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LendingTree Survey Finds Bargain Hunting Ends When It Really Matters

Americans spend considerable effort to save money but only 1 in 3 always look for better loans

CHARLOTTE, N.C., Oct. 7, 2015 /PRNewswire/ -- In a nationally representative survey of 1,024 American consumers, LendingTree® found that 79 percent of Americans considered themselves bargain hunters and 92 percent of consumers have researched prices online before purchasing an item. However, when consumers were asked how often they looked for better prices when shopping for [major financial loans](#), such as a mortgage or an auto loan, less than one-third, only 30 percent, of survey participants stated they always look for the best rates. Roughly 18 percent stated they never search for better rates or prices on loans.



Comparison shopping for loans presents greater opportunity for consumers to realize substantial savings than for most other consumer transactions, yet most consumers do not avail themselves of available tools to shop around for the best deal or research available options.

"It's an interesting phenomenon. Consumers are generally very savvy with their shopping behavior when it comes to day-to-day purchases and material goods. But, once it comes to a major financial investment, we don't see the same rational pattern of behavior and mentality for saving," said Andrea Woroch, LendingTree's consumer savings expert. "Consumers may be too focused on price or the monthly payment and fail to consider the lifetime cost of interest which can add up quickly. Over a five-year auto loan, or thirty-year mortgage, a one percent difference between interest rates can easily translate to thousands of dollars."

Generally, consumers want, and are very willing, to shop for the best price. Over half of Americans, 56 percent, state they have visited multiple stores to compare prices on a particular item. About 83 percent of Americans have used a comparison shopping website such as Amazon, Priceline, or Expedia. Yet, among those who do comparison shop online, only 14 percent comparison shop loan products. This list breaks down the frequency of which consumers regularly use online shopping sites for goods and services.

Frequency Which Consumers Regularly Use Comparison Shopping Websites For

Good or Service	Frequency
Electronics	67.63%
Flights/Airfare	67.50%
Hotels	63.82%
General Merchandise	51.13%
Appliances	45.79%
Clothing	36.30%
Loans (Any: personal, mortgage, auto, etc.)	14.23%

Americans are willing to shop around, even for small monetary amounts. Over 80 percent of consumers stated they would go out of their way to save ten cents per gallon on gas. Yet, only 17 percent of car owners negotiated the interest rate when [financing a newly purchased vehicle](#).

"There could be a number of causes for this irrational behavior and it may vary among types of consumers," Woroch continues. "One is simply that many Americans don't understand the long-term costs associated with compounding interest and the time-value of money. Another possibility is that consumers are uneducated about loan shopping and the importance of [comparing](#)

[interest rates](#) before financing a purchase. It's easy to become emotionally involved with the purchase itself or to find the loan process so frustrating that you would rather finalize the purchase instead of shopping around. Unfortunately, consumers are becoming accustomed to paying a premium for convenience on a variety of products we purchase every day, such as bottled drinks for example. But is the convenience of not shopping for loans really worth thousands of dollars? Perceived convenience is a major trap consumers can fall into, but with technology improving our ability to find the best deal, saving money on your major finances is just as easy as online shopping."

LendingTree looked at further consumer data to calculate the amount of money consumers could be losing by not comparison shopping mortgages. Based on the survey, about 32 percent of home owners looked at only one mortgage rate before buying their home. However interest rates offered to borrowers often vary from lender to lender. In Q3 2015, mortgage shoppers who received offers from at least two lenders through LendingTree experienced an average rate differential of .32 percentage points between the lowest offer and highest offer, a difference of \$48.06 per month. Using this information, choosing the lowest offer could save a borrower roughly \$17,300 over the life of the loan.

To view the original release in LendingTree's press room, please visit <https://www.lendingtree.com/press-release/lendingtree-survey-finds-bargain-hunting-ends-when-it-really-matters>.

Methodology

The 2015 LendingTree Consumer Shopping Behavior Survey was conducted online within the United States by SurveyMonkey on behalf of LendingTree between April 13 and April 19, 2015 among a nationally representative sample of 1,024 Americans ages 25 and up.

About LendingTree

LendingTree (NASDAQ: TREE) is the nation's leading online loan marketplace, empowering consumers as they comparison-shop across a full suite of loan and credit-based offerings. LendingTree provides an online marketplace which connects consumers with multiple lenders that compete for their business, as well as an array of online tools and information to help consumers find the best loan. Since inception, LendingTree has facilitated more than 55 million loan requests. LendingTree provides free monthly credit scores through [My LendingTree](#) and access to its network of over 350 lenders offering home loans, personal loans, credit cards, student loans, personal loans, business loans, home equity loans/lines of credit, auto loans and more. LendingTree, LLC is a subsidiary of LendingTree, Inc. For more information go to www.lendingtree.com, dial 800-555-TREE, like our [Facebook page](#) and/or follow us on Twitter [@LendingTree](#).

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