

Thursday, 2 August 2018

Satisfaction with gas providers declining – 1.5 million consider switching

New results from Roy Morgan show that customer satisfaction with gas providers in the 12 months to June 2018 was only 61.8%, down from 66.1% in the 12 months to June 2017. NPS® for gas providers is also at a very low minus 49.4. These low satisfaction and NPS levels account for why 1.5 million gas customers are considering switching over the next 12 months.

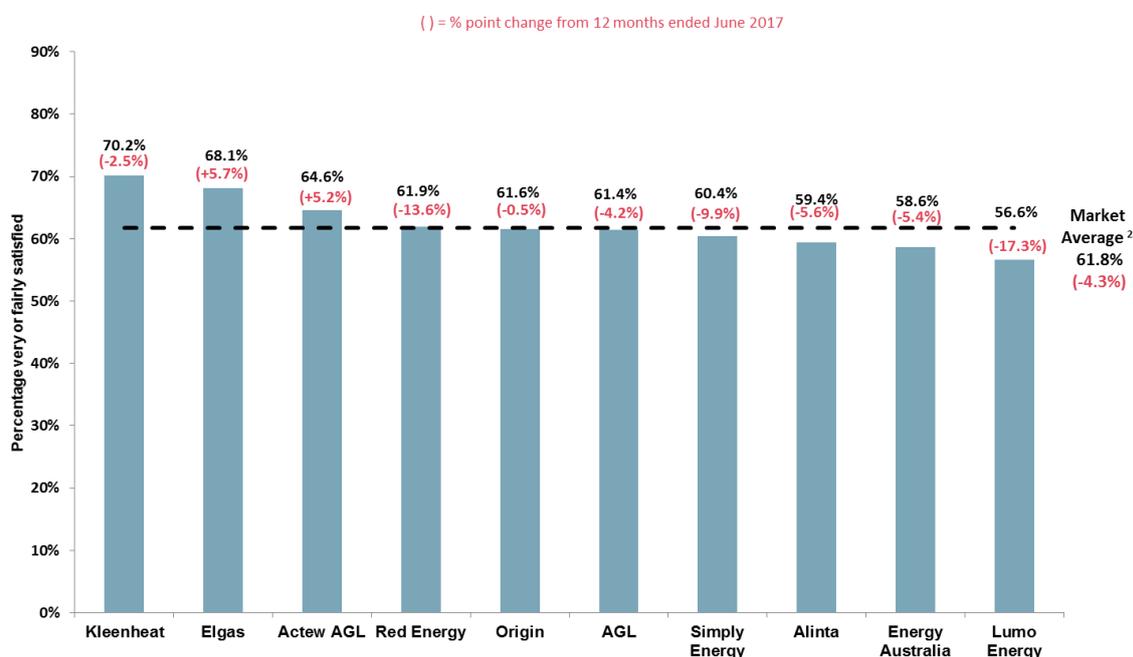
These are the latest findings from Roy Morgan's 'Customer Satisfaction-Gas Providers Report', which is based on in-depth personal interviews conducted face-to-face with over 50,000 Australians per annum in their own homes, including over 9,500 interviews with people who rated their satisfaction with their gas provider.

Kleenheat and Elgas satisfaction leaders

Kleenheat has the highest customer satisfaction of the ten largest gas providers with 70.2%, followed by Elgas on 68.1% and Actew AGL (64.6%). There is a wide range of satisfaction levels across the major players, with Lumo Energy on 56.6% being currently the lowest performer.

With satisfaction declining by 4.3% points across the total market over the last year, it is not surprising that declines in satisfaction were seen across nearly all the major players with the exception of Elgas which improved by 5.7% points and ActewAGL up 5.2% points. Both of the largest players showed declines in satisfaction, with AGL down 4.2% points (to 61.4%) and Origin down 0.5% points (to 61.6%), leaving them a little below the market average of 61.8%.

Gas Provider Satisfaction - 10 Largest¹



Source: Roy Morgan Single Source (Australia), 12 months ended June 2017, n = 50,008; 12 months ended June 2018, n=50,035

Base: Australians 14+ with gas connected. 12 months to June 2017, n=9,548 and 12 months to June 2018, n=9,979. 1. Based on customer numbers. 2. Includes brands not shown

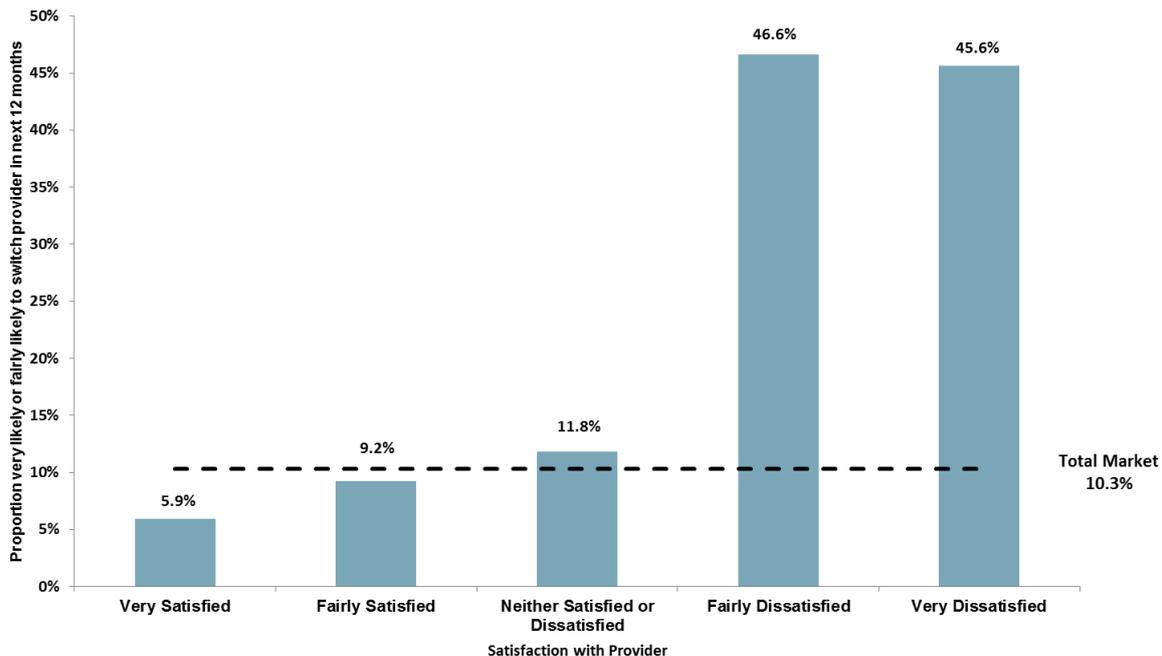
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Satisfaction with gas providers impacts switching intentions

The following chart shows that the level of satisfaction across the five point scale has a direct impact on switching intentions. For example, nearly half (46.6%) of the people who are even 'fairly dissatisfied' with their gas provider say that they are either 'very likely' or 'fairly likely' to switch companies in the next 12 months. For those that are 'very dissatisfied', 45.6% are either 'very likely' or 'fairly likely' to switch.

Gas customers who are 'very satisfied' have a very low intention to switch at only 5.9%, which is well below the current industry average of 10.3%. Even those who are only 'fairly satisfied' have a below average intention (9.2%) to switch providers in the next 12 months.

Likelihood of Switching Gas Provider in the Next 12 Months by Level of Satisfaction



Source: Roy Morgan Single Source (Australia), 12 months ended June 2018, n=50,035
Base: Australians 14+ with gas connected, 12 months to June 2018, n=9,979

Norman Morris, Industry Communications Director, Roy Morgan says:

"The decline in satisfaction with gas providers over the last year, down to 61.8% from 66.1% only 12 months ago, is a dramatic drop and a major concern. It is likely that most of this recent decline is a result of the continual negative news regarding issues relating to both gas and electricity, covering areas such as price increases, shortages, reliability of supply and the general lack of confidence in the long term direction the government is taking to tackle these issues.

"It is important to note that although this industry is operating in a difficult and uncertain environment, the fact that there are major differences in satisfaction among the major players shows that there are lessons to be learnt from the better performers.

"The data used here is only a small part of the extensive and long term data that we have on gas and other utilities. To find out more, ask Roy Morgan."

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About Roy Morgan

Roy Morgan is the largest independent Australian research company, with offices in each state of Australia, as well as in the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan 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
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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