

Socio-demographic profile of Comet's customers

1. Comet produced an analysis of the profile of its EW customers and DEG customers based on transactions over £100 occurred between February 2001 and January 2002. The information is calculated on the basis of the number of individual households that buy DEGs (a total of [X] households) and the number of individual households that buy EWs (a total of [X] households) from Comet. Comet explained that it was not able to produce a breakdown of DEG and EW sales calculated on the basis of either the number of units sold or sales values. Comet explained that, in this data it is possible that:

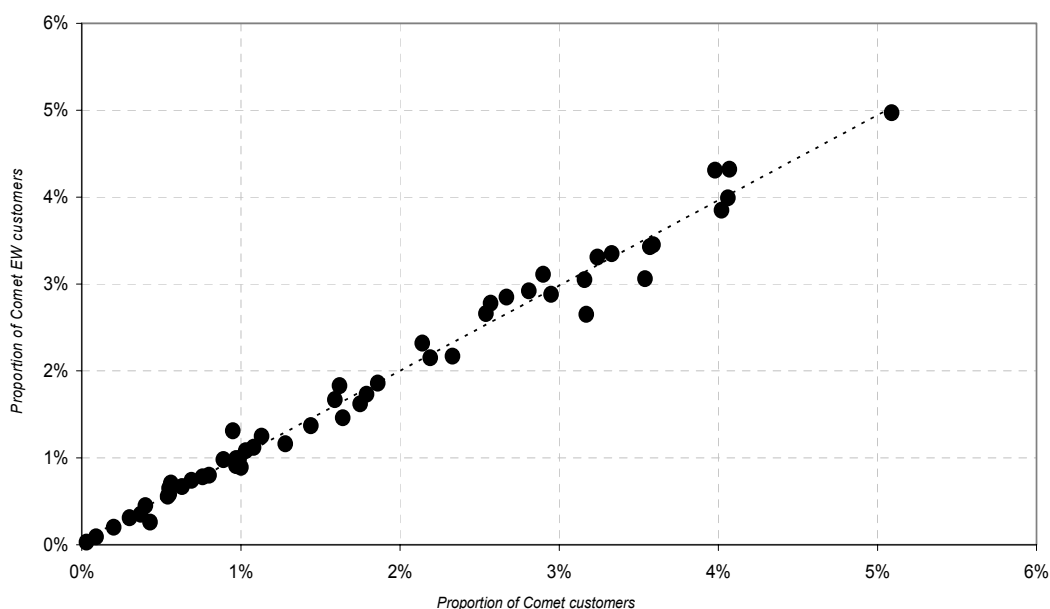
- Some households buy multiple DEGs.
- Some households buy multiple DEGs and multiple EWs.
- Certain households may buy several DEGs but EWs for only some of them.

2. Comet categorized the data on the households that buy DEGs and EWs from them in order to allocate each household to one of 54 socio-economic groups as defined by Experian's Mosaic database.

3. In Figure 1 each socio-demographic group is represented by a dot. Comet said that there was a correlation over 99 per cent between the proportion of households in each group that bought DEGs and the proportion that bought EWs.

FIGURE 1

Composition of Comet DEG households and EW households for the total population



Source: Comet.

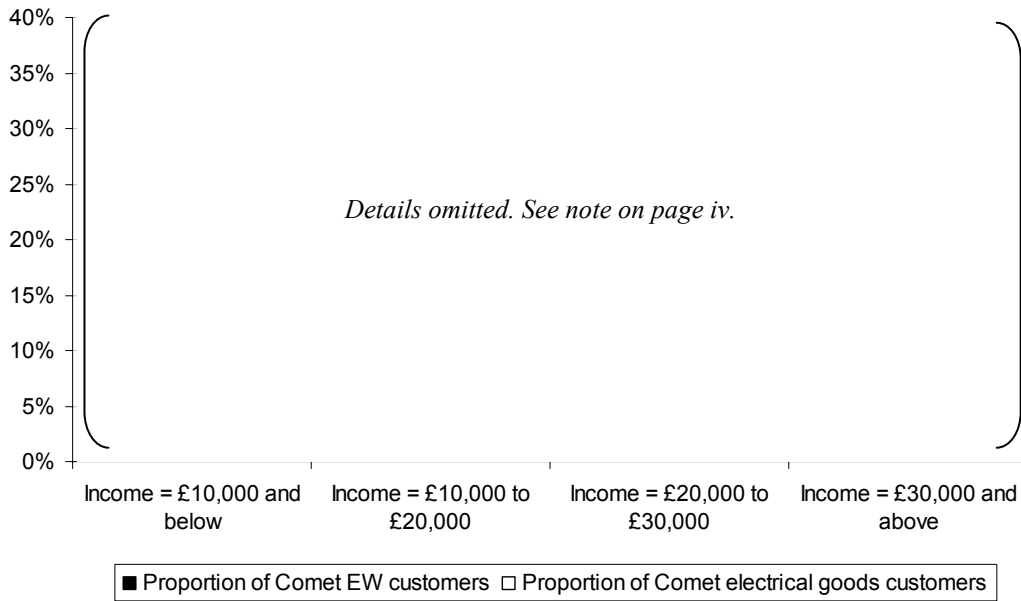
Note: Correlation between proportion of Comet EW customer and DEG customers: 99.2 per cent.

4. Figure 2 shows the proportion of Comet EW households in each income band for the total population. The proportion of total households that buy Comet EWs in the various income bands is broadly

similar to the proportion of households that buy DEGs in those income groups. Although there is a detectable difference of EW take-up with income, EW take-up rates for households with income below £30,000 were only [X] per cent higher (EW take-up rate was [X] per cent) than for households with a higher income (EW take-up rate was [X] per cent). This difference is statistically significant (Comet did not think the statement of the difference being statistically significant was appropriate, as it had not had evidence presented to it for consideration.)

FIGURE 2

Proportion of Comet EW households in each income band for the total population



Source: Comet.

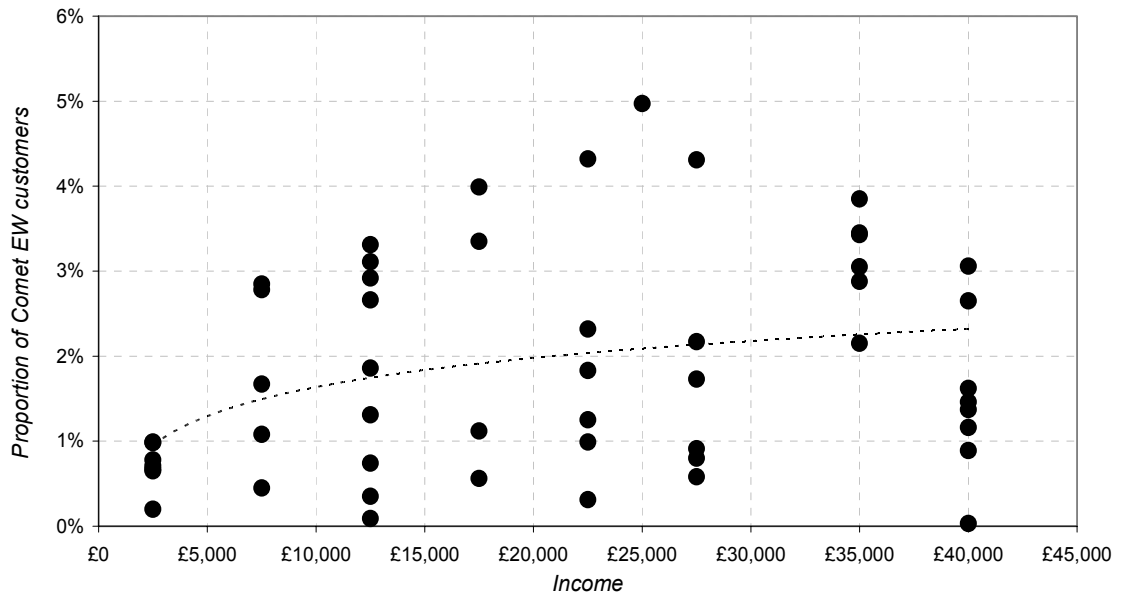
5. Figure 3 compares the composition of Comet’s EW households with its estimated average income band. Each dot represents one of the various socio-economic groups and shows:

- (a) the estimated income level; and
- (b) the proportion of all households that buy EWs accounted for by that group.

6. There appears to be no systematic relationship between the proportion of EW customers and income group. Some high-income groups are responsible for a large proportion of EW sales, others for a small proportion. The same happens for lower-income groups. Households with very low incomes (below £5,000) represent a small proportion of Comet EW households. The group that represents the highest proportion of Comet’s EW households has an average income of £25,000.

FIGURE 3

Composition of Comet EW households by average income level for the total population



Source: Comet.