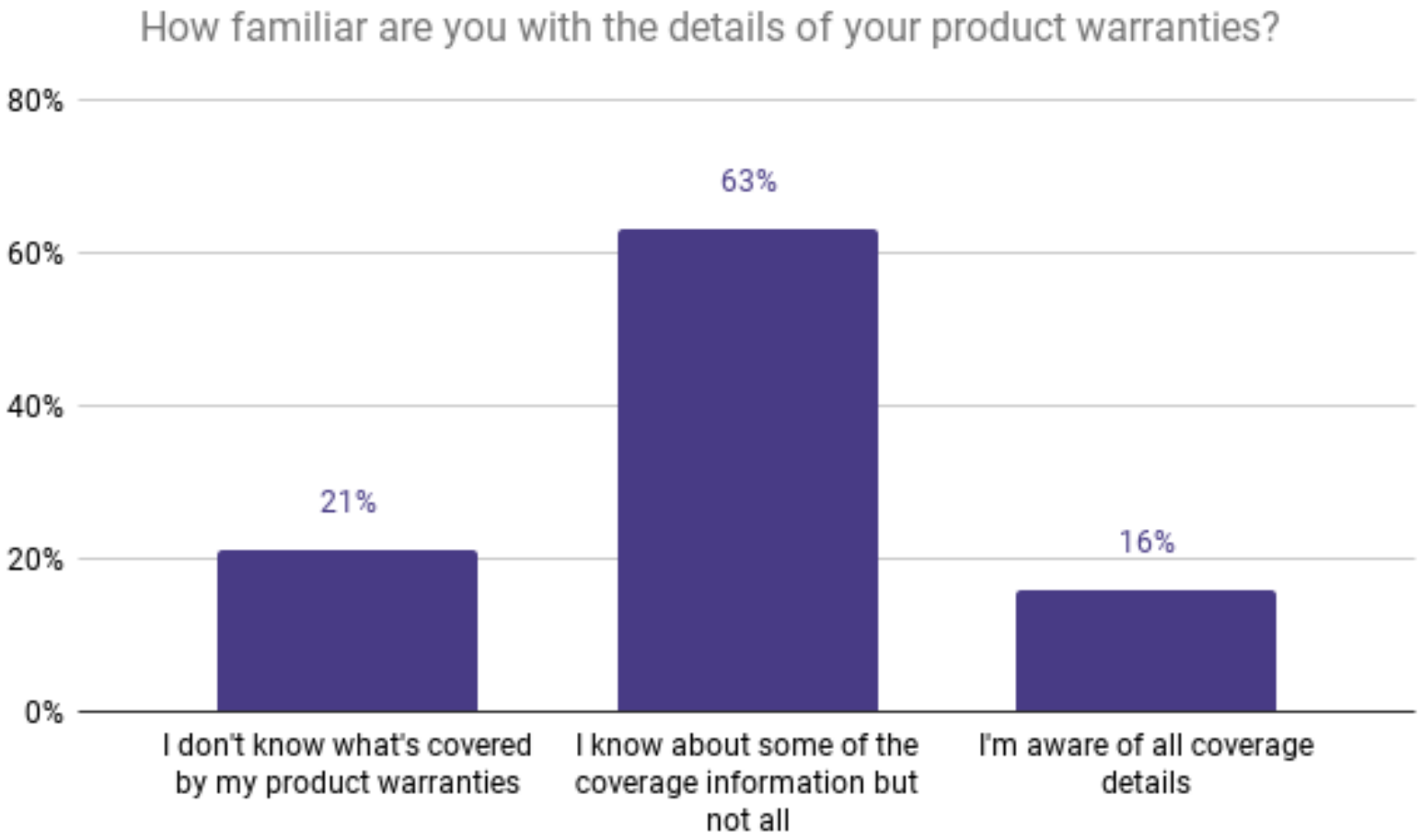
More consumers in 2022 reported that ease in filing and handling claims is their top priority, from 8% in 2021 to 11% in 2022.

WARRANTY EXPERIENCE

What consumers encounter

Which consumers purchase product protection, and what are their expectations?

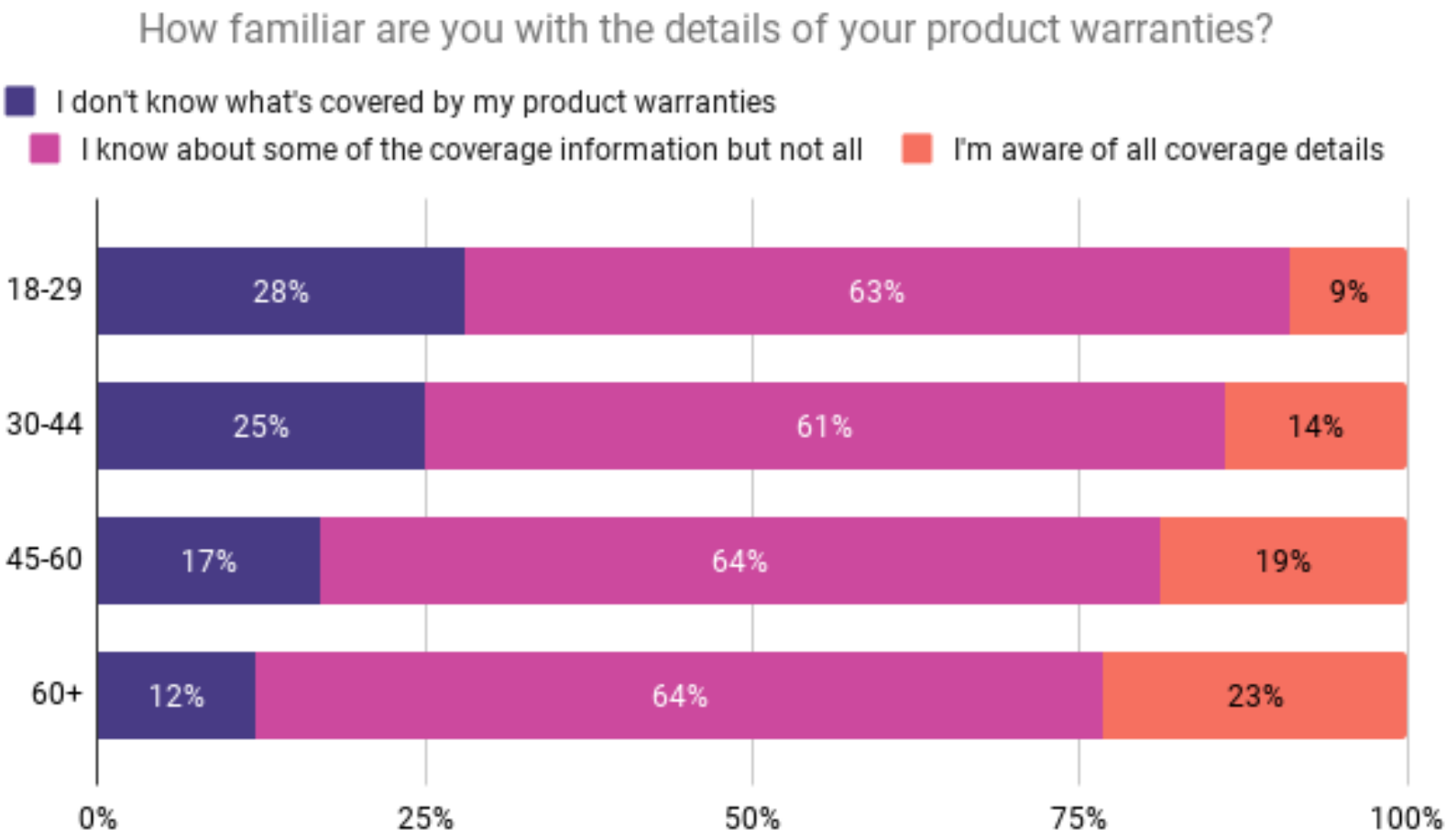
16% of shoppers say they are aware of all of the coverage details of their warranties



Despite coverage being a top priority when buying product protection, 21% of shoppers report they know nothing about what is covered by their product warranties.

Younger shoppers

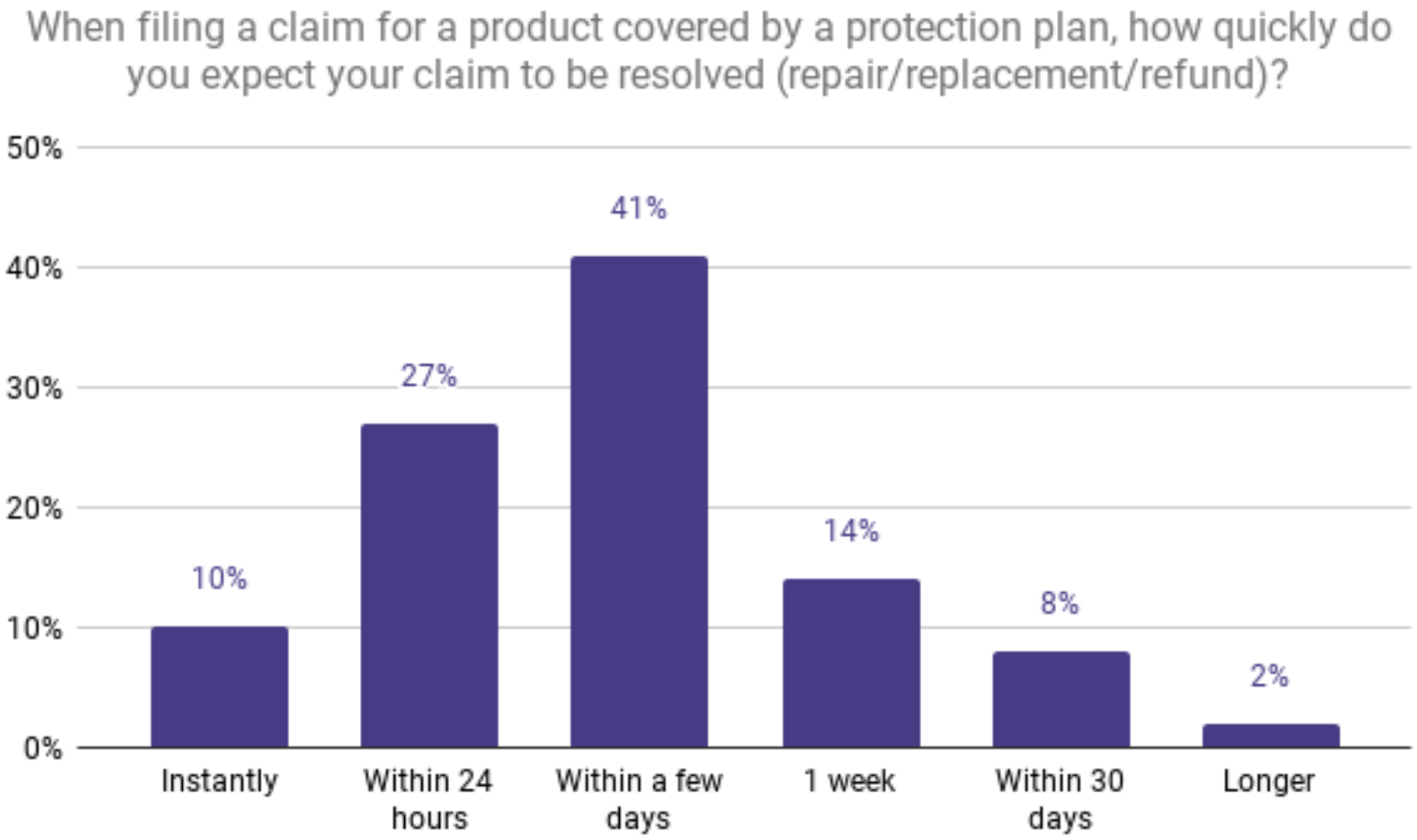
in particular are less likely to know their product warranty details



More than a quarter of shoppers 44 and younger report that they don't know the details of their product warranties.

The percentage of shoppers 45+ who are aware of their coverage details is more than double shoppers aged 18-29 who responded the same.

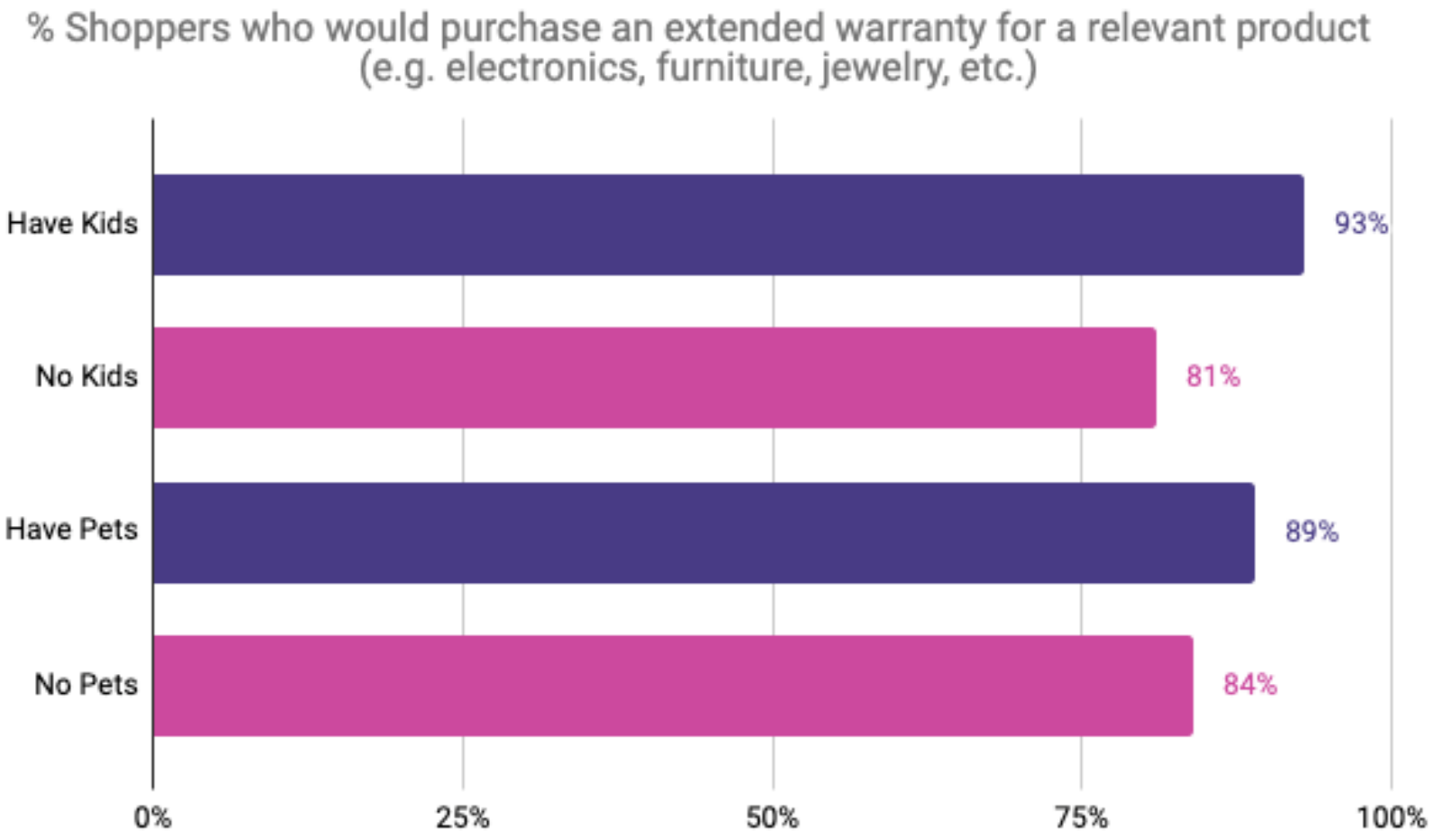
37% of shoppers expect a claim to be resolved in 24 hours or less



Compared to 2021, more consumers expect a shorter claim resolution time, with an 8 point increase year-over-year in those saying they expect a claim to be resolved within a few days or less, as compared to a week or longer (78% vs. 70%).

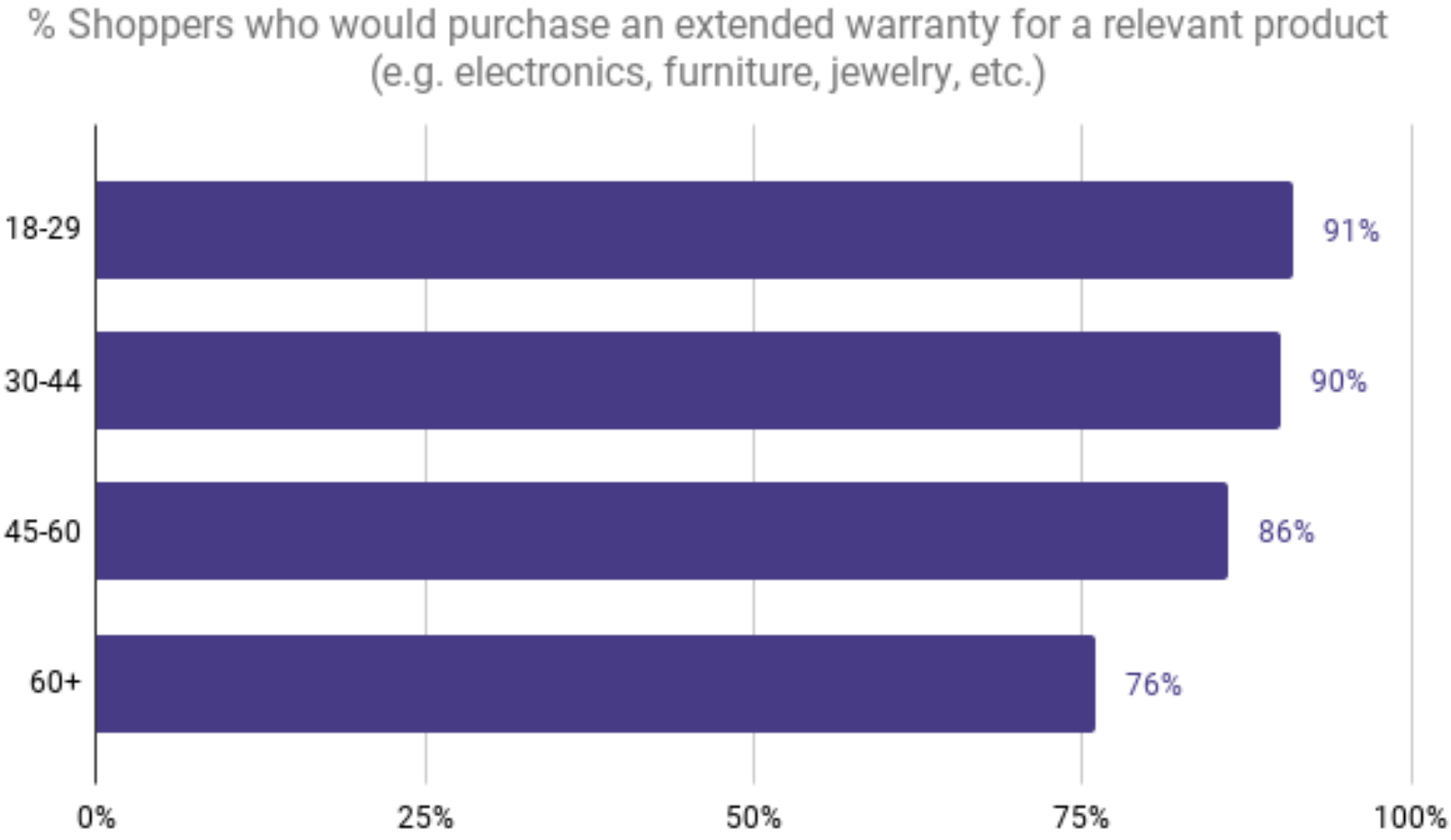
Parents & pet owners

are the most likely to get product protection when shopping



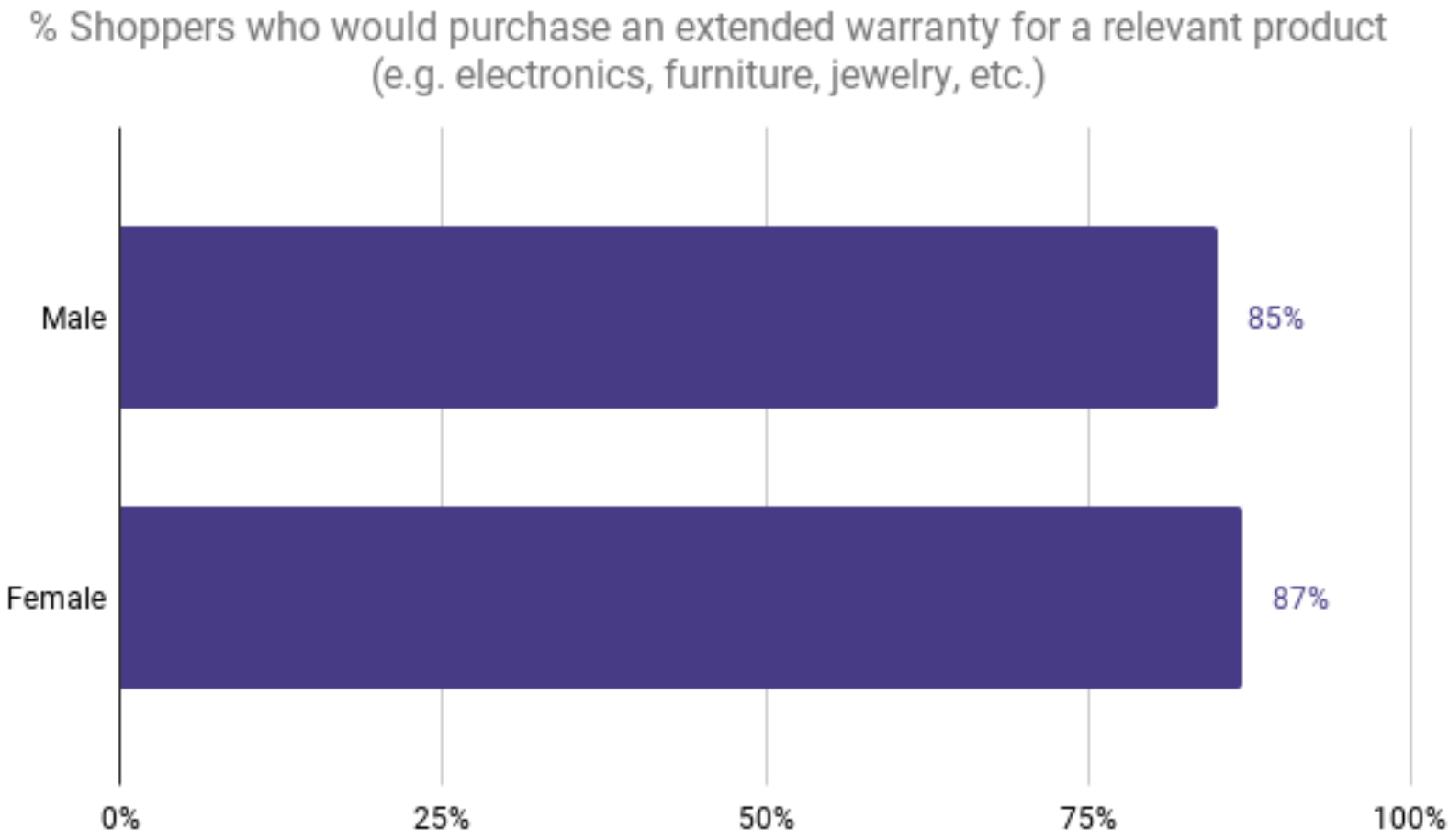
Shoppers with both kids and pets are the most likely to buy product protection, with 93% saying they would do so. More than 9 in 10 (92%) of those with kids only and 84% of those with pets only would purchase protection, while only 81% of child-free and pet-free shoppers would do so.

Younger customers are the most likely to get product protection on warrantable items



Compared to 2021, there is a 12 point increase year-over-year among shoppers 45-60 and a 10 point increase among shoppers 60+ who say that they would purchase an extended warranty for eligible purchases.

Women shoppers are slightly more likely to purchase protection for eligible products

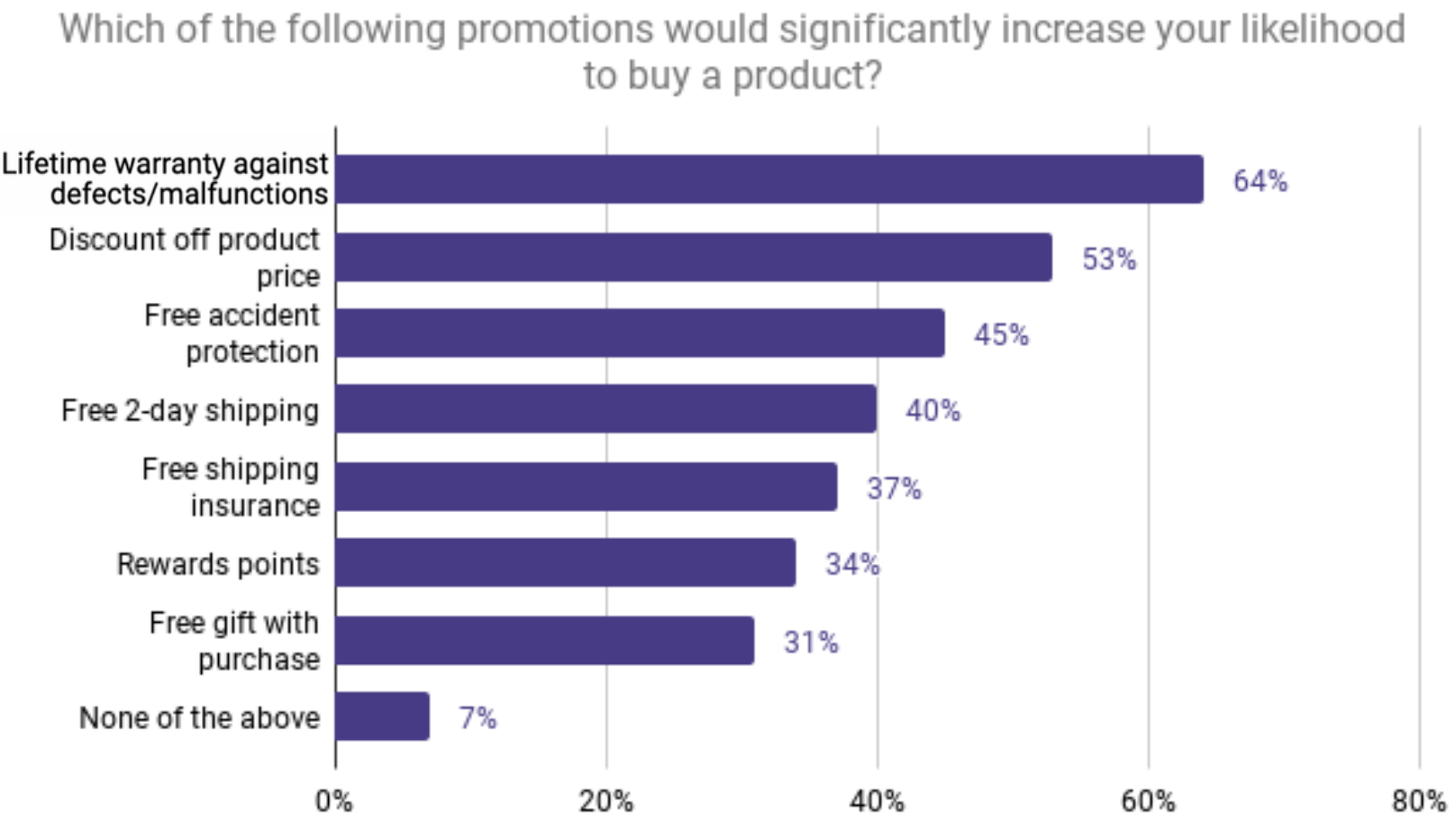


PROMOTIONS

Retailer offers

Which offers influence consumers' buying decisions?

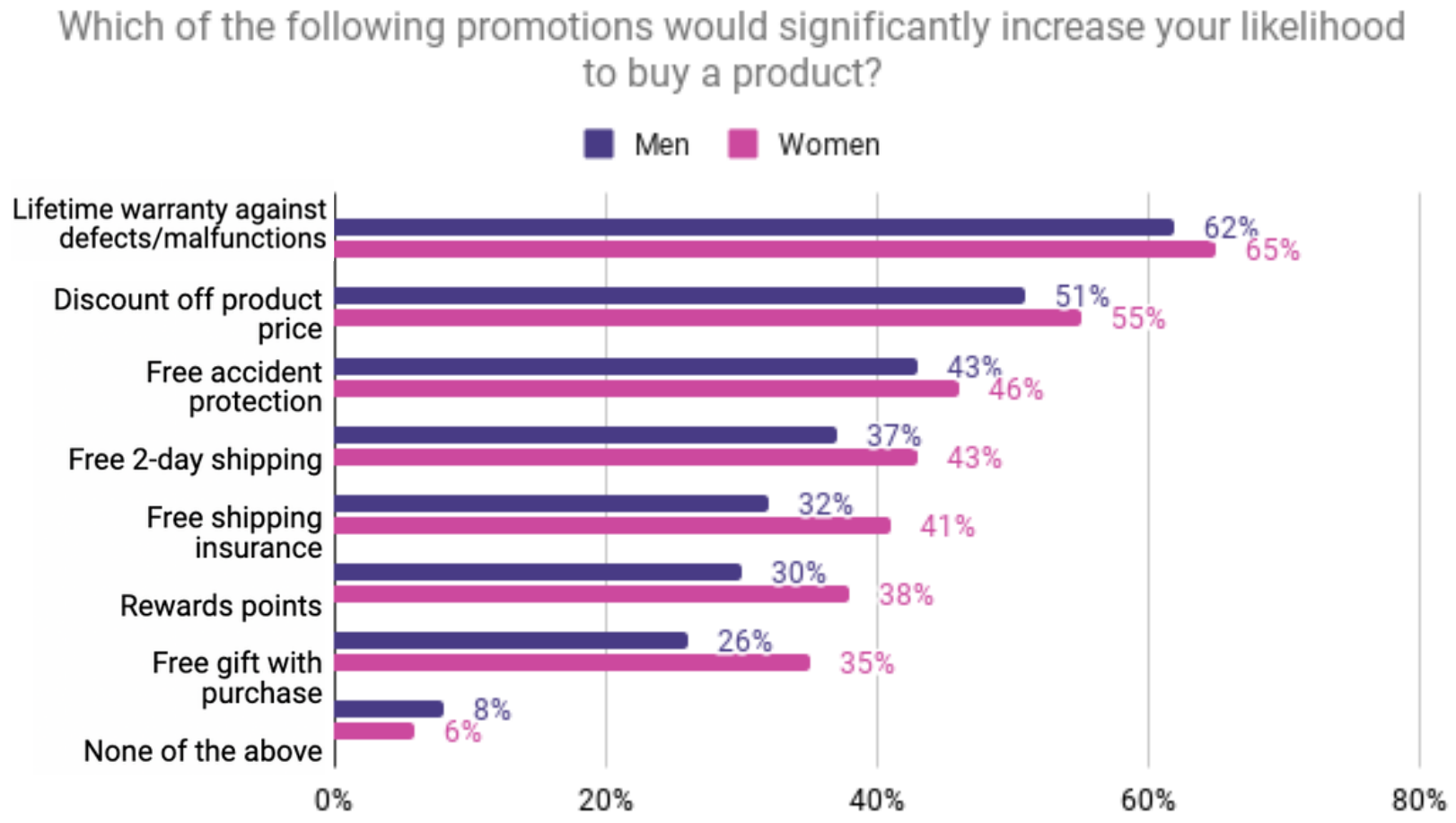
Lifetime warranty is the most effective promotion in converting customers, even more than product discounts



Consumers care more about their product lasting than the cost, with 64% rating lifetime warranties as increasing their purchase likelihood. This is an additional 11% versus those who say the same about price discounts.

Free accident protection also ranks near the top, as 45% of shoppers say this would significantly increase their likelihood to make a purchase, ahead of shipping-related promotions.

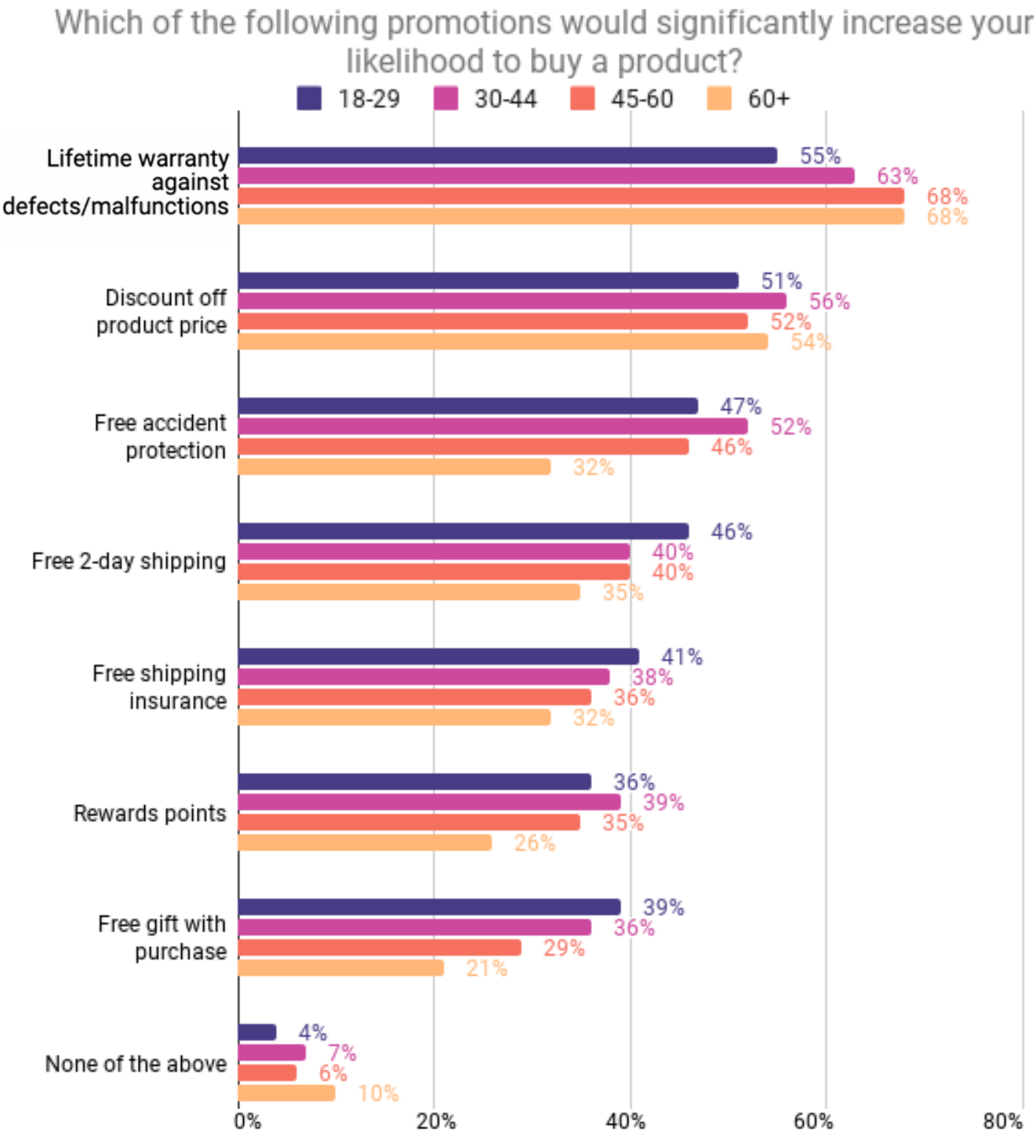
Women over men have a greater likelihood to buy when offered any product promotion



Both women and men value warranties and price discounts at similar rates. Meanwhile, women are significantly more likely than men to make a purchase when offered a free gift, rewards points, or free shipping.

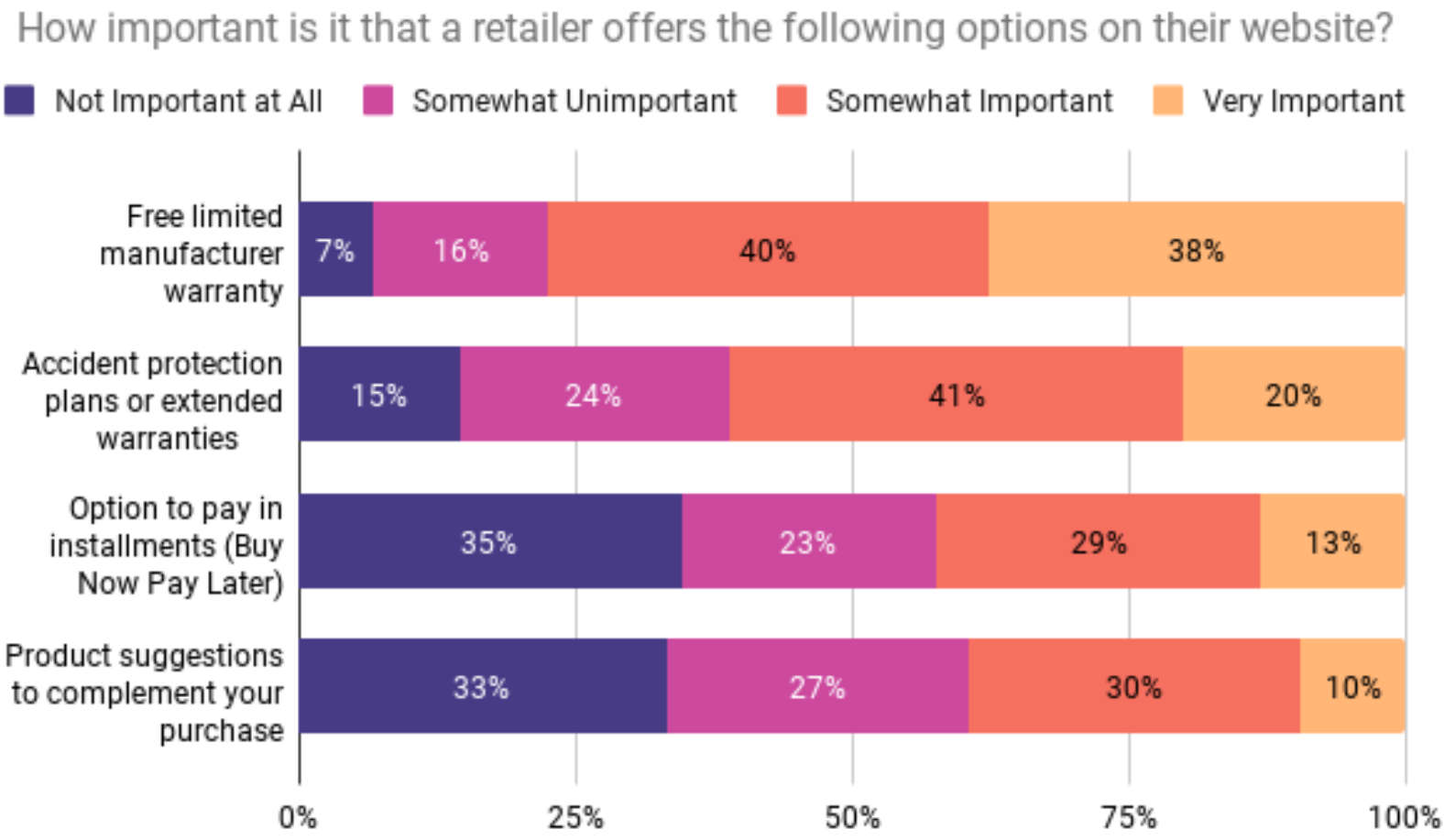
Older customers

are the most influenced by a lifetime warranty offer



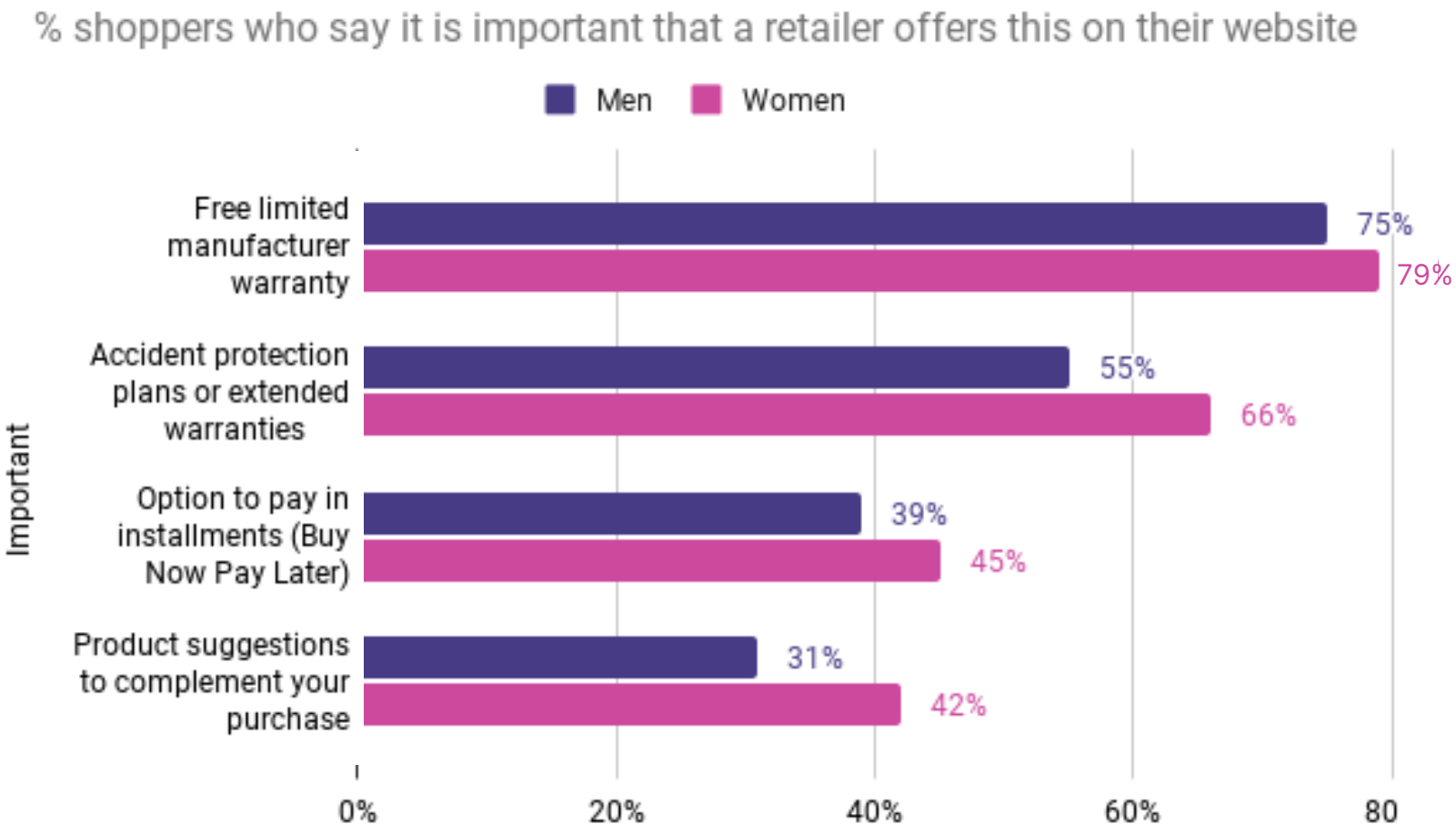
Warranty options

both limited and extended, are the most important features for shoppers



Manufacturer warranties are important to an overwhelming majority of shoppers (78%) and 61% of shoppers also say accident protection plans were important when shopping online. More than 4 in 10 shoppers (42%) say that Buy Now Pay Later payment options are important to them.

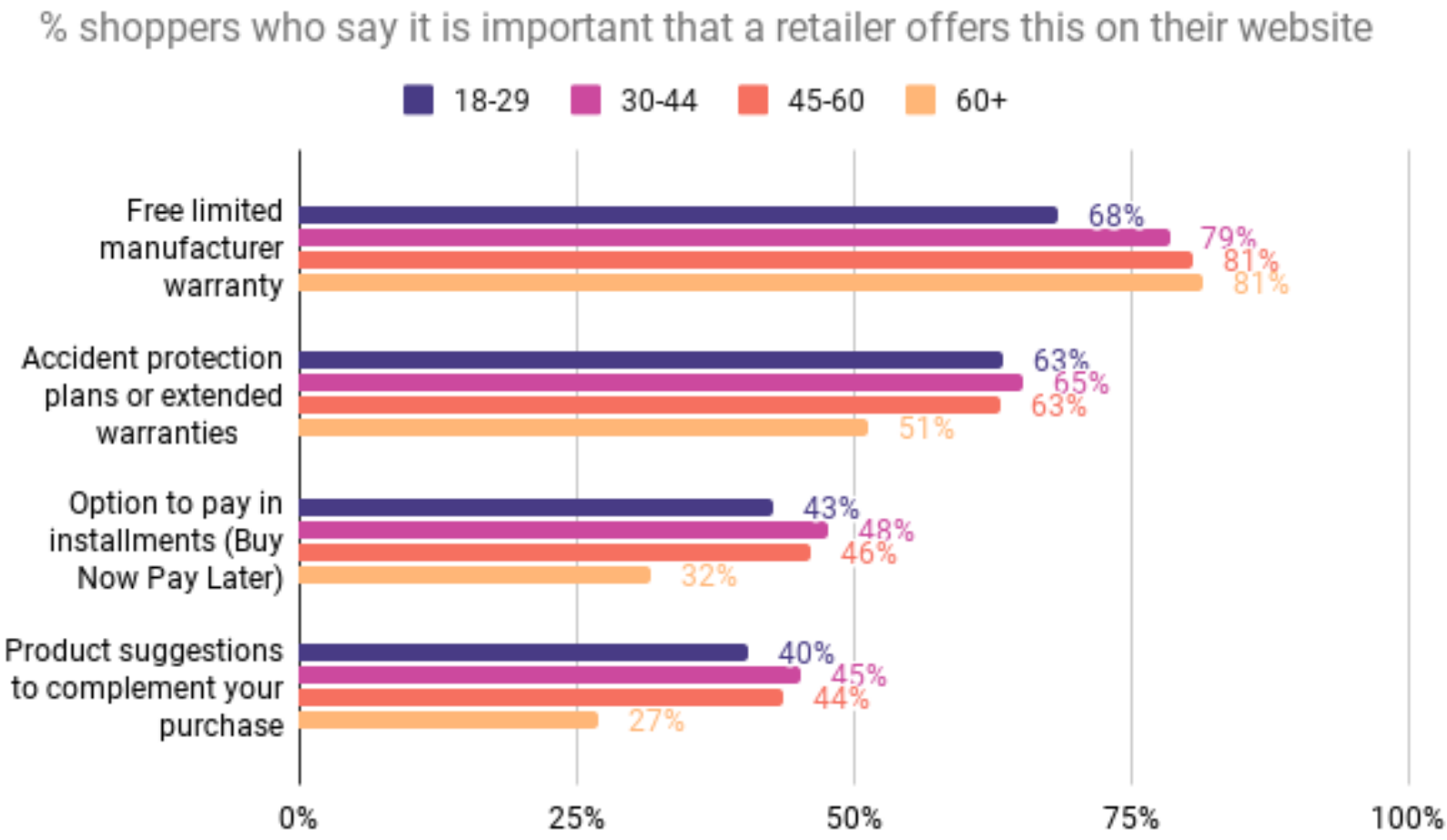
More women than men value product add-ons such as accident protection and product suggestions



Women and men show the most significant preference difference in add-on product suggestions, with an additional 11% of women reporting accident protection and product suggestions as important as compared to men.

Shoppers aged 60+

value manufacturer warranties the most and accident protection the least



Consumers 45 and older value manufacturer warranties the most out of any age group, and those 60 and older value extended warranties the least out of any age group.

Younger consumers still rate the limited and extended warranties as the highest importance despite reporting knowing the least about what is covered in their warranty.

WHAT NEXT

Consumers are turning to brands that provide security on their most important purchases. With more shoppers buying warranties and more retailers offering them, warranty programs are becoming the norm in the ecommerce landscape.

To stand out amongst all of the warranty programs in the market, brands can offer customers better coverage at competitive price points backed by easy-to-understand terms, a simple claims experience, and fast resolutions.

Consumers want product protection that is affordable, transparent, and gotcha-free.

Get in touch

To learn more about how to help your consumers shop more confidently and to drive revenue with best-in-class product protection, visit getmulberry.com/retailers

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