



Utilities 2012: Switching

SixthSense™

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YouGov Plc, 50 Featherstone Street, London, EC1Y 8RT
T: +44 (0)20 7012 6063, F: +44 (0)20 7012 6001, E: sixthsense@yougov.com

Table of Contents

Table of Figures	2
Introduction & Scope.....	3
Report Summary.....	4
Unenthusiastic consumers	4
Opinions on the Big Six.....	4
Switching has become a characteristic of the market	4
Money is the main driver	5
Price comparison websites are key	5
Switching success	5
Current prospects	5
Background	7
Ofgem active	7
Consumer Background	8
Choosing and paying for energy	8
Bill affordability	10
Attitudes towards energy companies	11
Customer Satisfaction.....	11
Consumer usage of energy companies	11
Satisfaction levels.....	12
Attitudes towards energy bills	13
Customer opinions	15
Supplier comparison	25
Switching Suppliers.....	26
Incidence and frequency of switching	26
Attitudes towards switching.....	27
Switching motivation	29
Other influences.....	30
Price comparison websites	32
Price comparison usage	32
Sites looked at.....	34
Actions taken	34
Switching satisfaction	37
Variations by supplier	38
Price comparison website users.....	39
Attitudes towards former suppliers	39
Current prospects	45
Tariff changers	46
Tariff changing motives.....	46
Decision-making.....	48
Appendix.....	49
Questionnaire	49

Table of Figures

Figure 1	Bill paying responsibilities	8
Figure 2	Responsibility for choosing energy suppliers	9
Figure 3	Price increases, January 2008-January 2012	10
Figure 4	Energy suppliers currently used for gas and/or electricity	11
Figure 5	Satisfaction with current supplier	12
Figure 6	Levels of dissatisfaction, by energy providers.....	13
Figure 7	Attitudes towards energy bills, by customer satisfaction	14
Figure 8	Words associated with British Gas, by all consumers and by customers	15
Figure 9	Percentage point variation in words mentioned in respect of British Gas, by customers, December 2010 versus February 2012	16
Figure 10	Words associated with EDF, by all consumers and by customers	17
Figure 11	Percentage point variation in words mentioned in respect of EDF, by customers, December 2010 versus February 2012.....	18
Figure 12	Words associated with E.ON, by all consumers and by customers	19
Figure 13	Percentage point variation in words mentioned in respect of E.ON, by customers, December 2010 versus February 2012.....	20
Figure 14	Words associated with npower, by all consumers and by customers	21
Figure 15	Percentage point variation in words mentioned in respect of npower, by customers, December 2010 versus February 2012.....	22
Figure 16	Words associated with SSE, by all consumers and by customers.....	23
Figure 17	Words associated with Scottish Power, by all consumers and by customers	24
Figure 18	Percentage point variation in words mentioned in respect of Scottish Power, by customers, December 2010 versus February 2012	25
Figure 19	Positive and negative views of energy suppliers, by all consumers and by customers	25
Figure 20	Switching of gas/electricity accounts in the last two years and between two and five years ago .	26
Figure 21	Companies previously used, by those who have switched supplier (s).....	27
Figure 22	Attitudes towards switching gas/electricity suppliers	27
Figure 23	Reasons for switching	29
Figure 24	Influences on decision-making	30
Figure 25	‘Finding the best deal is too complicated’	31
Figure 26	‘Price comparison sites are very helpful’	32
Figure 27	Usage of price comparison websites	33
Figure 28	Price comparison websites looked at for energy suppliers in the last two years	34
Figure 29	Results of visiting price comparison websites	35
Figure 30	Actions taken after visiting price comparison websites, by website used	36
Figure 31	Feelings post-switching.....	37
Figure 32	Satisfaction post-switching, by companies previously used.....	38
Figure 33	Perceptions of British Gas, by current customers and former customers.....	40
Figure 34	Perceptions of EDF, by current customers and former customers.....	41
Figure 35	Perceptions of E.ON, by current customers and former customers.....	42
Figure 36	Perceptions of npower, by current customers and former customers	43
Figure 37	Perceptions of Scottish Power, by current customers and former customers.....	44
Figure 38	Those currently considering changing gas and/or electricity supplier (s), by current supplier	45
Figure 39	Reasons why consumers changed their tariff.....	46
Figure 40	Influences on changing tariff	48

Introduction & Scope

The high cost of gas and electricity has meant that energy companies in general have become a source of opprobrium for many consumers. Over eight in ten people feel that 'energy suppliers maximise profits at the expense of customers', while almost six in ten think that 'energy suppliers treat people with contempt'.

This report looks at how consumers feel about the companies that they use and their response to the service they receive. Switching suppliers is commonplace as consumers seek the Holy Grail of both better service and an improved deal. Energy suppliers are thus constantly fighting both to keep their current customers and to gain new ones.

The report is a companion to the reports *Household Energy Efficiency* and *Utilities 2012: Energy Usage*, both published in 2012.

For this report, YouGov Sixth Sense commissioned a survey among YouGov's online panel, drawing on a nationally representative sample of 2,042 adults aged 18+.

Topics covered include:

- Responsibility for bill paying/choosing suppliers
- Use of energy suppliers – both currently and in the past
- Opinions about the Big Six energy companies
- Customer satisfaction
- Changing tariffs
- Frequency of switching suppliers
- Reasons for switching suppliers
- Attitudes towards switching suppliers
- Price comparison websites.

Report Summary

Unenthusiastic consumers

Almost a third of consumers are neutral about their current energy supplier(s), with the remaining consumers being more likely to be satisfied than dissatisfied.

There is a strong link between the affordability of energy and customer satisfaction: those who are dissatisfied are much more likely to have problems paying the bill and keeping their houses warm.

It is also evident that operational issues such as the over-estimation of bills and direct debit over-payments are important factors that annoy customers.

Opinions on the Big Six

'Profit-driven' and/or 'overpriced' are the words most likely to be associated with each of the 'Big Six' energy companies, both by consumers in general and by the companies' customers.

However, customers are much more likely also to mention positive aspects of the company they use. This is most marked for British Gas (although it also receives a higher number of negative customer comments than any other company).

npower is the least likely to generate a positive response from its customers and is also the most likely to receive only negative comments from its customers.

Switching has become a characteristic of the market

Just over seven in ten (72%) consumers have switched their gas and/or electricity accounts in the last five years.

Almost half (46%) have done so within the last two years, while 64% have done this in the last two to five years.

It is therefore evident that switching is often not a long-lasting decision and consumers are often then won by another company.

Among those who have switched gas and/or electricity in the last two years, 28% had already changed companies once, while 38% had done so more than once.

British Gas and, to a lesser extent, npower, are the suppliers that consumers are most likely to have moved away from.

Money is the main driver

Monetary advantage is by far the most common reason for changing supplier, with all other aspects being mentioned by only a small percentage of respondents.

Yet a comparison of the opinions of the main energy companies' current customers compared to their former customers makes clear that their gripes often go far beyond pricing.

For example, former customers are particularly likely to see British Gas as 'impersonal' and less likely to see it as efficient, professional, reliable and/or friendly.

Price comparison websites are key

When consumers were asked to identify the main influence on their decision-making, price comparison websites emerge as by far the most popular stimulus. Over four in ten mention them, compared to just over a quarter who have made up their own mind.

In addition, nearly six in ten agree these sites are 'very helpful', with almost half of respondents having used one in the last two years.

Uswitch.com is the most popular website, followed by moneysupermarket.com. Significant numbers also mention moneysavingexpert.com, gocompare.com and/or confused.com.

Among those who have used them, just over a third have been prompted to change supplier, with a further 18% changing tariff.

Switching success

The majority of consumers (55%) who have switched suppliers are satisfied, mainly because it has lowered their bills but with a significant number mentioning the fact the new company is easier to deal with.

However, almost three in ten express at least some degree of reservation.

Current prospects

17% of consumers are currently considering changing their gas and/or electricity supplier.

Those who have already made at least one switch in the last five years are more likely to be currently considering another move (24% versus 11% of those who have never switched).

This suggests that once consumers become aware of the benefits of switching, they will be alert to the possibility of further improvements. However, it may also reflect the fact that, as shown above, not all consumers are satisfied with the switch they have made.

Consumers who are currently dissatisfied with their current supplier are the most likely to be considering a switch (41% of those who are dissatisfied with their electricity supplier and/or 37% who are dissatisfied with their gas supplier). These consumers are most likely to be current customers of E.ON and/or npower.