

Friday, 20 July 2018

Satisfaction with electricity providers declining

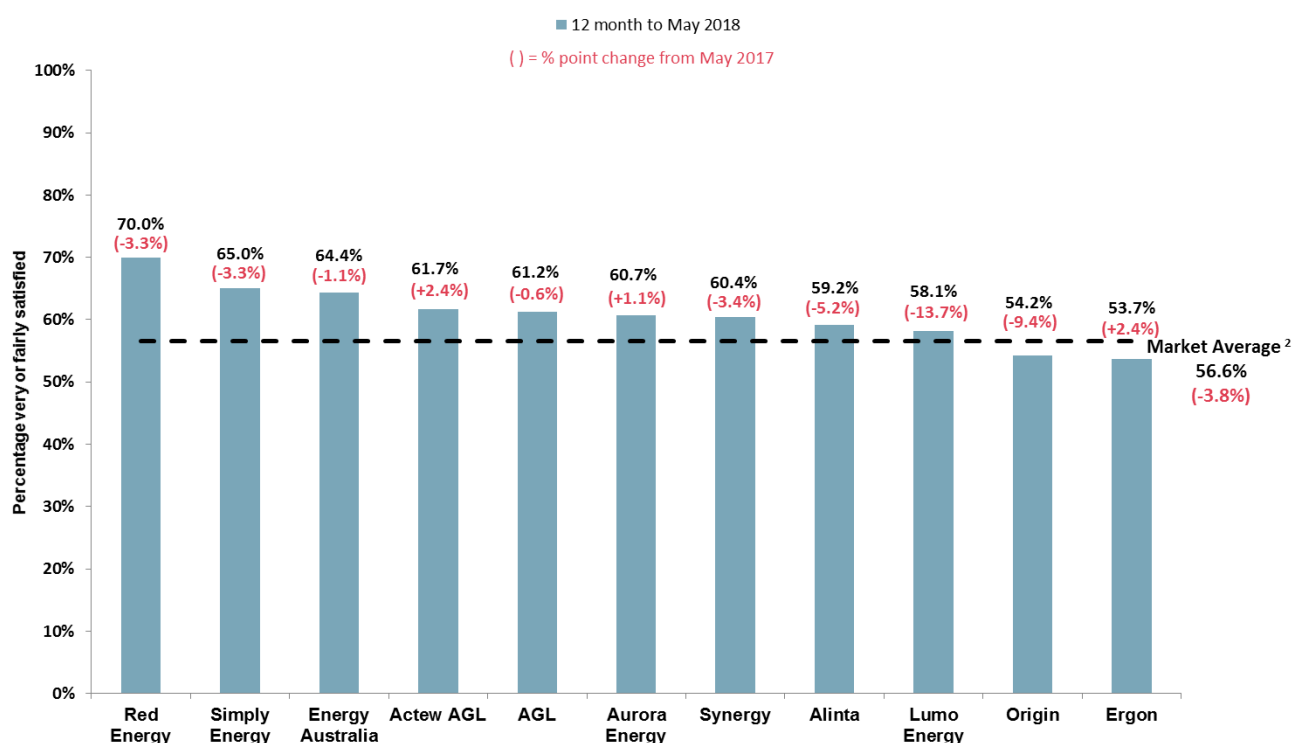
New results from Roy Morgan show that customer satisfaction with electricity providers in the 12 months to May 2018 was only 56.6%, down from 60.4% in the 12 months to May 2017. NPS[®] for electricity providers is also now at a very low minus 47.6. These low satisfaction and NPS levels show why 2.1 million customers are considering switching over the next 12 months.

These are the latest findings from Roy Morgan's ['Customer Satisfaction – Electricity 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 14,000 interviews with people who rated their satisfaction with their electricity connection.

Red Energy retains satisfaction lead

Red Energy with a satisfaction rating of 70.0% remains in top position among the largest providers, narrowly ahead of Simply Energy (65.0%) and Energy Australia (64.4%). There is a wide range of satisfaction levels across the major players, with Ergon Energy on 53.7% being currently the lowest performer.

Electricity Provider Satisfaction - 11 Largest¹



Source: Roy Morgan Single Source (Australia), 12 months ended May 2017, n = 50,026; 12 months ended May 2018, n=50,046

Base: Australians 14+ with electricity connected, 12 months to May 2017, n=14,313 and 12 months to May 2018, n=14,885. 1. Based on customer numbers. 2. Includes brands not shown

With satisfaction declining by 3.8% 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 Actew AGL which improved by 2.4% points, Ergon up 2.4% points, and Aurora Energy (up 1.1% points).

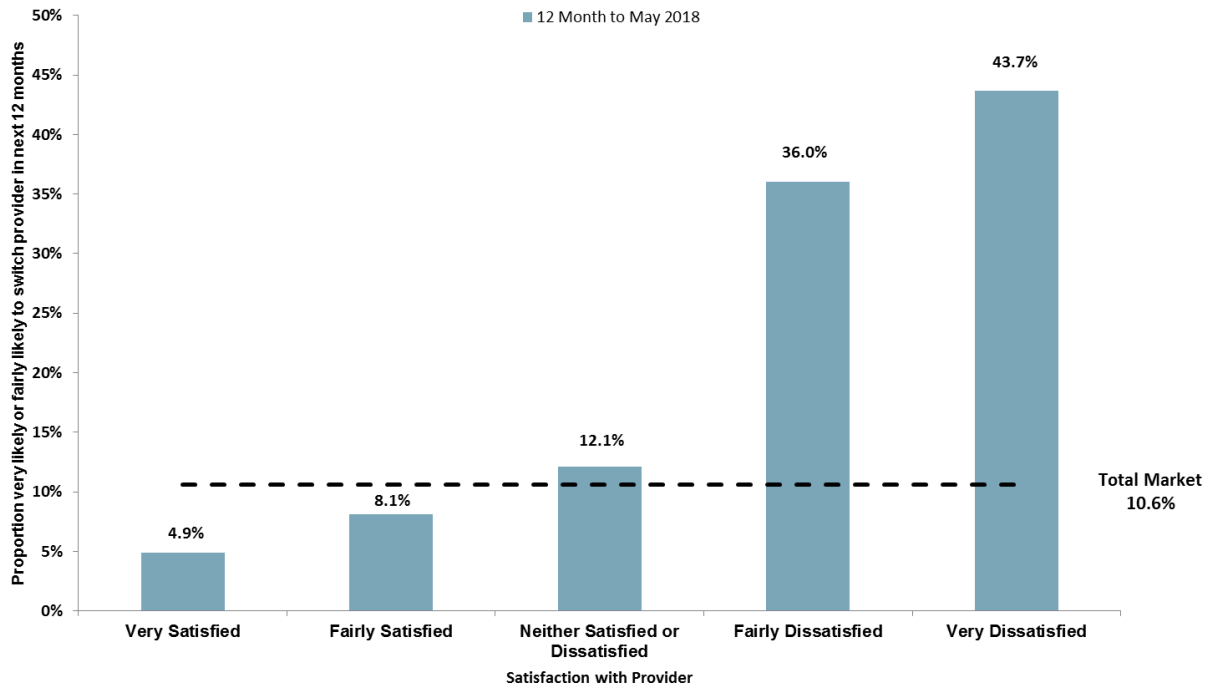
Both of the largest players showed a drop in satisfaction, with Origin down 9.4% points (to 54.2%) and AGL down 0.6% points (to 61.2%).

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Satisfaction level with electricity provider 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 (43.7%) of the customers who are 'very dissatisfied' with their electricity provider say that they are either 'very likely' or 'fairly likely' to switch companies in the next 12 months. Even more than a third (36.0%) of those who are 'fairly dissatisfied' say they are likely to switch in the next 12 months.

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



Source: Roy Morgan Single Source (Australia), 12 months ended May 2018, n=50,046
 Base: Australians 14+ with electricity connected, 12 months to May 2018, n=14,885

Those customers who are 'very satisfied' have a very low intention to switch at only 4.9%, which is well below the current industry average of 10.6%. Even those who are only 'fairly satisfied' have a below average intention (8.1%) to switch providers in the next 12 months.

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

"The decline in satisfaction with electricity providers over the last year, down to only 56.6% is of major concern because it is well below the level of 73.5% when this survey began in 2009. It is likely that the most recent decline is a result of the continual negative news regarding energy shortages, blackouts, reliability, price increases and general lack of confidence in the long term direction the government is taking to tackle these issues.

"It is important to note that although most of the major electricity providers are operating in a similar negative environment, the fact that there are major differences in satisfaction show that there are lessons to be learnt by examining what the better performers are doing right.

"The data used here is only a small part of the extensive data that we have available on all major utilities. To find out more, ask Roy Morgan."

To learn more about Roy Morgan's utility satisfaction data, call (+61) (3) 9224 5309 or email askroymorgan@roymorgan.com.

Please click on this link to the [Roy Morgan Online Store](#).

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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