

KANTAR PUBLIC

Electricity consumer
sentiment survey –
residential consumers
and small businesses

2022 baseline survey results

MARCH 2023

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Research purpose

The Consumer Advocacy Council is an independent body established to advocate on behalf of small electricity consumers (households and small businesses).

These consumers face barriers to making their voices heard and influencing decisions that may affect them in relation to electricity provision. This is for a number of reasons:

1. The complexity of the sector
2. The time and resource required to be involved in decision making processes
3. Cultural differences and language barriers

It is the job of the Consumer Advocacy Council to effectively advocate for small consumers and navigate these barriers.

The Council commissioned Kantar Public to conduct research with households and small businesses in order to:


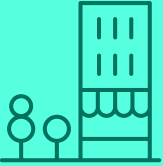
- gather information to provide a baseline for future research
- understand small consumers' views regarding electricity in New Zealand, and
- create a high quality and robust survey which can be used to build understanding year on year and inform the Council's work.



Key areas of interest are:

- Small consumers experiences with the electricity market
- Affordability
- Attitudes towards the electricity market
- Behaviours around switching plans and providers
- Knowledge about the electricity market

Methodology

	Fieldwork dates	Sample source	Number of online interviews	Survey length	Margin of error	Quotas
 Households	25 th November to 20 th December, 2022	Kantar's consumer online research panel	1,026	13 minutes	Findings based on the full sample have a margin of error of +/- 3.1% (at the 95% confidence level)	Quotas were set at a total level on age by gender, region, household size and ethnicity
 Small businesses (fewer than 20 employees)		Kantar's business online research panel	500	12 minutes	Findings based on the full sample have a margin of error of +/- 4.4% (at the 95% confidence level)	Quotas were set on business size

- Any differences reported in this research are significant at the 95% confidence level.
- Individual percentages do not always sum to the 'nett percentages'. This is due to rounding.



An affordable and resilient electricity system is what's most important to New Zealand residents and small businesses



Affordability ranks highest as an important issue facing the electricity sector and is the one New Zealanders are most concerned about

- **80% of residents** and **86% of small businesses** view affordability as an important issue facing the sector
- **69% of residents** and **57% of small businesses** are concerned electricity will become unaffordable for some over the next 10 years



A resilient electricity system is the second most important issue facing the electricity sector and one many New Zealanders are concerned about

- **74% of residents** and **84% of small businesses** view ensuring a resilient system as an important issue facing the sector
- **57% of residents** and **59% of small businesses** are concerned the system will not be resilient to power outages caused by extreme weather events over the next 10 years

Residential results



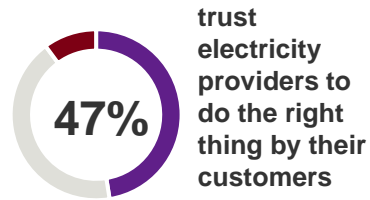
Executive summary – NZ residents

Experiences with electricity provider



Overall, the majority of New Zealanders are satisfied with their current electricity provider, and 4% are dissatisfied. When it comes to specific service aspects, New Zealanders are most satisfied with reliability of their supply (80%), access to information about usage (75%), overall customer service (72%) and clarity of information on bills (71%). Customer service has the great influence on overall satisfaction.

Conversely, New Zealanders are least satisfied with aspects related to affordability of electricity i.e. the advice they receive about managing electricity use to save money and the cost of electricity itself (55% and 52%, respectively). Further, those who are dissatisfied overall are most dissatisfied with the cost of their electricity suggesting when things are not going so well with a provider, cost becomes more of a focus.



Fewer than half of New Zealanders trust electricity providers to do the right thing by their customers, while 10% do not trust them. Trust is higher for those who are satisfied with its current provider, has been with their provider for five or more years and among older and higher income households. The combination of high satisfaction with current provider with lower levels of trust suggests that while trust is often driven by day-to-day customer experience or interaction with their provider, there is low trust in the motives or intentions of the electricity sector. However, New Zealanders have higher levels of trust in their electricity providers than they do for other sectors e.g. supermarkets, insurance companies and banks.

Affordability



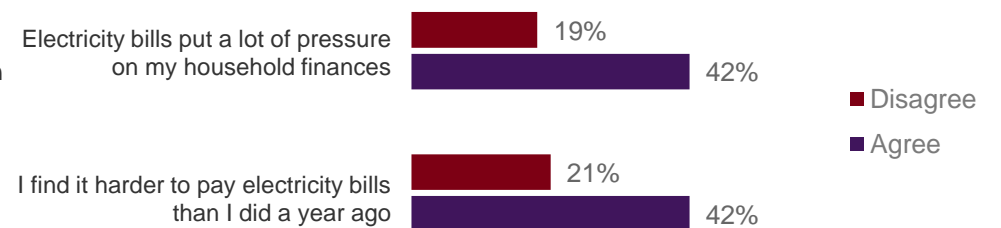
Despite the majority of New Zealanders feeling they received value for money from their provider in the past 12 months, a similar proportion are also concerned about the cost of electricity. **This concern is on par with the concerns they have about mortgage/rent costs and only concerns about groceries and petrol rank higher.**

While New Zealanders are generally satisfied with their providers and happy with the value for money they receive, they are less optimistic about the electricity market as a whole. There is a gap apparent between expectations and reality, with four in five (80%) saying they feel it is important that electricity is affordable, however just one in five (22%) are confident that the electricity market is delivering fair prices to customers and 23% are confident that the market will provide better outcomes in the next five years.

Further, just over a third (36%) of New Zealanders have experienced financial hardship. Most commonly, 27% of households have received a bill which was much larger than expected in the past 12 months, but one in ten (10%) have experienced some kind of payment pressure such as making special payment arrangements, borrowing money to pay a bill or having to change to a prepay plan. Slightly fewer (7%) have either been disconnected or had concerns about disconnection.

Certain households are more vulnerable to these types of financial hardships which include medically dependent households, renters, younger New Zealanders, Māori and Pacific peoples.

New Zealanders are more likely than not to agree electricity bills put pressure on their finances and that they find it harder to pay bills than they did a year ago.



Executive summary – NZ residents

Attitudes towards the electricity sector

The majority (69%) of New Zealanders are concerned that electricity will become unaffordable for some over the next 10 years, and almost universally, New Zealanders recognise the importance of ensuring electricity is affordable for everyone.

Over half (57%) of New Zealanders are concerned the system will not be resilient to extreme weather events over the next 10 years and three quarters view this as an important issue facing the future of the electricity sector.

Over half of New Zealanders believe in the importance of replacing coal and old gas plants with new technology and a rapid transition to 100% renewable energy sources as issues facing the sector (60% and 54%, respectively). Half of New Zealanders are concerned New Zealand won't have plans in place to renew / update coal and gas plants or be in a place to move to renewable energy system.

Knowledge about and confidence in the electricity market

About one in four New Zealanders would contact the Electricity Authority or Citizens Advice Bureau if they had a complaint which they couldn't resolve with their electricity provider and one in five would approach Consumer Affairs. **However, a third don't know who they could approach to make a complaint** and this increases to nearly half of younger New Zealanders aged 18-29 years.

There is **relatively low awareness of consumer care policy and guidelines among New Zealanders**; one in five are aware of their provider's consumer care policy, one in ten are aware of the EA's consumer care guidelines and 76% have not heard of either.

Only half of New Zealanders feel confident enough to resolve issues directly with their electricity provider, however confidence is higher among households who are aware of consumer care policies and guidelines (64% are confident they can resolve issues vs. 48% who are not aware of the policies and guidelines). Confidence is also higher for those who know of other channels available for making complaints, therefore increasing awareness of these channels and making New Zealanders aware of the policies and guidelines that exist should help empower them to resolve any difficult situations that arise.

Fewer than half (44%) of New Zealanders are confident the electricity market will provide more reliable electricity supply over the next five years, and over one in ten (15%) say they are not confident this will happen. New Zealanders have even less confidence the sector will deliver technology changes which will help consumers manage electricity use and costs or better customer service outcomes over the next five years (36% and 34%, respectively). However, most already have high satisfaction with the customer service they receive from their current provider.

Finally, over half of New Zealanders do feel they have a choice about which providers and plans to use (58%), they have enough information to make these decisions (55%) and half feel the information is easy to understand.

Switching behaviour

A third of New Zealanders have been with their current provider for less than two years, 15% have changed plan or provider in the past 12 months and a further 46% have explored other providers / plans but decided not to switch.

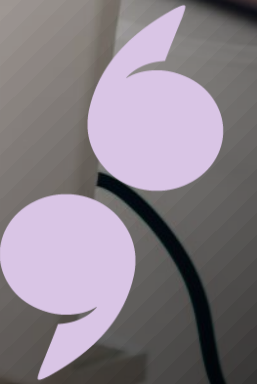
For those who did change electricity providers, the key reason was the offer of better value for money; 32% gave this as a reason for switching provider. **One in four searched online to find a better plan and one in five used Powerswitch** to decide which provider / plan to go with. Additionally, moving house was a key reason for one in five New Zealanders to switch provider in the past 12 months.

When New Zealanders looked but decided to stick with their current provider, the key reason was the savings not being worthwhile to switch (33%), however three in ten households found it too difficult to work out whether it would be cheaper than their current provider or they found other providers offered no better. **For one in five the hassle of switching was not worth it.**

Over the next 12 months, 45% of New Zealanders intend to change provider / plan or at least review what else is on offer. Nearly one in five who have switched provider in the past 12 months intend to do so again, suggesting some regularly switch providers to ensure they are always getting the best value on offer.

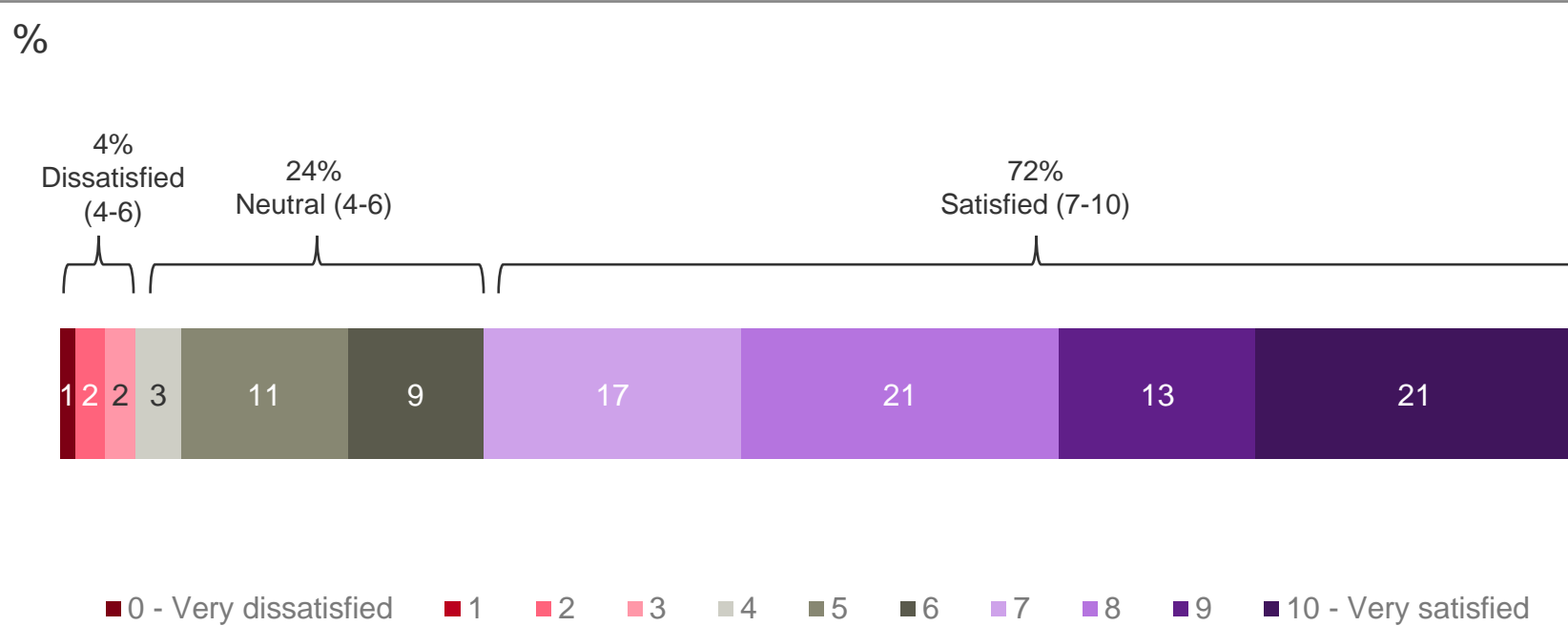
01

Residential experiences in the electricity market



The majority of New Zealanders are satisfied with the service they receive from their current provider. Older New Zealanders are the most satisfied, while younger, Māori, Pacific peoples and those who have been with their provider a relatively short time have lower levels of satisfaction.

Level of satisfaction with current provider



Overall satisfaction higher among:

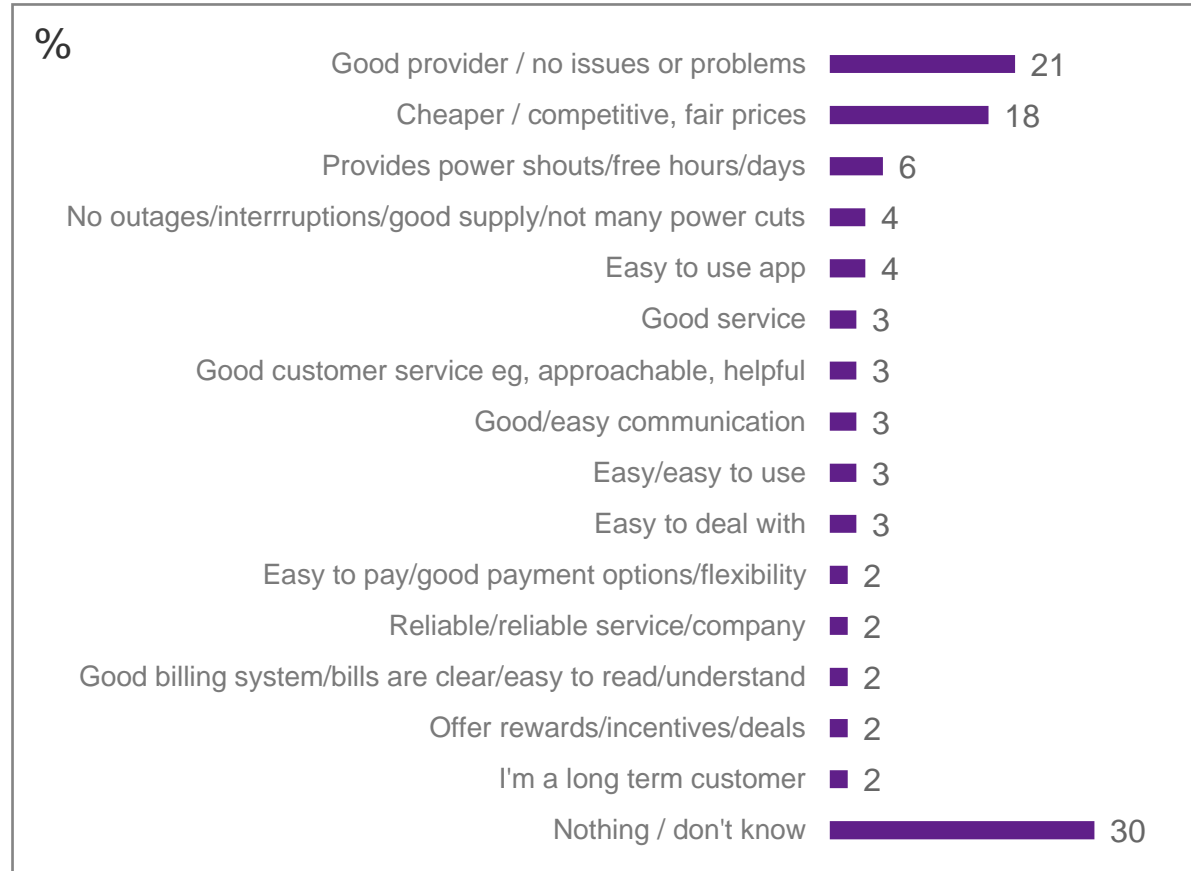
- Aged 60+ (83%)
- 1-2 person households (78%)

Overall satisfaction lower among:

- Pacific peoples (62%)
- Aged 30-39 (63%)
- Māori (65%)
- 3-4 person households (65%)
- Been with provider for 2 years or less (67%)

On the previous slide we saw 72% of New Zealanders were satisfied with their current provider. The main reasons they gave for being satisfied were feeling they have a good provider with no issues or problems and cheaper / competitive prices. Ease also comes through as a theme for feeling satisfied, whether that is around communication, ease of payment or with the dealings households have had with their providers.

Reasons for being satisfied with current provider (coded responses)



“

Has been no issues, seamless activation of our power at our new house and not cuts.

I have had no problems with the power in my house. Communication and billing is clear and relevant and I know it to be a reputable company.

We have never had an issue with them and they provide free power shouts every so often.

Very competitive pricing. Simple billing process. No fuss. Don't keep changing their rates.

I think they have the best pricing in the market, and I even get 10% off if I pay by the due date. They have a great app as well so I can check on everything to do with my electricity.

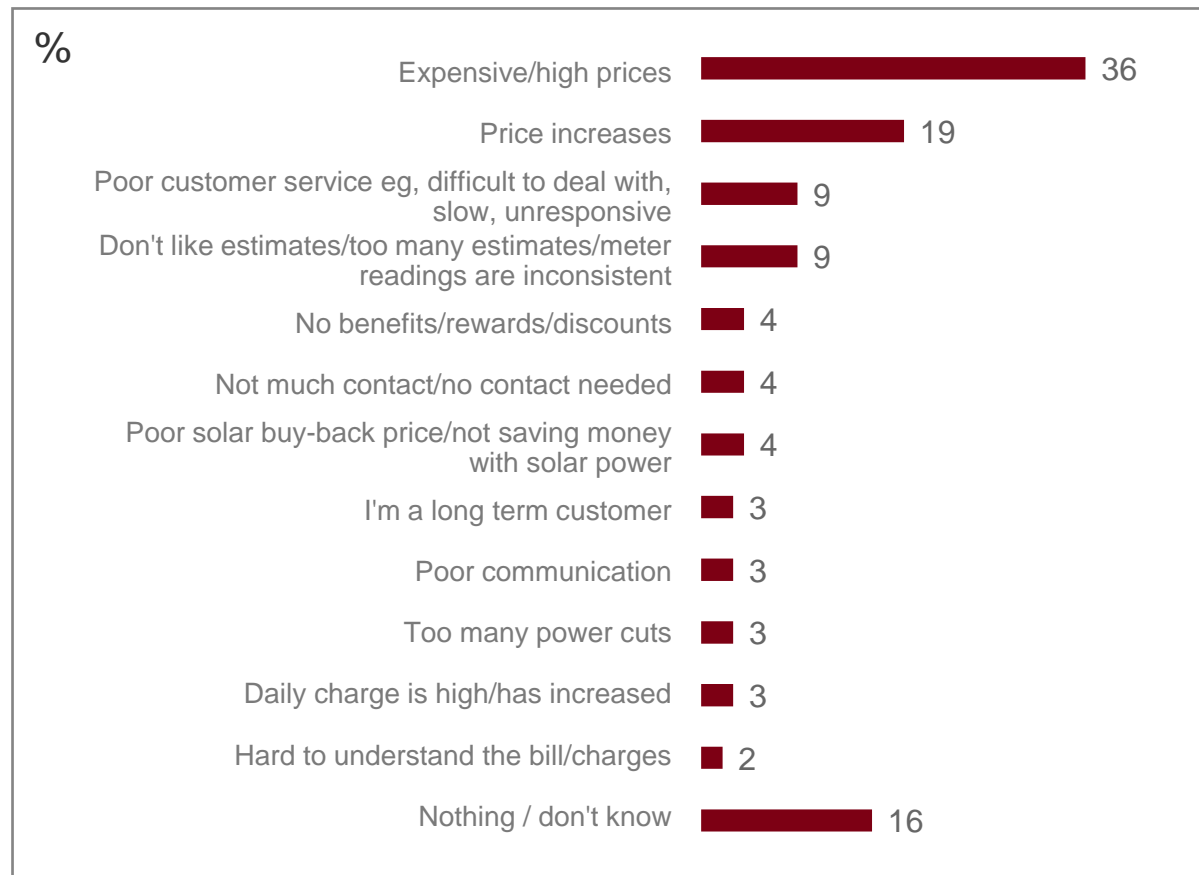
We have had very few outages and plenty of notice if there is a planned outage. We are very happy with our rebate and the current rates. The app is very easy too.

Have been with the same supplier for 30 plus years and never had an issue and always competitively priced for dual supply (Reticulated Gas & Electricity).

They provide electricity regularly and without interruption and their bills make sense.

For the 4% of New Zealanders who are dissatisfied, high prices is the main reason for dissatisfaction with their current provider, followed by price increases. One in ten mention poor customer service and a dislike for power estimates. A small proportion mention poor solar buy back schemes, communications, power cuts or difficulties with understanding bills.

Reasons for being dissatisfied with current provider (coded responses)



At first it seemed to be a good provided true to its word re: lower priced electricity but now that we've been with them for a bit, it seems just as expensive as everyone else sometimes more expensive.

Our power bill has been really high and they never contact us to go through our options, we have solar panels but it doesn't seem to be same us money.

Bills kept climbing, they wouldn't come and read the meter, didn't suggest any way to reduce bills.

Very hard to contact them to ask questions, and hard to understand some people at the call centre. The power bills has been wrong, they under charge me then the next bill was huge.

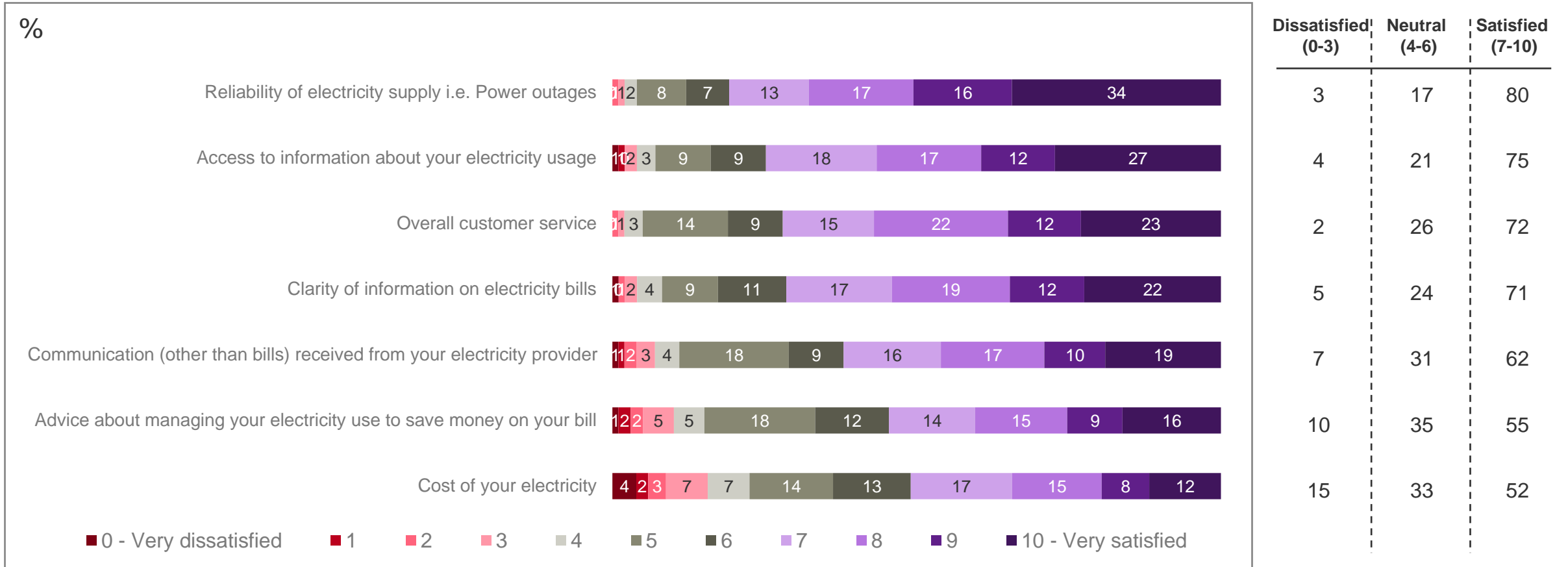
Incompetency in answering emails - as to date, they have not responded despite several email submissions. Unable to resolve wifi/internet issues.

We live rurally, our metre is inside, we only get our metre read every 2 to 3 months, as they cannot come read our metre when we are home, only on the 2vdays we are not there. We won't give them a key.

My electricity supplier does not notify Power Shouts. Up to the consumer to find out for themselves on the website. Changed from earlier days where you received an email notification.

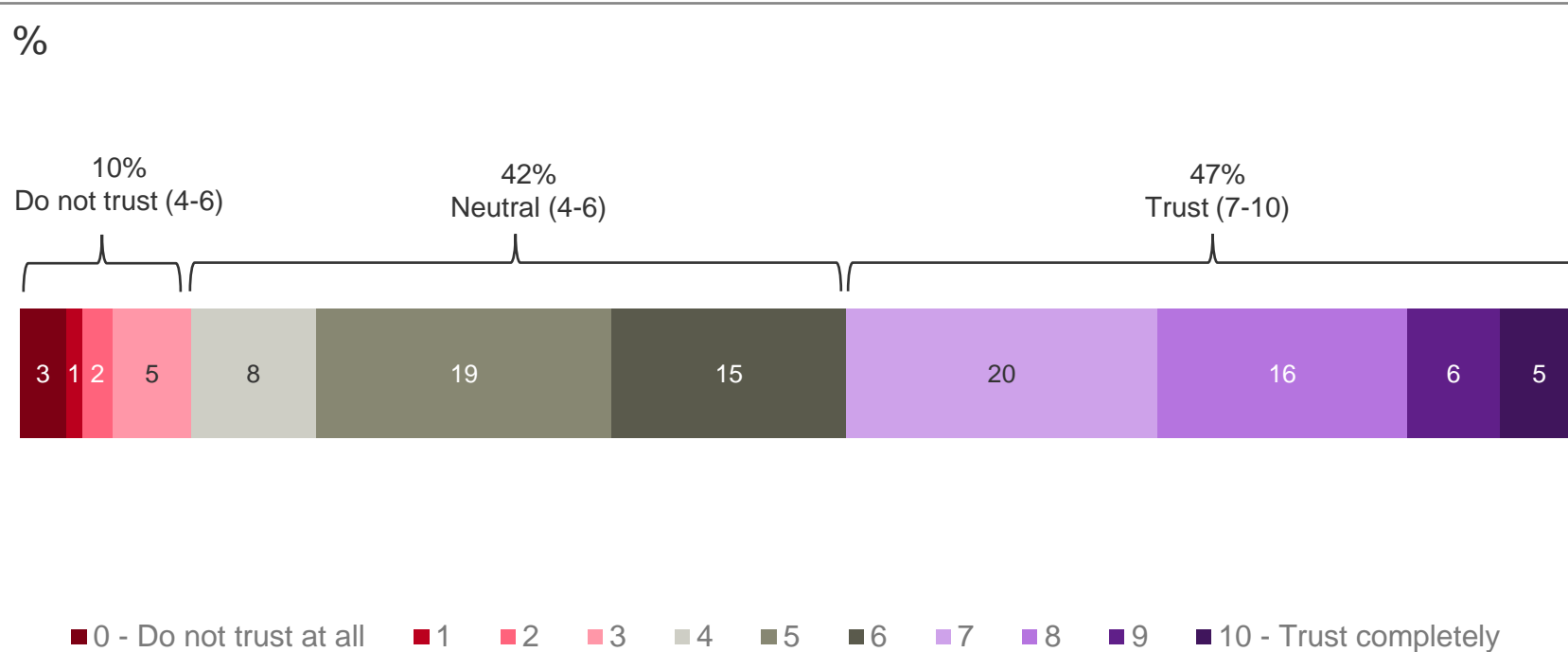
New Zealanders are most satisfied with the reliability of their electricity supply (80%), customer service (72%), information about usage (75%) and clarity (71%) on bills, and least satisfied with the advice they receive on how to save money and the cost of electricity itself (55% and 52%, respectively).

Level of satisfaction with different aspects of service provision



Just under half of NZ households trust electricity providers to do right by their customers, and one in ten actively do not trust them to. Māori and those who are dissatisfied with their current service have the lowest levels of trust.

Trust in electricity providers to do the right thing



Trust higher among:

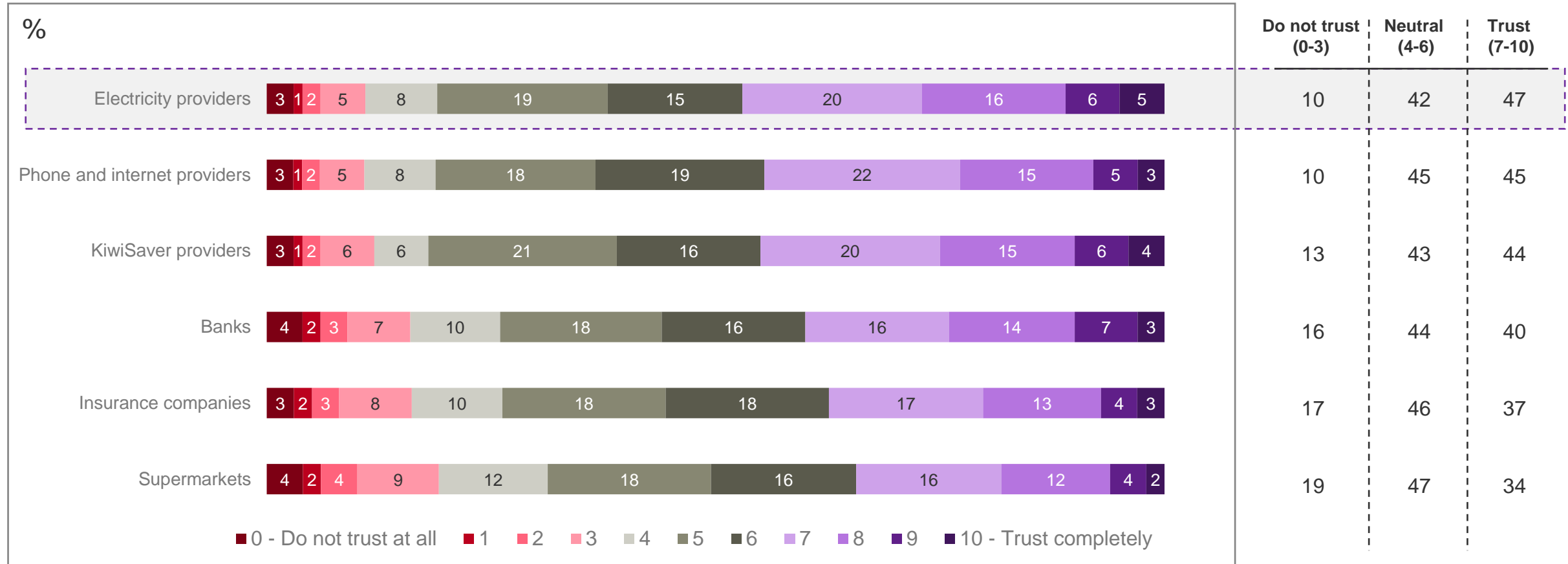
- Those satisfied with current provider (60%)
- Aged 60+ (59%, vs. 43% among those aged under 60)
- Household income more than \$120k (56%, vs. 46% household income \$120k or less)
- Been with current provider for 5+ years (54%, vs. 43% if been with provider for less than 5 years)

Trust lower among:

- Māori (41%)
- Those dissatisfied with current provider (8%)

Trust is lower across other sectors, particularly for insurance providers and supermarkets. Trust for electricity providers is on par with that of phone / internet and Kiwisaver providers.

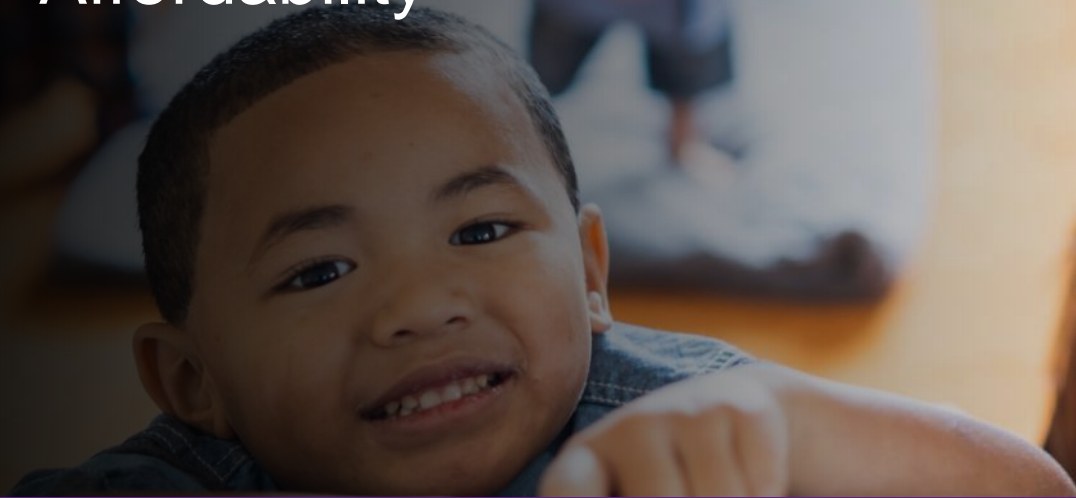
Trust to do the right thing – sector comparison



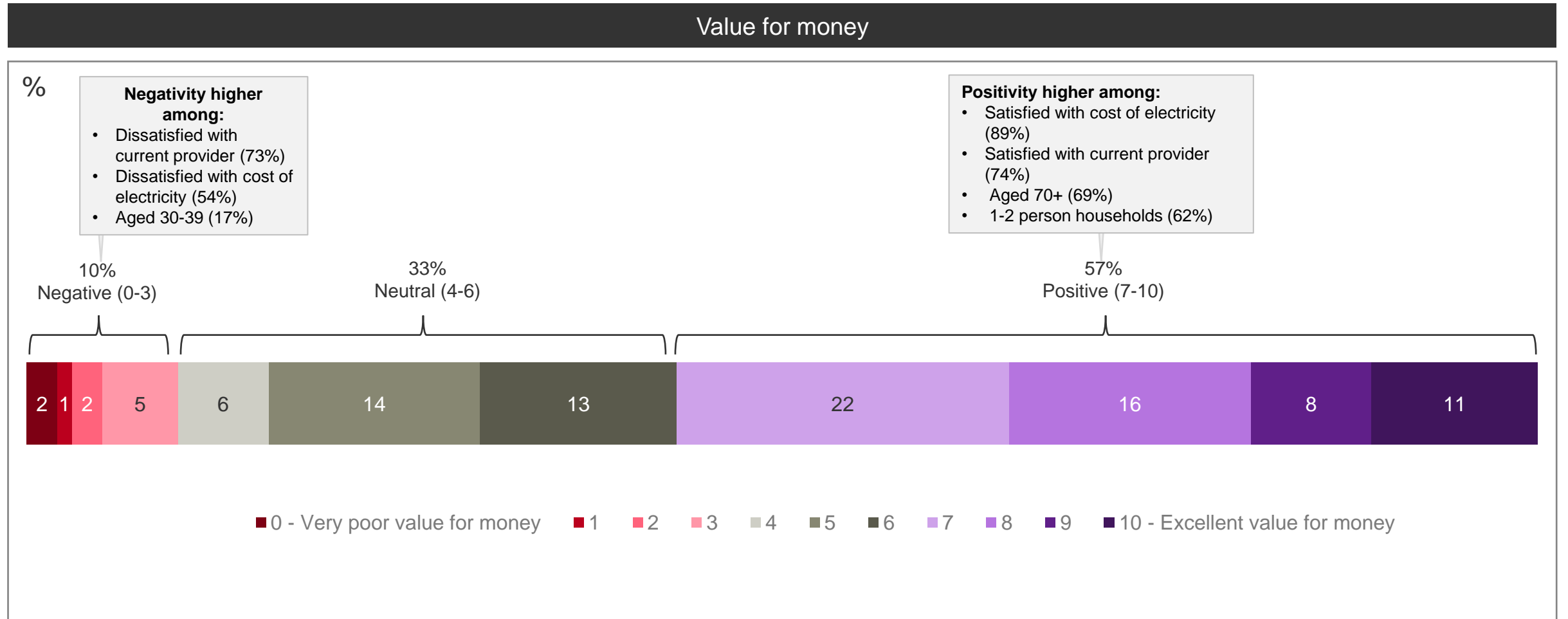
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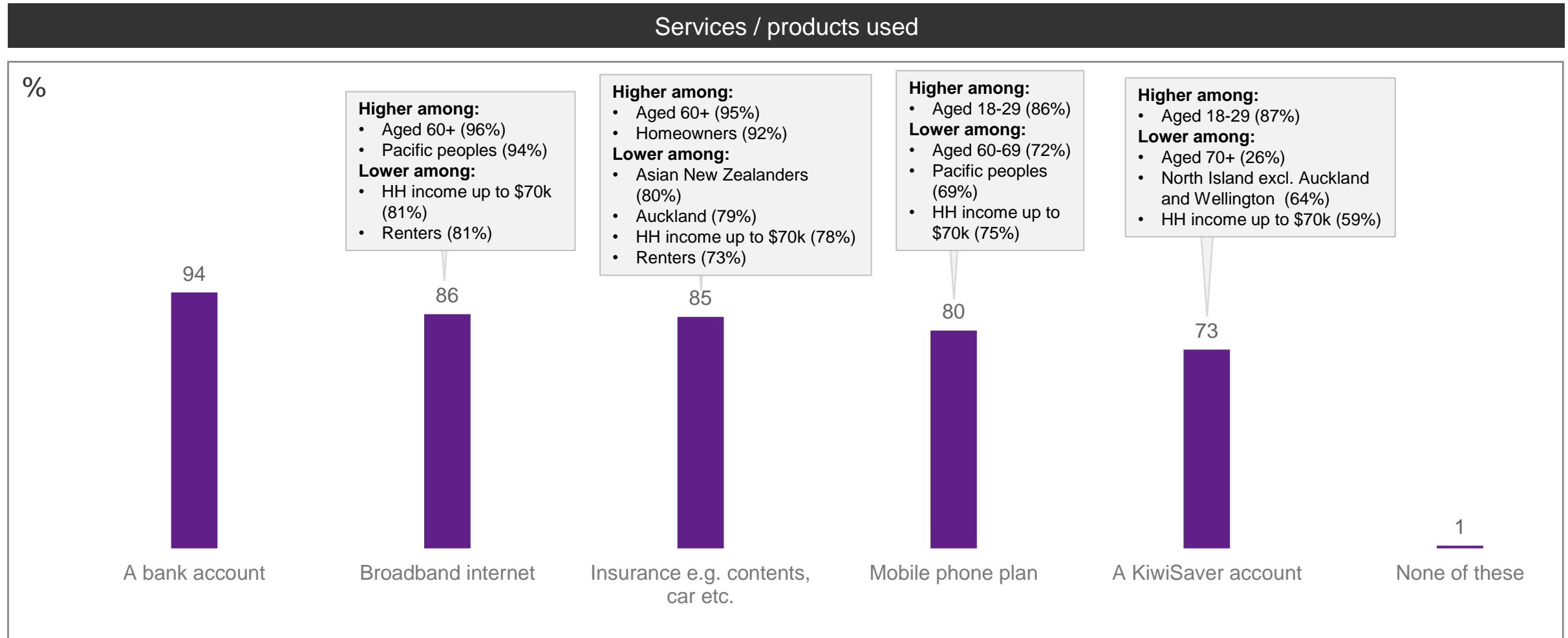
Affordability



Over half (57%) of New Zealanders received good value for money from their provider in the past 12 months while one in ten received poor value for money.

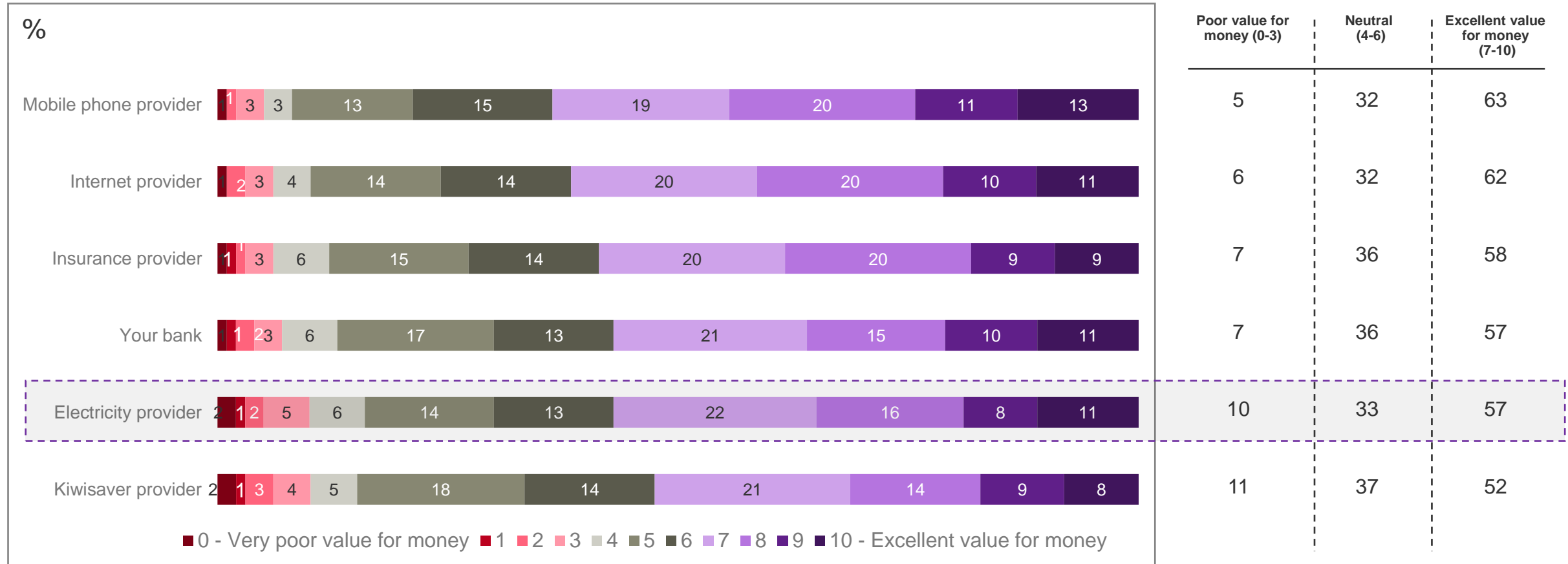


New Zealanders pay for a range of services / products alongside electricity.

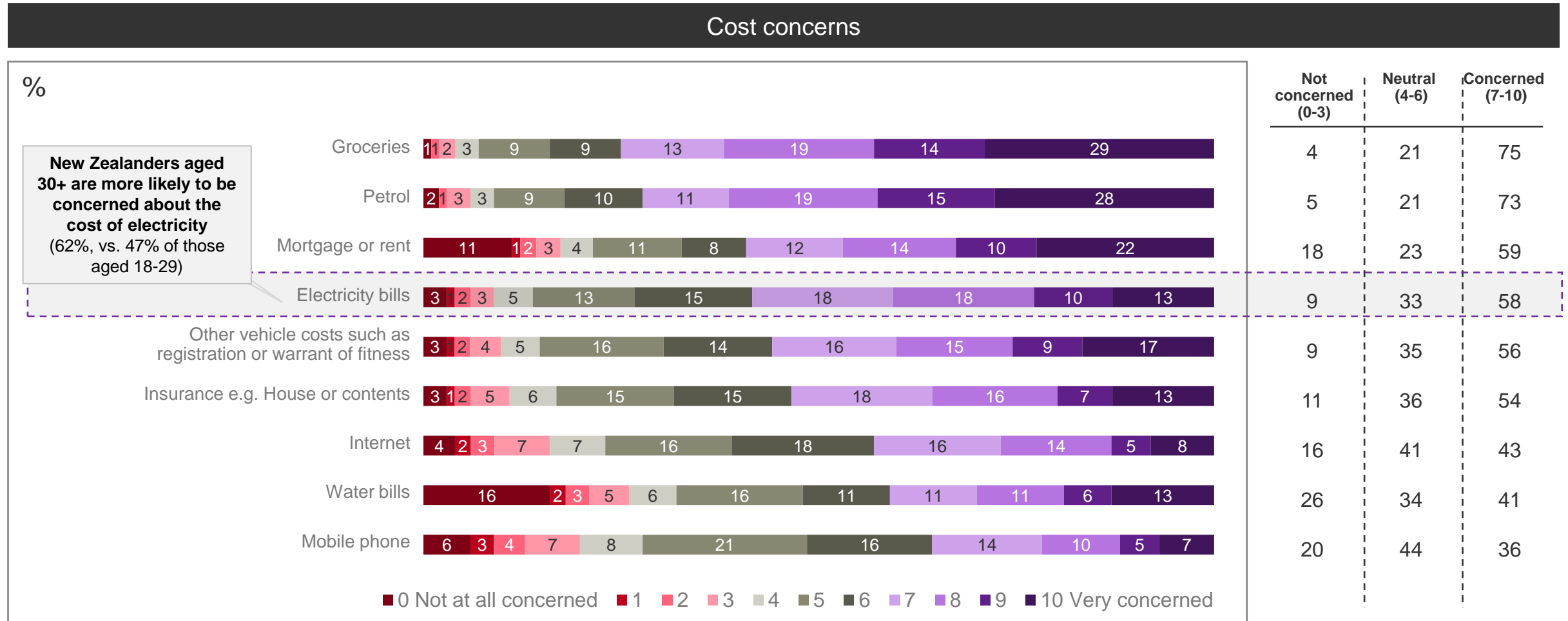


Value for money perceptions of electricity providers are on par with that of banks and insurance providers. Mobile phone and internet providers garner the strongest perceptions; three in five New Zealanders trust these providers to deliver value for money.

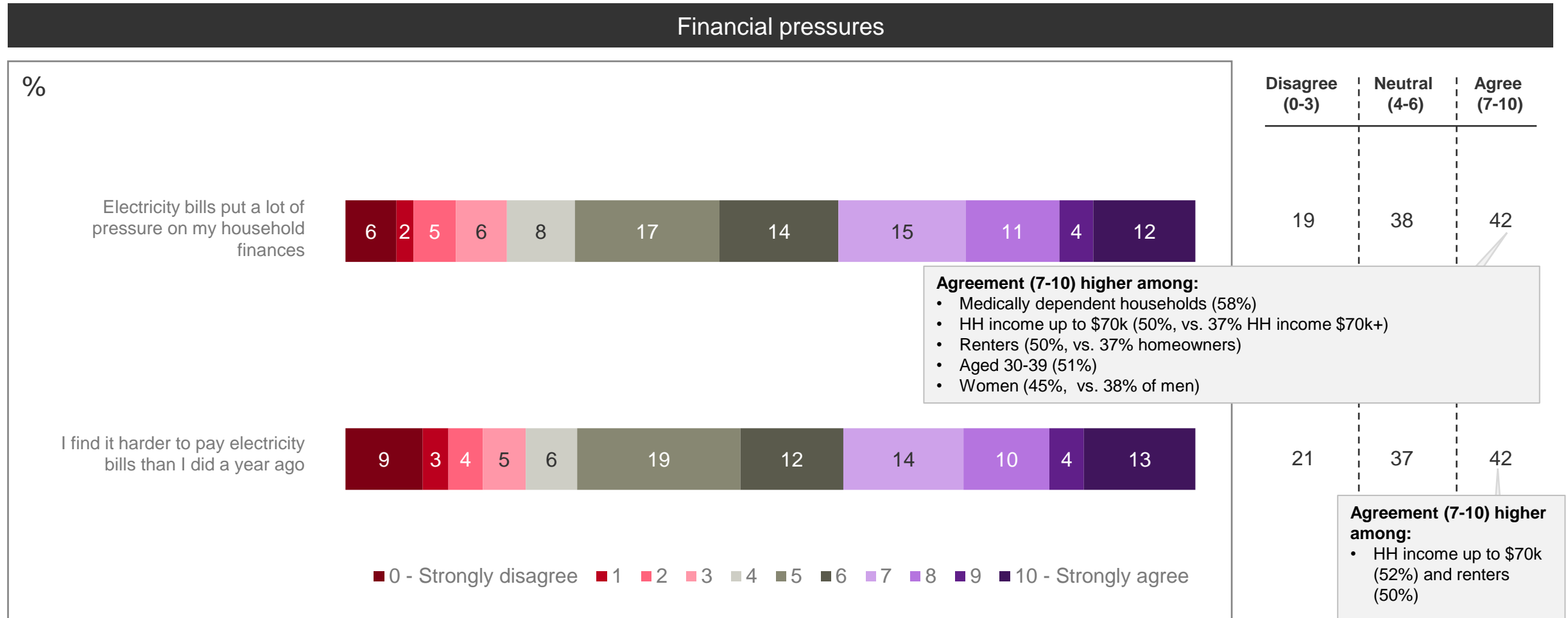
Value for money – sector comparison



The cost of electricity is a key concern for a majority of New Zealanders, on par with concerns they have about mortgage or rent costs and second only to concerns about grocery and petrol costs. These concerns are felt even more keenly by New Zealanders aged 30 or over.

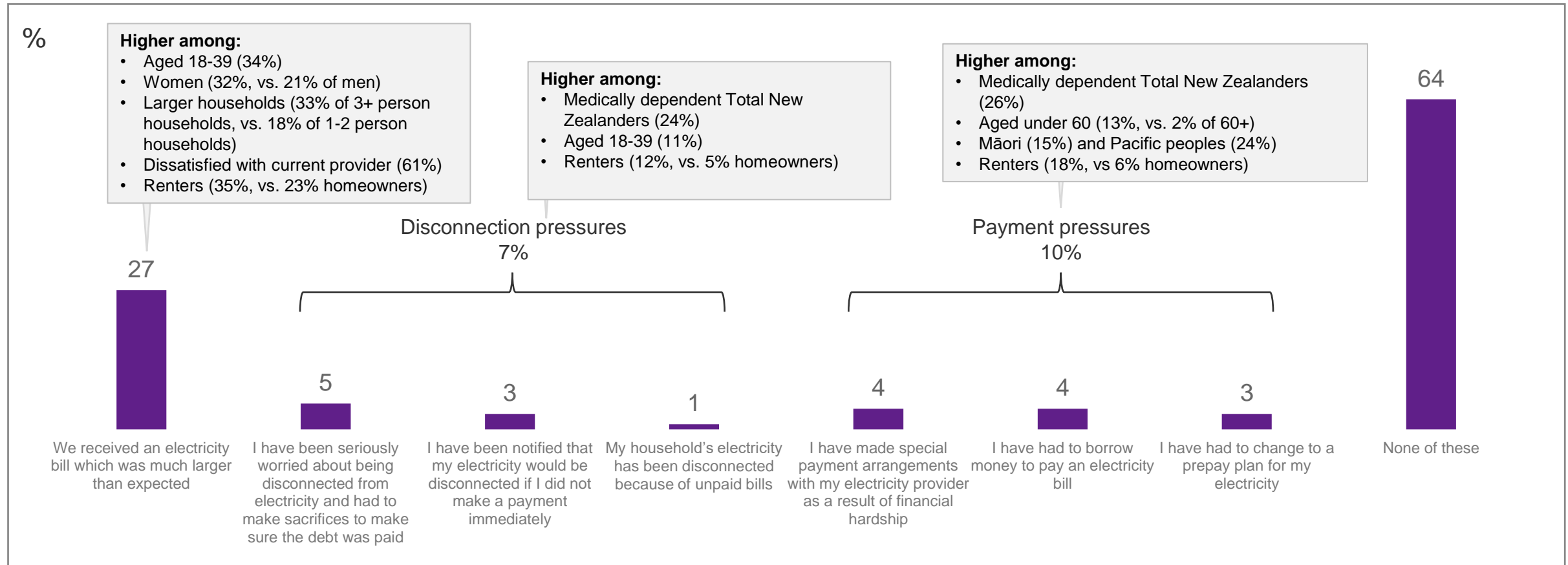


New Zealanders are twice as likely to agree than disagree that electricity bills put pressure on their finances and that this is getting worse over time. Renters, lower income and medically dependent households are most likely to feel this pressure, while the former two groups are more likely than average to feel bills are harder to pay than one year ago.



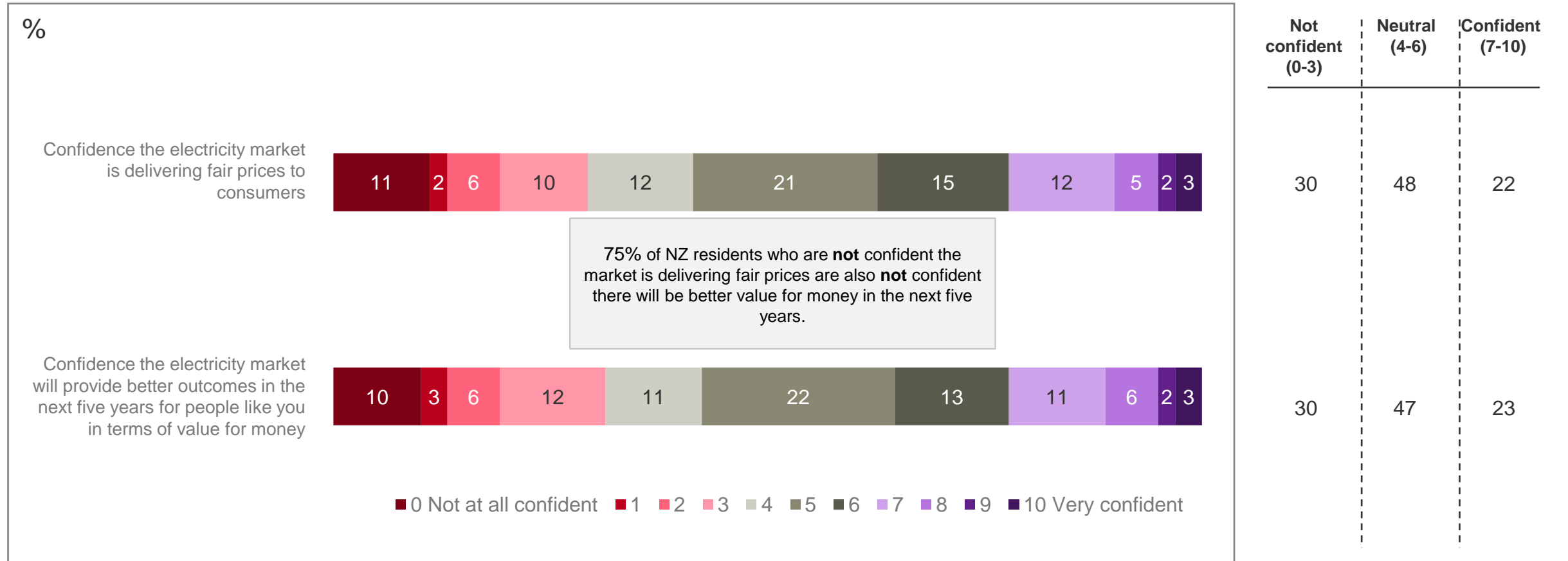
About one quarter of New Zealanders received a larger than expected electricity bill in the past 12 months. Ten percent have experienced payment pressures (incl. borrowing money to pay a bill) and 7% have been concerned about disconnection or been disconnected. Medically dependent households, renters, younger groups, Māori and Pacific peoples are more vulnerable to these types of pressures.

Financial hardship experienced in the past 12 months



Most New Zealanders are not confident the electricity market is delivering fair prices to customers or that there will be better outcomes for value for money in the next five years. This is slightly in contrast to value for money perceptions of providers, suggesting households may feel they are getting good value for money with their own provider but that the sector does not provide this consistently.

Confidence the electricity market delivers fair prices to consumers



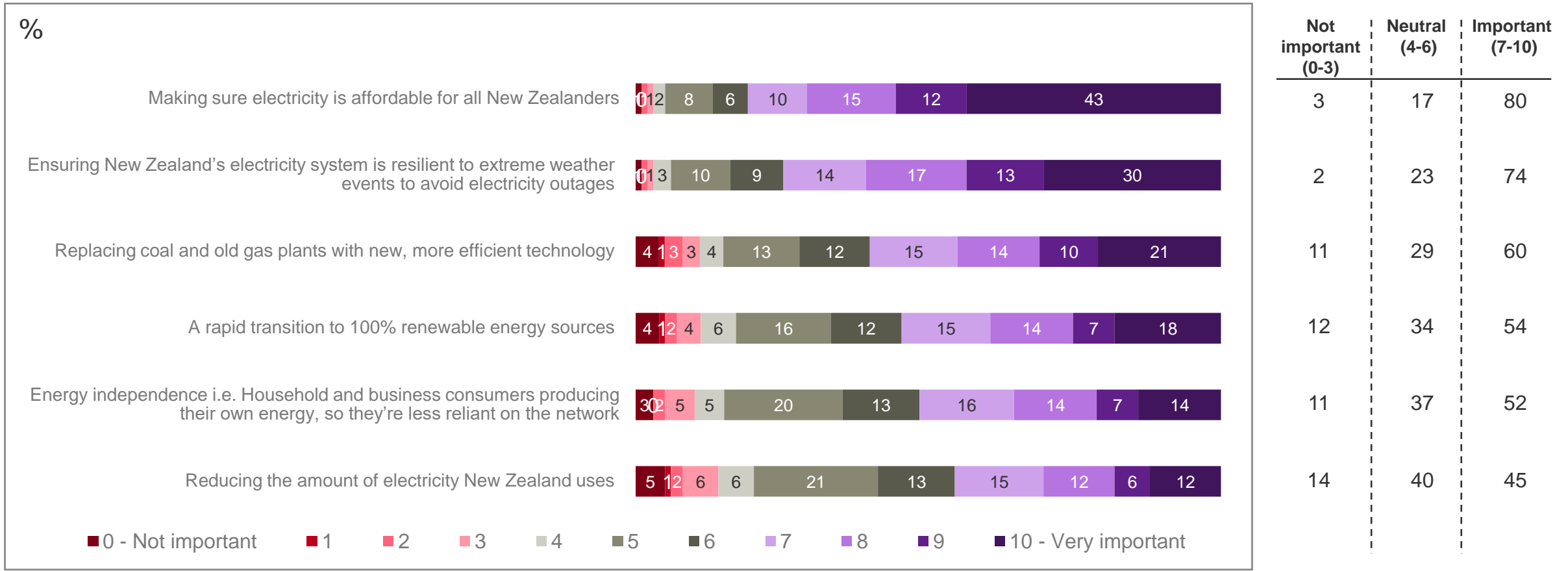
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Attitudes about the
electricity market



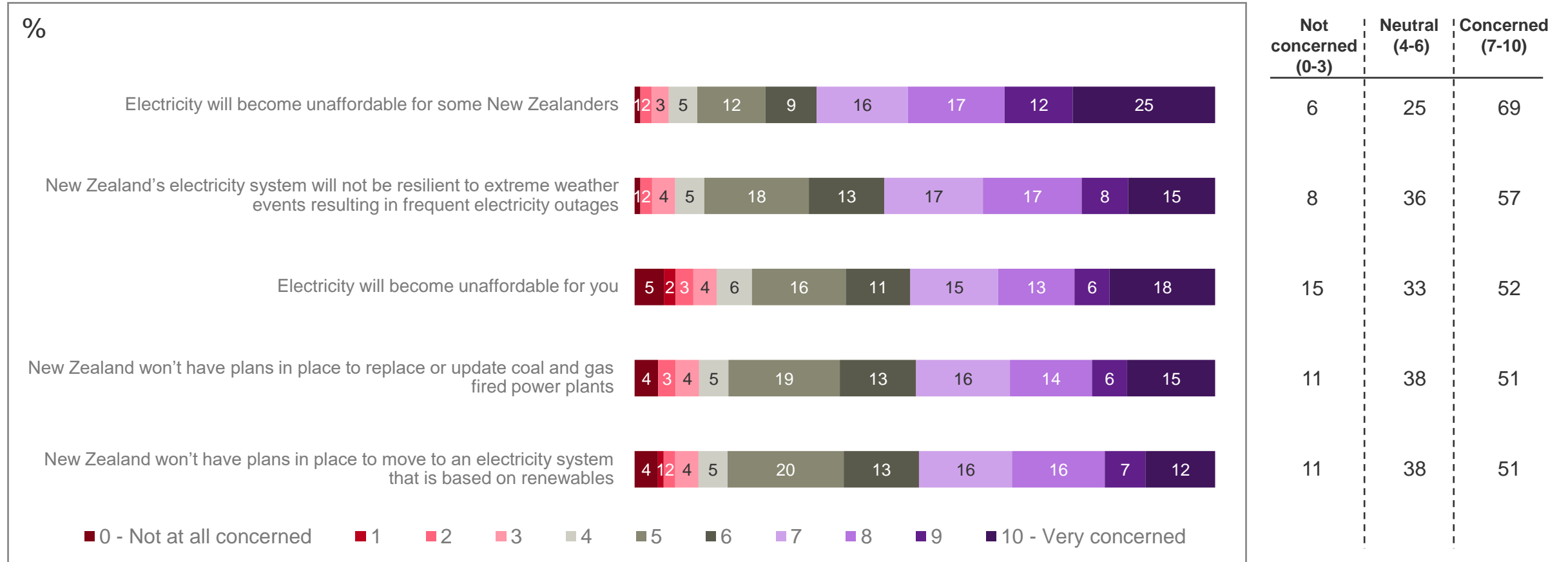
The key issue for New Zealanders is for electricity to be affordable for all (80%), followed closely by a system resilient to extreme weather events and outages (74%). Issues around sustainability are important to many New Zealanders but to a lesser extent than affordability and reliability of the system.

Importance of issues for managing the electricity sector in the future



Over two thirds of New Zealanders are concerned that electricity will become unaffordable for some New Zealanders over the next 10 years, and half are concerned it will be unaffordable for them personally (69% and 52%, respectively). The majority (57%) are also concerned about the resilience of the system to outages, while half are concerned about sustainability of the sector moving into the future.

Concerns about the future of New Zealand's electricity sector



04

Switching behaviours



The majority (63%) of New Zealanders have been with their current provider for three or more years, and one quarter have been with theirs for more than ten.

Length of time with current provider

%

Groups more likely than average to have been with provider up to two years (34%):

- Aged 18-39 (54%)
- Canterbury (45%, vs. 33% outside Canterbury)
- Asian New Zealanders (43%)
- Urban area (41%, vs. 31% suburban/rural area)
- Renters (44%, vs. 31% homeowners)

Groups more likely than average | 43%) to have been with provider for 5+ years:

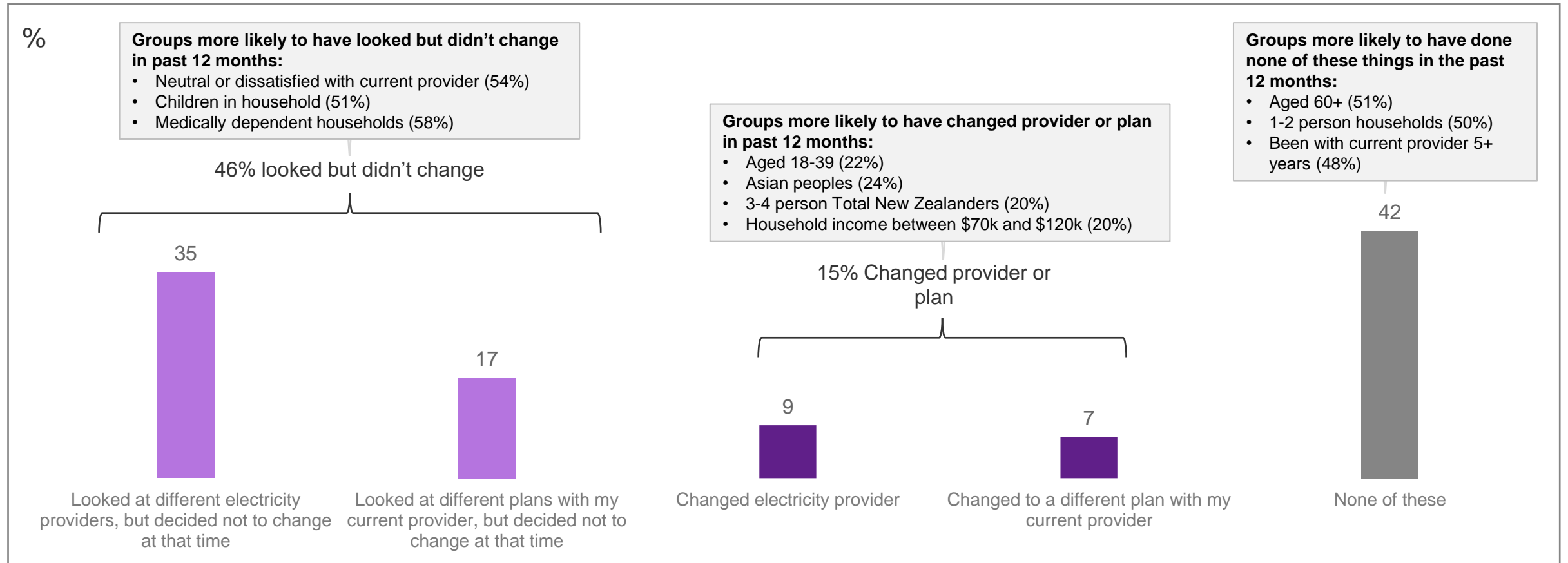
- Aged 50+ (64%, vs. 26% aged under 50)
- Māori (52%)
- 1-2 person households (52%, vs. 36% for larger households)
- Homeowners (49%, vs. 31% renters)



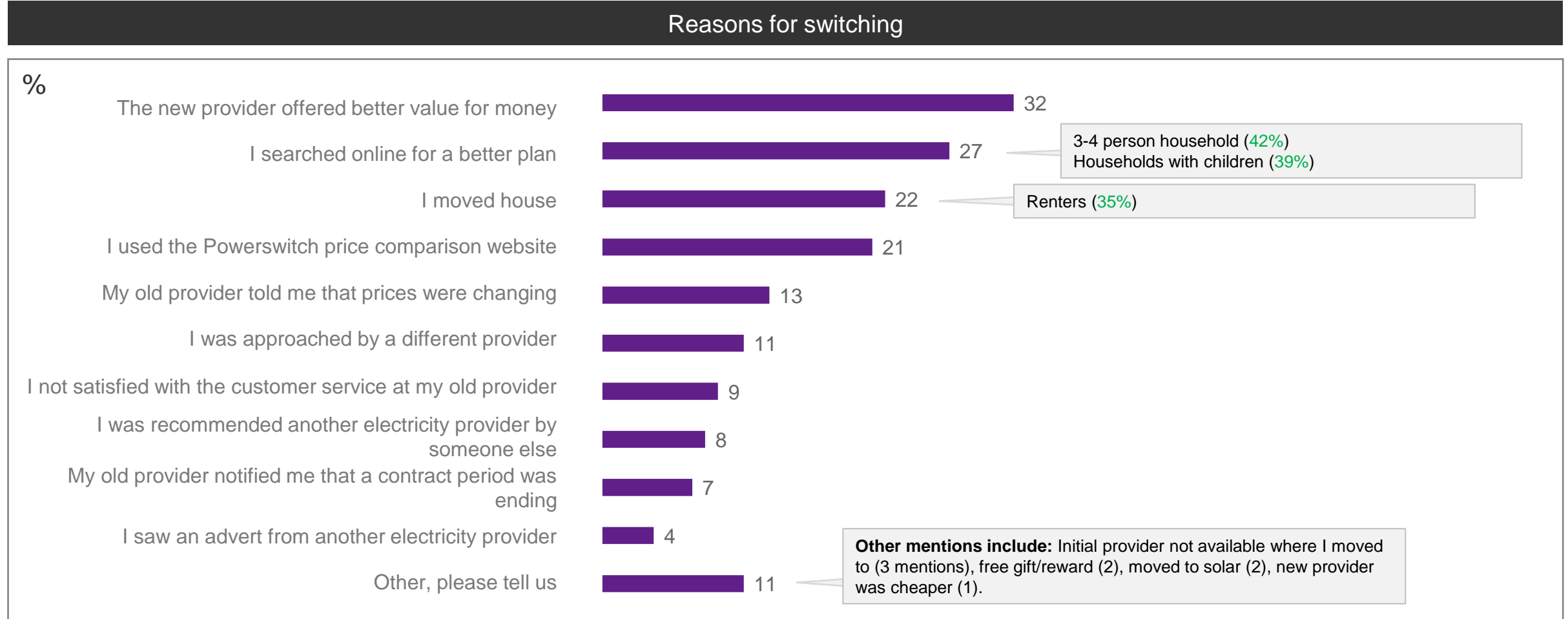
■ Less than 12 months ■ 1 to 2 years ■ 3 to 4 years ■ 5 to 10 years ■ More than 10 years ■ Not sure

In the past 12 months, a third of New Zealanders have explored other providers and did not switch, while about one in ten did change provider.

Switching behaviours in the past 12 months

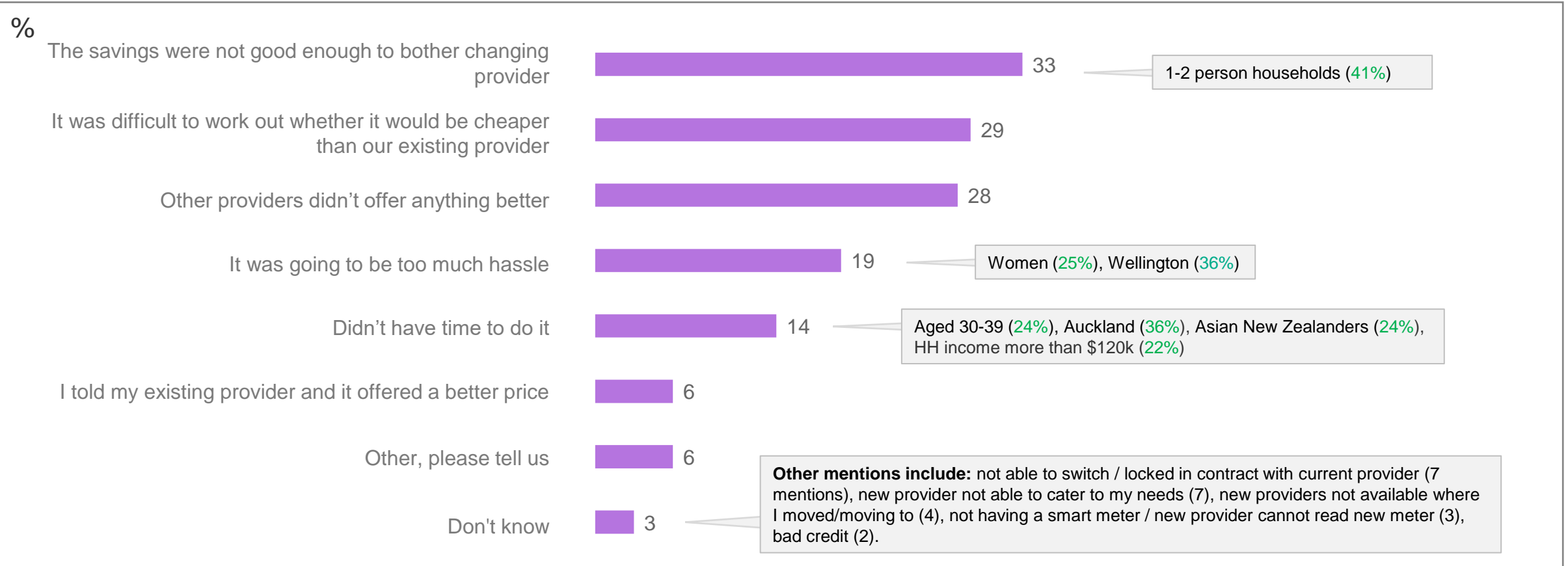


For the 15% of New Zealanders who have switched provider in the past 12 months, the offer of better value for money was the key motivator (32% gave this as a reason for switching). A quarter searched online while 21% used the Powerswitch comparison website. Further, 22% switched because they moved house; this increases to a third (35%) of renters.



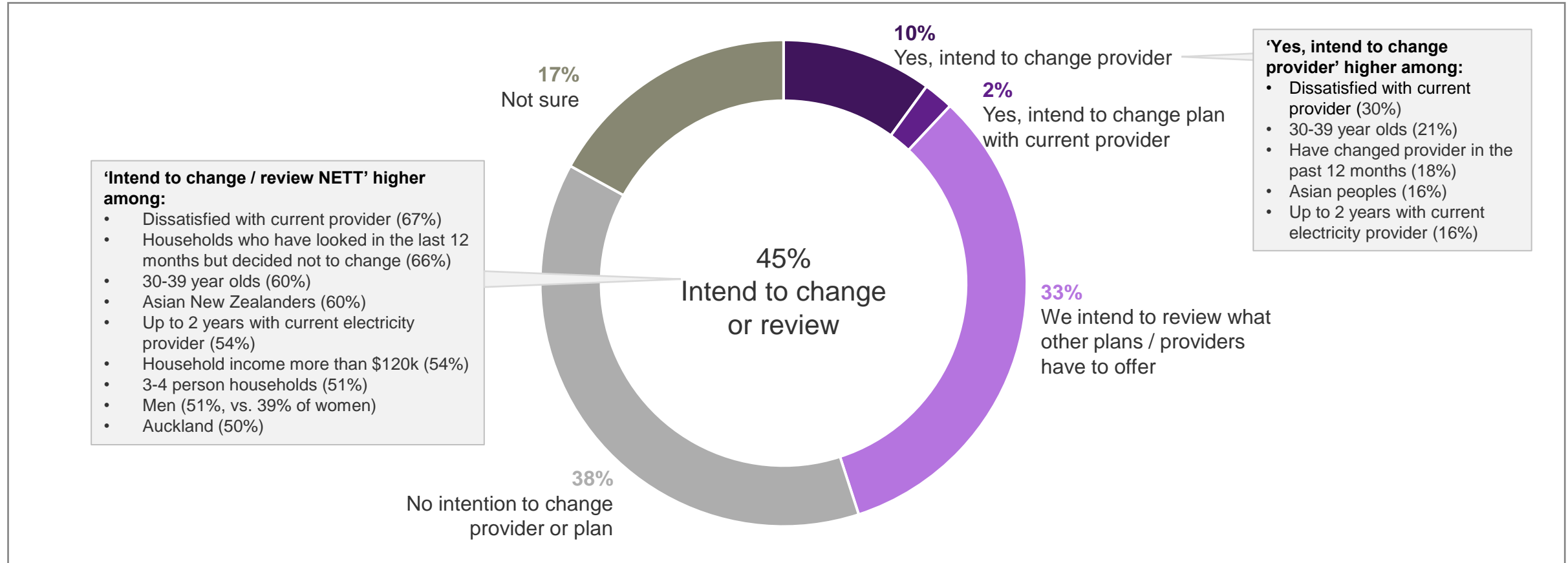
Conversely, a third (33%) of those who decided not to switch did so because the savings were not worth it, and only slightly fewer (29%) found it too difficult to work out if the new offer was actually cheaper or they found there were no better offers (28%).

Reasons for deciding not to switch



Over the next 12 months, nearly half (45%) of New Zealanders intend to review what else is on offer or change provider/ plan. One in ten overall are clear in their intent to switch provider and those who are dissatisfied with their current provider or have been with their provider less than two years are even more likely to switch in the next 12 months.

Switching intentions over the next 12 months

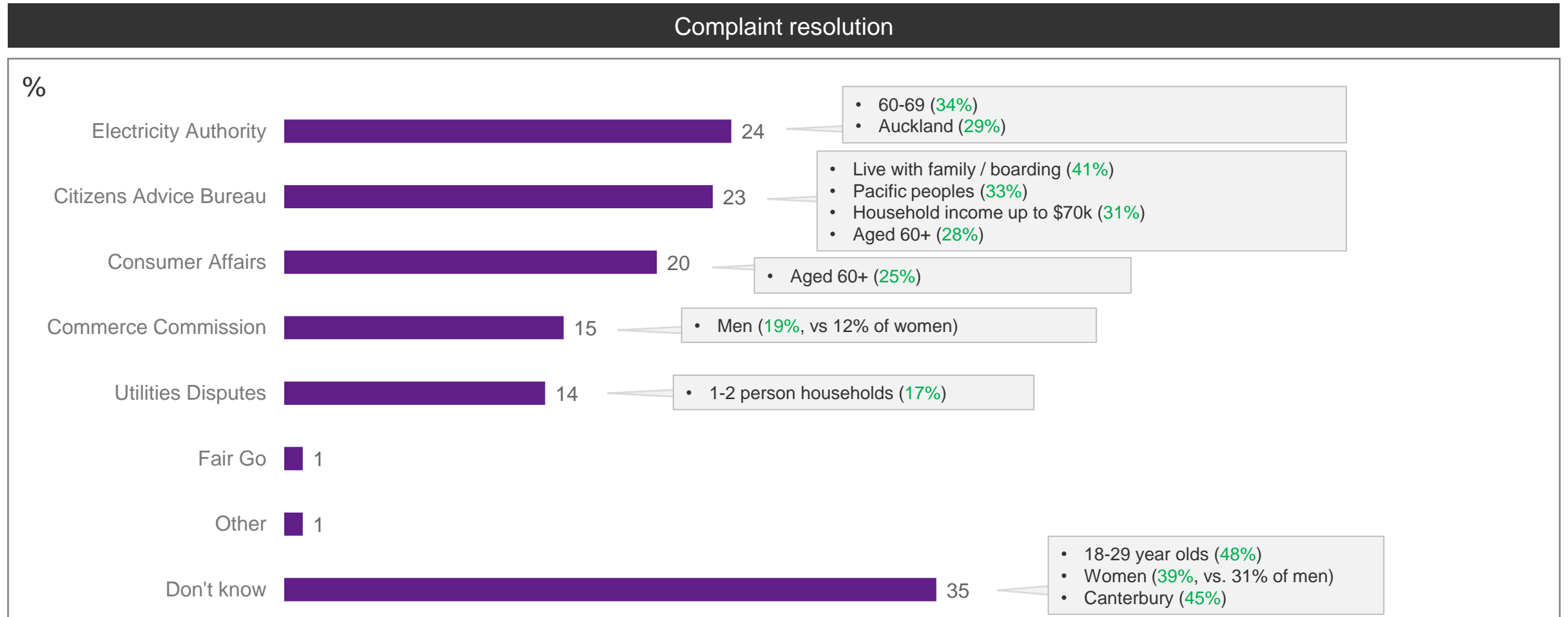


05

Knowledge about and
confidence in the
electricity market



One in four New Zealanders would contact the Electricity Authority or CAB to resolve a complaint they had with their electricity provider, however a third don't know who they would contact if they had an issue they couldn't resolve.



The majority of New Zealanders have not heard of their provider's or the Electrical Authority's consumer care guidelines / policy.

Awareness of consumer care policy and guidelines

%

Your electricity provider's consumer care policy



18

- Medically dependent Total New Zealanders (40%)
- Asian New Zealanders (25%)
- Men (21%, vs. 15% of women)
- Wellington (9%),

The Electricity Authority's consumer care guidelines



11

- Medically dependent Total New Zealanders (20%)

Neither of these

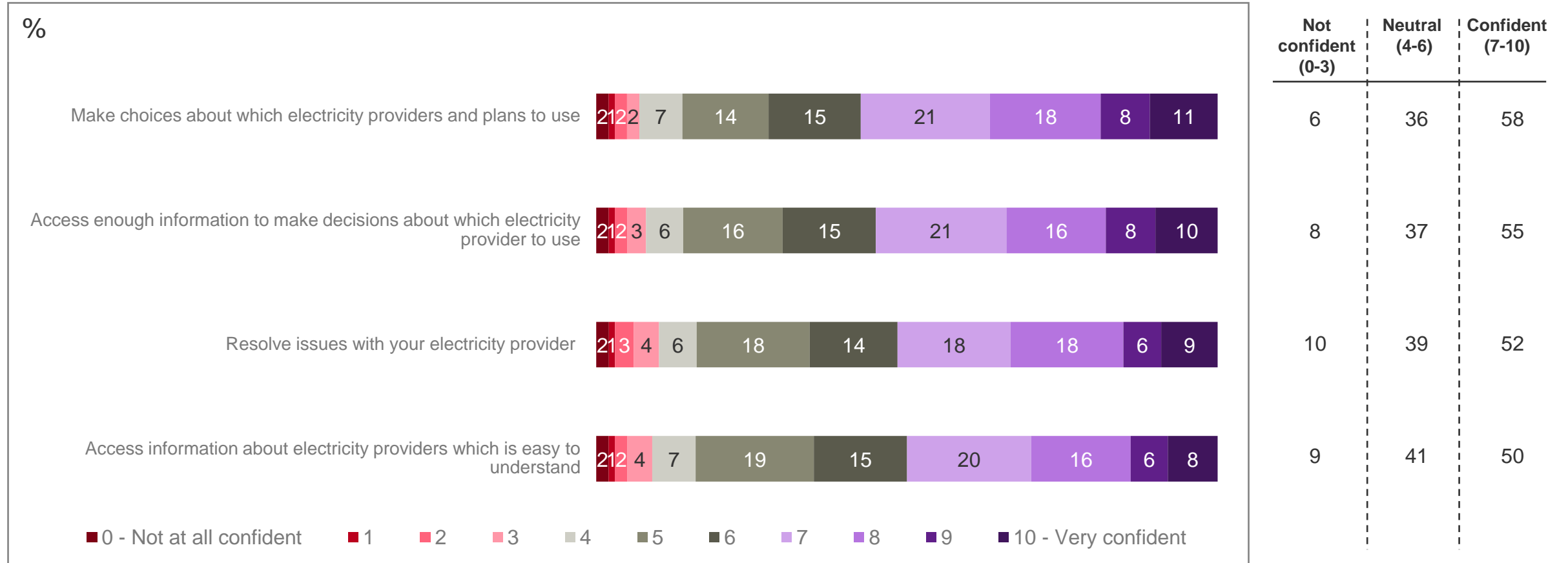


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- Wellington (85%)
- Māori (83%)

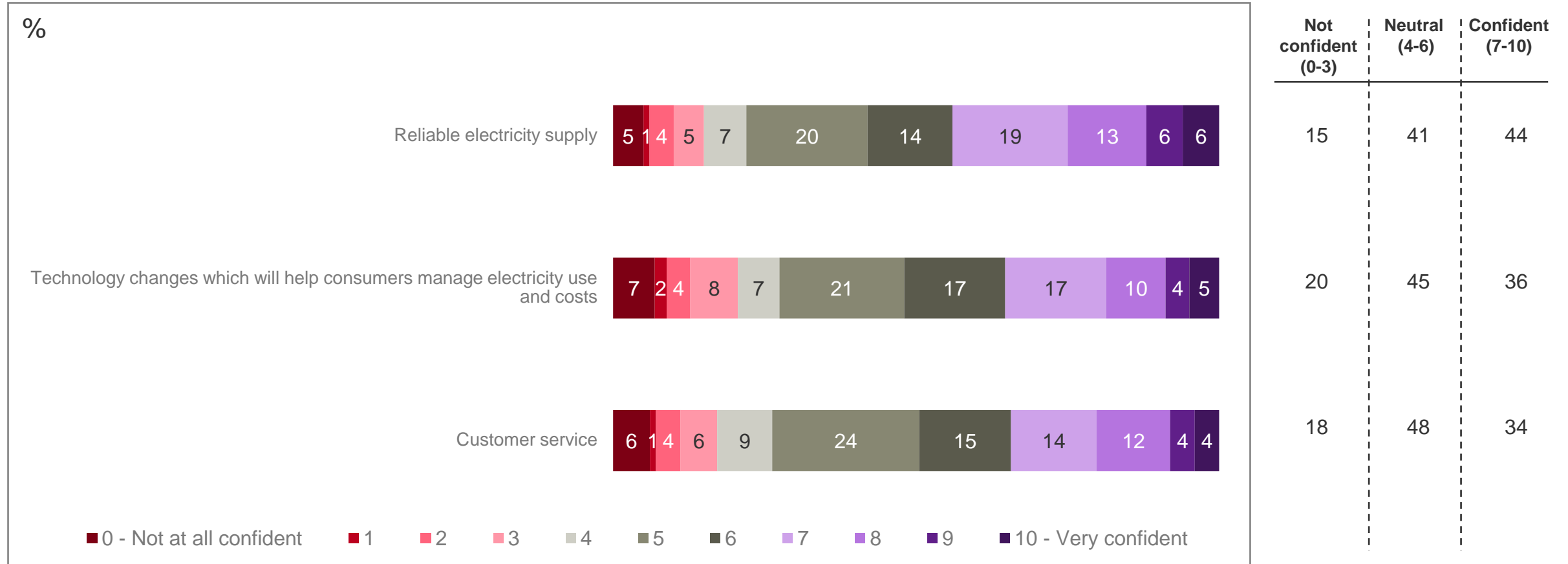
Over half (58%) of New Zealanders are confident they can make choices about what plans/providers to use and that they can access enough information to make these choices. Half (52%) of New Zealanders feel confident they can resolve issues with their electricity provider; a concern given a third don't know who they would approach if they had an issue which could not be resolved with their provider.

Making choices and accessing information



Fewer than half (44%) of New Zealanders are confident the electricity market will provide a reliable supply in the next five years; perhaps unsurprising given 57% are concerned the system will not being resilient to outages caused by extreme weather events over the next 10 years (see page 32). New Zealanders are even less confident the market will release technology changes to help consumers manage use and costs, or provide better customer service.

Confidence the electricity market will provide better outcomes in the next five years for...

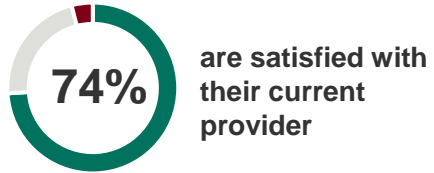


Small business results

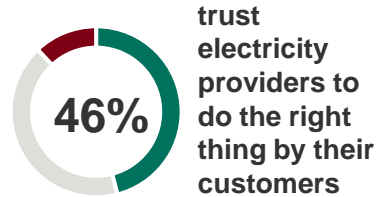


Executive summary – Small businesses

Experiences with providers



Overall, the **majority of NZ small businesses are satisfied with their current electricity provider**, and 4% are dissatisfied. When it comes to specific service aspects, **small businesses are most satisfied with reliability of their supply** (82%), access to information about usage (75%), clarity of information on bills (73%) and overall customer service (71%). Customer service has the great influence on overall satisfaction. Conversely, **NZ small businesses are least satisfied with aspects related to affordability of electricity** i.e. the advice they receive about managing electricity use to save money and the cost of electricity itself (51% and 47%, respectively).



Fewer than half of NZ small businesses trust electricity providers to do the right thing by their customers, while 12% do not trust providers to do the right thing. Trust is higher if a business is satisfied with its current provider. The combination of high satisfaction with current provider with lower levels of trust suggests that while trust is often driven by day-to-day customer experience or interaction with their provider, there is low trust in the motives or intentions of the electricity sector. However, NZ small businesses have higher trust in electricity providers than they do in other sectors.

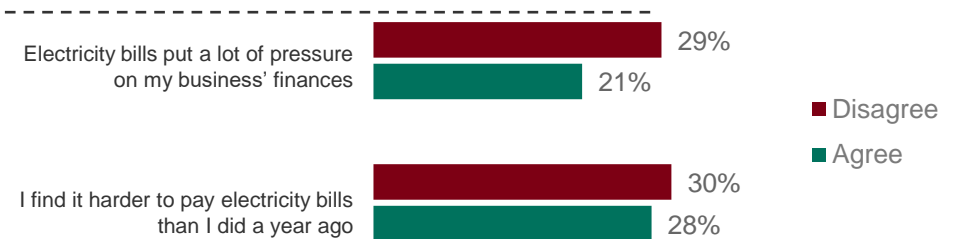
Affordability



Just over half of NZ small businesses feel they received value for money from their electricity provider in the past 12 months while one in ten disagree. Further, electricity providers are lowest for value for money when compared to other providers such as banks, insurance providers, internet and mobile phone providers. **NZ small businesses are even less optimistic about the electricity market as a whole.** There is a gap apparent between expectations and reality, with most (86%) saying they feel it is important that electricity is affordable, however just one in five (21%) are confident that the electricity market is delivering fair prices to customers and 23% are confident that the market will provide better outcomes in the next five years.

Further, about one in four (23%) NZ small businesses have experienced financial hardship. Most commonly, 19% have received a bill which was much larger than expected in the past 12 months. To a much lesser extent, small businesses experience disconnection or concerns about disconnection or payment pressures such as having to borrow money (3% of businesses have experienced at least one of these two types of pressures).

About one in five (21%) NZ small businesses agree electricity bills put pressure on their finances and nearly one in three (28%) find it harder to pay bills than they did a year ago.



Executive summary – Small businesses

Attitudes towards the electricity sector

Over half (59%) of NZ small businesses are concerned the system will not be resilient to extreme weather events over the next 10 years and most (86%) view this as an important issue facing the future of the electricity sector.

A majority (57%) of NZ small businesses are concerned that electricity will become unaffordable for some businesses over the next 10 years, and almost universally, they recognise the importance of ensuring electricity is affordable for everyone.

The majority of NZ small businesses believe replacing coal and old gas plants with new technology and a move towards energy independence are important issues facing the sector (both at 61%). However, half of businesses are concerned the former won't be achieved in the next 10 years.

Knowledge about and confidence in the electricity market

Only a small majority (55%) of NZ small businesses feel confident enough to resolve issues directly with their electricity provider, however the majority are aware of other channels they can use to resolve a complaint. About one in three NZ small businesses would contact the Electricity Authority and one in five would contact Citizens Advice Bureau, Commerce Commission or Utilities Disputes if they had a complaint which they couldn't resolve with their electricity provider. **However, one in four don't know who they could approach to make a complaint.**

Fewer than half (45%) of NZ small businesses are confident the electricity market will provide more reliable electricity supply over the next five years, and over one in ten (13%) say they are not confident this will happen. They have even less confidence the sector will deliver technology changes which will help consumers manage electricity use and costs or better customer service outcomes over the next five years (36% and 33%, respectively). However, most businesses already have high satisfaction with the customer service they receive from their current provider.

Finally, the majority of NZ small businesses do feel they have a choice about which providers and plans to use (62%), they have enough information to make these decisions (60%) and half (52%) feel the information is easy to understand.

Switching behaviour

One in five NZ small businesses have been with their current provider for less than two years, 12% have changed plan or provider in the past 12 months and a further 39% have explored other providers / plans but decided not to switch.

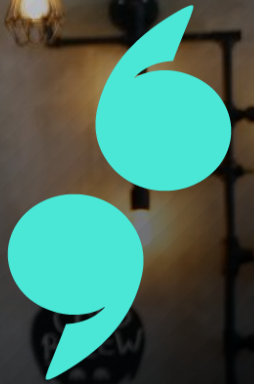
For those who did change electricity providers, by far the key reason was the offer of better value for money; 57% gave this as the reason for switching provider. Thirty-seven percent searched online to find a better plan and one in three NZ small businesses used Powerswitch to decide which provider / plan to go with. Slightly fewer (17%) changed providers on the recommendation of someone else.

When NZ small businesses looked but decided to stick with their current provider, the key reason was the savings not being worthwhile to switch (32%), however about one in three businesses didn't think providers could offer anything better or that it was difficult to work out if the new provider was going to be cheaper (30% and 28%, respectively). About one in ten (9%) businesses were offered a better price by their existing provider after telling them they were thinking of switching.

Over the next 12 months, 37% of NZ small businesses intend to change provider / plan or at least review what else is on offer, although only 5% have firm intentions to switch at this stage.

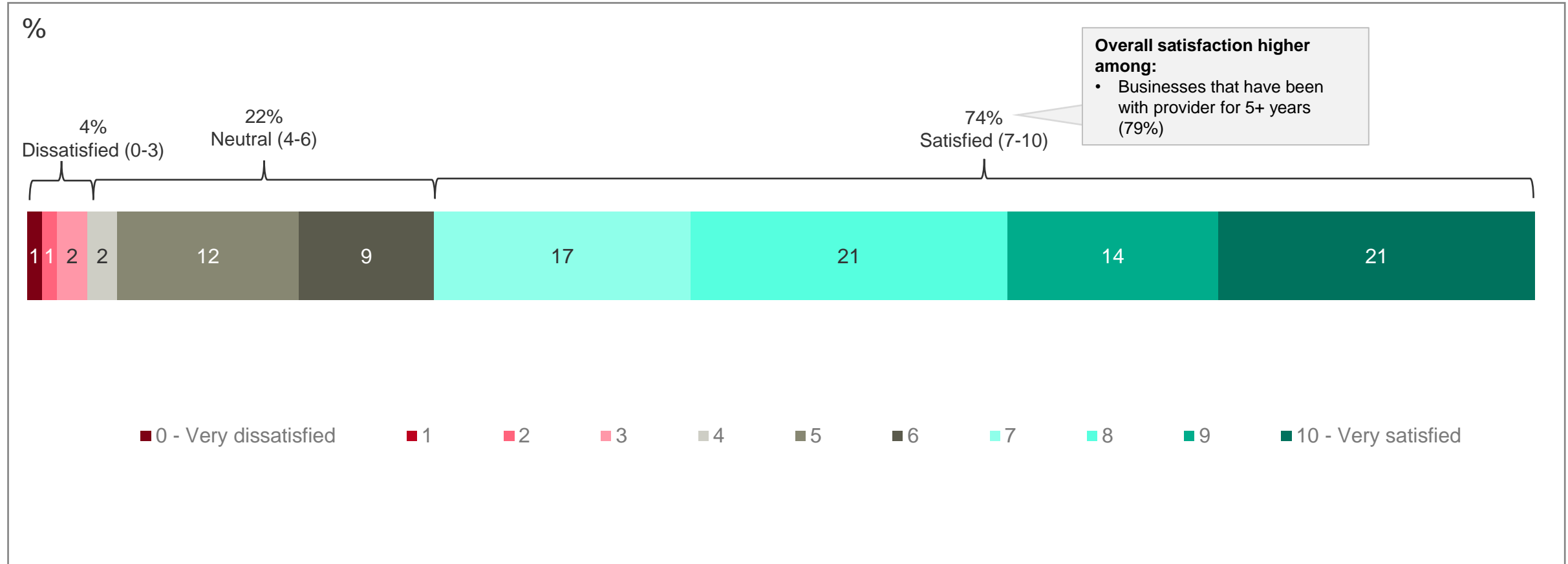
01

Small business' experiences in the electricity market



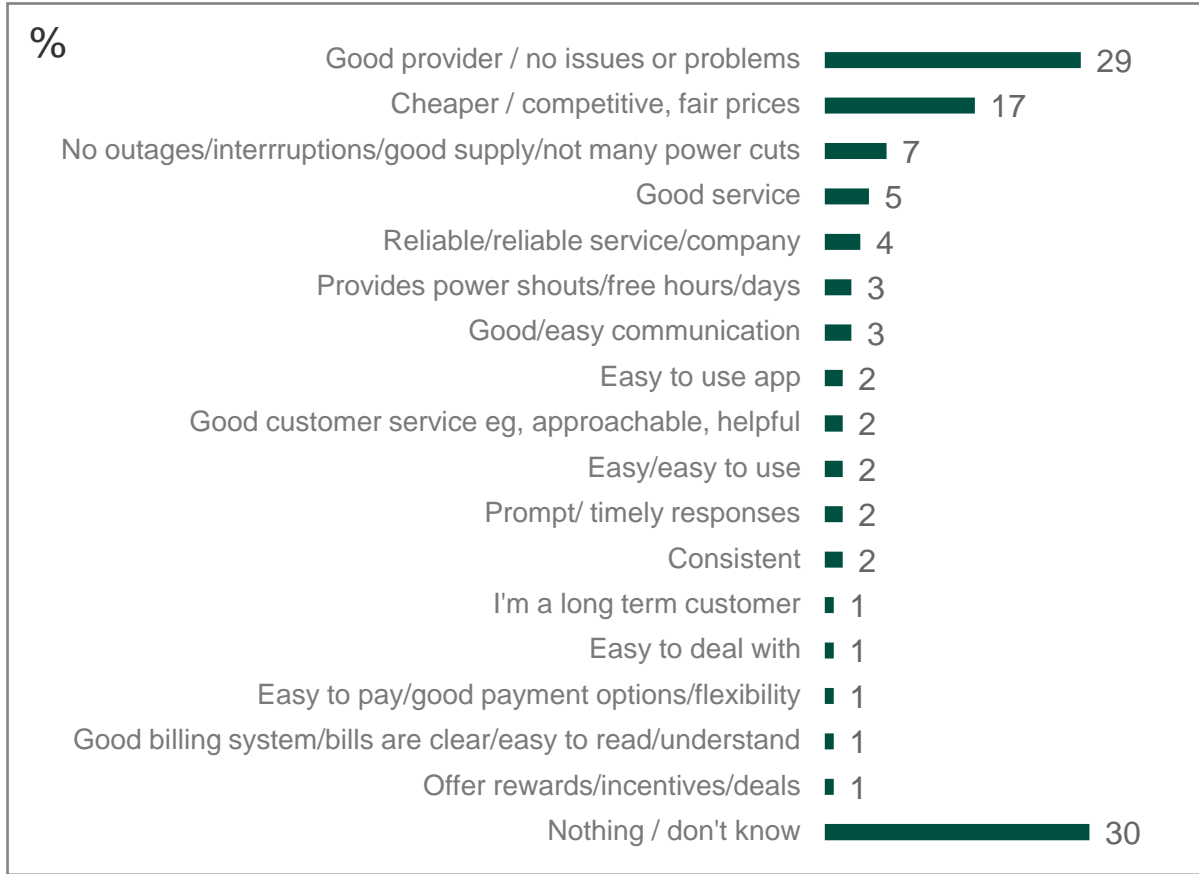
Most small businesses are satisfied with the service they receive from their current provider, particularly those who have been with their provider for at least five years.

Level of satisfaction with current provider



Businesses that are satisfied with their provider just tend to be happy because they've had no issues or they feel their paying a fair price.

Reasons for being satisfied with current provider (coded responses)



“

We haven't had any problems with the service provided and when we have contacted our supplier for assistance they responded promptly and efficiently.

Transfer was fairly smooth, no subsequent problems, plan is good, and reasonable saving on previous provider.

Delivered as needed. No problems with transfer of bill to myself when renovating or moving it back to tenants when work complete.

By my calculations they are very competitive as to price, and I've had no problems.

No significant cost increases and plenty of communication.

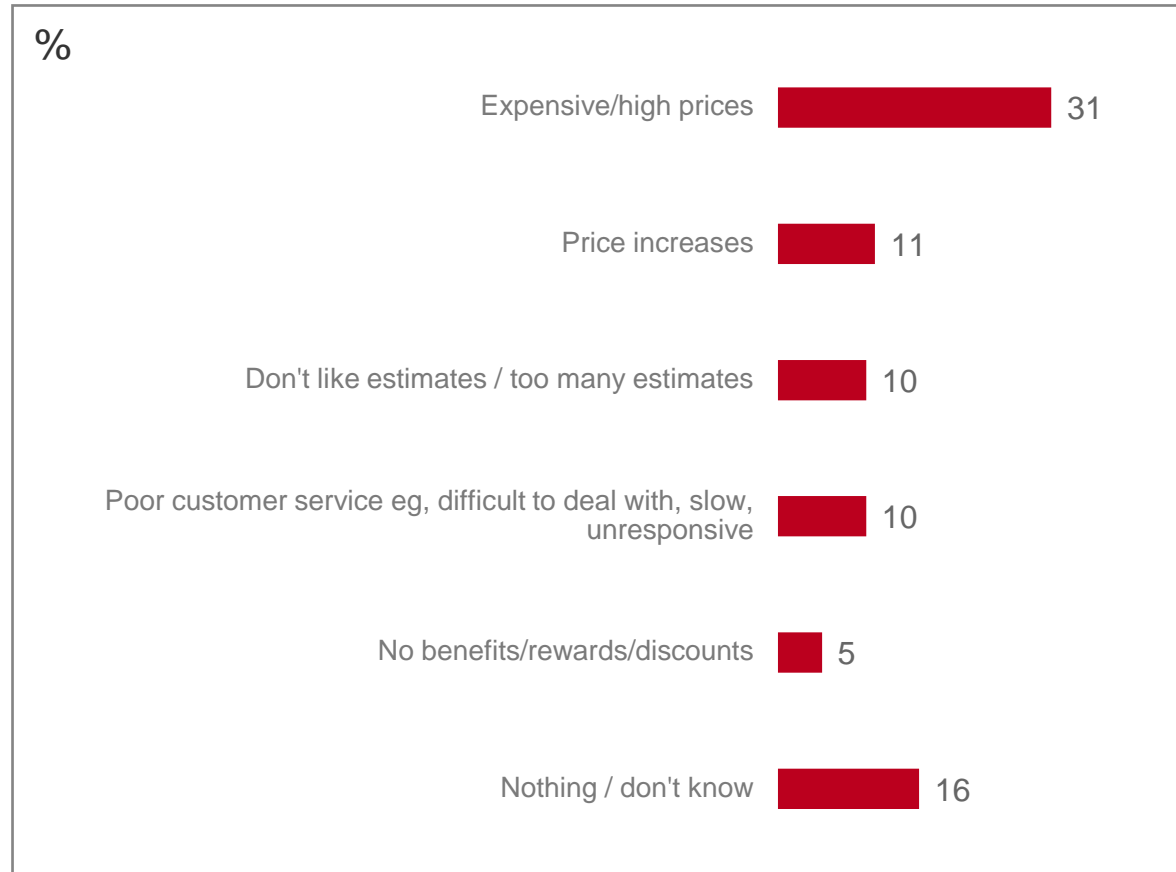
The electricity has been uninterrupted and the one time it was , it was easy to find out why and when it was coming back one.

The power supply has been reliable and the cost of power is competitive.

Am able to pay a monthly cost that covers the whole year's usage.

For the 4% of businesses that are dissatisfied with their current provider, the key reason given is high prices, followed by price increases.

Reasons for being dissatisfied with current provider (coded responses)



Well, it is pretty damn expensive service we are getting. It is usually expensive, it has now moved to VERY expensive territory. It is kind of a senseless market.

Expensive, and lost my discount for prompt payment.

Bills kept climbing, they wouldn't come and read the meter, didn't suggest any way to reduce bills.

It feels like the price is just constantly increasing and becoming unaffordable.

Failed to give adequate advice of end of contract period.

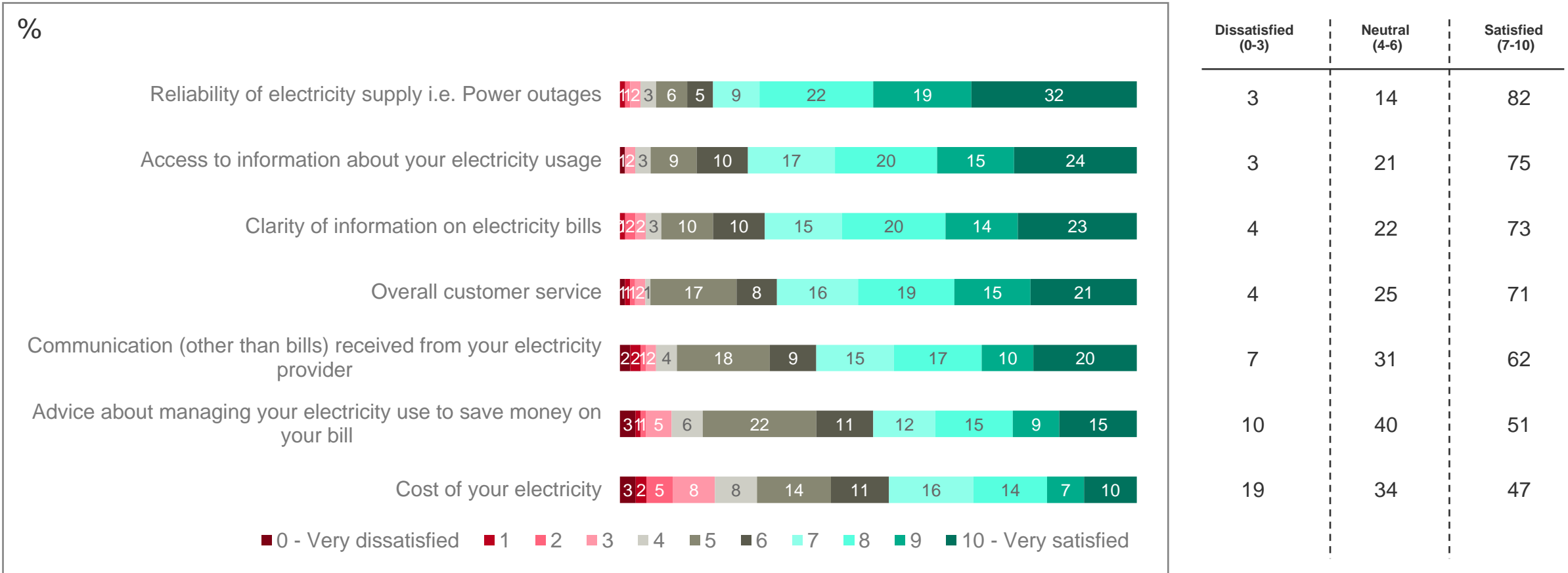
Meters were burnt out with voltage spike not on my property 3 months later after horrendous estimated power bills and despite numerous emails phone calls the matter is not resolved.

Price and lack of discount for loyalty.

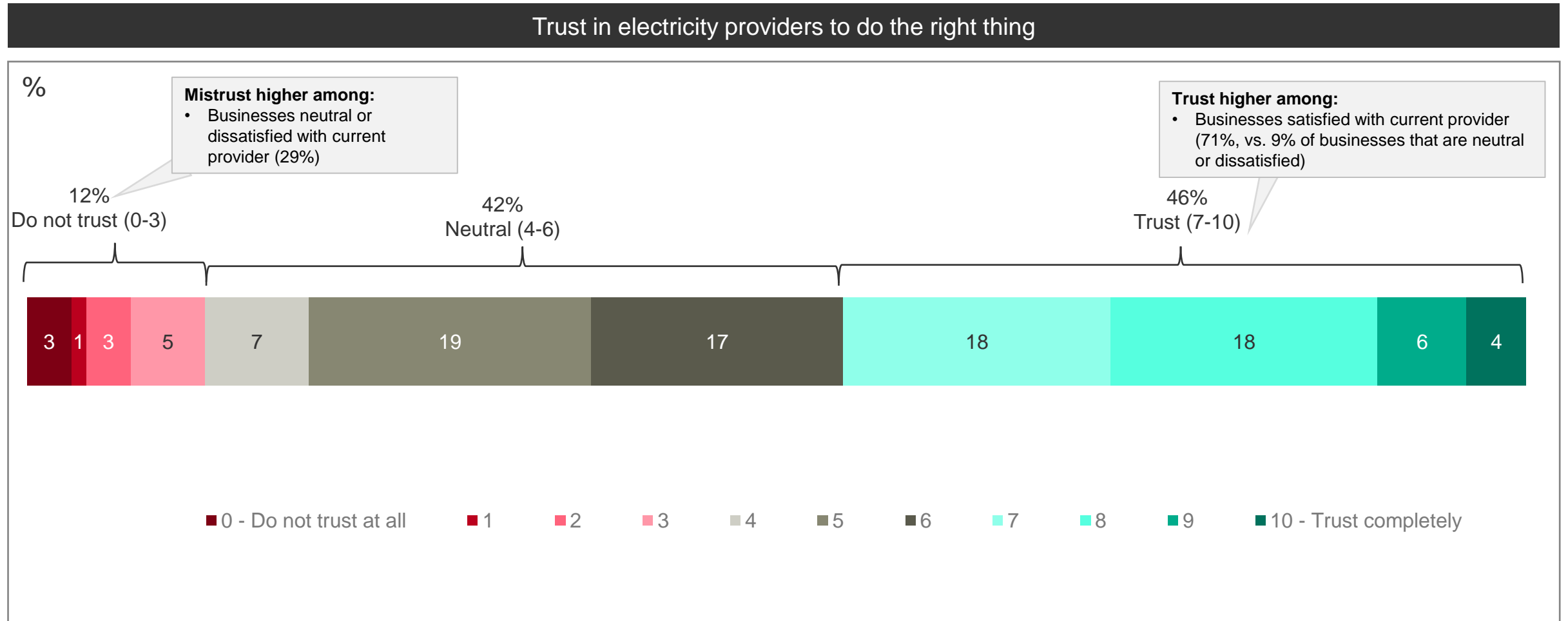
I made a big mistake changing electricity providers, so I am now looking for a new one.

NZ small businesses are most satisfied with the reliability of their electricity supply (82%), access to information about usage (75%), clarity of information (71%), overall customer service (71%) and communications received from their provider (62%). Satisfaction is lowest for cost related aspects which includes advice about how to save money on bills as well as the cost of electricity itself (51% and 47%, respectively).

Level of satisfaction with different aspects of service provision

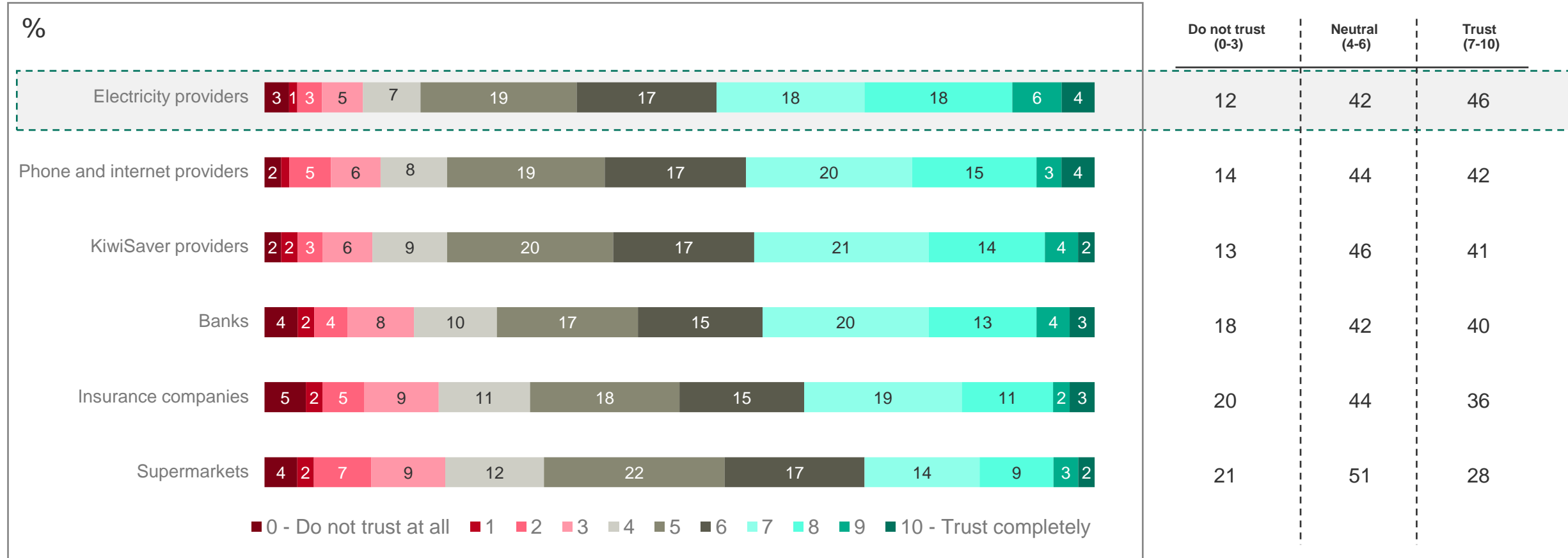


Fewer than half of NZ small businesses trust providers to do the right thing by customers. Twelve percent mistrust electricity providers and this more than doubles for those who are neutral or dissatisfied with their current provider.



No sector garners trust amongst the majority of NZ small businesses, however they have relatively more trust in electricity providers than they do in other types of providers. Supermarkets and insurance companies have the lowest levels of trust.

Trust to do the right thing – sector comparison



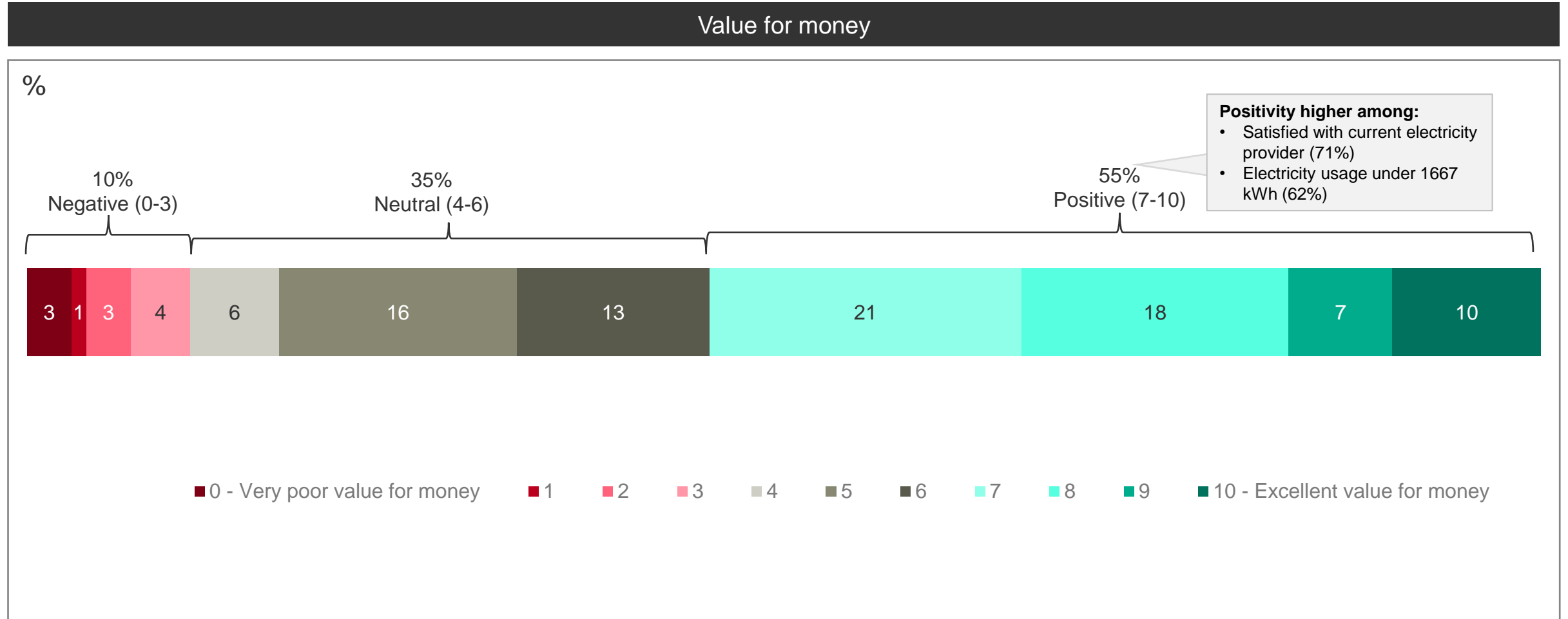
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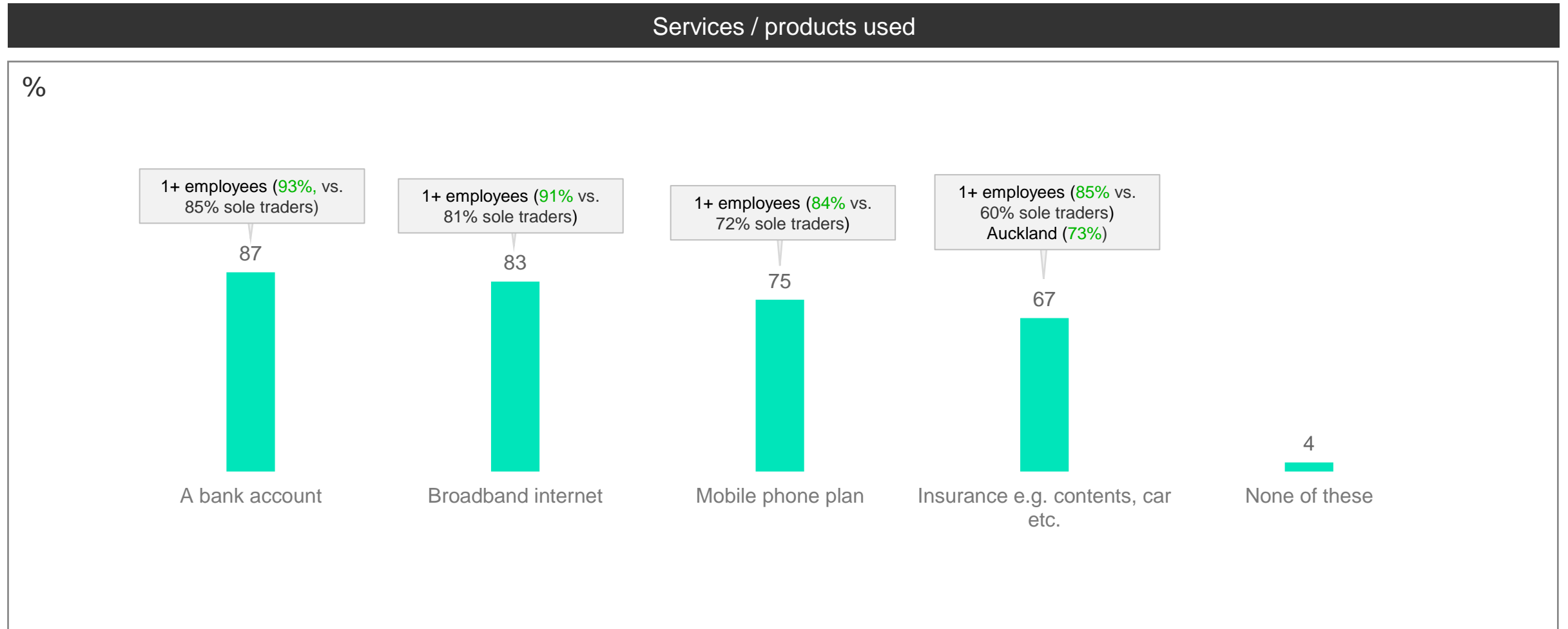
Affordability



Just over half of NZ small businesses feel they received good value for money from their provider in the past 12 months, while 10% disagree.

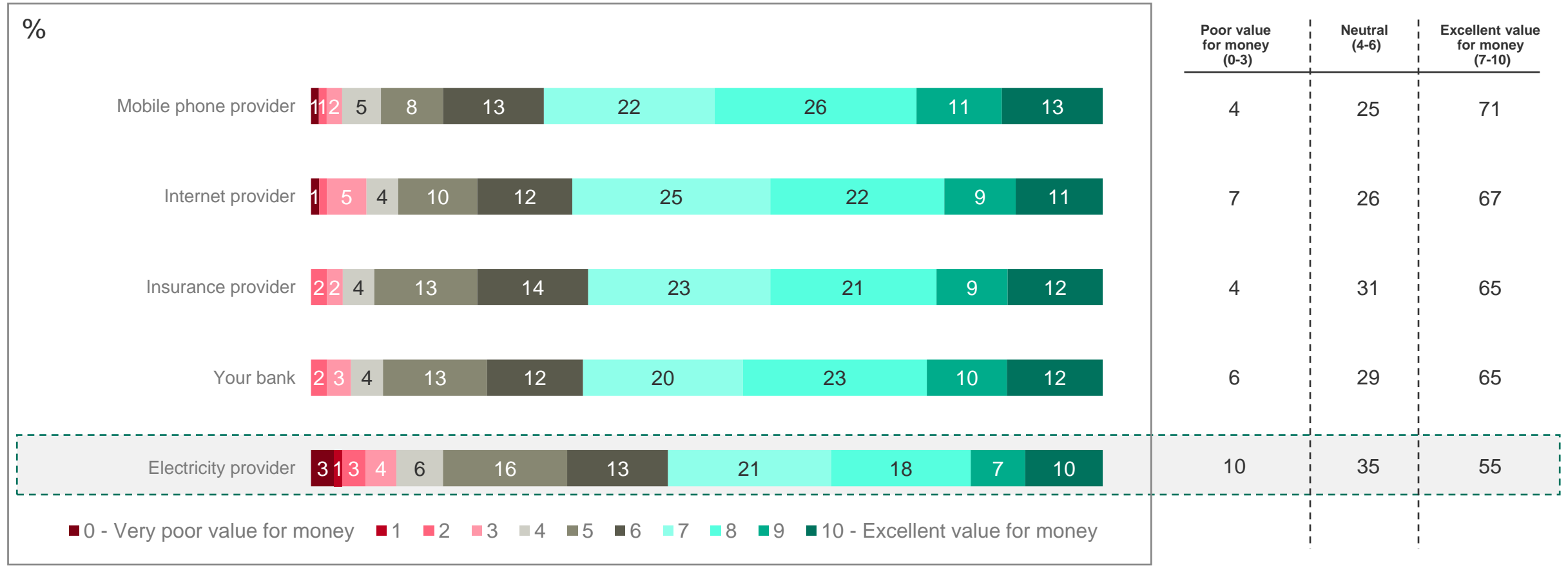


NZ small businesses pay for a range of services / products alongside electricity.

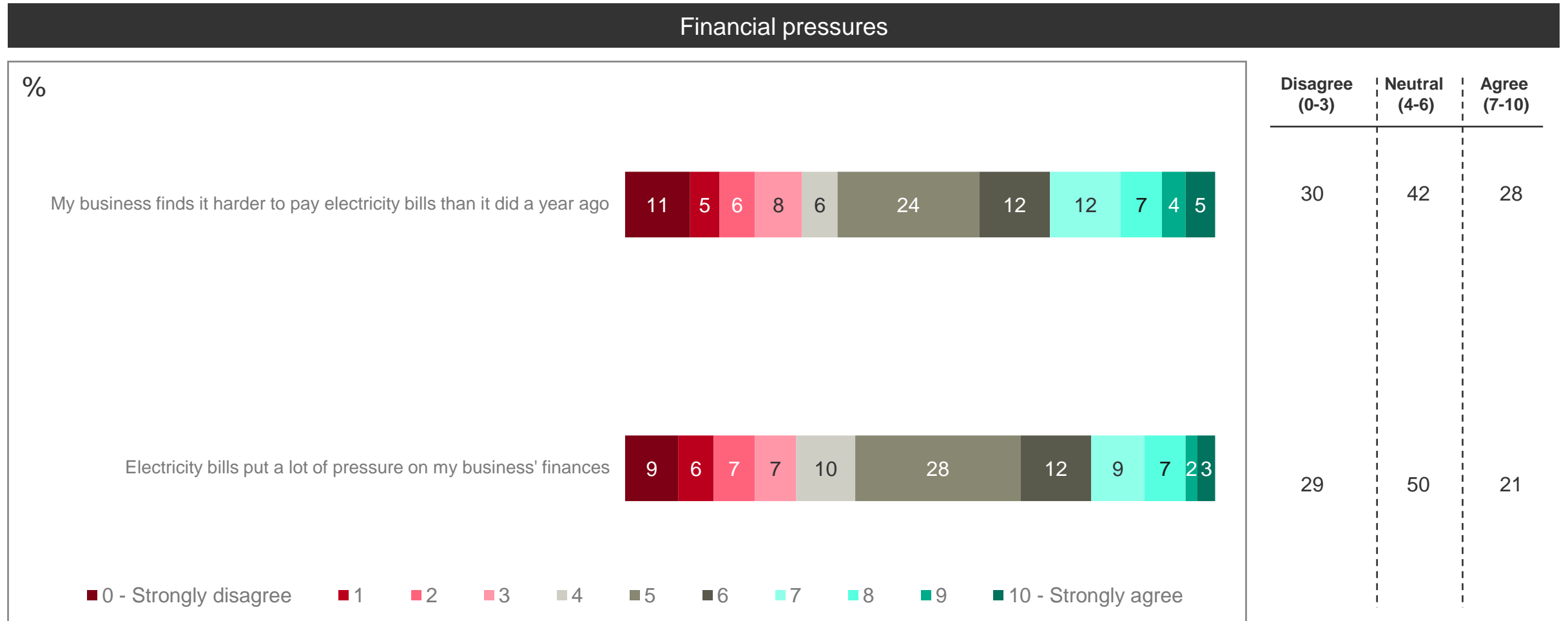


Compared to other sectors, electricity providers garner weaker perceptions of value for money from NZ small businesses despite having higher levels of trust. This suggests there is more to trust than just cost / value for money.

Value for money – sector comparison

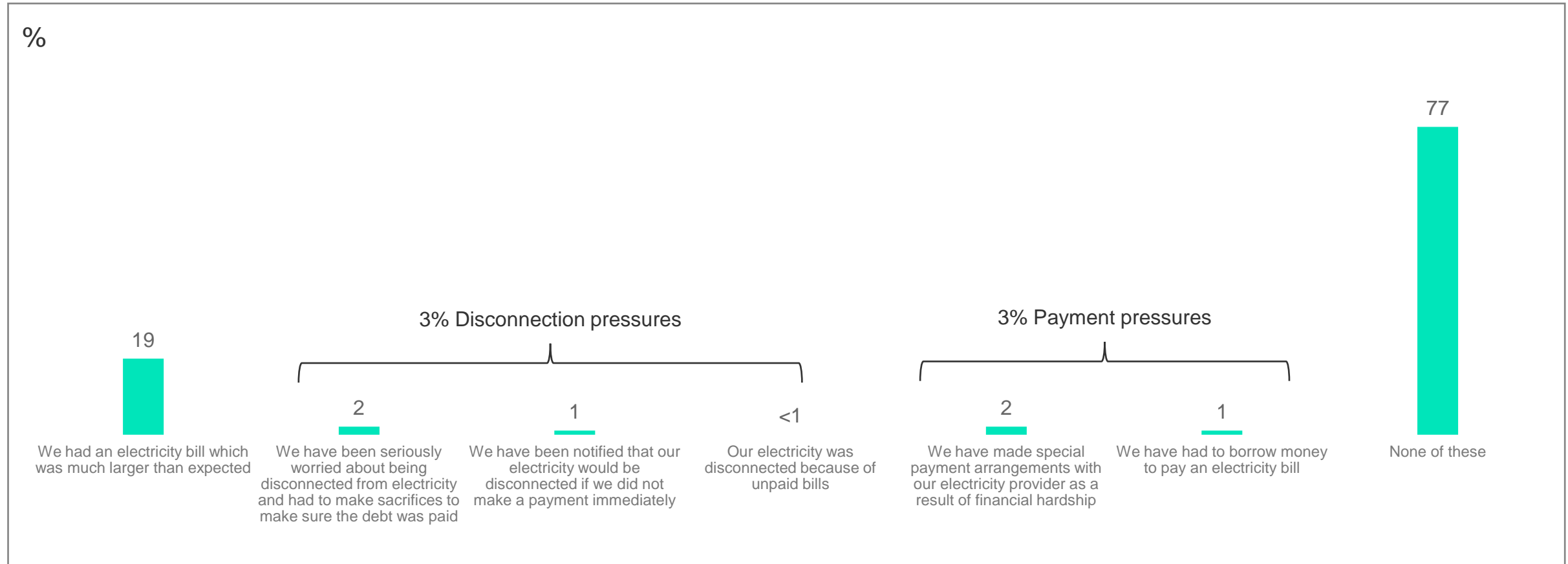


For one in five small businesses, electricity bills create pressure on their finances, and nearly one in three (28%) find it more difficult to pay bills than they did a year ago.



Further, 19% of small businesses have received an unexpectedly large electricity bill in the past 12 months. A very small minority (3%) have been worried about disconnection or actually been disconnected or experienced payment pressures such as having to borrow money to pay a bill (3%).

Pressures experienced in the past 12 months



There is relatively low confidence that the electricity market is delivering fair prices to businesses or that value for money outcomes will improve in the next five years. In fact, the proportion of businesses that are not confident outweigh those who are.

Confidence in the electricity market delivering fair prices to consumers



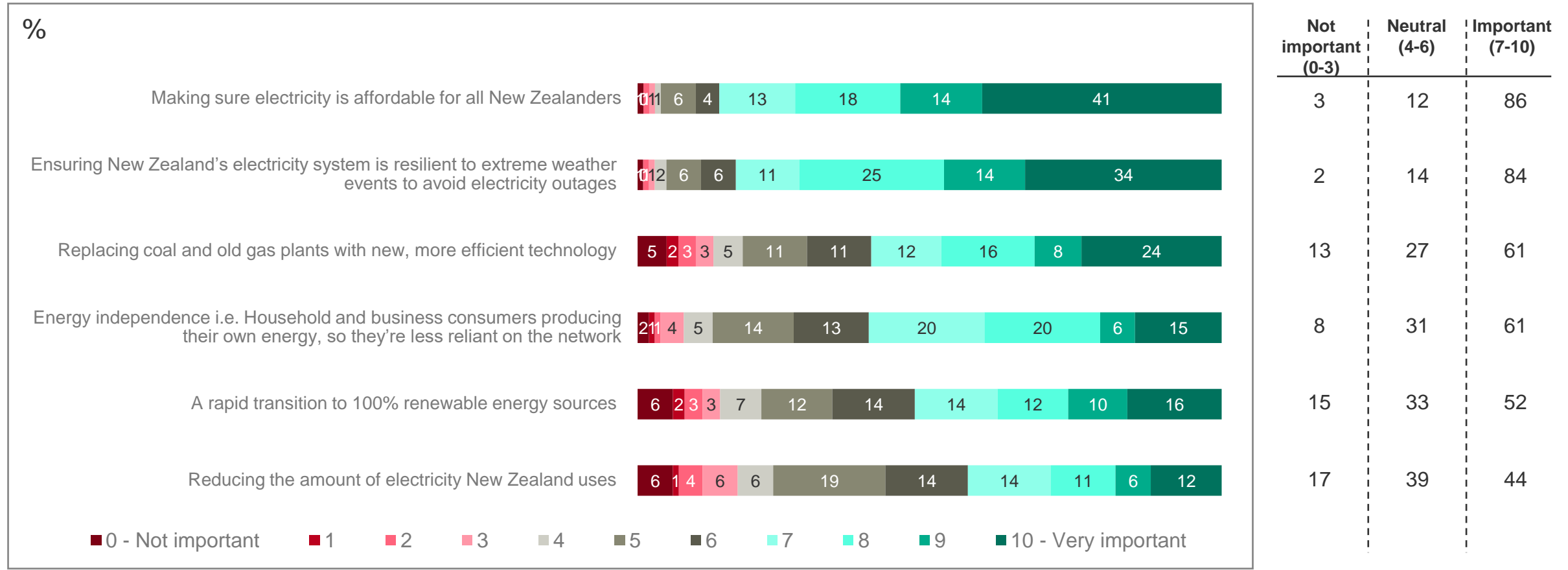
03

Attitudes about the
electricity market



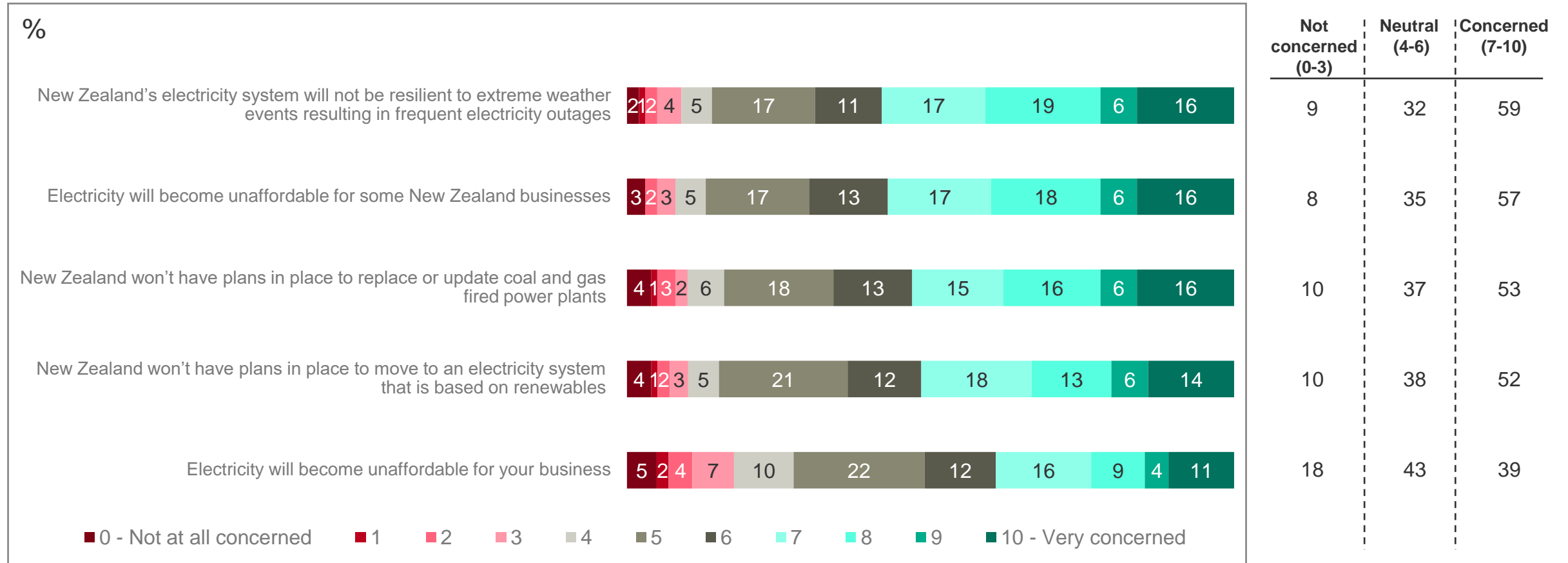
Ensuring affordable electricity for all (86%) and having a resilient system (84%) are viewed by small businesses as the most important issues facing the sector. Sustainability issues are also seen as important but to a lesser extent. In particular, replacing coal and gas plants (61%), energy independence (61%) and for half (52%) of businesses transitioning to 100% renewable sources.

Importance of issues for managing the electricity sector in the future



Over half (59%) of NZ small businesses are concerned the system will not be resilient to extreme weather events in the next 10 years and a similar proportion (57%) are concerned electricity will become unaffordable for some businesses. They are less concerned about it becoming unaffordable for their own business (39%) suggesting the key concern related to cost is about universal access to electricity and an equitable electricity sector.

Concerns about the future of New Zealand's electricity sector



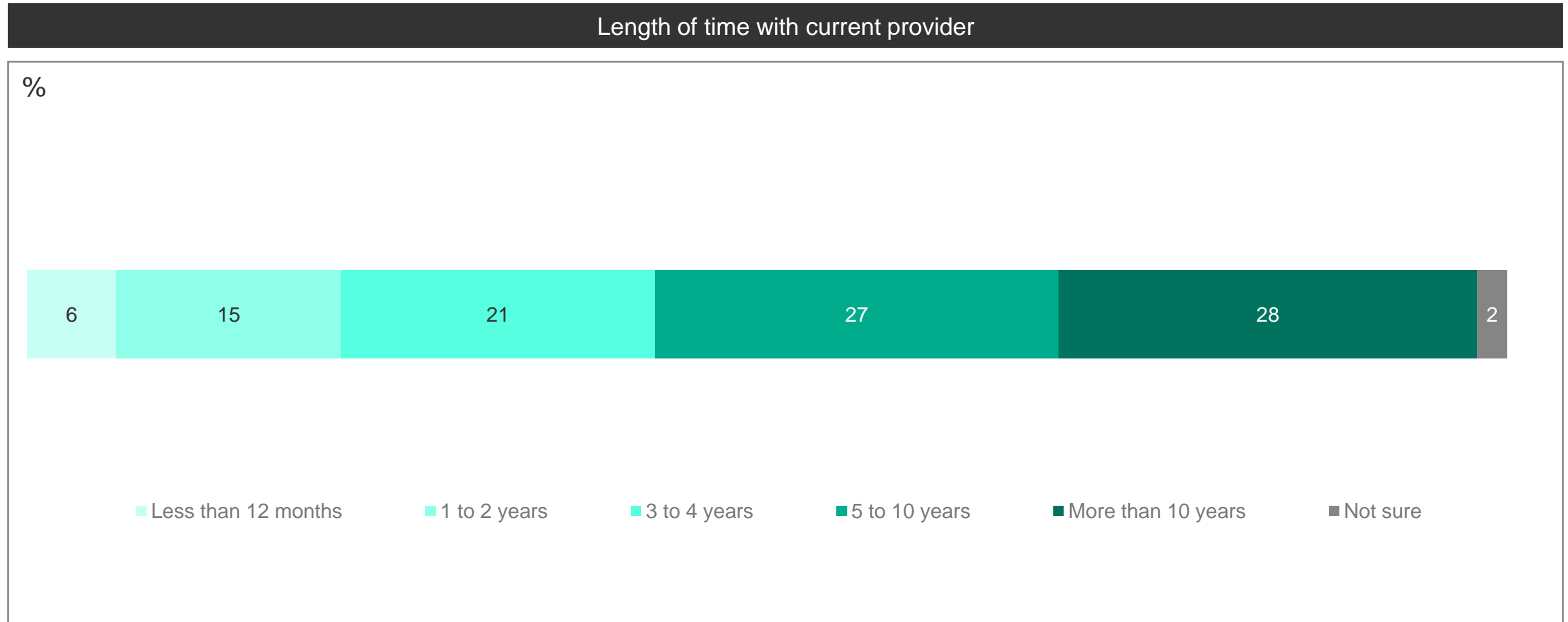
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04

Switching behaviours

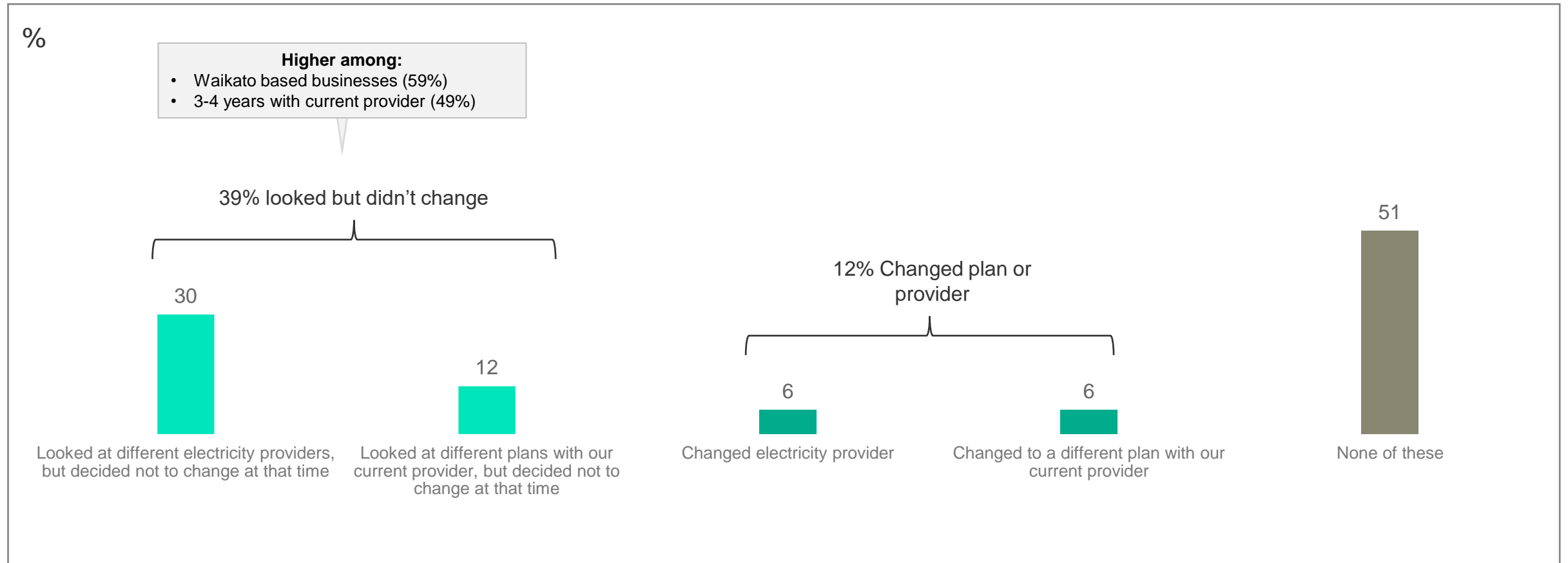


Two thirds (65%) of small businesses have had a long relationship with their current provider (i.e. five years or more). One in five (21%) have been with their provider for two years or less.



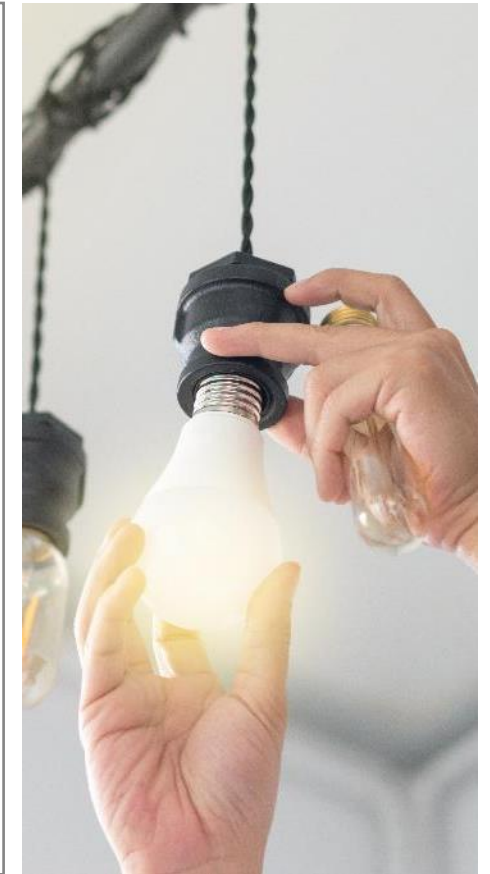
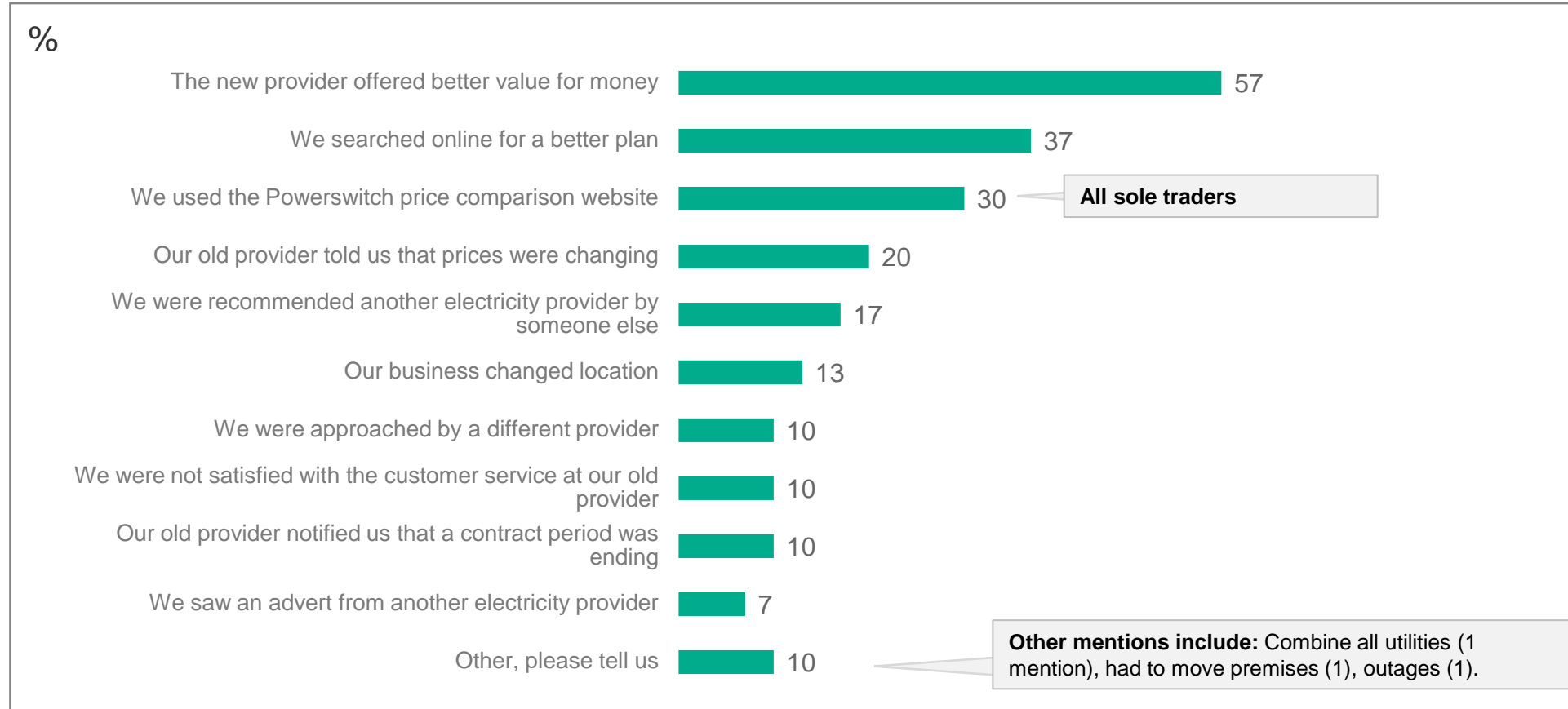
Half of NZ small businesses have changed or looked into changing provider / plan in the past 12 months however most decided to stick with their current provider (12% switched vs. 39% looked but decided not to change).

Switching behaviours in the past 12 months



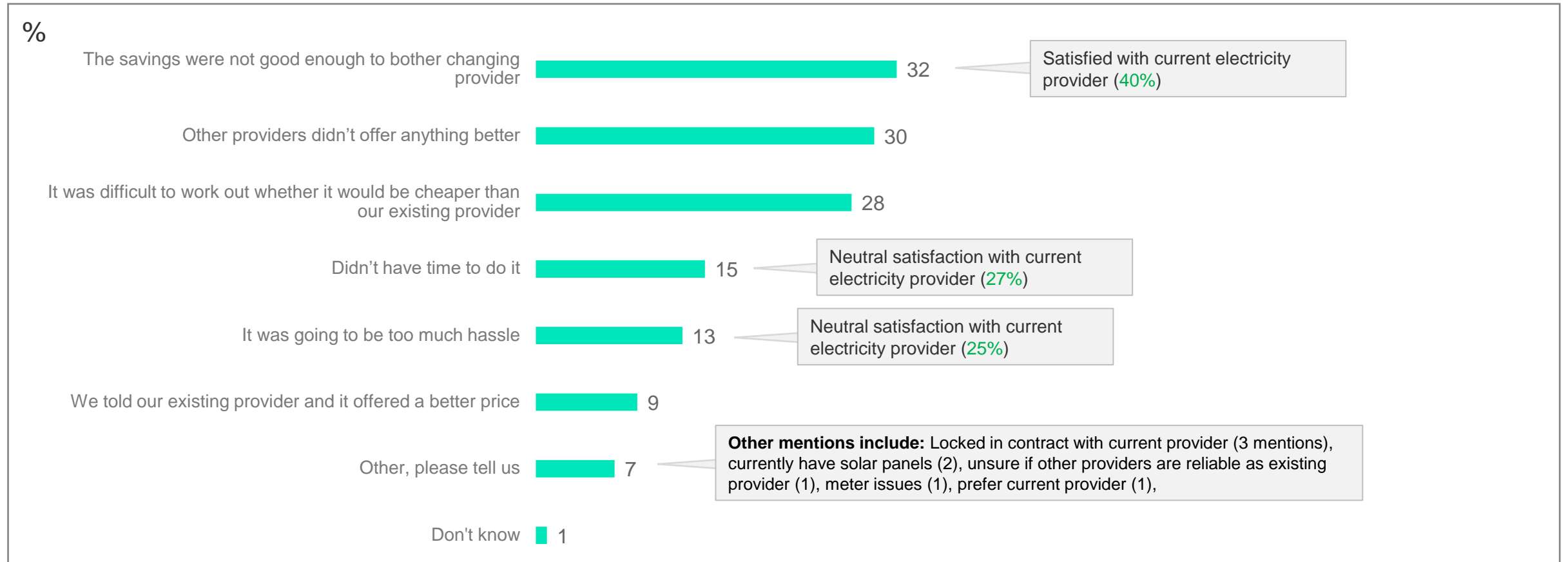
Of the 12% of businesses that changed provider, better value for money was the key motivator. Thirty-seven percent searched online for a better plan and 30% utilised the Powerswitch price comparison website. Twenty percent of small businesses that switched provider did so because their old provider had changed their pricing.

Reasons for switching



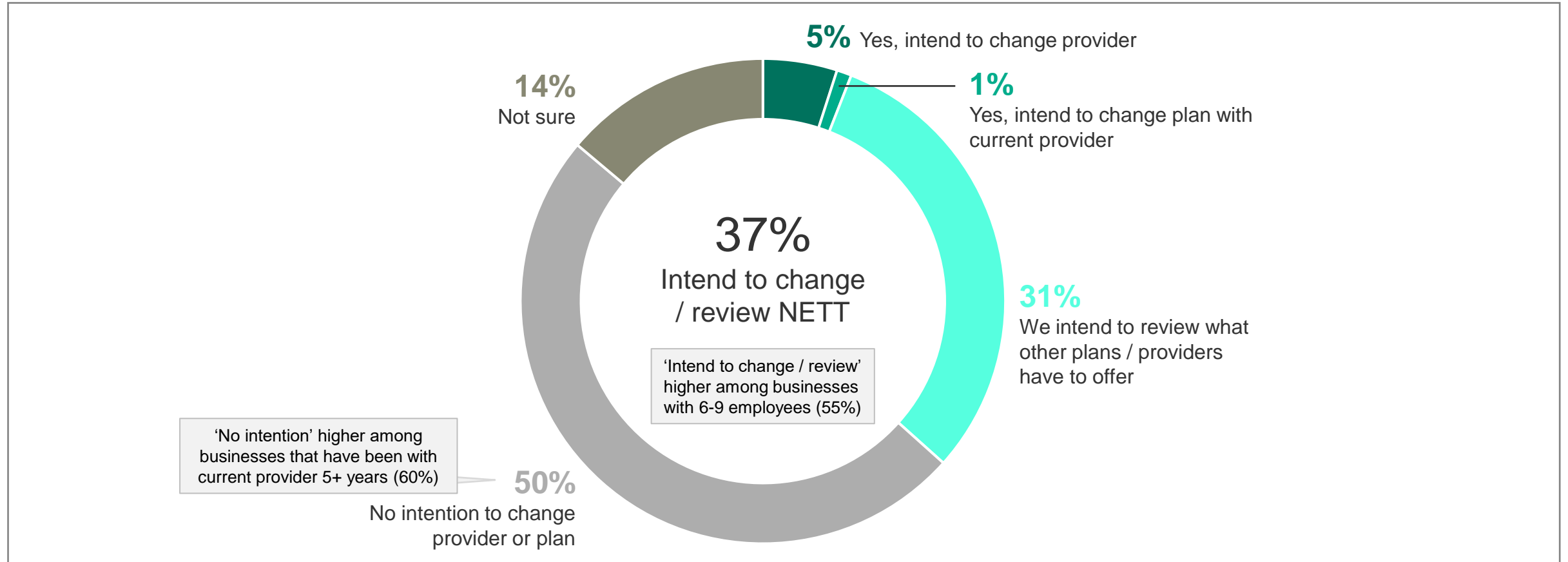
The businesses that decided to stick with their current provider did so because the savings were not worth it (32%) or other providers could offer no better (30%). For 28% it was too difficult to ascertain whether it would be cheaper if they moved. For a few a lack of time or it being too much hassle were both barriers to switching providers (15% and 13%, respectively).

Reasons for deciding not to switch



Half of NZ small businesses have no intention to change provider or plan in the next 12 months. Thirty-one percent intent to review what else is on offer and a few (5%) intend to change provider.

Switching intentions over the next 12 months



05

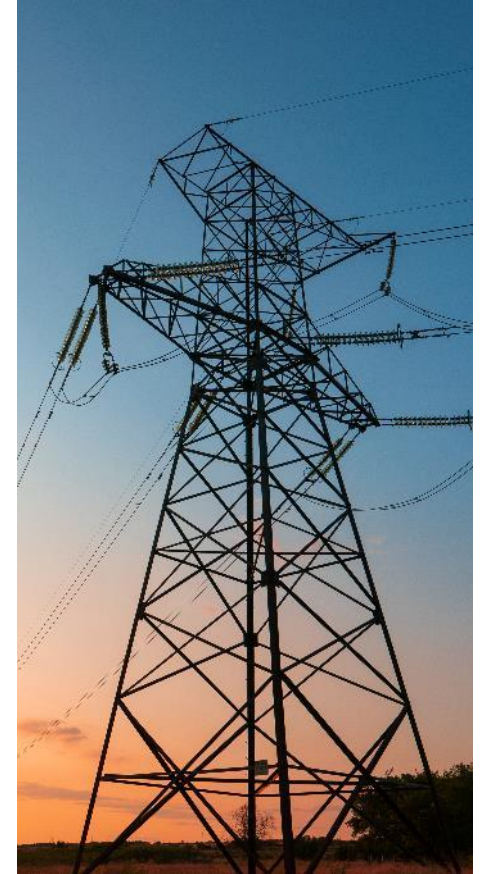
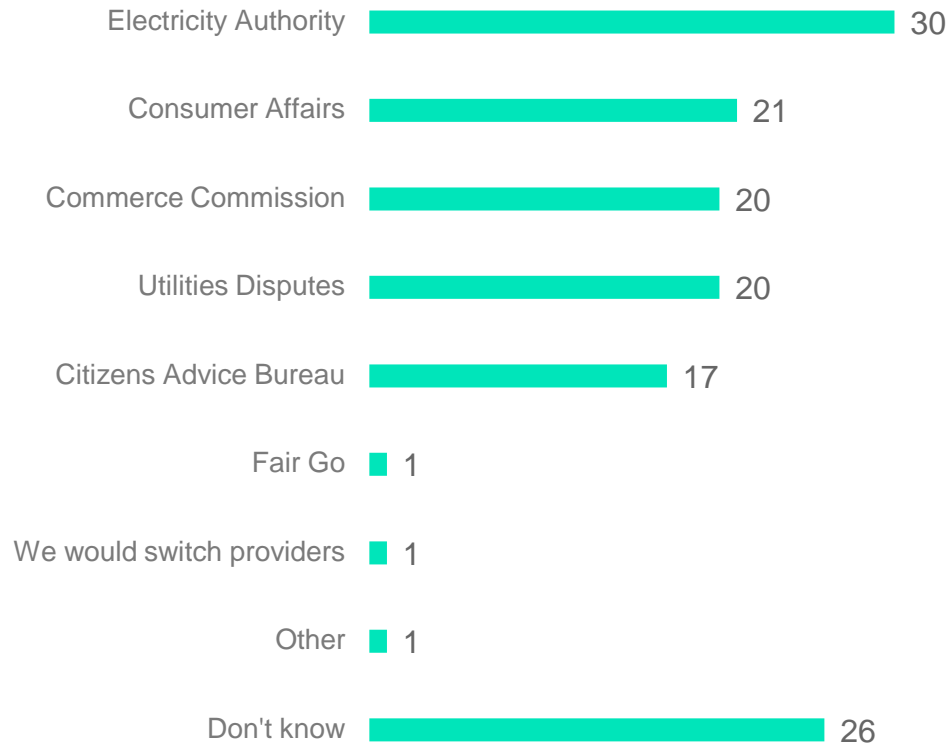
Knowledge about and
confidence in the
electricity market



The majority of NZ small businesses would know who to contact if they had a complaint they couldn't resolve with their electricity provider; the Electricity Authority being the most common. A quarter of small businesses wouldn't know who to contact.

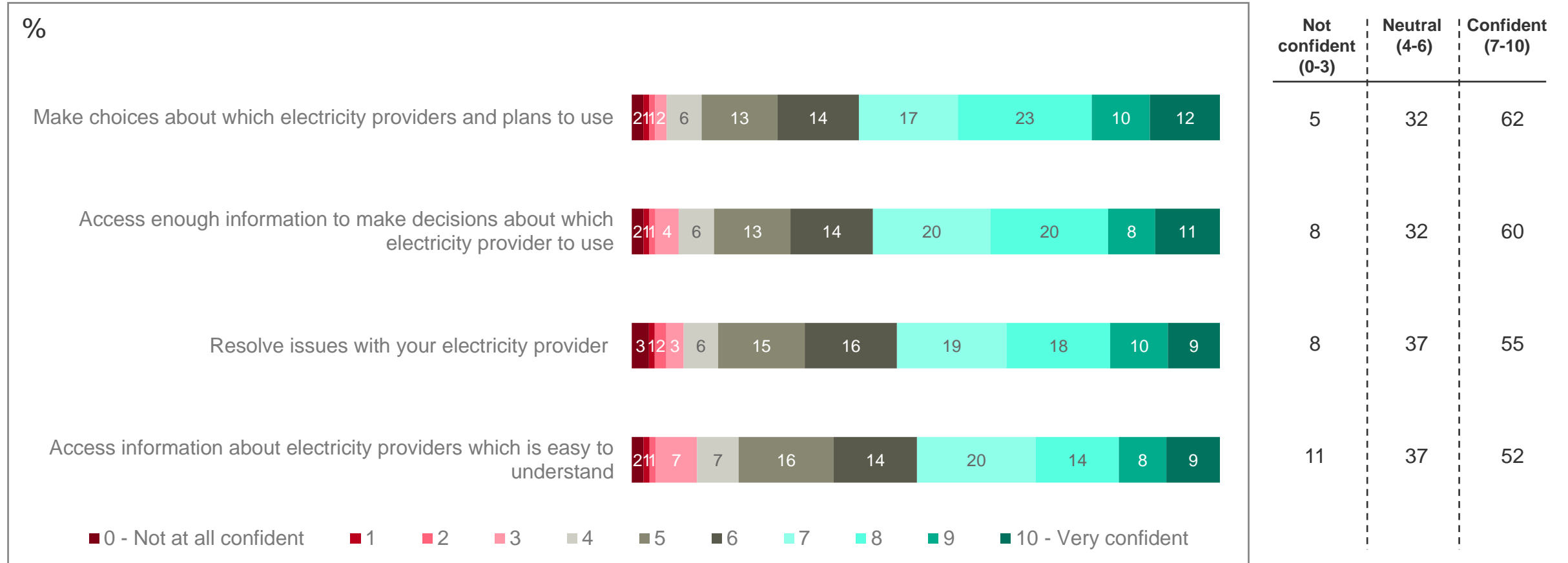
Complaint resolution

%



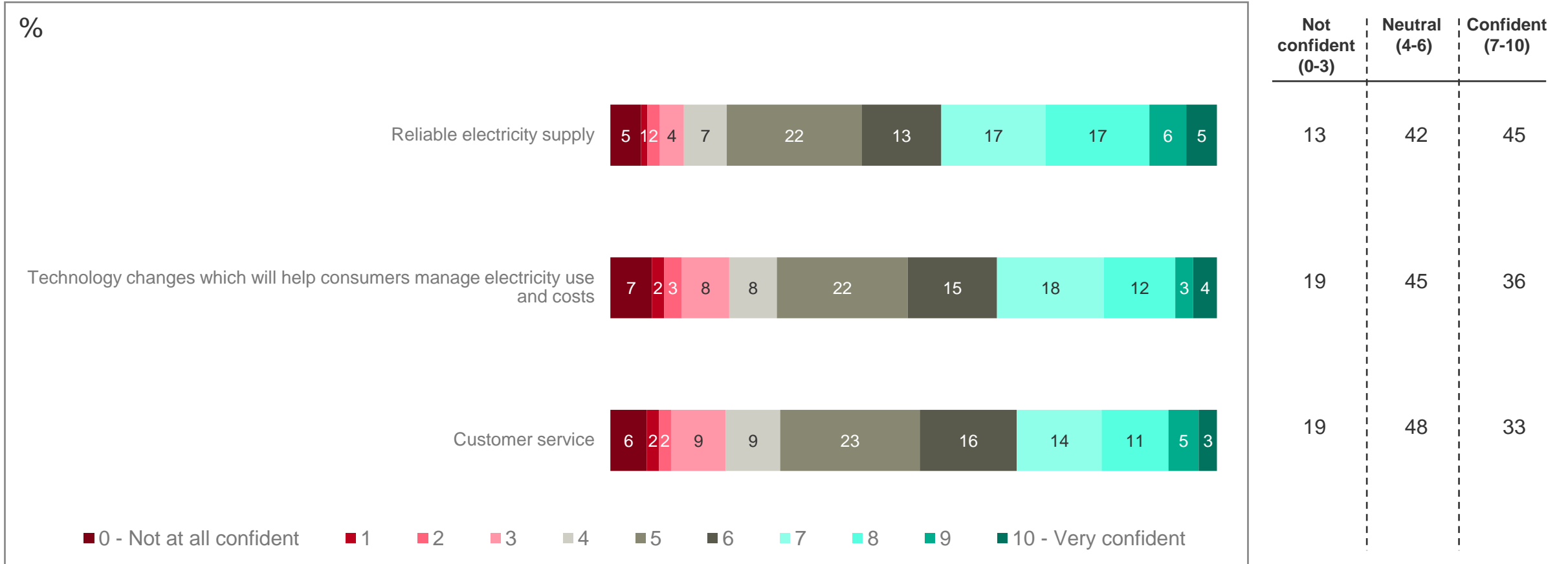
For small businesses, confidence is highest for making choices about which providers / plans to use and being able to access enough information to make these choices. Confidence is lower for resolving issues with their electricity provider and accessing information which is easy to understand.

Making choices and accessing information



There is relatively low confidence the sector will provide a reliable electricity supply to NZ businesses over the next five years; confidence is even lower for the release of technology changes that will help manage costs or for better outcomes around customer service.

Confidence the electricity market will provide better outcomes in the next five years for...



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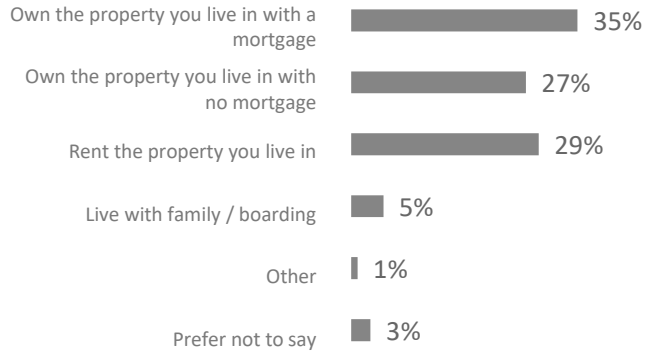
Sample profiles



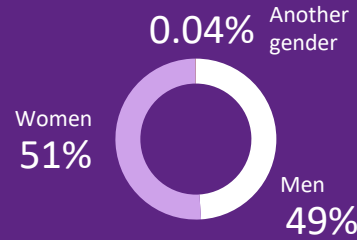
Who took part – Total New Zealand residents



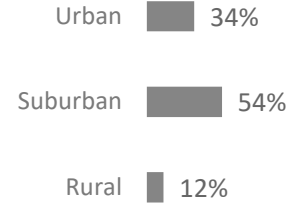
Home tenure



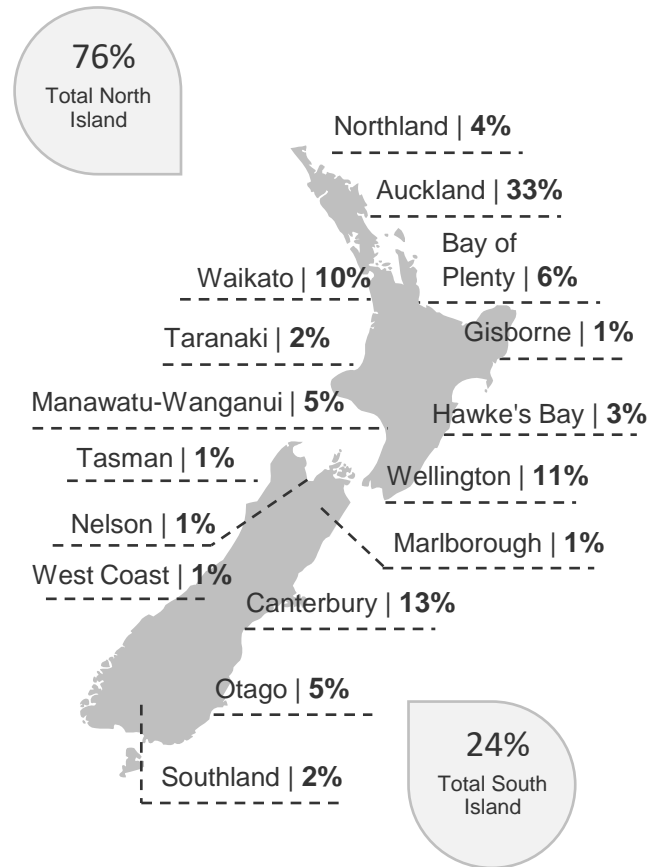
Gender



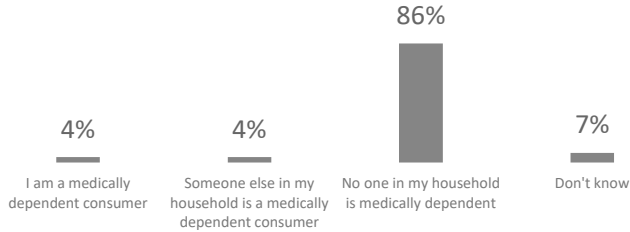
Area type



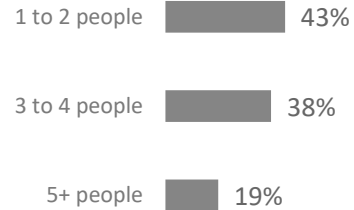
Region



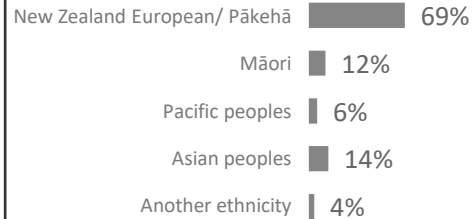
Medically dependent households



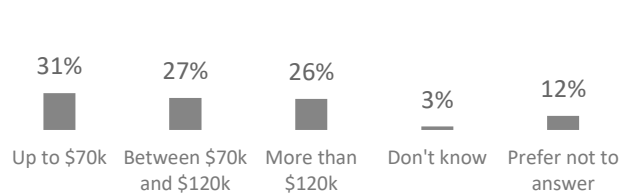
Number of people in household



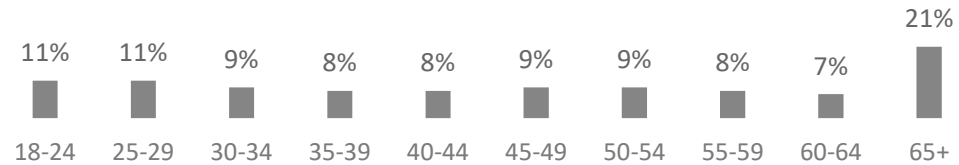
Ethnicity



Household income



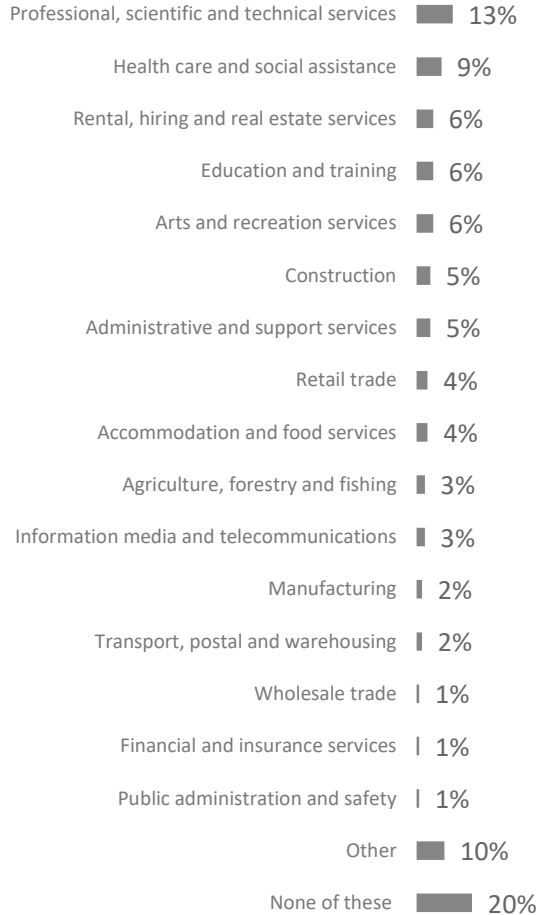
Age



Who took part – New Zealand Small businesses



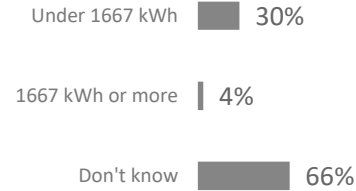
Industry



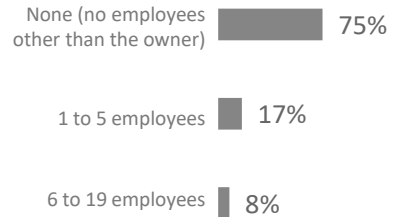
Gender



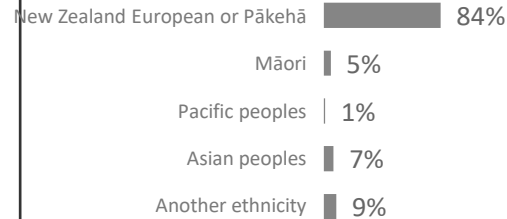
Electricity consumption



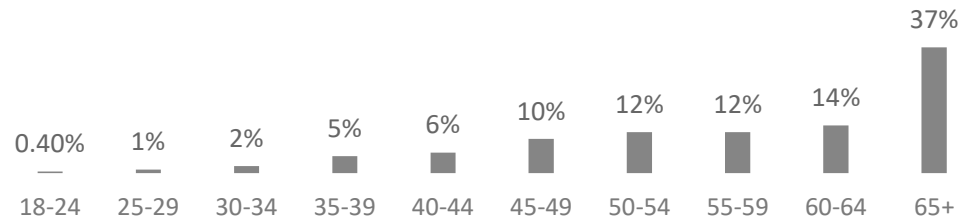
Business size



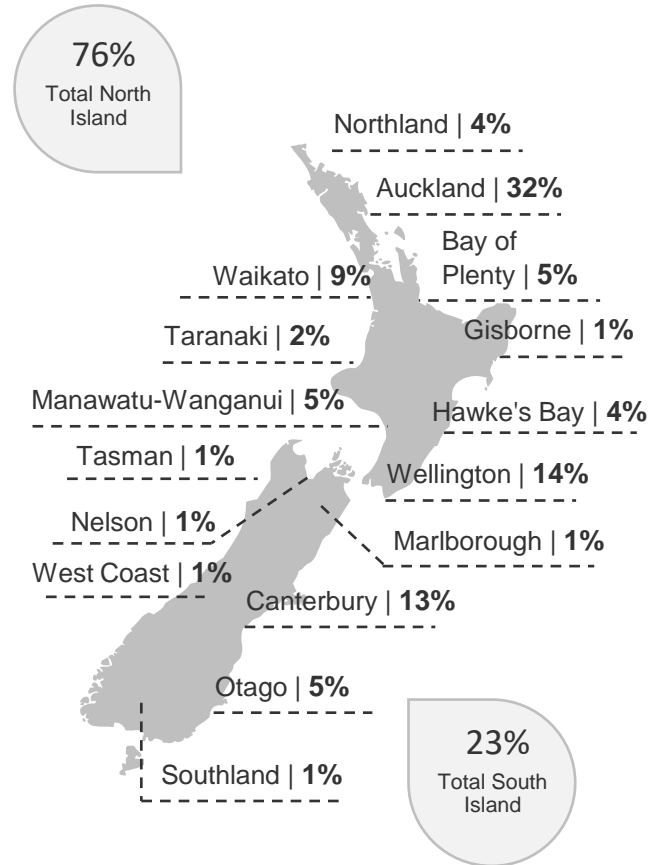
Ethnicity



Age



Region





FOR FURTHER INFORMATION PLEASE CONTACT

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