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Small energy retailers ahead of majors on customer satisfaction

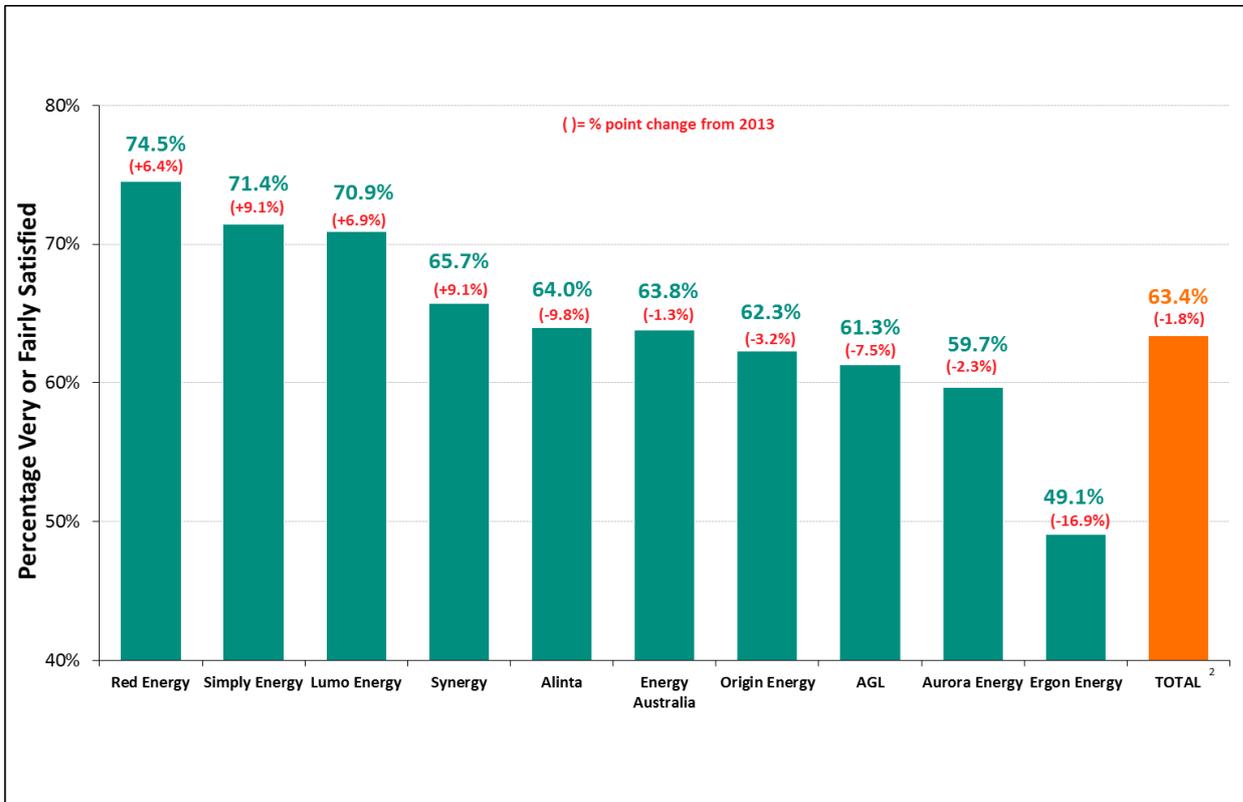
New research from Roy Morgan shows that in July 2017, the smaller electricity and gas retailers have much higher customer satisfaction than the major players. The market average satisfaction with electricity retailers is currently 63.4% and for gas it is 65.0%, with the major players in both markets being below average.

These are the latest findings from Roy Morgan's 'Customer Satisfaction-Electricity Providers Report' and 'Customer Satisfaction-Gas Providers Report' which survey over 10,000 electricity and gas consumers per annum.

Satisfaction with electricity retailers declines

Overall satisfaction with electricity retailers has fallen over the last four years by 1.8% points to 63.4% but not all providers have shown declines. The current satisfaction leader among the ten largest electricity retailers is Red Energy with 74.5% (an increase of 6.4% points since 2013), followed by Simply Energy on 71.4% (up 9.1% points) and Lumo Energy 70.9% (up 6.9% points).

Satisfaction with electricity provider – 10 largest¹ providers



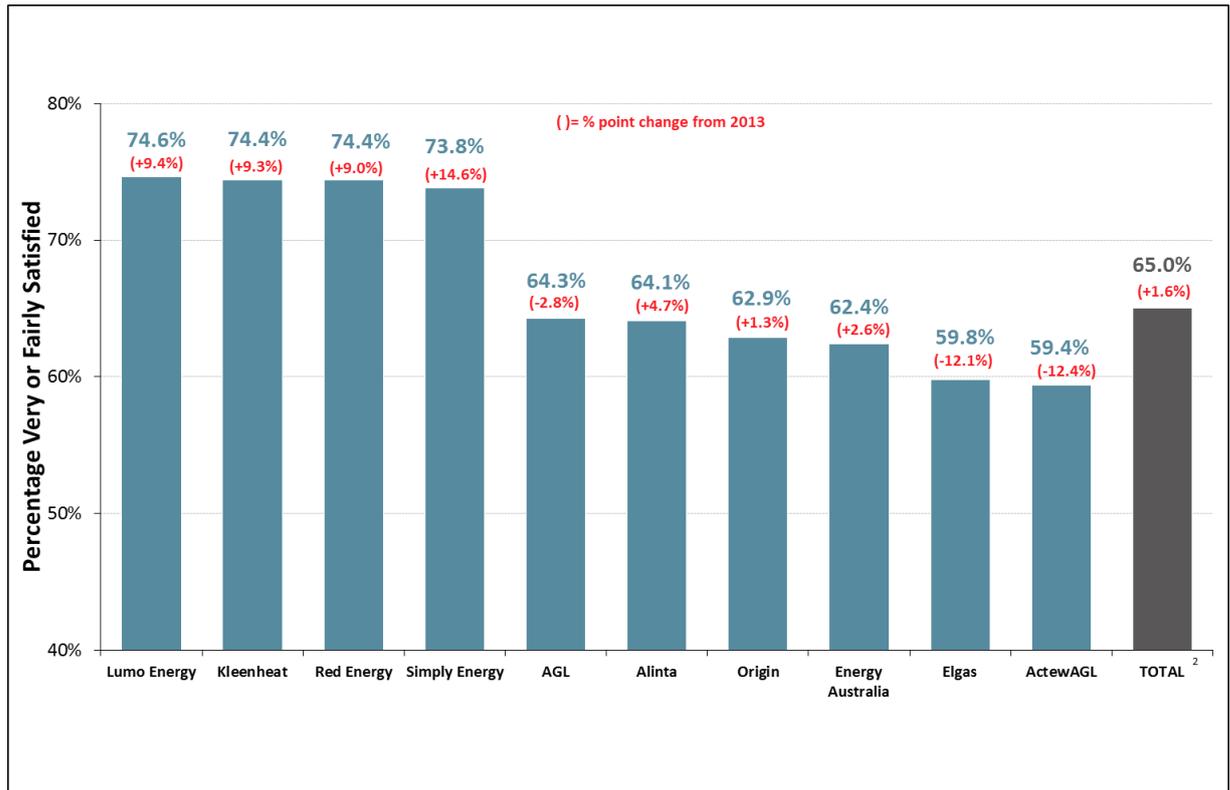
1. Based on customer numbers. 2. Includes brands not shown. **Source:** Roy Morgan Single Source (Australia). 12 months to July 2013, n= 16,465; 12 months to July 2017, n=6,383. **Base:** Australians 14+ electricity consumers.

The two largest electricity retailers (based on domestic consumer numbers) have below average satisfaction, with Origin Energy on 62.3% and AGL 61.3%, both are currently below their 2013 satisfaction levels.

Gas retailer satisfaction improves

Satisfaction with gas retailers has improved by 1.6% points since 2013 to 65.0%, with the greatest gains from Simply Energy (up 14.6% points to 73.8%), Lumo Energy (up 9.4% points to 74.6%), Lumo Energy (up 9.4% points to 74.6% and now the market leader), Kleenheat (up 9.3% points to 74.4%) and Red Energy (up 9.0% points to 74.4%).

Satisfaction with gas provider – 10 largest¹ providers



1. Based on customer numbers. 2. Includes brands not shown. **Source:** Roy Morgan Single Source (Australia). 12 months to July 2013, n= 9,507; 12 months to July 2017, n=3,706. **Base:** Australians 14+ gas consumers.

Among the four largest gas retailers, Alinta, Origin and Energy Australia showed some improvement in satisfaction since 2013 but all four currently remain below the industry average.

Norman Morris, Industry Communications Director, Roy Morgan Research says:

“The Australian government recently met with major energy retailers to emphasise that they wanted them to ensure that retailers would be offering all of their customers the best deal they could. A good measure of how well this objective is being met is to monitor customer satisfaction levels across each of the major players to understand overall trends and competitors rankings.

“There has been very little change over the last four years in the overall level of satisfaction with gas and electric retailers but the smaller providers in both markets have shown that bigger improvements are possible and as a result they have become clear leaders.

“Improving overall satisfaction in the near future is likely to present a problem, given the rapidly rising energy prices and the potential for power shortages but satisfaction can still be measured against competitors. It is ultimately relative performance and perceptions that will play a major part in customer acquisition and retention.”

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About Roy Morgan Research

Roy Morgan Research is the largest independent Australian research company, with offices in each state of Australia, as well as in Indonesia, the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan Research has over 70 years’ experience in collecting objective, independent information on consumers.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
5,000	±1.4	±1.2	±0.8	±0.6
7,500	±1.1	±1.0	±0.7	±0.5
10,000	±1.0	±0.9	±0.6	±0.4
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2

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