

Monday, 5 November 2018

## ‘Very dissatisfied’ gas customers now twice as likely to switch providers

**New customer satisfaction data from Roy Morgan shows a mixed performance from gas providers, with big improvements from Elgas, Origin and Kleenheat being offset by large deteriorations from Lumo Energy, Red Energy and EnergyAustralia.**

The latest *Customer Satisfaction - Gas Providers Report* shows a small decline in the number of customers across the sector who say they are ‘very’ or ‘fairly’ satisfied with their gas provider – 62% in the 12 months to September 2018, compared with 63.8% in the 12 months to the end of September 2017.

At the same time, among customers who say they are ‘very dissatisfied’, the proportion who are likely to switch providers has almost doubled. In the 12 months to September 2017, 26.2% of the ‘very dissatisfied’ customers said they were likely to switch, but in the 12 months to September 2018 that figure has grown to 49.2%.

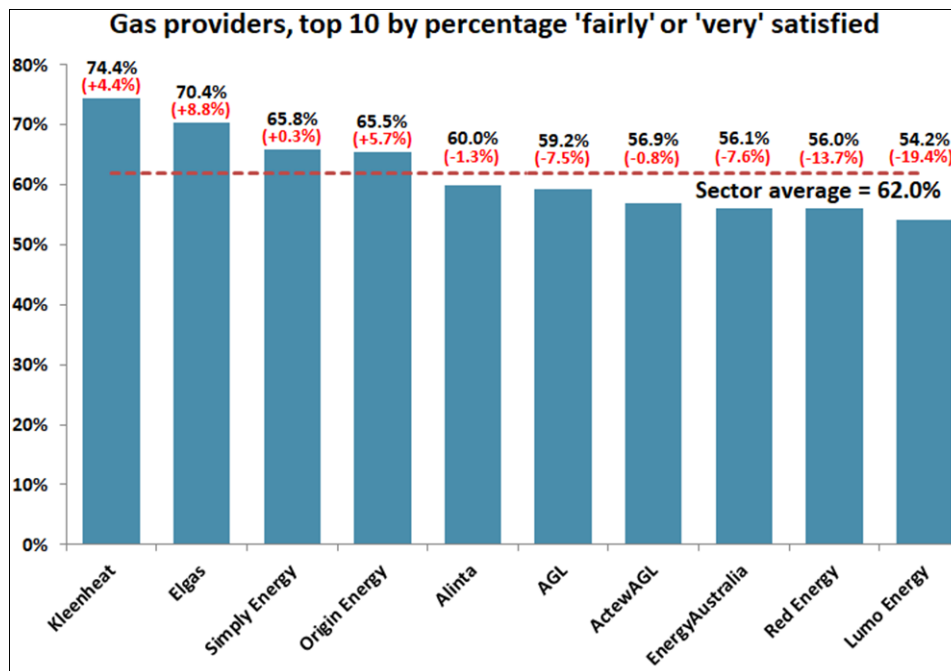
Energy providers – both gas and electricity – have struggled with customer satisfaction and customer trust, as reflected in Roy Morgan’s August **Net Trust Score** (NTS) survey which showed that for around half of energy providers, more consumers distrusted them than trusted them – giving those firms a negative Net Trust Score.

### Winners and losers – in the satisfaction stakes

Elgas, up 8.8 percentage points to 70.4% satisfaction, and Origin Energy, up 5.7 percentage points to 65.5% made the biggest strides forward over the 12 months to September.

At the same time, Lumo Energy, down 19.4 percentage points to 54.2%, and Red Energy, down 13.7 percentage points to 56%, saw serious blows to their satisfaction ratings.

Kleenheat, which serves the WA and Northern Territory markets, continues to have the highest satisfaction rating. It added 4.4 percentage points to lead the pack with 74.4%, as the chart below shows.

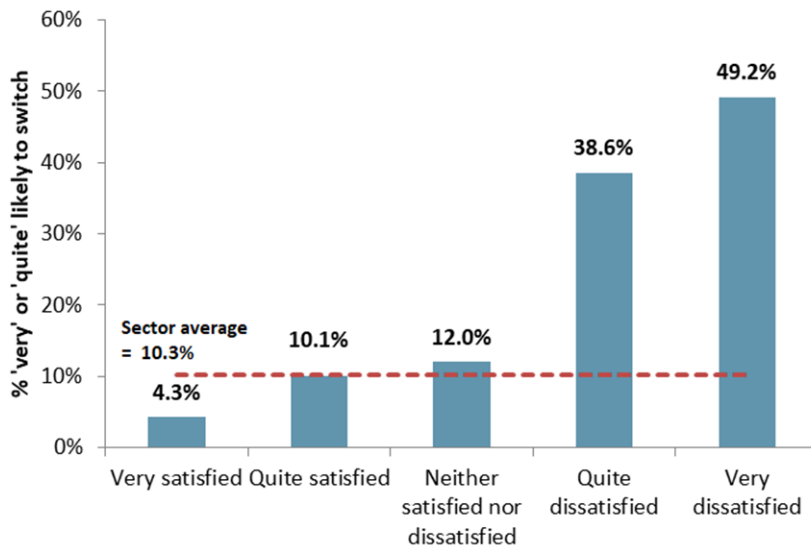


Source: Roy Morgan Single Source (Australia); Base: Australians 14+ with gas connected, 12 months to September 2017, n= 5073 and 12 months to September 2018, n=4954. Chart percentages calculated from data including some smaller brands not shown.

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The decline in customer satisfaction across the sector over the past year is matched by a small increase in the sector-wide proportion of customers who say they are likely to switch providers. In the 12 months to September 2018, 10.3% of customers said they were 'very' or 'quite likely' to switch, compared with just 9.1% in the 12 months to September 2017.

### Likelihood of switching gas provider in next 12 months by levels of satisfaction



Source: Roy Morgan Single Source (Australia); Base: Australians 14+ with gas connected, 12 months to September 2017, n= 5073 and 12 months to September 2018, n=4954.

Both the customer satisfaction and switching intention data are collected via in-depth, personal interviews conducted face-to-face with over 50,000 Australians per annum in their own homes, including around 5000 interviews with people who rated their satisfaction with their gas provider.

#### Norman Morris, Roy Morgan Industry Communications Director, commented:

*"In the 12 months to September Roy Morgan recorded both strong gains and big falls in customer satisfaction levels, which shows that there are real gaps opening up between the performances of some of the major brands.*

*"The most worrying figure for companies with low satisfaction ratings is the proportion of 'very dissatisfied' customers who say they are likely to switch provider – that proportion has nearly doubled from 26.2% to 49.2% in the space of a year.*

*"There is no doubt that high gas prices are upsetting customers, but there's much more to satisfaction than prices. In these business conditions it's essential to know what the customer wants, and to deliver it. Roy Morgan has extensive data on satisfaction and Net Trust Scores across the sector, and the drivers of both, to help brand marketers to understand what they're getting right and wrong."*

The full *Customer Satisfaction – Gas Providers* report and the *Net Trust Score* report for the energy sector are now available from the [Roy Morgan Online Store](#).

#### MORE INFORMATION

**For comments or more information please contact:**

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More information on the suite of products available via the [Roy Morgan Single Source](#) and the psychographic segmentation tools provided by [Roy Morgan Helix Personas](#) is available at [www.roymorgan.com](http://www.roymorgan.com).

**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, Indonesia and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan has over 75 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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