Electricity Consumers' Survey - Findings

December 2016

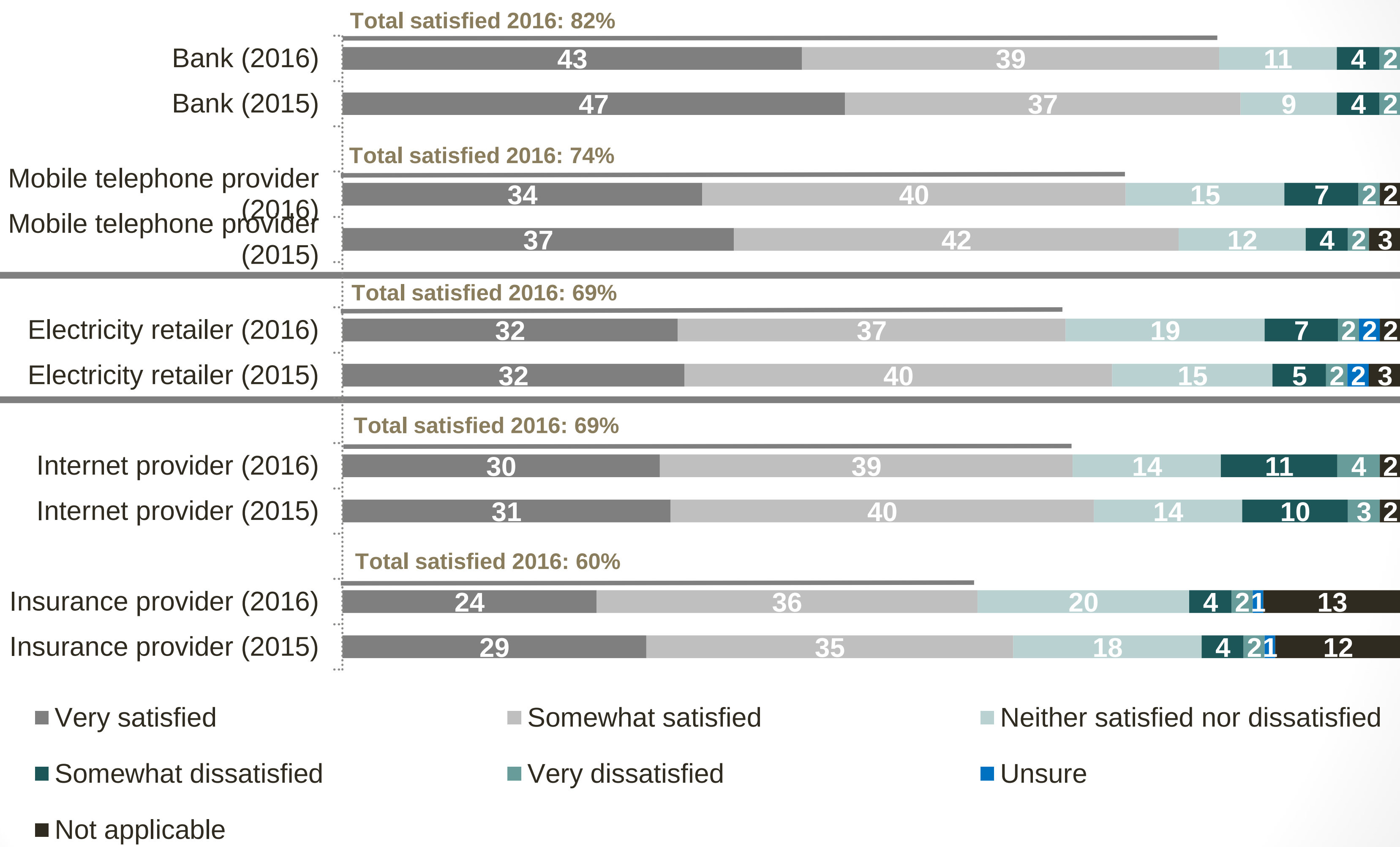
ELECTRICITY AUTHORITY
TE MANA HIKO

UMR RESEARCH

Objectives of the study

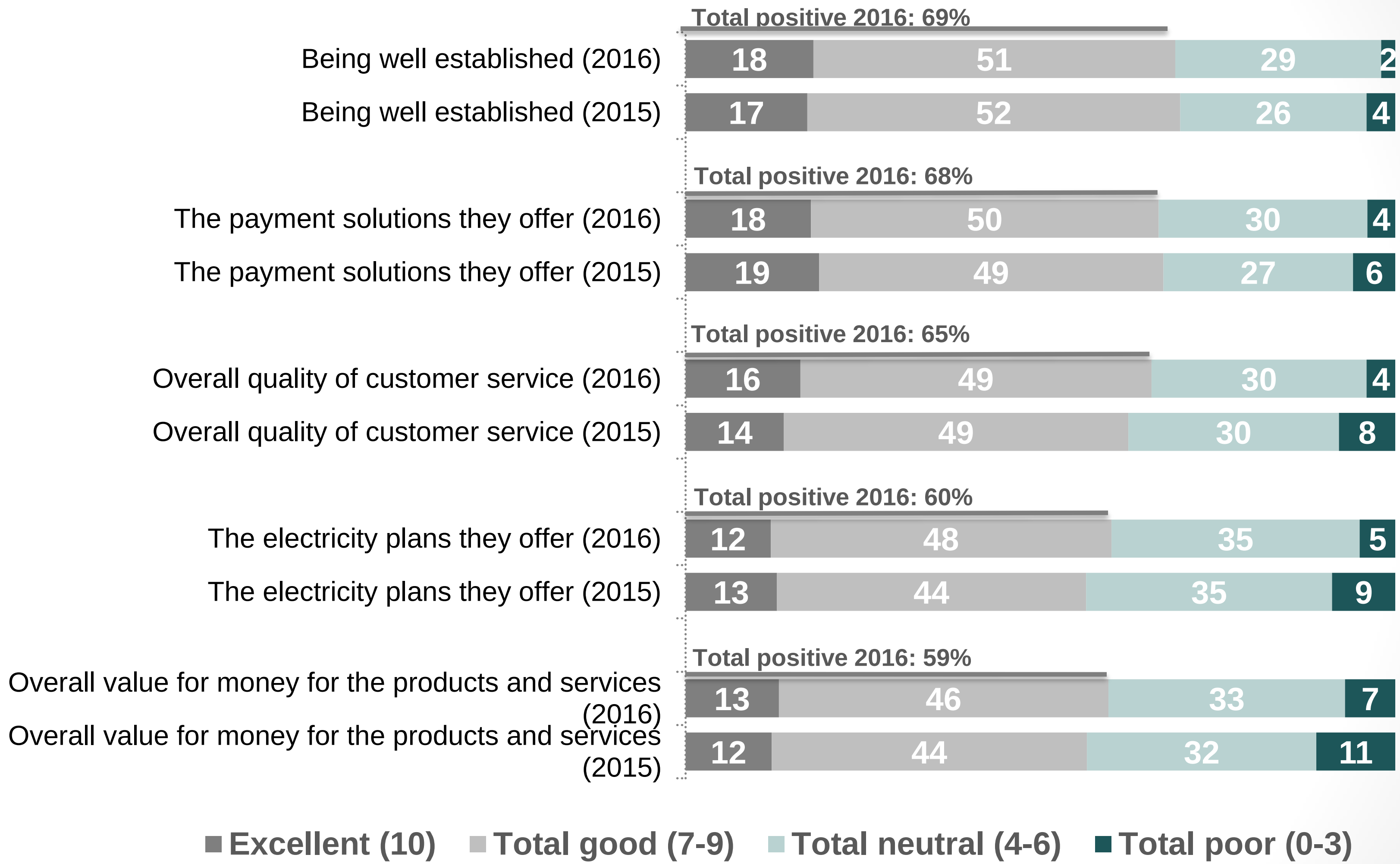
- To track key metrics that measure:
  - How consumers make choices (or decisions) regarding electricity offers', including both deals and retailer choices?
  - Why and how, consumers make decisions (or not) about their electricity provider – this includes decisions around shopping around, reviewing, and switching?
  - The key sources of information they use to make these decisions?
  - Why they make the decisions or choices observed including the decision not to shop around or switch or be engaged with the electricity market in any way?
  - What processes or tools would make decisions and choices easier?

Satisfaction with household services



Base: All respondents (n=1,200)

Electricity retailer attribute ratings



Base: All respondents (n=1,200)

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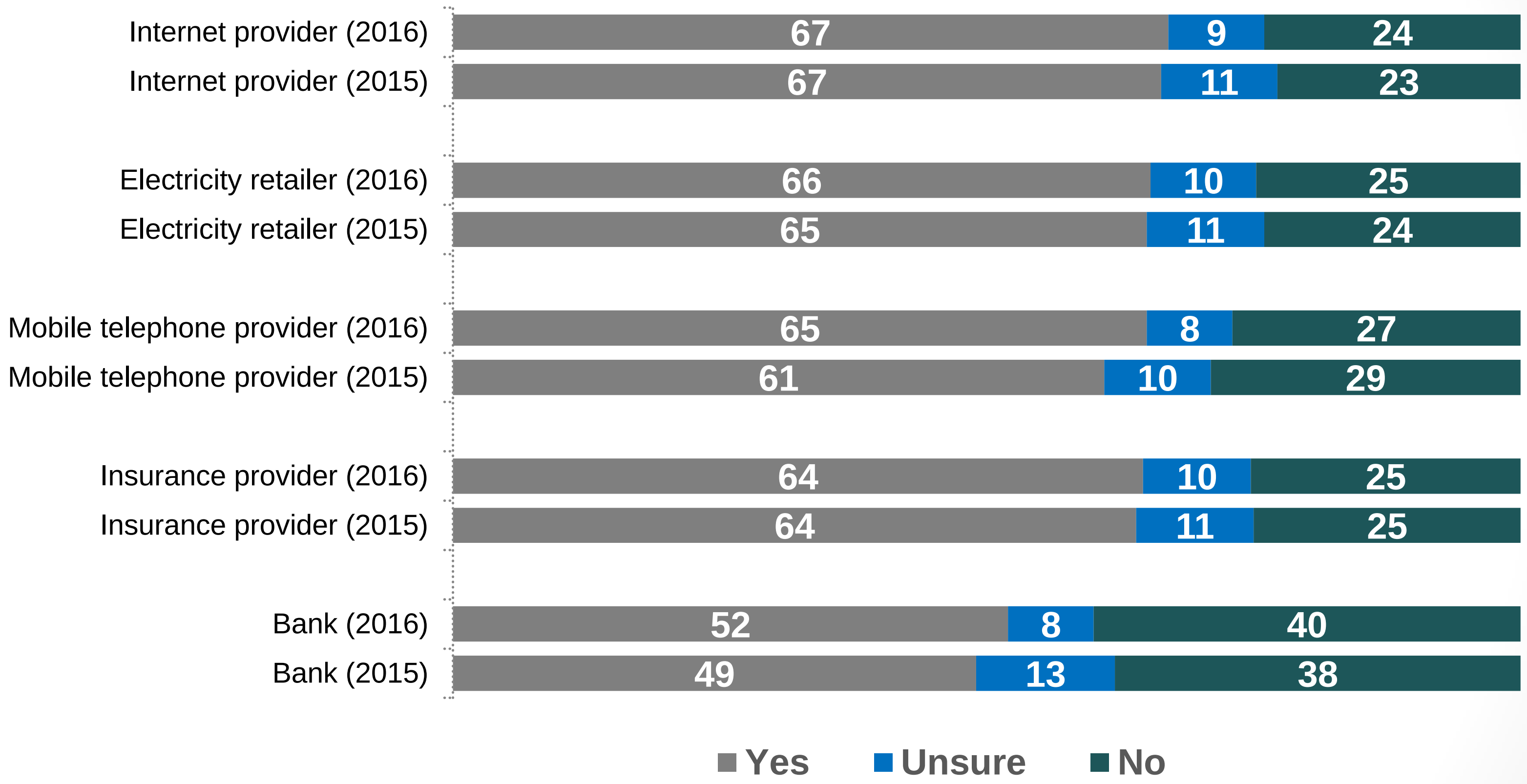
Worthwhile actively shopping around for household services



**Base: All (2016); excludes 'not applicable'. Internet provider (n=1,181), Electricity retailer (n=1,173), Insurance provider (n=1,046), Mobile telephone provider (n=1,179) and Bank (n=1,200).*
**Base: All (2015); excludes 'not applicable'. Internet provider (n=1,177), Electricity retailer (n=1,170), Insurance provider (n=1,060), Mobile telephone provider (n=1,167) and Bank (n=1,200).*

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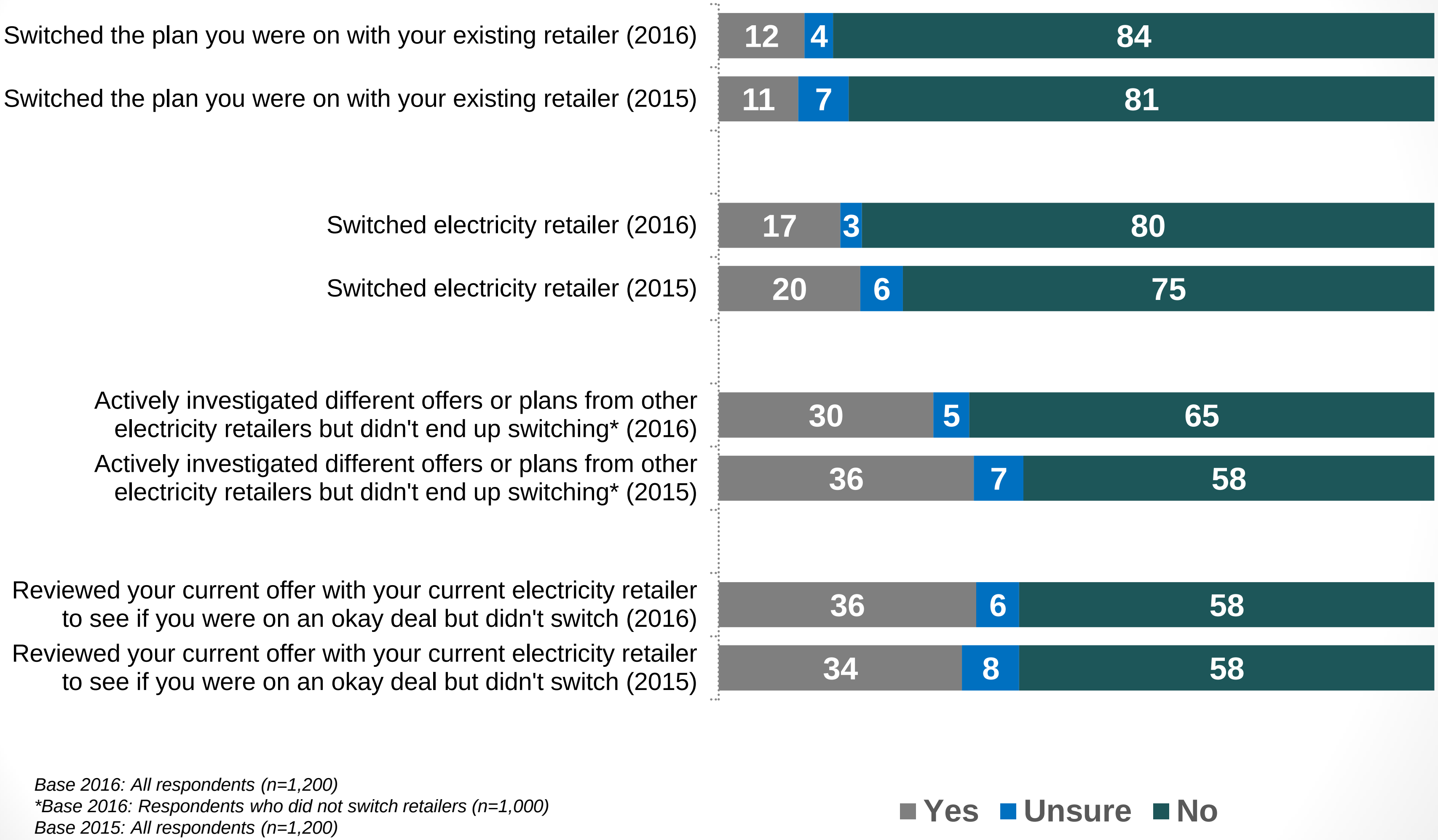
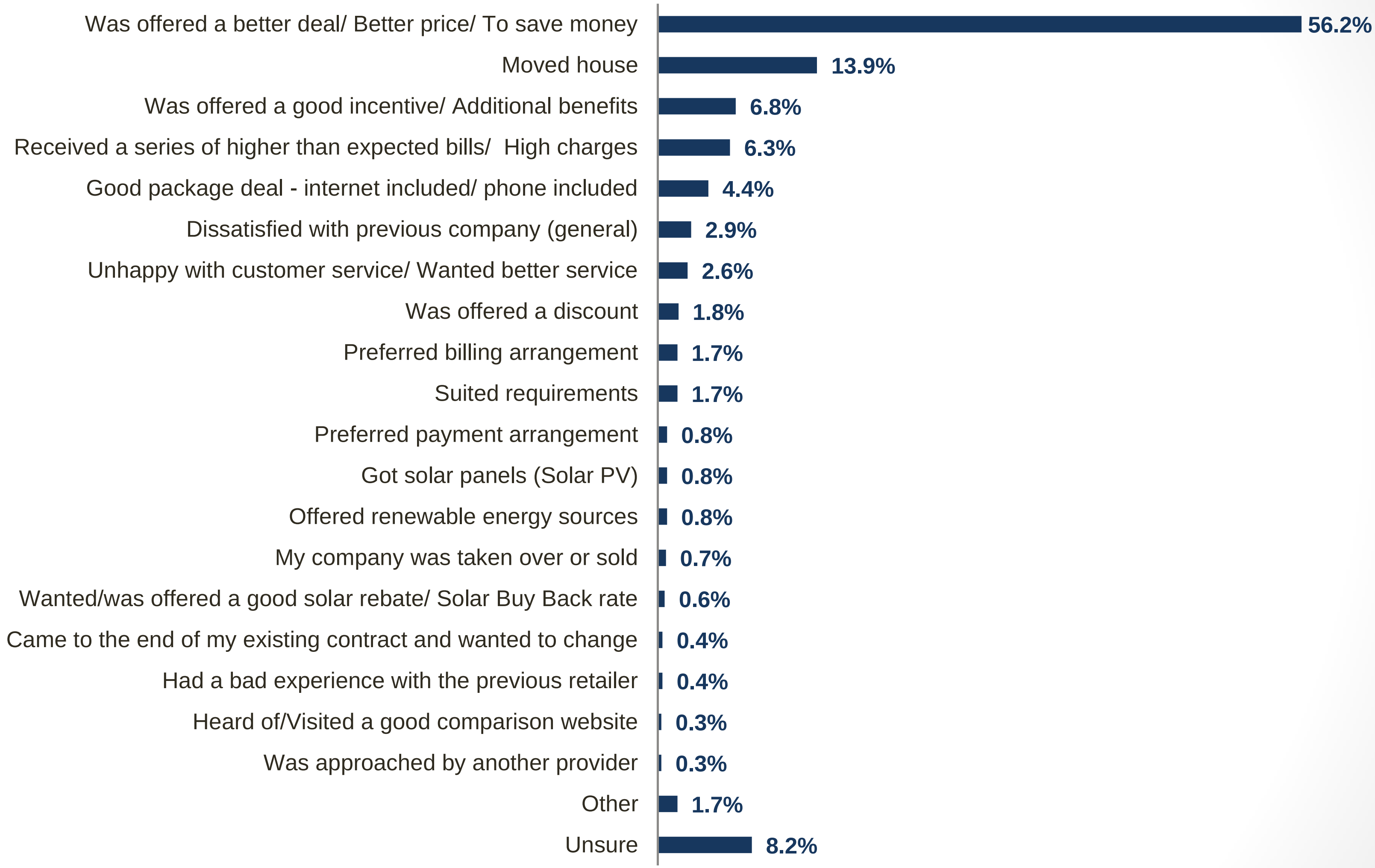
Actual behaviour - reviewing, shopping around, switching behaviour



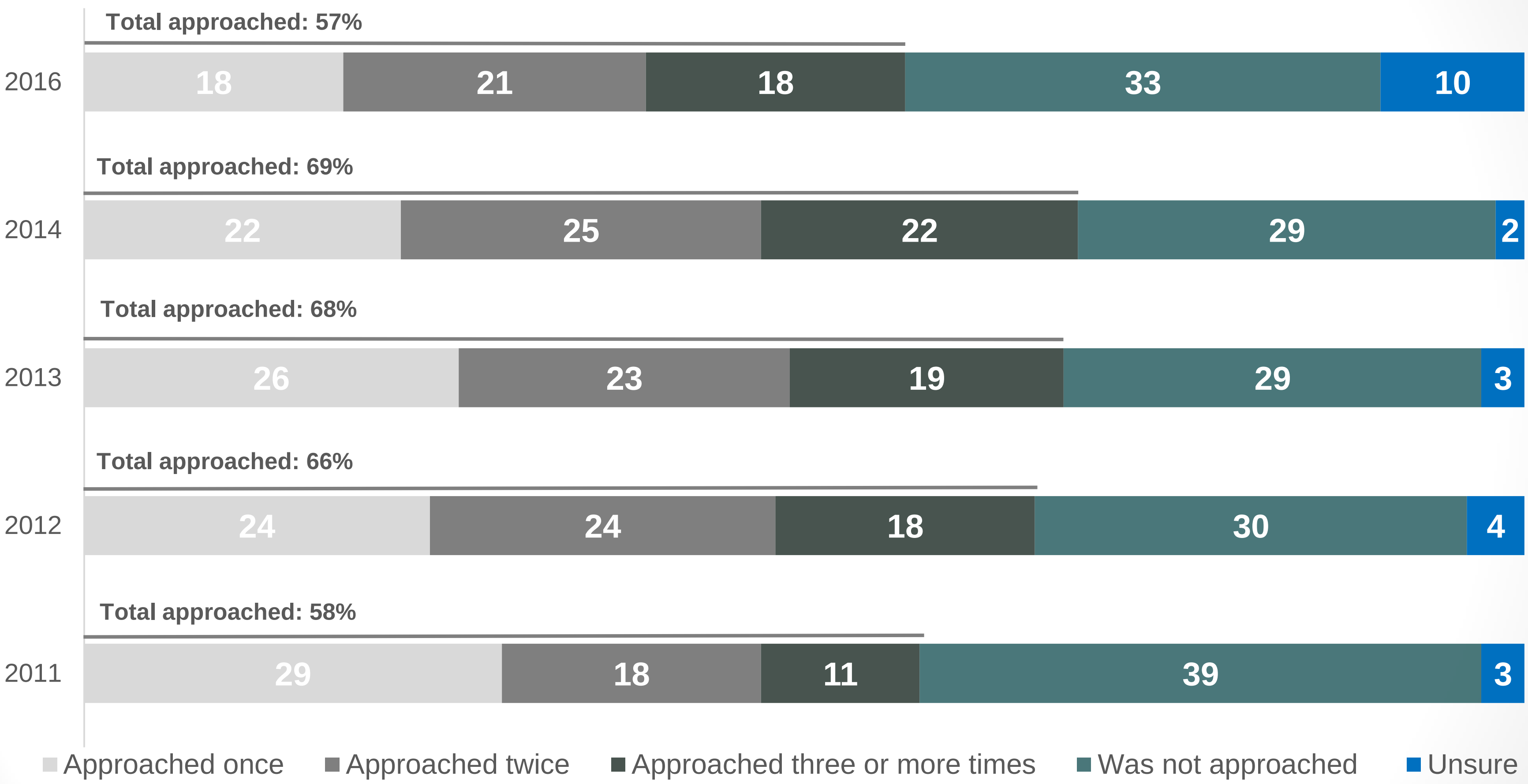
Base 2016: All respondents (n=1,200)
**Base 2016: Respondents who did not switch retailers (n=1,000)*
Base 2015: All respondents (n=1,200)
**Base 2015: Respondents who did not switch retailers (n=963)*

Reasons for changing electricity retailer or plan



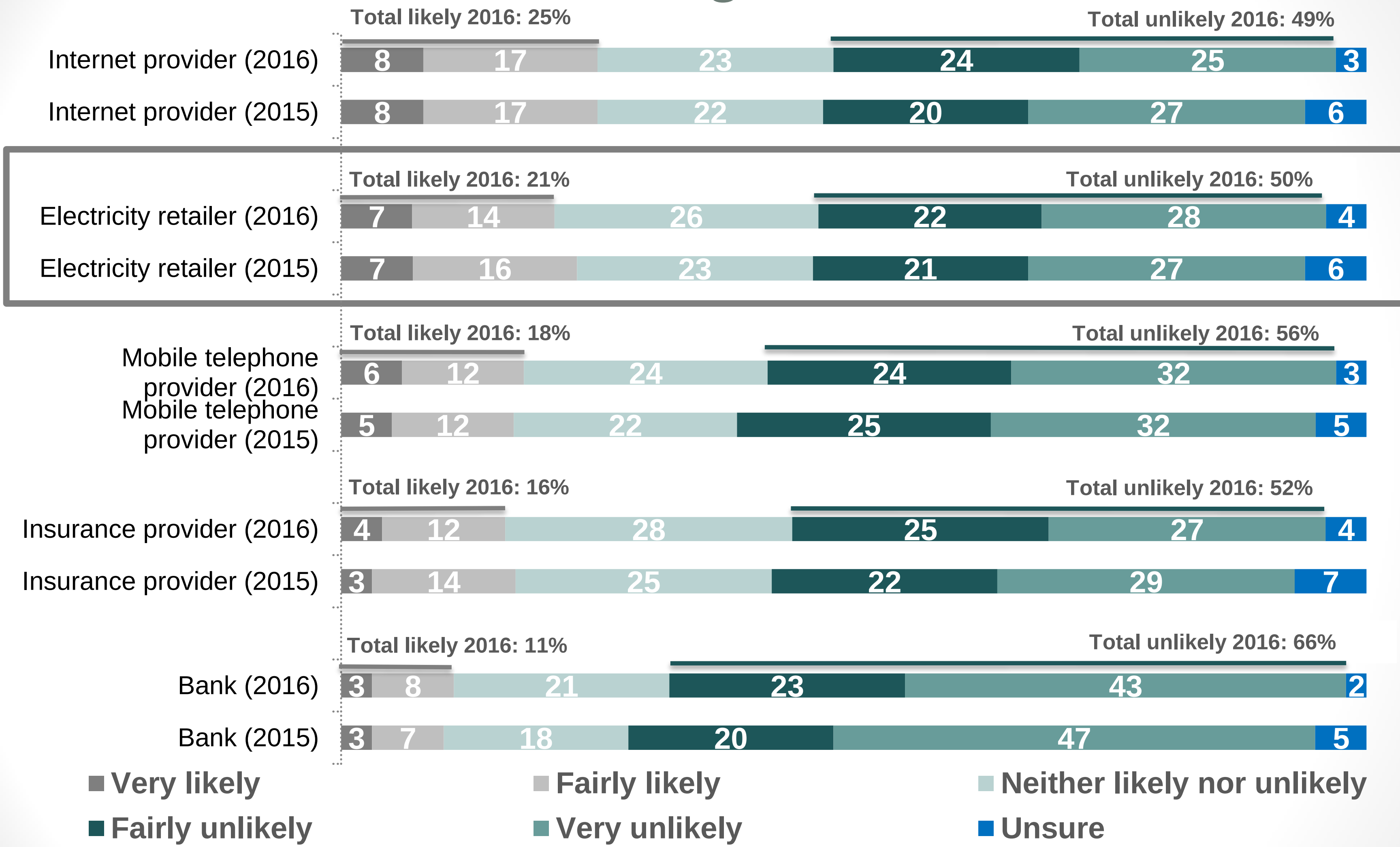
Base: Respondents who switched electricity retailer and/or switched the current electricity plan. (n=282)
Note: Multiple response question

Approached by electricity retailers to switch



2016 Base: All respondents (n=1,200)
2011-2014 Base: All respondents (n=1,000)

Likelihood of switching household services



**Base: All (2016); excludes 'not applicable'. Internet provider (n=1,181), Electricity retailer (n=1,173), Insurance provider (n=1,046), Mobile telephone provider (n=1,179) and Bank (n=1,200).*

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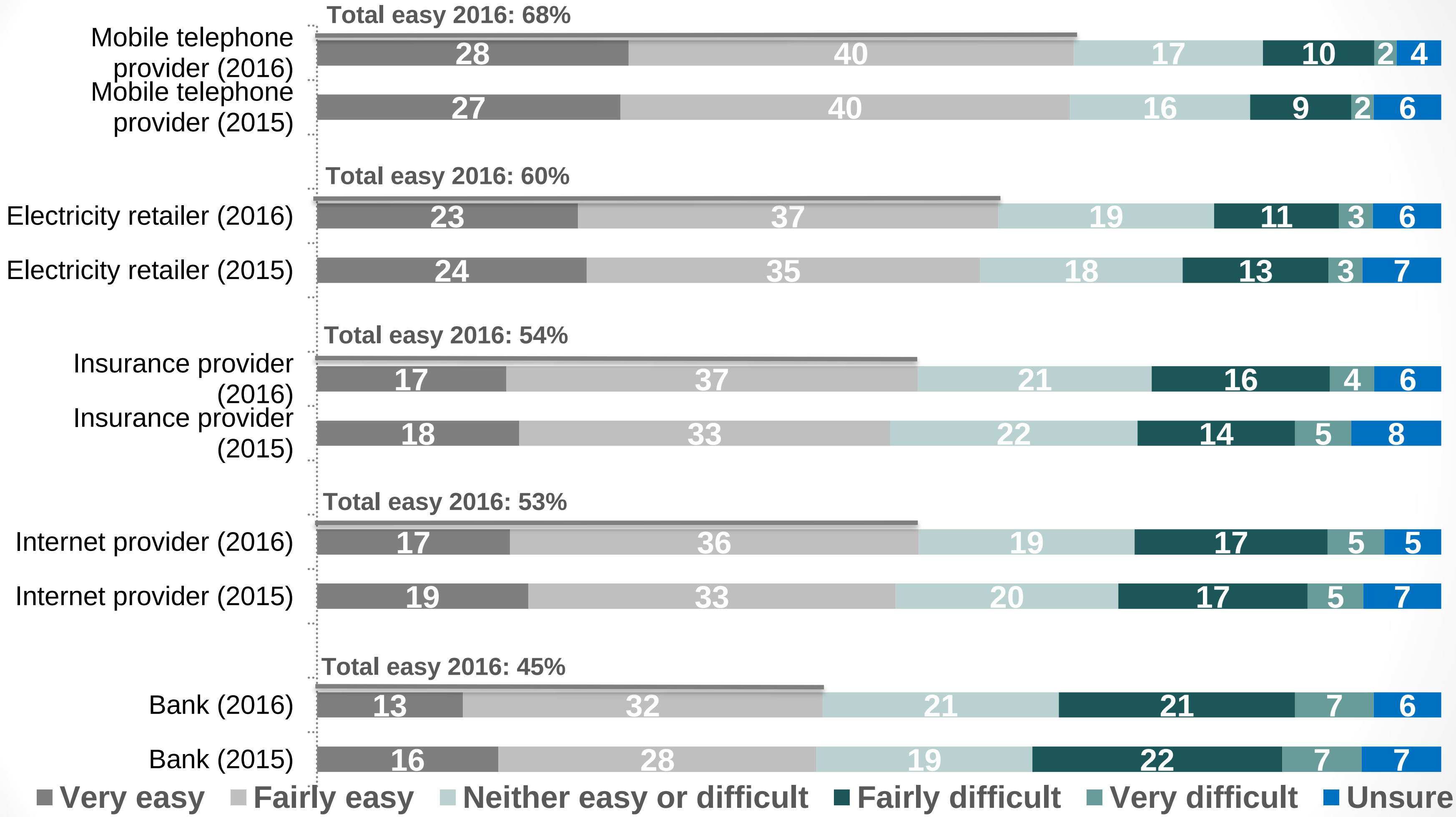
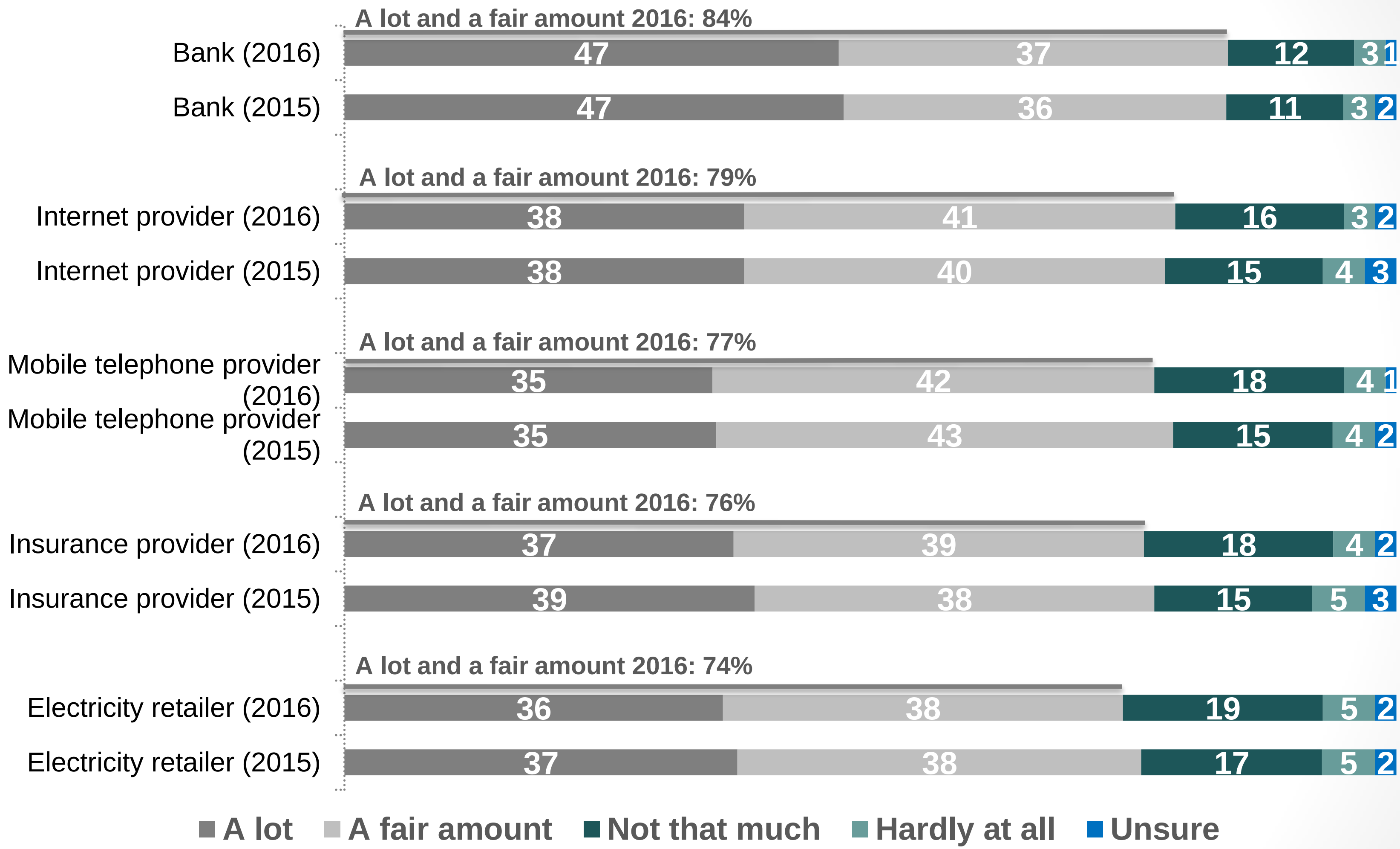
Ease of switching household services



**Base: All (2016); excludes 'not applicable'. Internet provider (n=1,181), Electricity retailer (n=1,173), Insurance provider (n=1,046), Mobile telephone provider (n=1,179) and Bank (n=1,200).*
**Base: All (2015); excludes 'not applicable'. Internet provider (n=1,177), Electricity retailer (n=1,170), Insurance provider (n=1,060), Mobile telephone provider (n=1,167) and Bank*

Level of 'care' associated with household services



**Base: All (2016); excludes 'not applicable'. Internet provider (n=1,181), Electricity retailer (n=1,173), Insurance provider (n=1,046), Mobile telephone provider (n=1,179) and Bank (n=1,200).*

**Base: All (2015); excludes 'not applicable'. Internet provider (n=1,177), Electricity retailer (n=1,170), Insurance provider (n=1,060), Mobile telephone provider (n=1,167) and Bank (n=1,200).*

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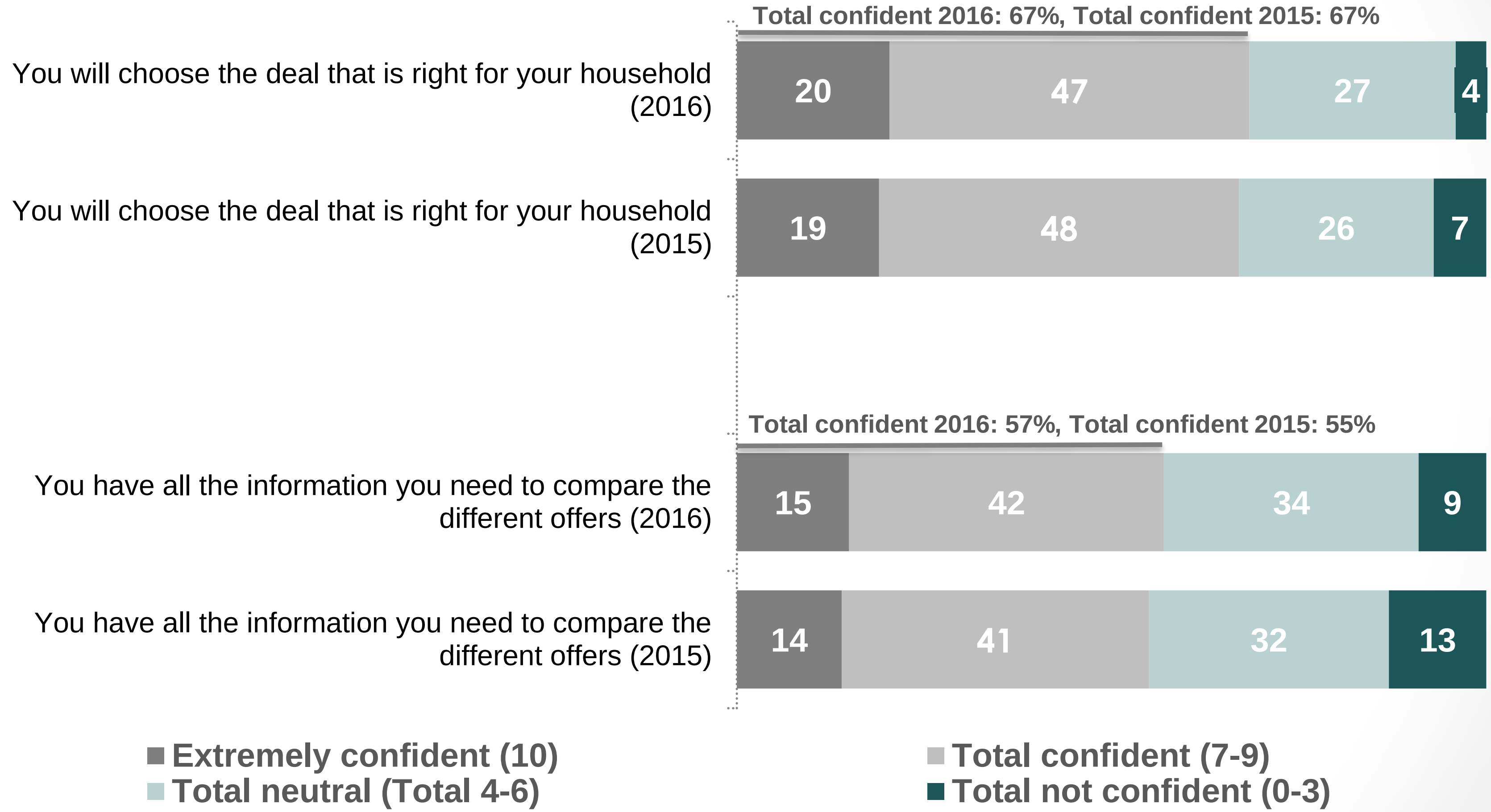
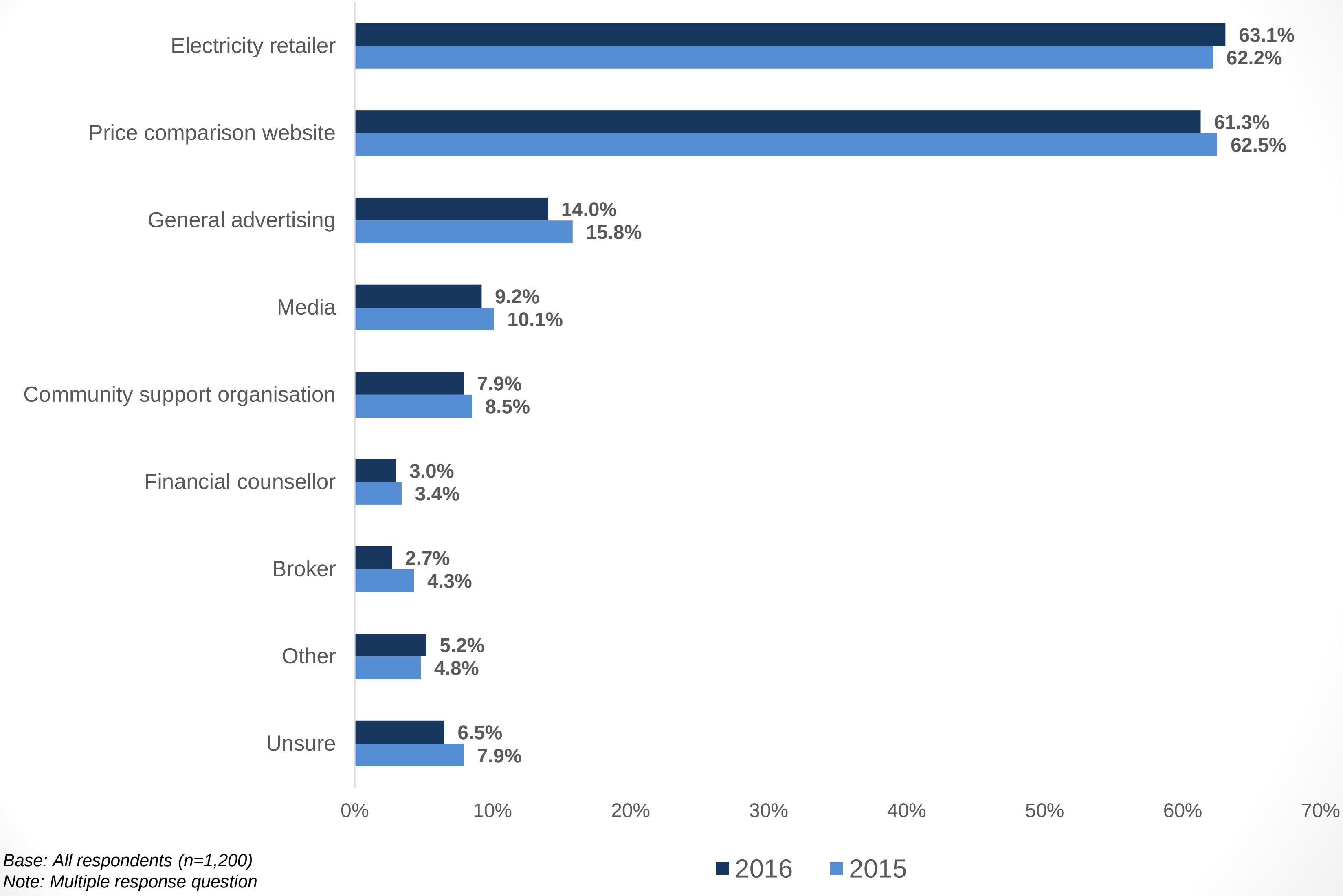
Confidence – choosing and comparing deals and offers



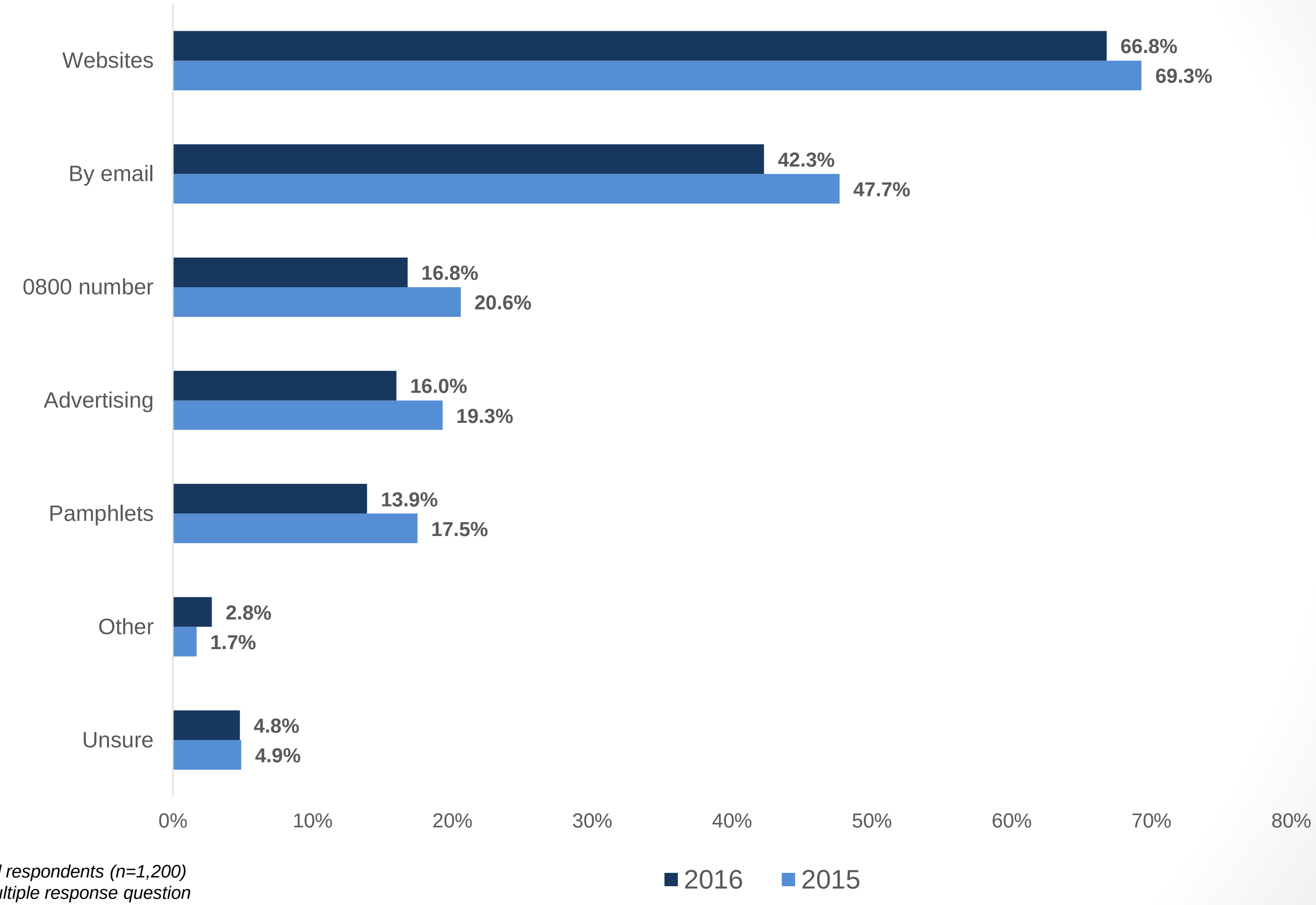
Base: All respondents (n=1,200)

Preferred method of accessing information



Base: All respondents (n=1,200)
Note: Multiple response question

Best channel to access information



Base: All respondents (n=1,200)
Note: Multiple response question

Information sources used by those who switched

Tracking

Switching

	*The last time you changed your electricity retailer or plan, which of the following information sources did you use to help with your decision?**		*Thinking about the information sources you used when changing your electricity retailer or plan, which one was most useful in helping with your decision to switch?*	
	2015	**2016**	**2015**	**2016**
Base: n=	**319**	**282**	**319**	**282**
Price comparison website	35.3	39.9	17.6	20.8
Google/general internet search	25.9	32.5	6.3	8.6
Looked at price/best price/saving	25.9	28.8	9.0	10.8
Retailer website	24.7	27.1	5.5	7.7
Received a call from a sales person	15.5	19.9	9.1	12.9
Phoned the retailer	28.6	18.8	17.9	8.3
Door-to-door sales person visiting the home	15.5	14.2	11.0	9.0
A friend or family member	17.2	13.9	6.5	4.7
Brochures/flyers and other direct mail	10.3	8.9	3.4	2.6
General advertising e.g. TV, Radio, Newspaper advertisement	10.5	8.5	2.6	2.5
Media article/advertisement segment	3.7	3.1	0.5	0.4
Community support organisation	3.2	1.4	1.3	0.4
Outdoor advertising e.g. billboards, buses	2.8	1.4	-	0.3
Financial counsellor	2.2	0.3	0.8	0.3
Other	4.4	6.2	2.0	5.8
Unsure	2.0	1.7	1.6	1.7
Did not use any information sources	8.9	3.3	5.1	3.3

Base: Respondents who switched electricity retailer and/or switched the current electricity plan.
*Note: Multiple response question

Conclusion

- Results in the latest Electricity Consumers' Survey were stable compared to 2015. Most changes were within a few percentage points and not significantly different.
- As found in 2015, all five household suppliers rated highly on satisfaction. Electricity retailers ranked second for whether it was worthwhile to actively shop around, likelihood of switching, and ease of switching, however, when asked how much they cared about the choice of supplier, electricity retailers rated lowest of the five household suppliers. This lower level of care and relatively high satisfaction, would impact on levels of shopping around and switching.
- A few changes to note - passive reviewing appeared to be increasing compared to active reviewing with 36% reviewing the deal with their current retailer but not switching (up 2%), while 30% actively investigated deals from other retailers (down 6%) but also not switching.
- Switching levels remained much the same as 2015 with 12% switching plans with their current retailer (up 1%) and 17% switching to another retailer (down 3%). However, among switchers sources of information used in decision making moved much more towards digital channels and away from phone contact. This trend was in conjunction with retailer activity declining, with around three in five respondents (57%) indicating they were approached about switching in the last two years, down 12% from 2014 when this question was last asked.

The study

- The study comprised of an online survey among a nationally representative sample of those aged 18 years and over. The sample size was n=1,200 and fieldwork took place from the 5th to the 12th of October 2016. The margin of error for a 50% figure at the 95% confidence level for a sample size of 1,200 is plus or minus 2.8%.