

When & why do shoppers buy product protection plans?

2021 Consumer Research Study

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INTRODUCTION

What is product protection, who was surveyed about it, and why?



ABOUT THIS STUDY

Survey Methodology

This study surveyed US adult consumers who had purchased a product in the last 12 months that could have been covered by a protection plan, such as electronics, furniture, appliances, or sporting equipment. More than 1,500 individuals completed the survey during the survey period in February 2021.

About Mulberry

Mulberry is creating a better product protection experience for retailers and consumers. Mulberry's people-first platform offers better coverage, a great claims experience, and flexible integrations to deliver best-in-class protection for shoppers and an easy-to-launch revenue channel for retailers. See why global retailers across every vertical choose to partner with Mulberry, including Breville, Mirror, Houzz, Nectar, and Poly & Bark. Learn more at getmulberry.com



WHAT IS PRODUCT PROTECTION?

An extended warranty, or product protection plan, is a service contract purchased by a customer to provide additional protection beyond the limited manufacturer's warranty. This can include coverage after the manufacturer's warranty has expired, as well as coverage for issues like scratches, spills, power surges, or other accidental damage.

Extended protection plans are popular among customers who want comprehensive coverage for expensive purchases. For customers, they offer peace of mind, and for retail brands, they provide a way to build loyalty while also driving incremental revenue.





BRAND LOYALTY

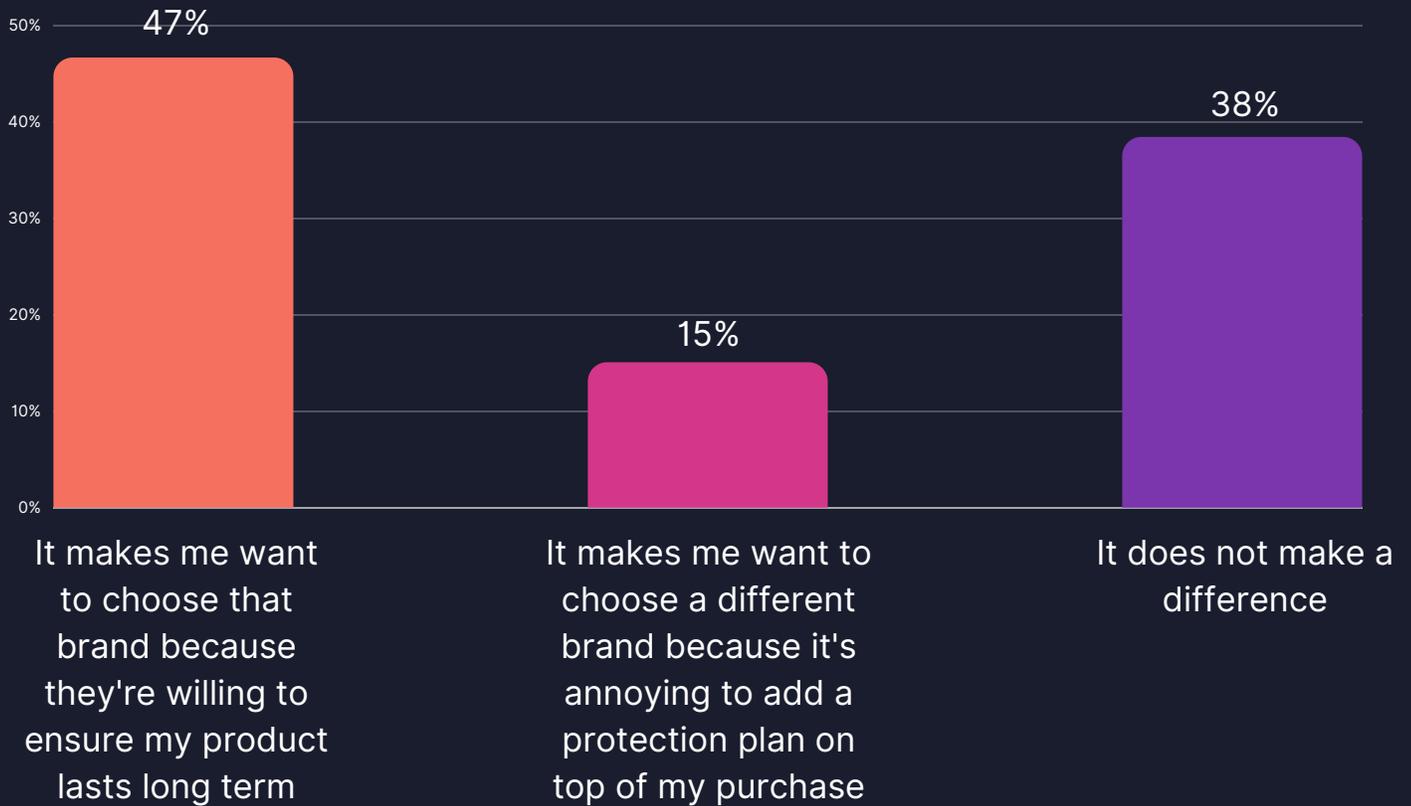
How does product protection influence where consumers shop short- and long-term?



47% OF SHOPPERS

would be more likely to choose a brand if they offer product protection plans

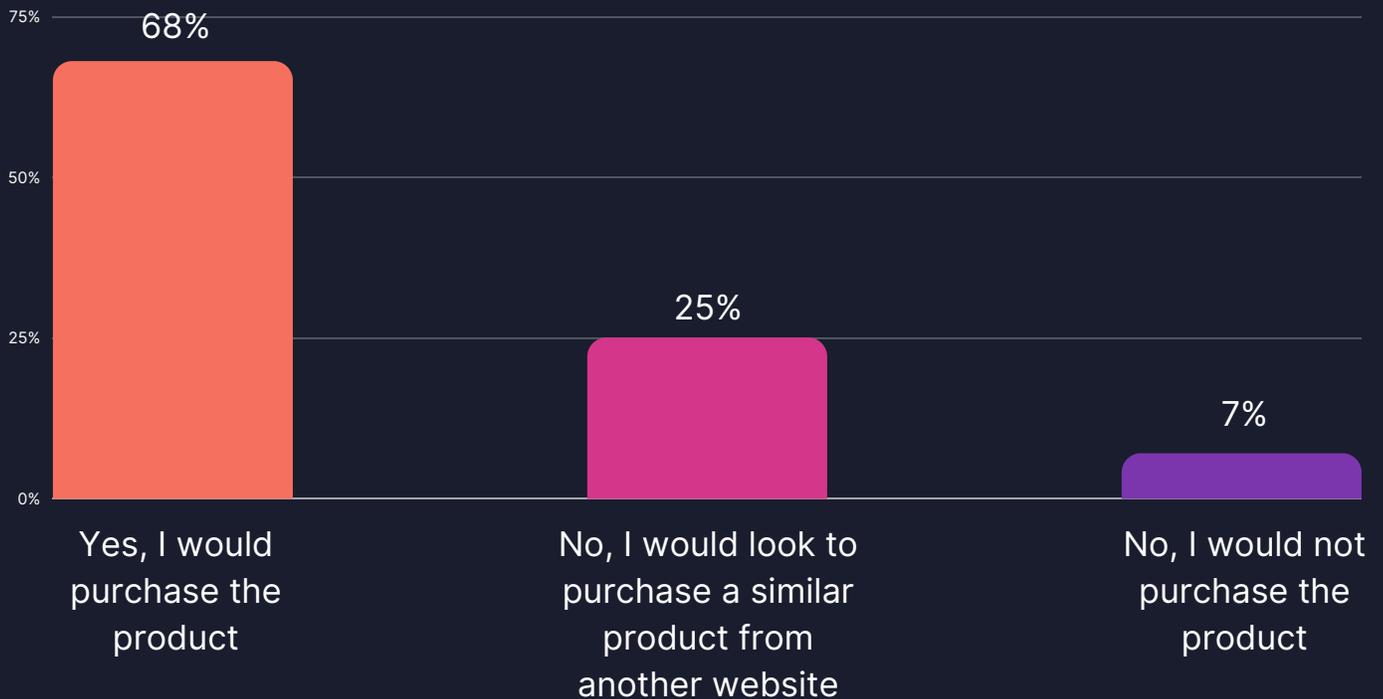
When a brand offers protection plans on their products, how does that affect where you shop?



32% OF SHOPPERS

would not make a purchase if a brand didn't offer protection plans

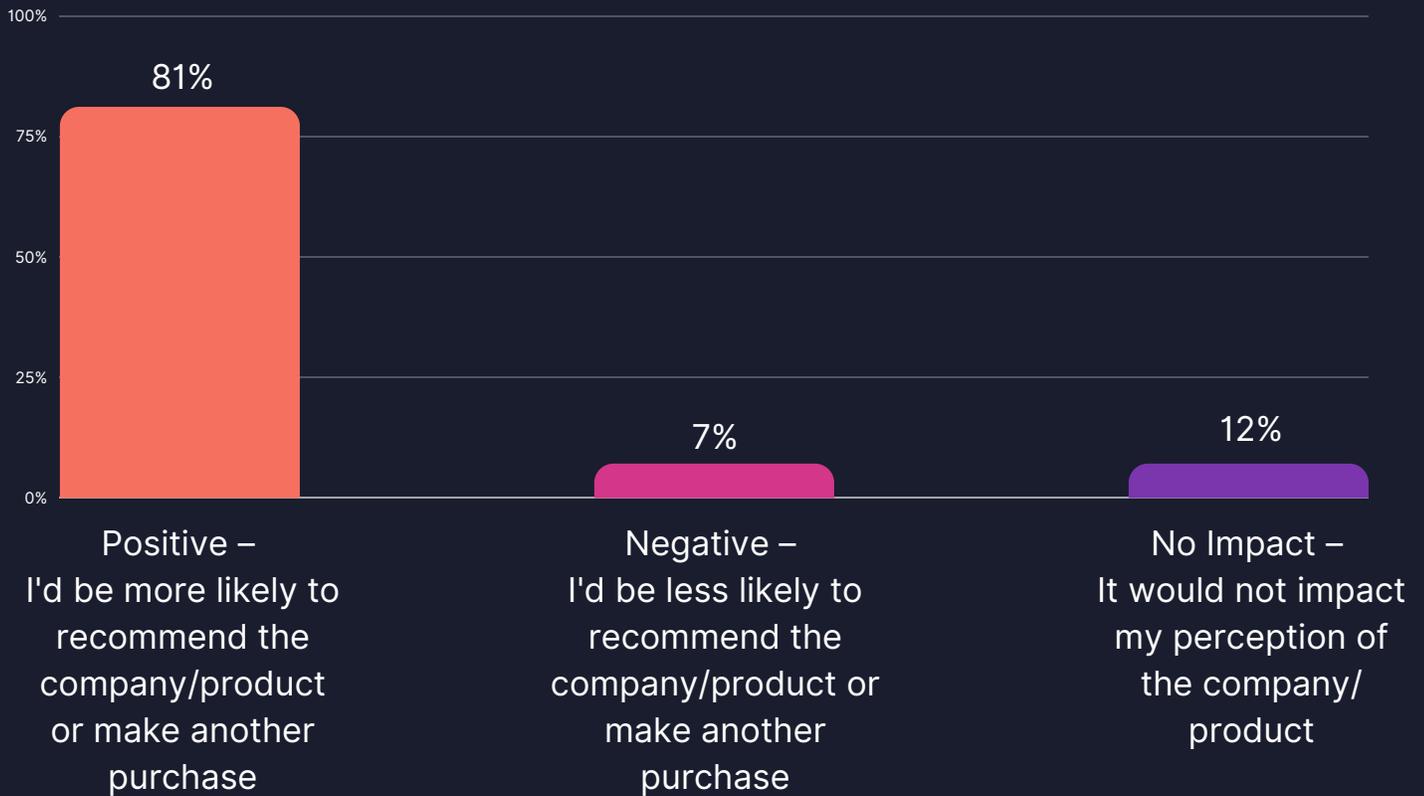
When shopping for a high priced item (\$200+), if the website does not offer extended warranty options, would you still purchase the product?



81% OF SHOPPERS

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

If you had a positive experience with a product warranty claim, how would that impact your perception of the retailer's brand?





WARRANTY VALUE

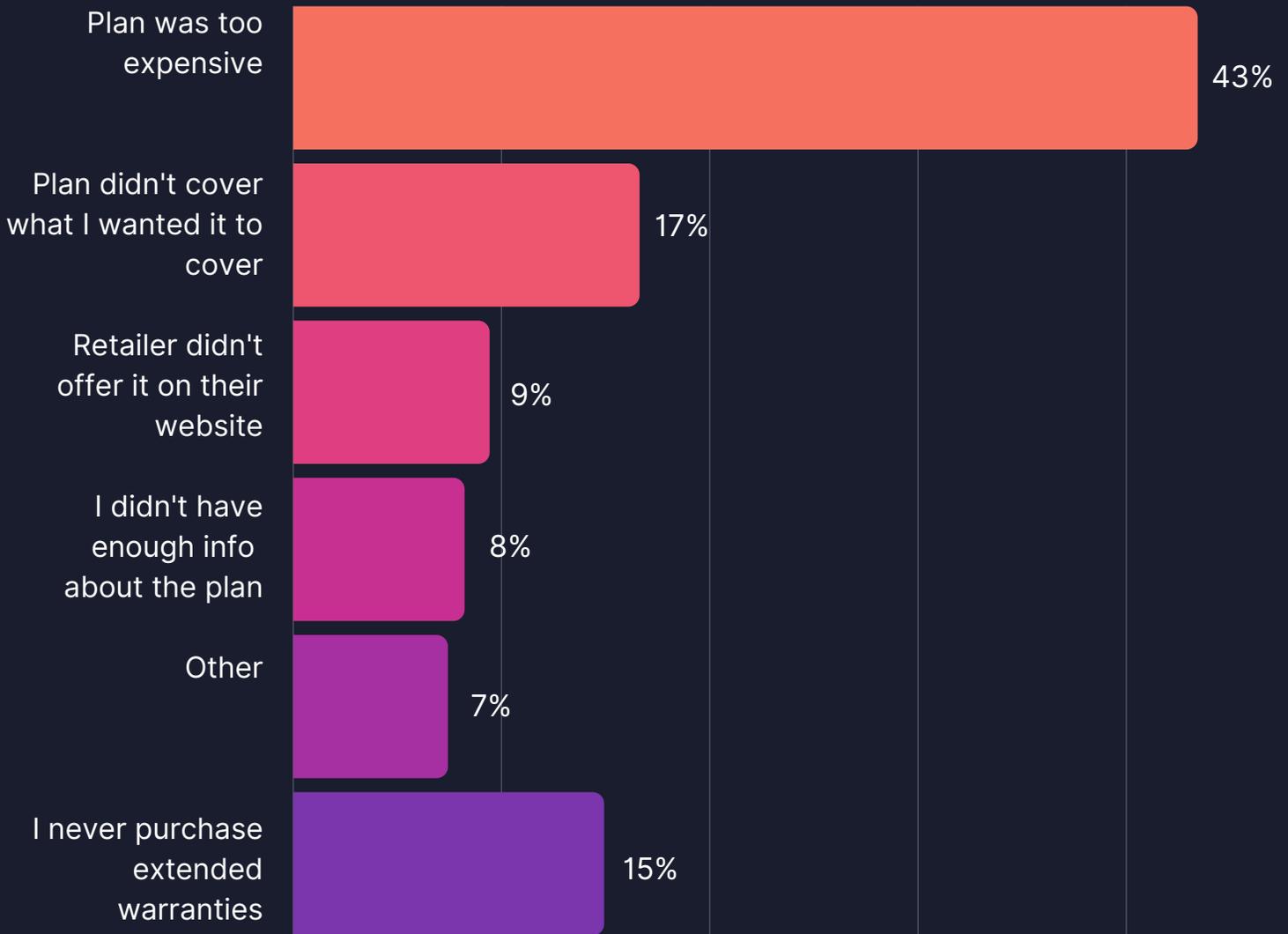
What matters most when buying product protection, and to which shoppers?



THE #1 DETERRENT

to buying product protection is the price of the plan—it's too expensive

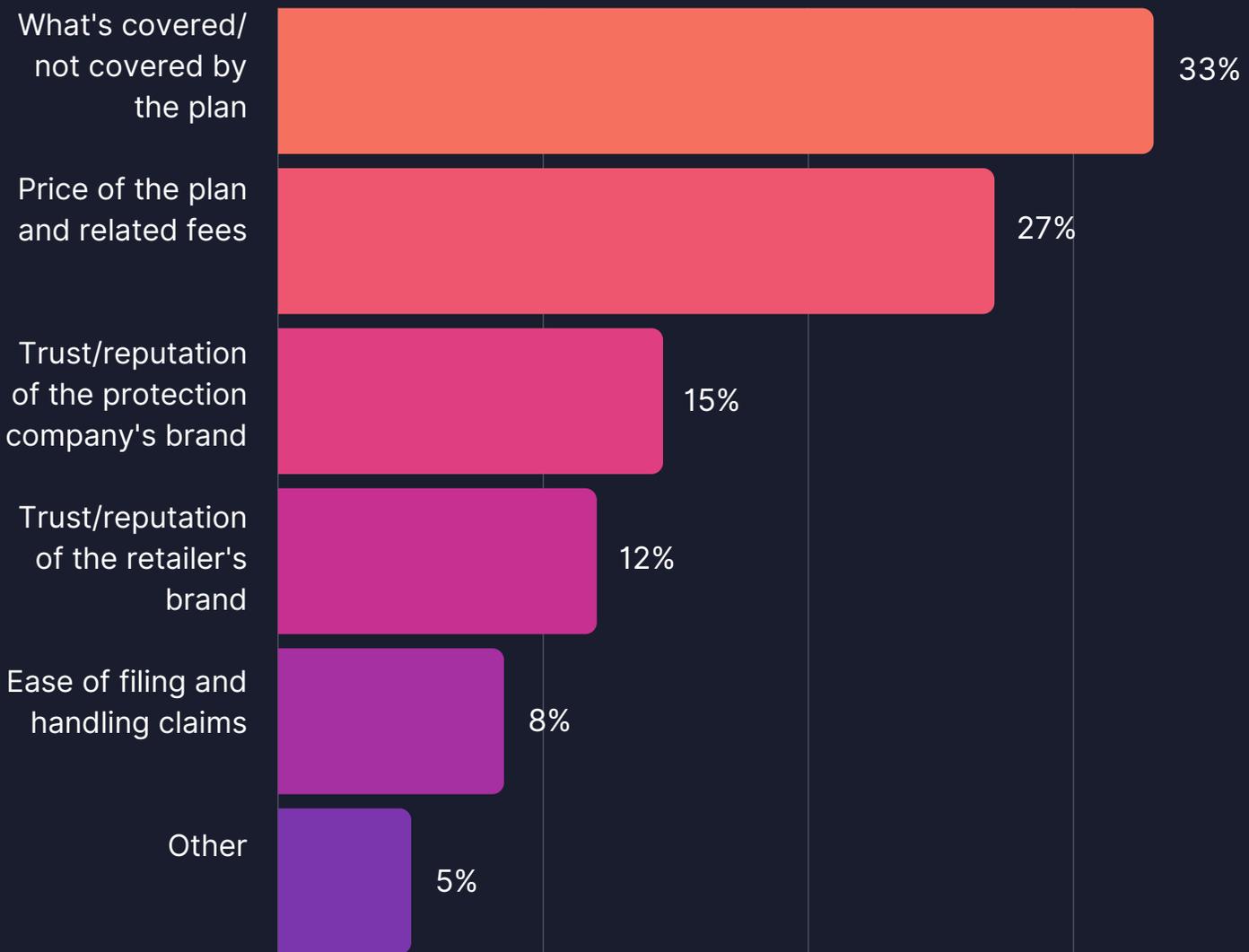
What is your primary reason for not purchasing an extended warranty?



PRICE & COVERAGE

matter most when buying a product protection plan, more than brand trust

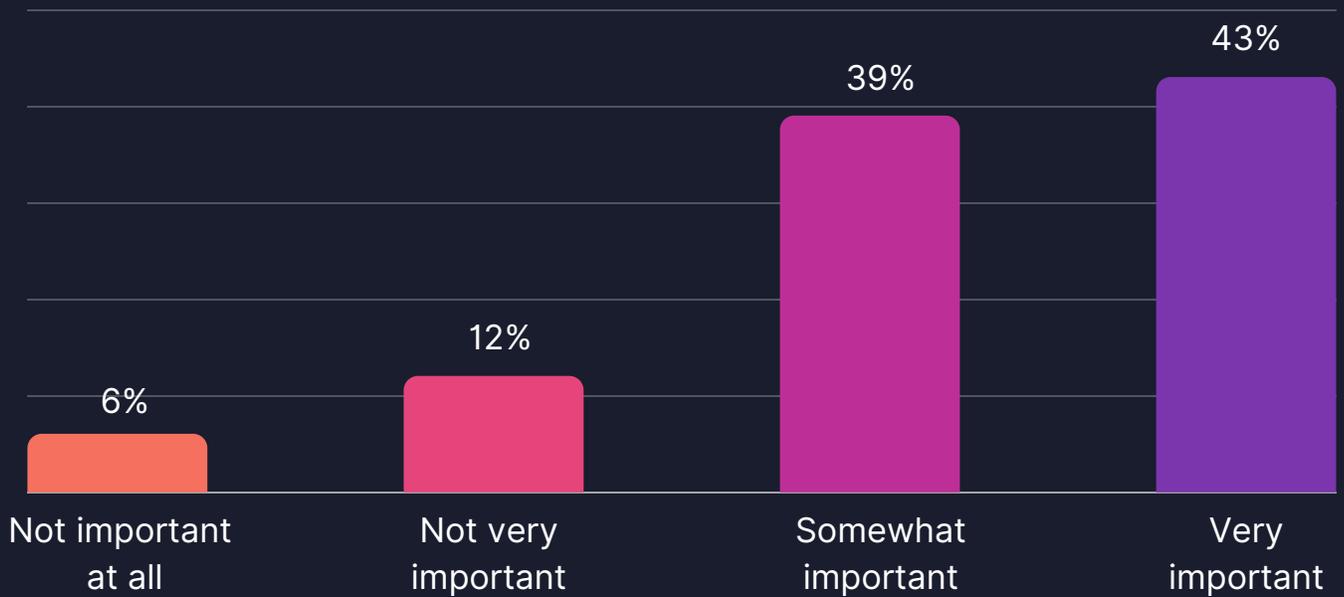
What's most important to you when choosing to buy a protection plan for a product purchased on a retailer's website?



82% OF SHOPPERS

say it's important that the manufacturer offers a limited warranty

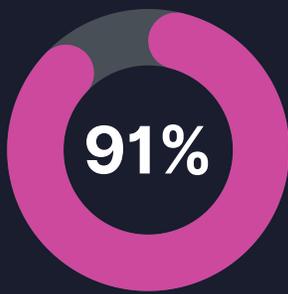
How important is it to you that the manufacturer offers a limited warranty included with a significant product purchase (product > \$200)?



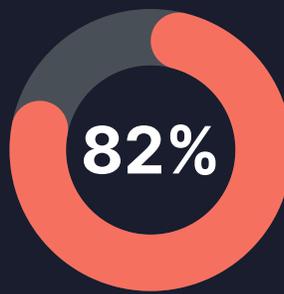
PARENTS

of children or pets are more likely to buy product protection plans

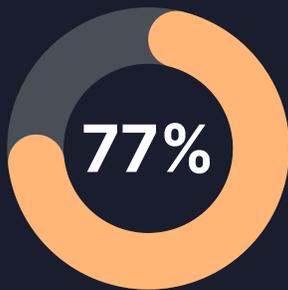
Likelihood to purchase an extended warranty for a relevant product (e.g. electronics, furniture, appliances, sporting goods, jewelry)



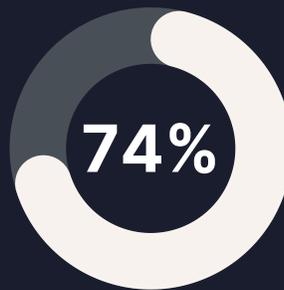
Have Kids



Have Kids & Pets



Have Pets



Have Neither

WHAT NEXT?

When it comes to winning over customers, product protection can be a significant benefit that not only results in a purchase but also builds a long-term relationship.

Brands that find the right mix of comprehensive coverage, compelling price points, and a great claims experience will be able to win—and keep—loyal customers.

To learn more best practices for offering product protection plans, visit the Mulberry blog at getmulberry.com/resources

To learn more about partnering with Mulberry for a best-in-class product protection program that drives loyalty and revenue, visit getmulberry.com/retailers



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