



Electricity consumer sentiment survey – residential consumers and small businesses

June 2024

Contents

Research purpose

Methodology

Key take away

Residential results

- Key findings
- Residential experiences in the electricity market
- Affordability
- Attitudes about the electricity sector
- Switching and bundling behaviours
- Knowledge about the electricity market

Small business results

- Key findings
- Small businesses' experiences in the electricity market
- Affordability
- Attitudes about the electricity sector
- Switching behaviours
- Knowledge about the electricity market



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 Verian (formerly 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
- create a high quality and robust survey which can be used to build understanding year on year and inform the Council's work.


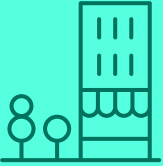
This report presents the results for the third survey and makes comparisons to previous surveys.



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	15 th – 28 th May, 2024	Kantar's consumer online research panel	1,000	13 minutes	Findings based on the full sample have a maximum 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	11 minutes	Findings based on the full sample have a maximum 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, unless otherwise specified.
- Individual percentages do not always sum to the 'nett percentages'. This is due to rounding.



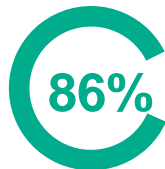
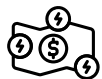
Affordability and resilience continue to be key issues for the electricity sector. Further, this report shows there is evidence that more New Zealand residents and small business are feeling the cost-of-living pinch.



Affordability



of residents
(82% in 2023)

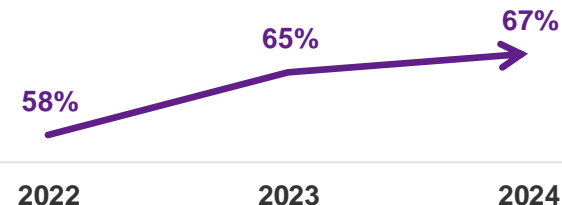
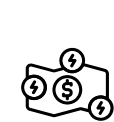


& of small businesses
(87% in 2023)

feel that **affordability** is an important issue facing the sector.



Financial pressure



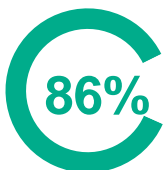
Residential consumers concerned about electricity costs.



A resilient electricity system

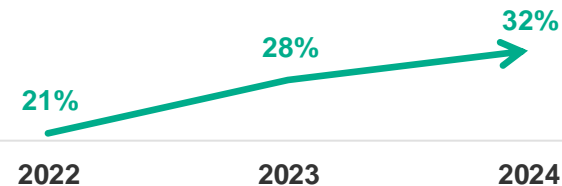


of residents
(78% in 2023)



& of small businesses
(87% in 2023)

feel that **a resilient system** is an important issue facing the sector



Small businesses who feel that power bills put a lot of pressure on finances.

Residential summary

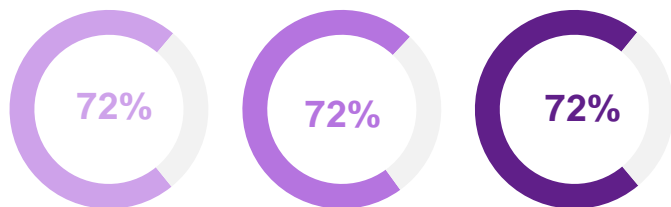


Experiences with electricity provider

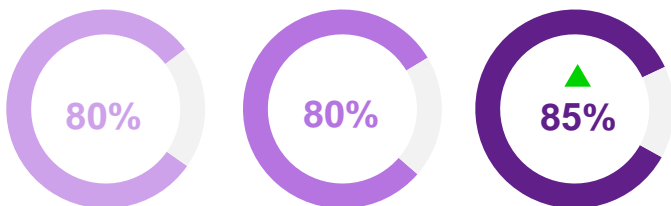
Overall satisfaction with electricity providers remains the same, but satisfaction with reliability of supply and advice on saving money has increased.

(note, increased satisfaction with advice on saving money is not significantly higher than 2022).

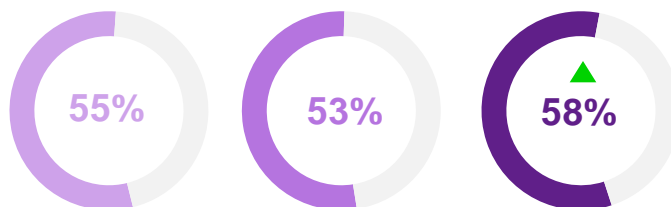
% Satisfied overall



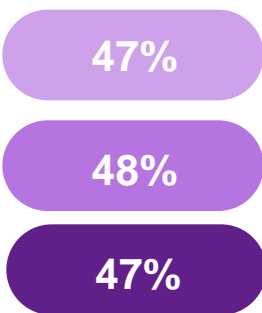
% satisfied with reliability of supply



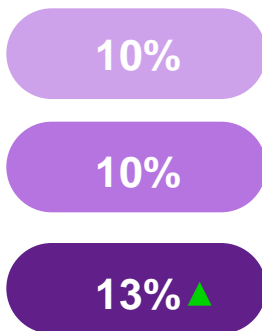
% satisfied with advice on saving money on bill



Trust in electricity providers to do the right thing is unchanged.



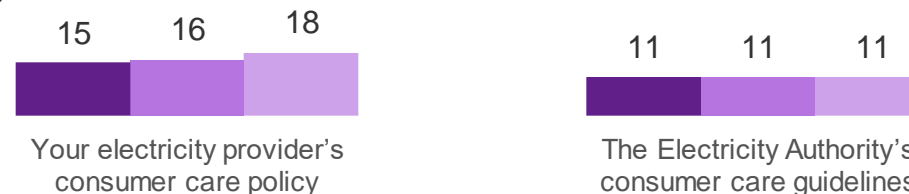
Perceptions that electricity providers offer poor value for money have increased.



Knowledge about and confidence in the market

Like 2022 and 2023, awareness of consumer care policy and guidelines is low.

% Aware



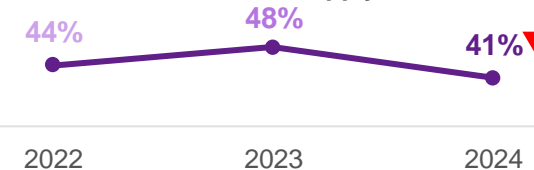
Confidence in making decisions about providers and accessing enough and easily understood information is stable

% Confident (7-10)

	2022	2023	2024
Make choices about which electricity providers and plans to use	58	65 ▲	61
Access enough information to make decisions about which electricity provider to use	55	61 ▲	57
Access information about electricity providers which is easy to understand	50	57 ▲	52
Resolve issues with your electricity provider	52	56	53

Confidence that the market will provide a more reliable electricity supply over the next five years has weakened since 2023.

% confident in a reliable supply over next 5 years



▲ ▼ Significantly higher/lower than previous year

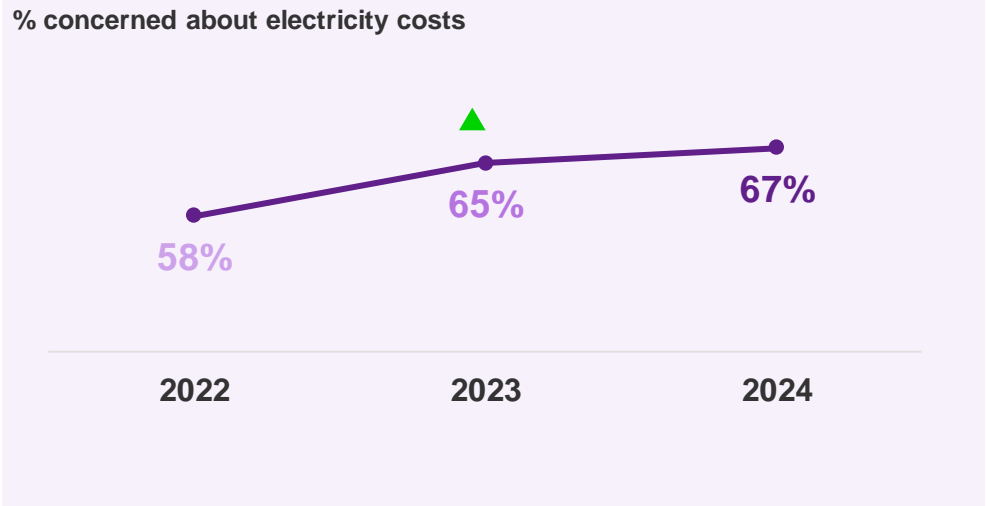
Attitudes towards the electricity sector

Affordability and resilience continue to be the most common concerns over the next ten years.

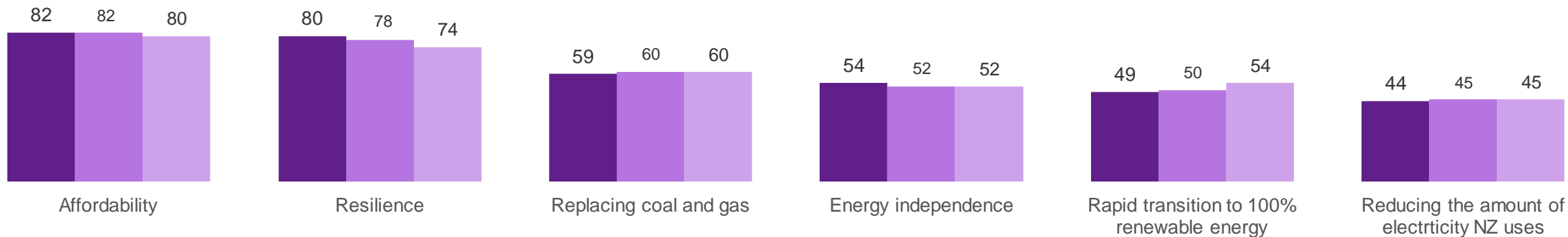
% concerned about the future of New Zealand's electricity sector...	2022	2023	2024
Electricity will become unaffordable for some New Zealanders	69	72	70
New Zealand's electricity system will not be resilient to extreme weather events resulting in frequent electricity outages	57	65 ▲	65
Electricity will become unaffordable for you	52	53	50
New Zealand won't have plans in place to replace or update coal and gas fired power plants	51	50	55
New Zealand won't have plans in place to move to an electricity system that is based on renewables	51	49	52

Affordability

Concerns about costs are increasing. Grocery and petrol costs are still the top concerns, but concerns about other living costs are also becoming more common.

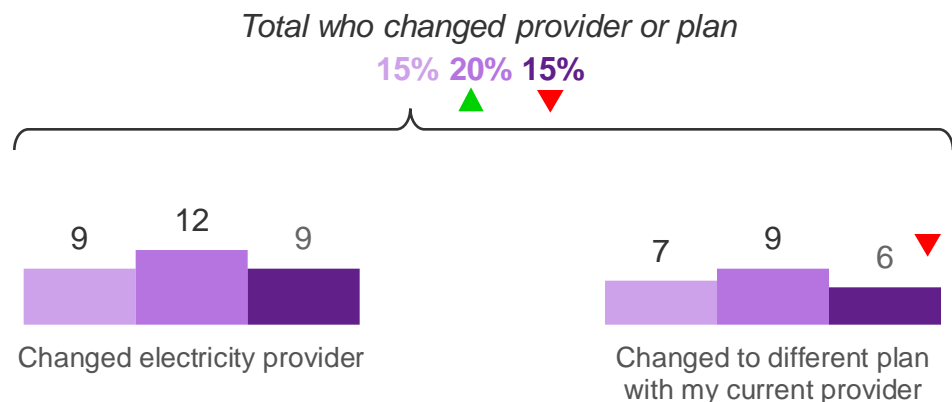


Affordability and system resiliency remain the two most important issues for New Zealanders.

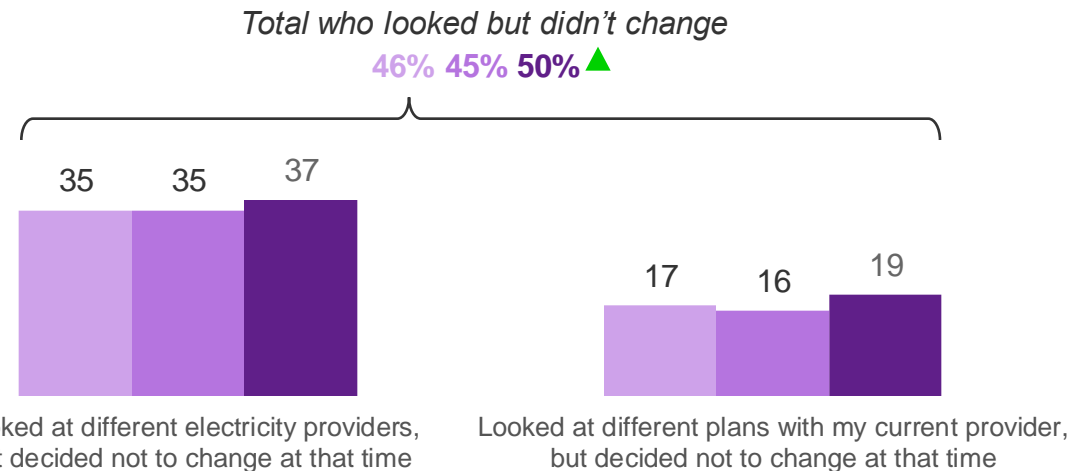


Switching behaviour

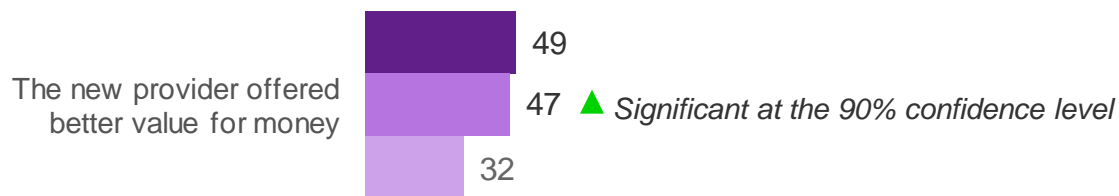
Plan or provider switching has returned to where it was in 2022.



Compared to the previous two years, more New Zealanders looked but didn't change provider or plan.



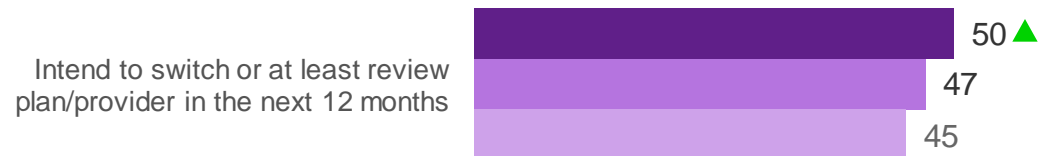
For the 9% who did switch provider, the offer of better value for money is still the main reason.



Insufficient savings were the the main reason for not switching in 2024.



But compared to 2023, more New Zealanders intend to switch or review what else is on offer in the next 12 months.

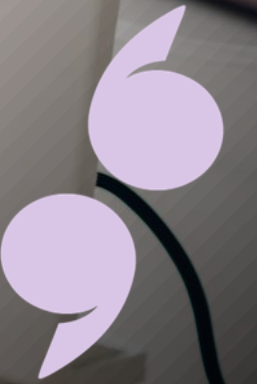


▲ ▼ Significantly higher/lower than 2022

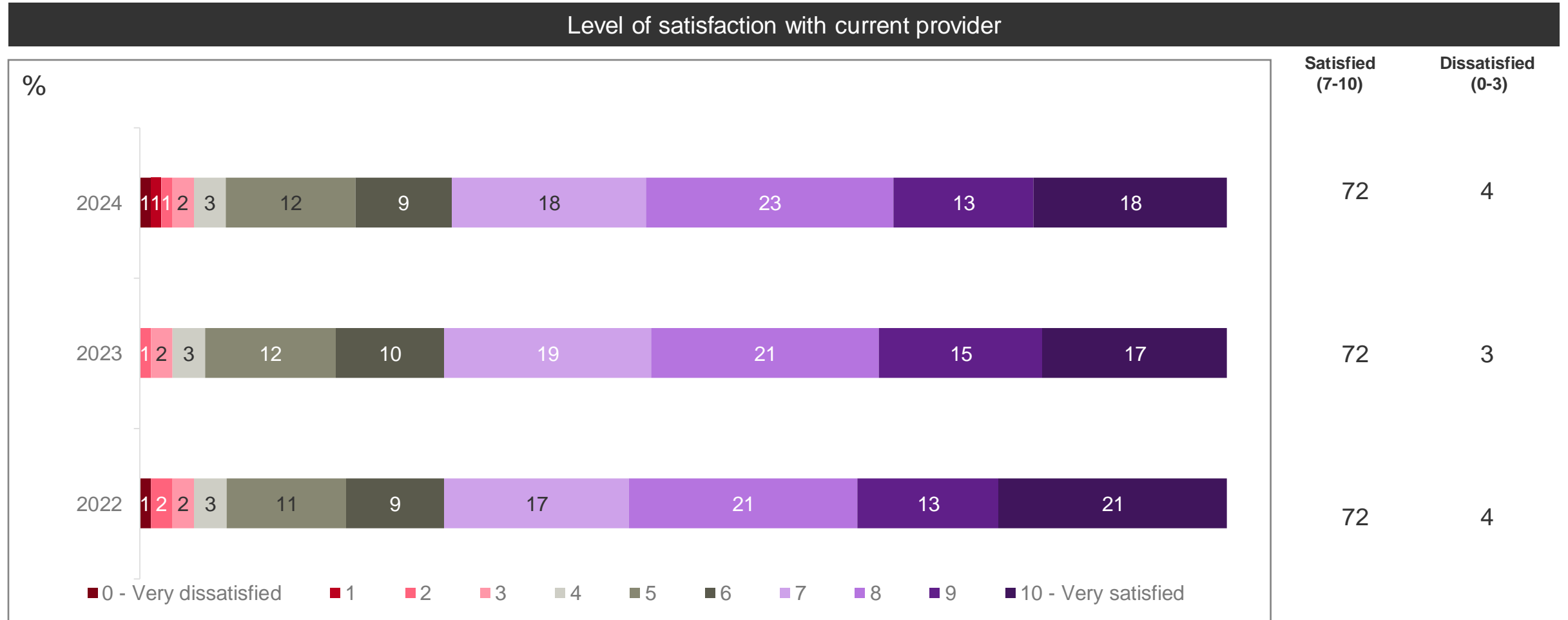


01

Residential
experiences in the
electricity market

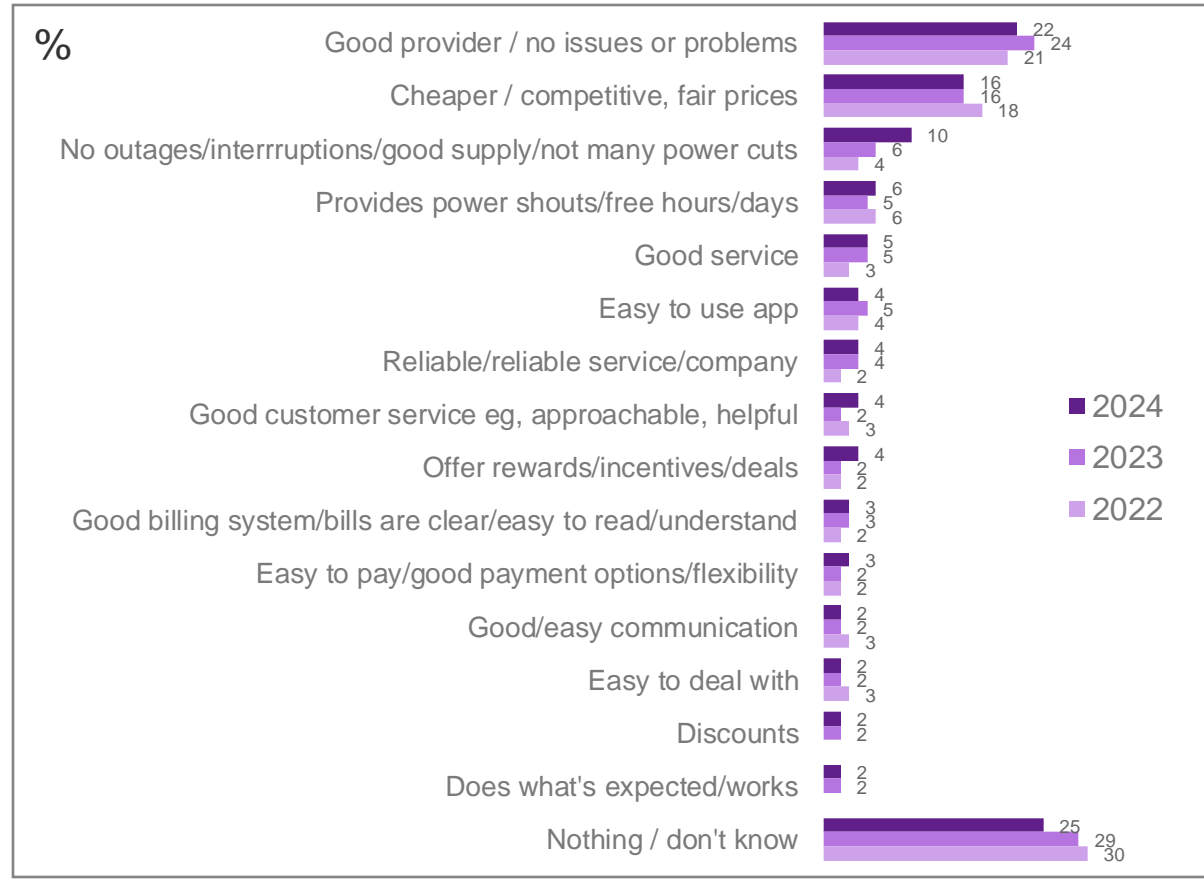


New Zealand residents' satisfaction with their current electricity provider is consistent with previous years.



New Zealanders are most often satisfied with their current provider because they have not encountered any issues, or because they feel they are getting fair or cheaper prices already. One in ten New Zealanders who are satisfied with their provider mention reliability of supply i.e. no outages or interruptions, which is slightly higher than previous years, although not significantly.

Reasons for being satisfied with current provider (coded responses)



“

No issues. I believe they are competitive price wise.

Regular communications including estimates of anticipated usage under anticipated conditions.

I have had no negative experiences but have not had any exceptional experiences that would allow me to give them 10/10.

Our power company have an app which is easy to follow, and to buy power packs online to save overall.

Happy with my provider. They have made improvements in communication and now make it easy to see how much electricity we use.

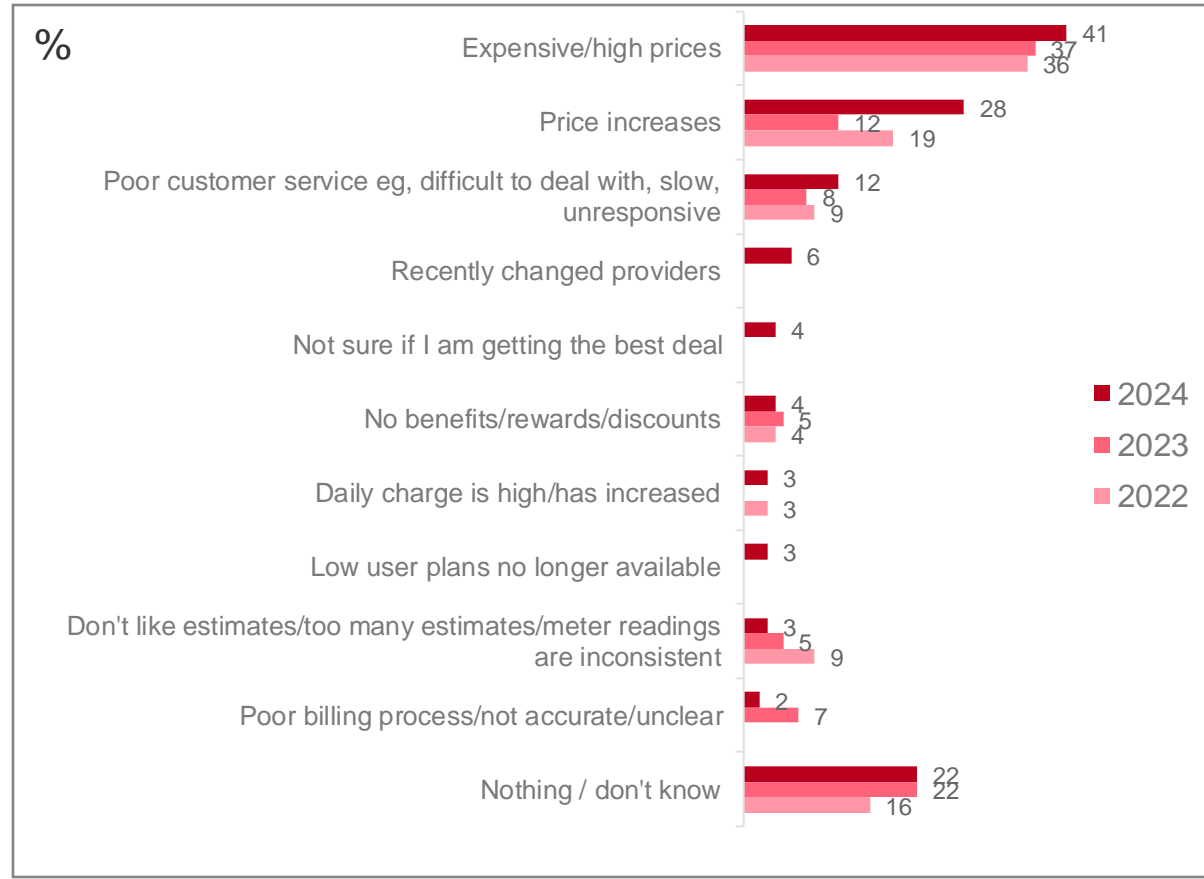
My electricity provider offers fair pricing, a plan that suits my energy needs, free hour of peak power everyday, a great customer referral scheme which saves me money.

They have been hassle free but the cost of power has increased constantly even with us making cutbacks on heating and hot water use.

Generally, my provider is good but like with all providers could be cheaper.

For the 4% of New Zealanders who are dissatisfied with their current electricity provider, cost is the key consideration, followed by poor customer service. This has not changed over time.

Reasons for being dissatisfied with current provider (coded responses)



“

Too expensive and they have said they're going to switch off our power even though we pay monthly.

They never contact us to see how it's going or offer us better deals and the price keeps increasing.

Very expensive, bill paying methods are none that we prefer, company app is not user friendly.

Power-wise, it's fine but our bills seem unusually high and our internet package with them has not always been stable. When speaking to customer service, I find it hard to get a straight answer.

Became very expensive with no cheaper options or support to change to a better plan

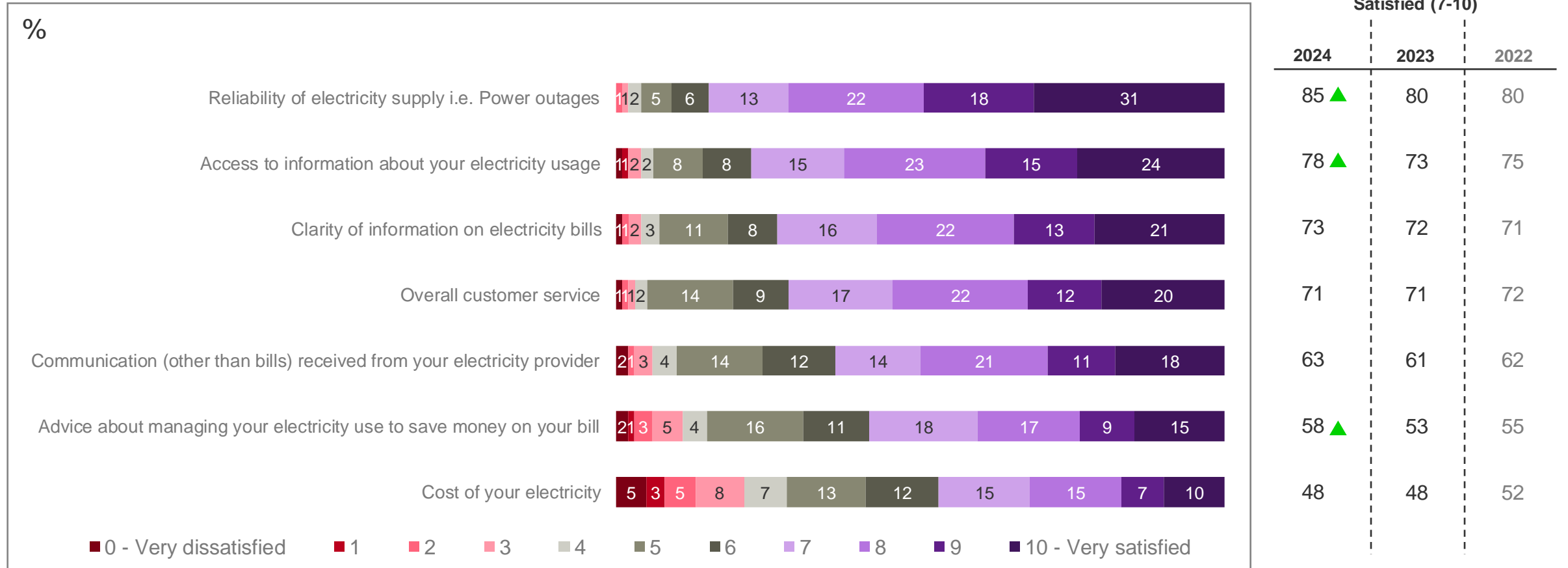
It took 4 months for them to change our address to the right address so that we could receive our bill and not the neighbours. Our installation of solar was delayed because of this and we missed out on 3 months of solar enabled power.

We had a smart meter installed and had nothing but problems with the company getting out readings, and due to a fault in the installation and all the other glitches that occurred our power bills suddenly doubled.

Compared with one year ago, New Zealanders are more satisfied with the reliability of their electricity supply, access to information about their usage and advice about managing their use in order to save money on their bill.

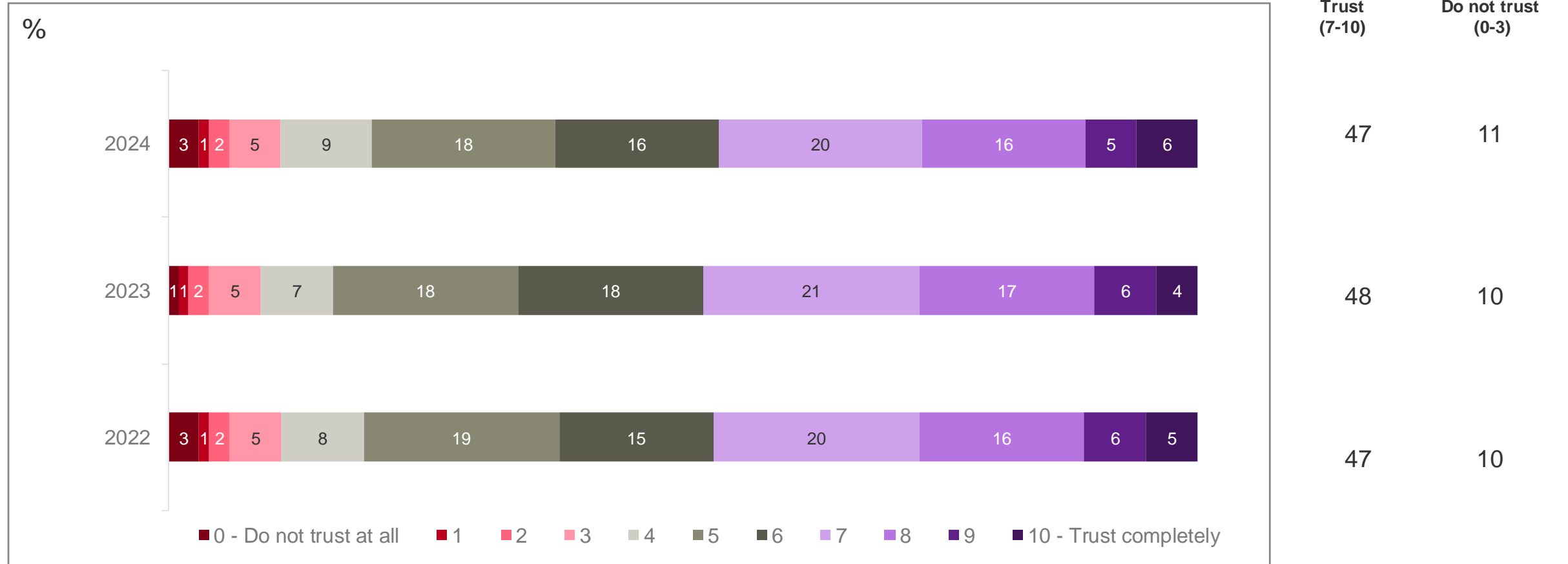
Note, increased satisfaction with access to usage information and money-saving advice are not significant compared with 2022.

Level of satisfaction with different aspects of service provision



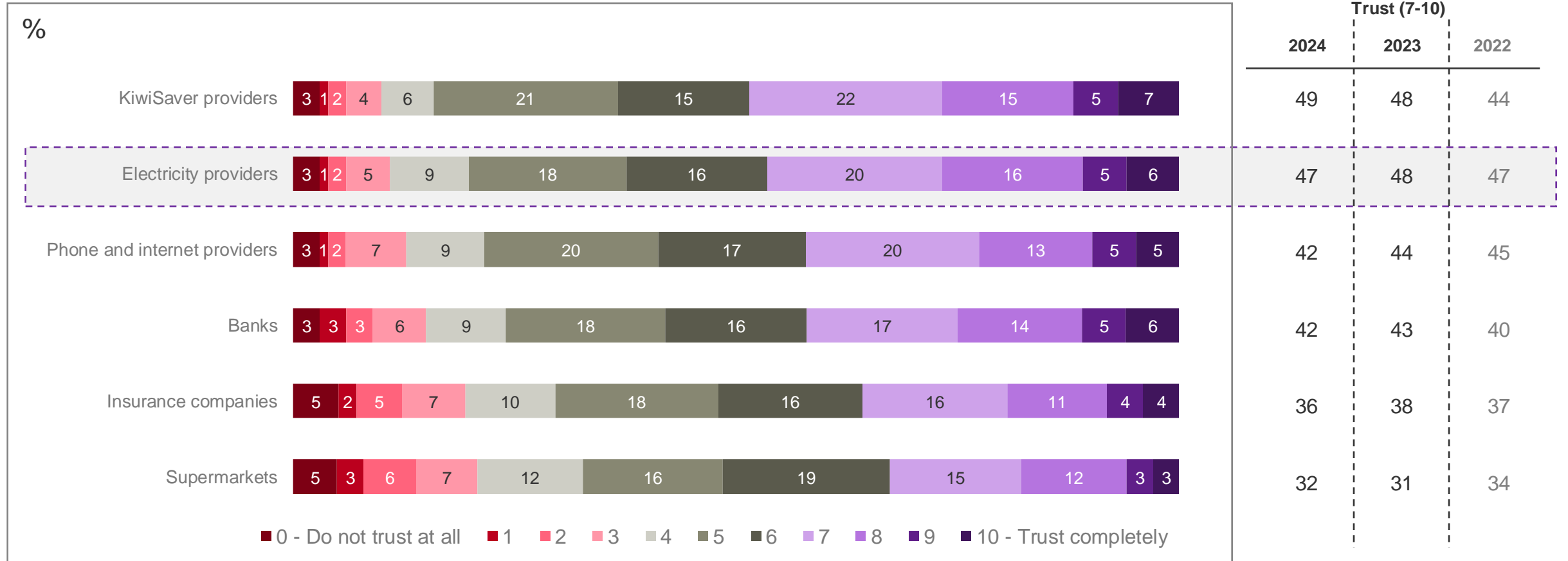
Consistent with previous years, just under half of New Zealanders trust electricity providers to do the right thing, and one in ten do not.

Trust in electricity providers to do the right thing



Like previous years, trust is lowest for the supermarket and insurance sectors. A slight increase in trust for Kiwisaver providers means they have the highest level of trust among New Zealanders, compared to other sectors.

Trust to do the right thing – sector comparison



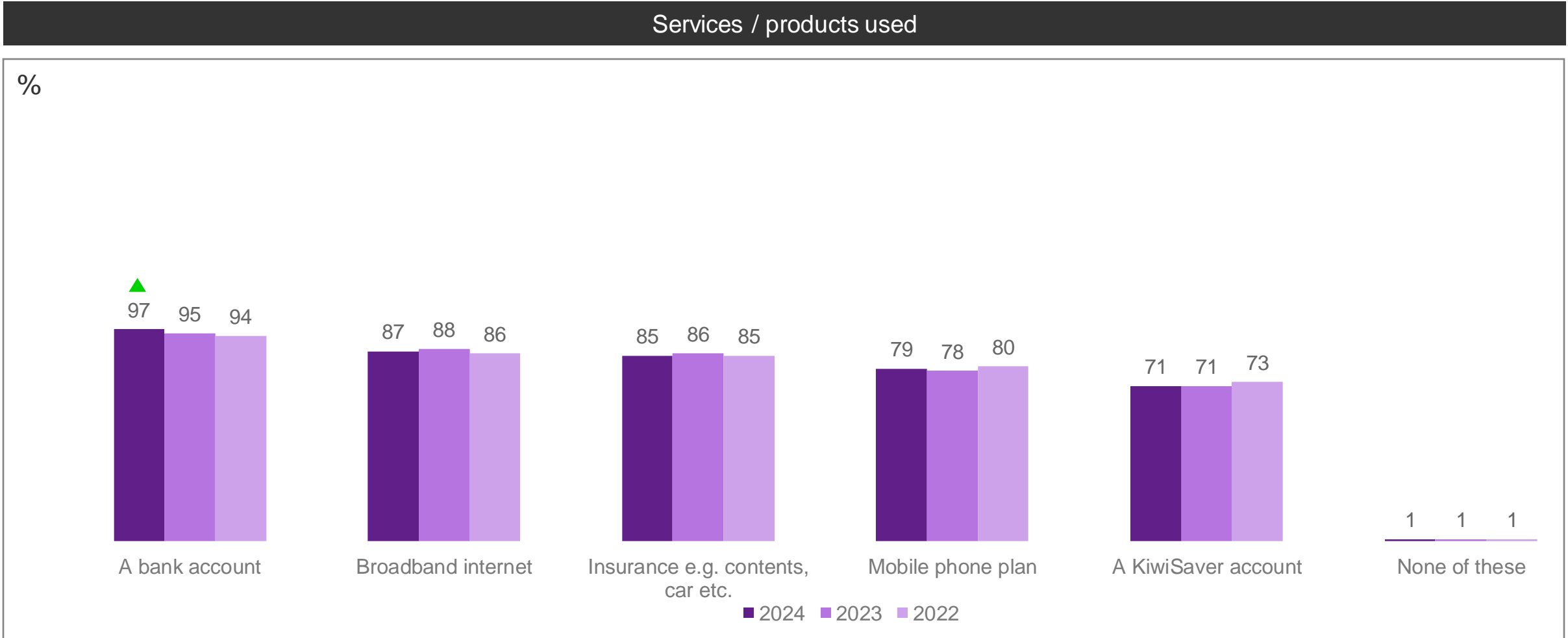


02

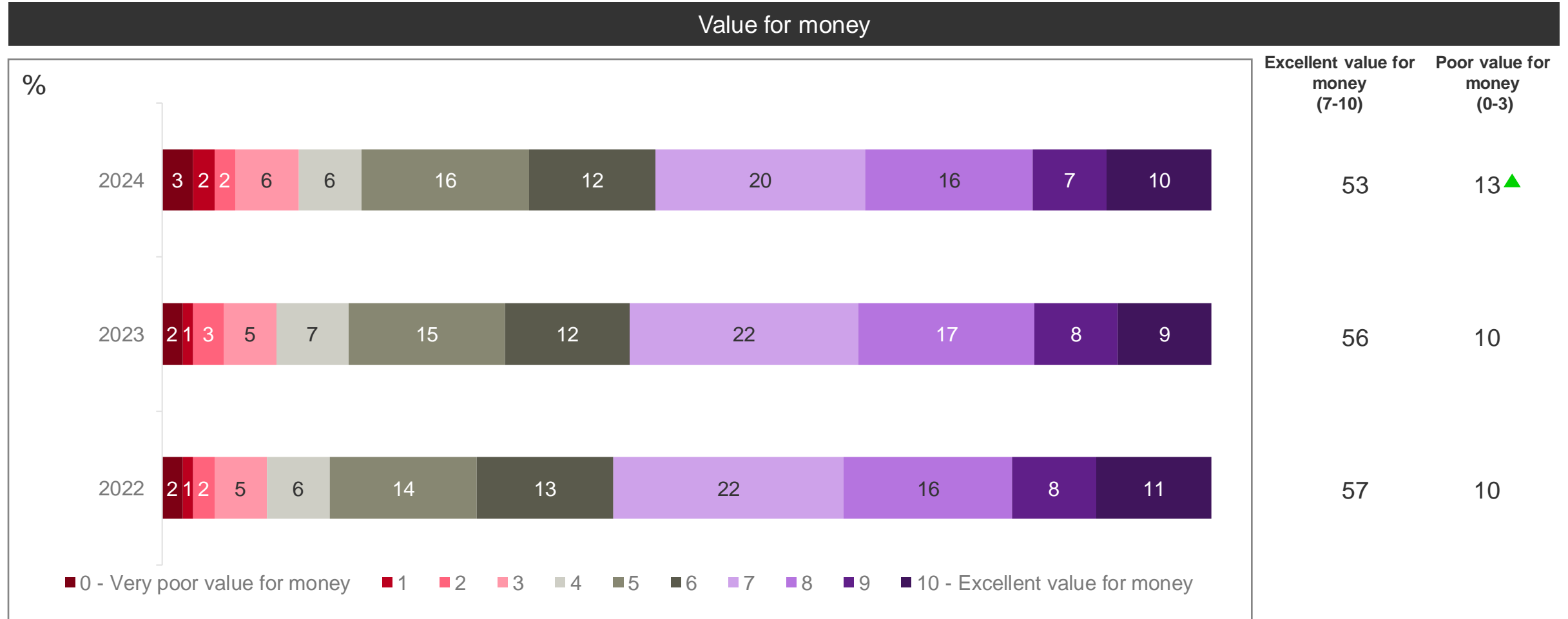
Affordability



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

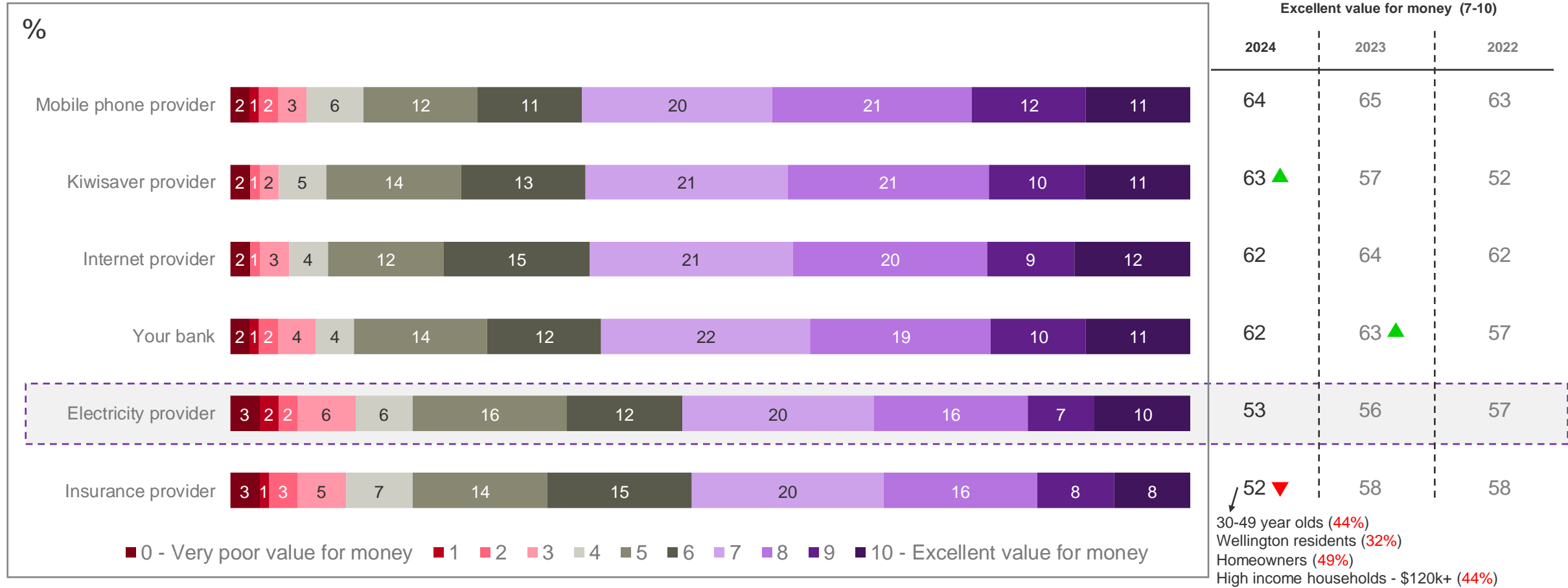


Compared to 2023, more New Zealanders feel they have received poor value for money from their electricity provider over the past 12 months (up 3 pts since 2023).

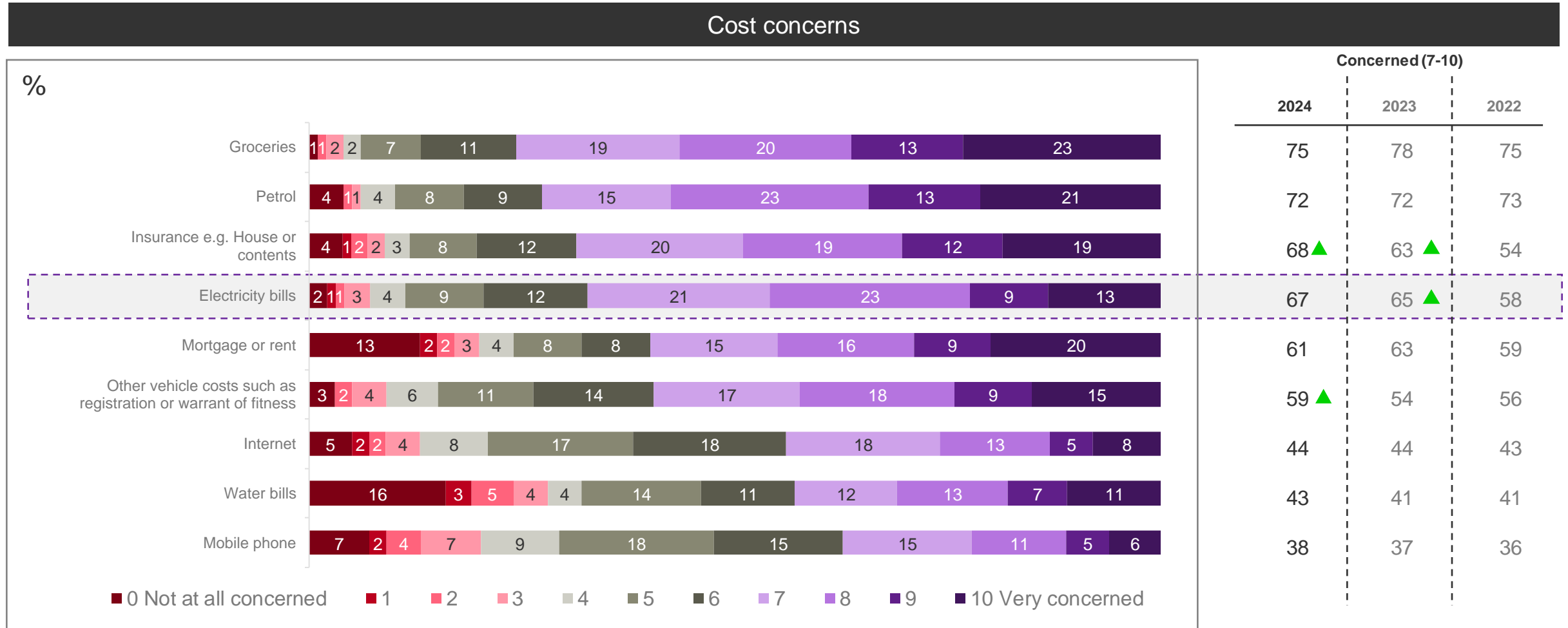


Compared to 2023, fewer New Zealanders think their insurance provider offers excellent value for money (down 6 pts to 52%) and more New Zealanders think their Kiwisaver provider offers excellent value for money (up 6 pts to 63%). Those on higher incomes, Wellington residents and 30-49 year olds are least likely to feel they get value for money from their insurance provider.

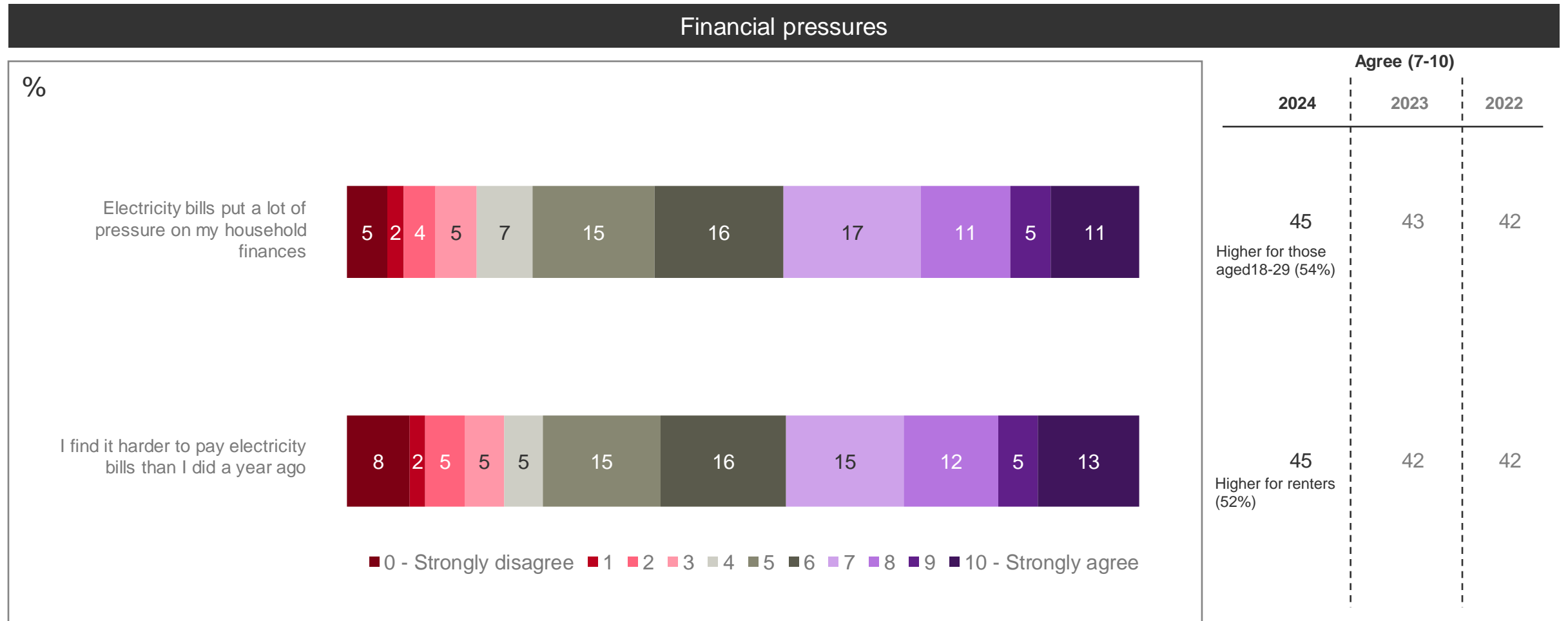
Value for money – sector comparison



New Zealanders continue to be most concerned about grocery and petrol costs. Since 2022, insurance costs have become a greater concern, (increasing 14 pts) and since 2023, New Zealanders are more concerned about other vehicle costs, which may be a response to Government’s changes to car registration fees or clean car rebates.

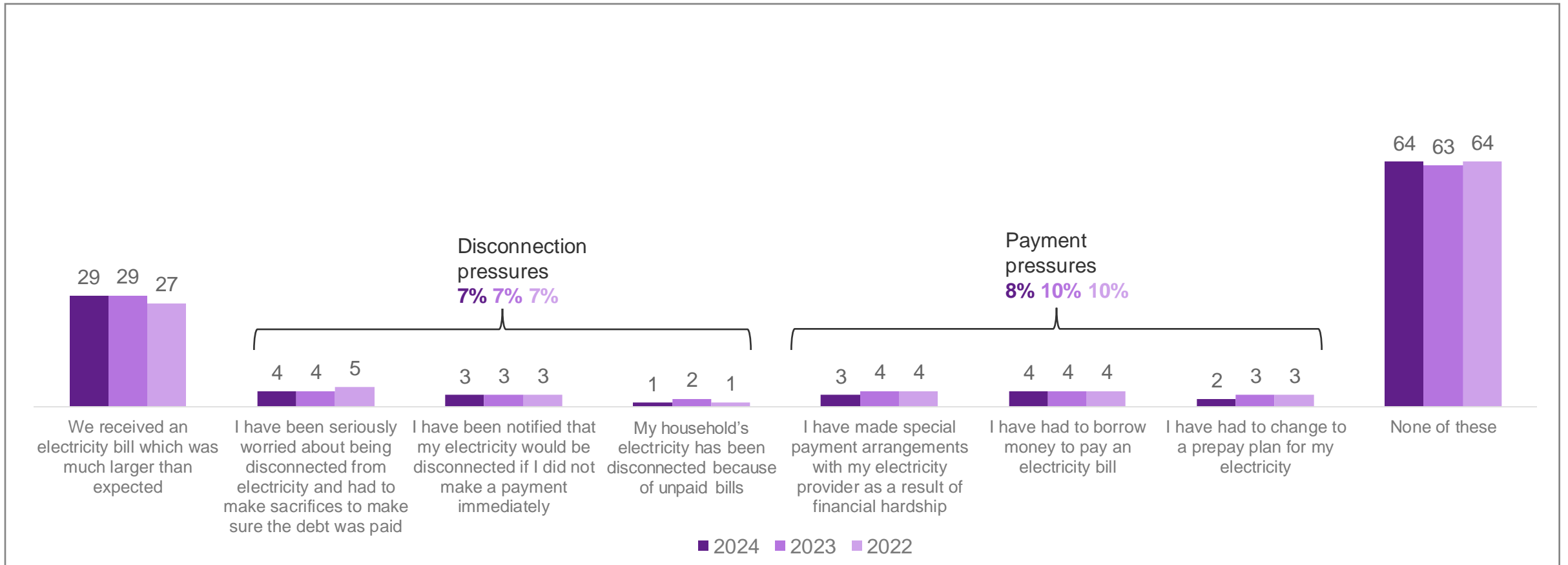


Nearly half (45%) of New Zealanders have experienced financial pressures because of electricity bills which is largely unchanged from previous years. Younger people and renters are more likely to feel these financial pressures.



Like 2023, about a third of New Zealanders have experienced pressures in relation to their electricity bill in the last 12 months, most often due to an unexpectedly large bill. However, one in fourteen have experienced or been worried about disconnection due to nonpayment, and a similar share have had to borrow or make special arrangements in order to pay an electricity bill.

Pressures experienced in the past 12 months



Just 4% of New Zealanders have asked their electricity provider for help with managing their bills in the last 12 months. Younger people, renters and those in medically dependent households are most likely to have sought help from their provider.

Help with managing electricity bills (new in 2024)

%

- I have asked my electricity provider for help managing my bills in the past 12 months
- I have not asked my electricity provider for help managing my bills but plan to do so in the next 12 months
- I do not intend to ask my electricity provider for help managing my bills
- Don't know

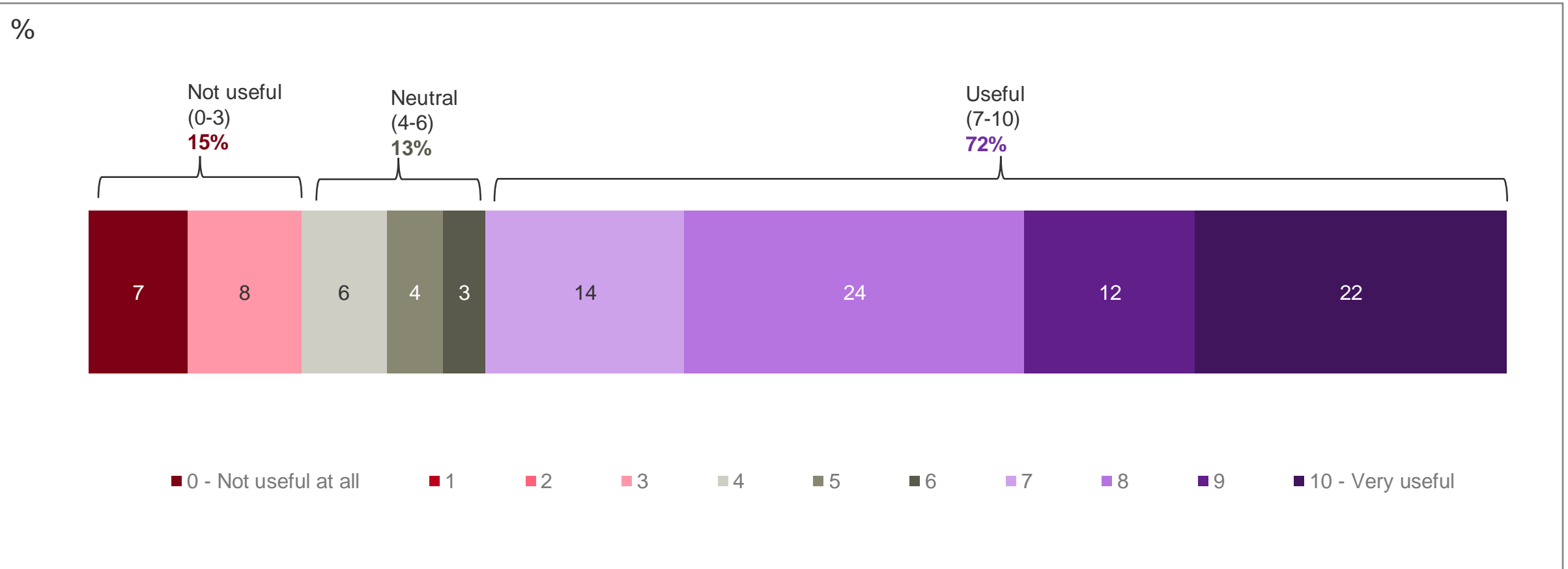


Higher among:

- Medically dependent households (28%)
- Aged 18-29 (10%)
- Renters (8%)

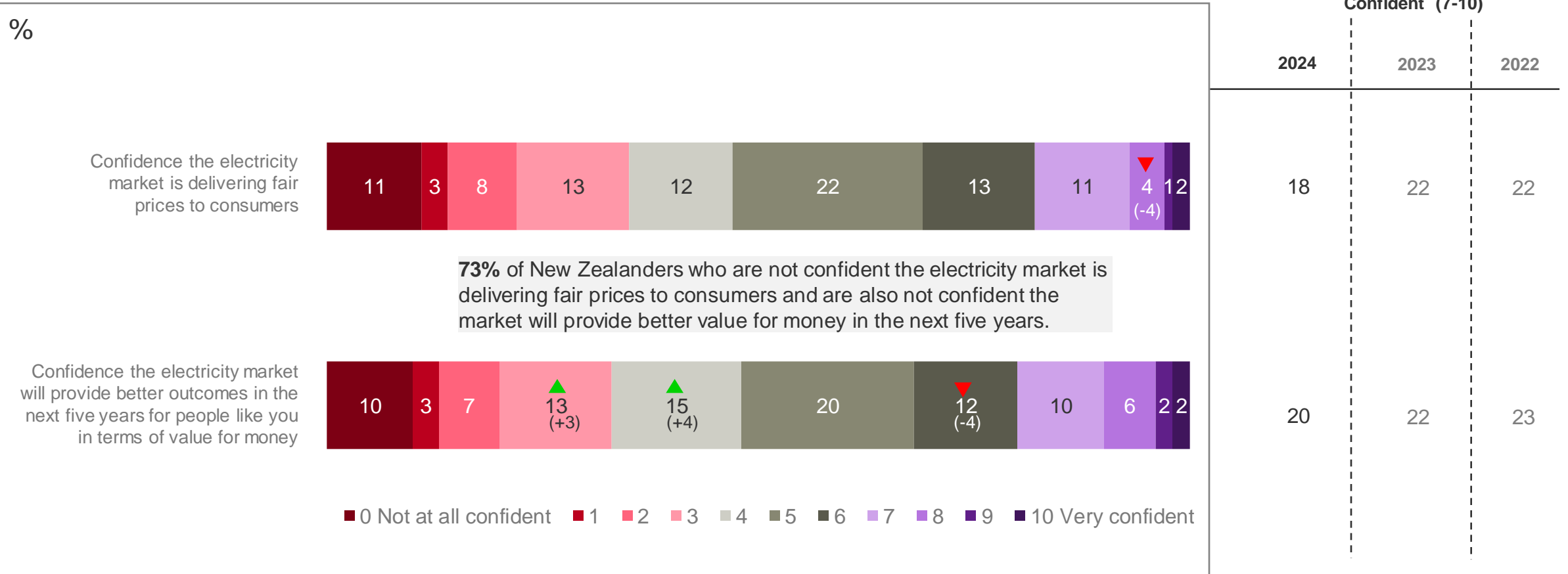
Most of the 4% who asked their provider for help managing bills found the help useful.

Usefulness of help received from electricity provider (new in 2024)



About one in five New Zealanders are confident in the electricity sector’s ability to deliver fair prices, now or in the future. This is in line with previous years.

Confidence the electricity market delivers fair prices to consumers

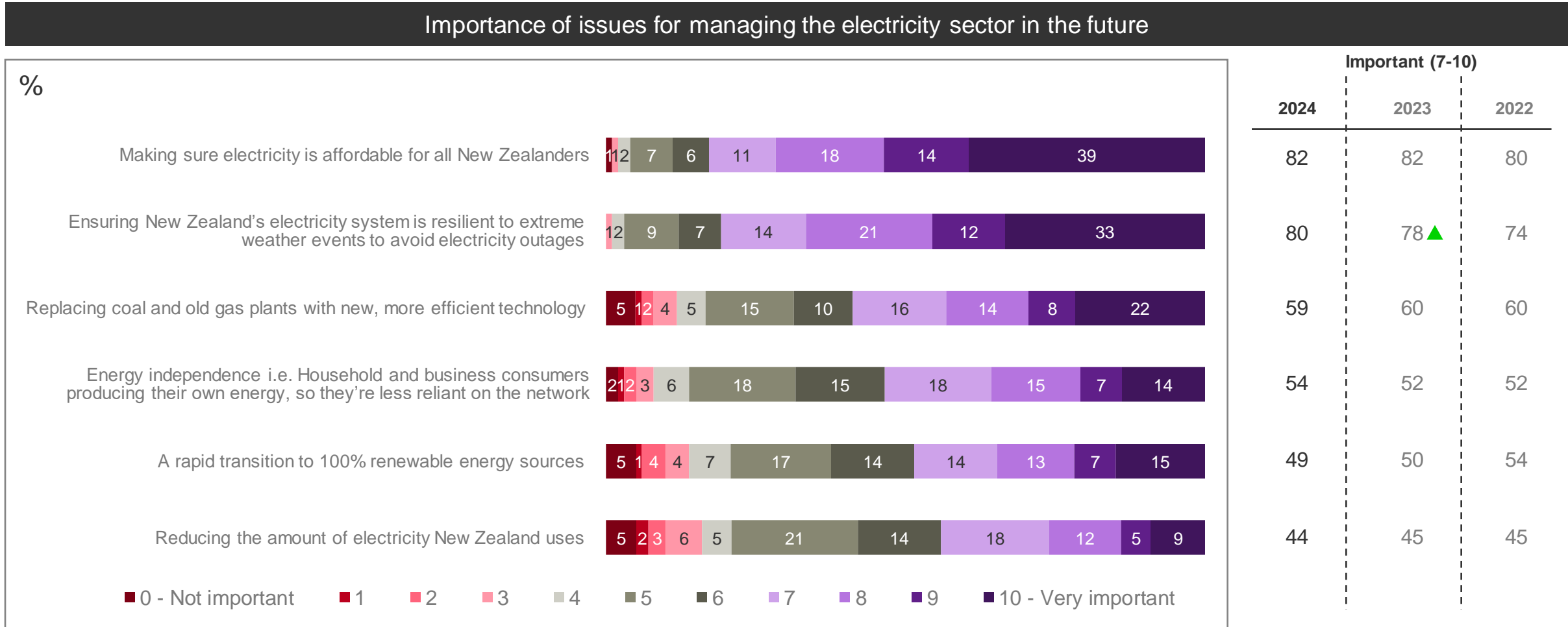


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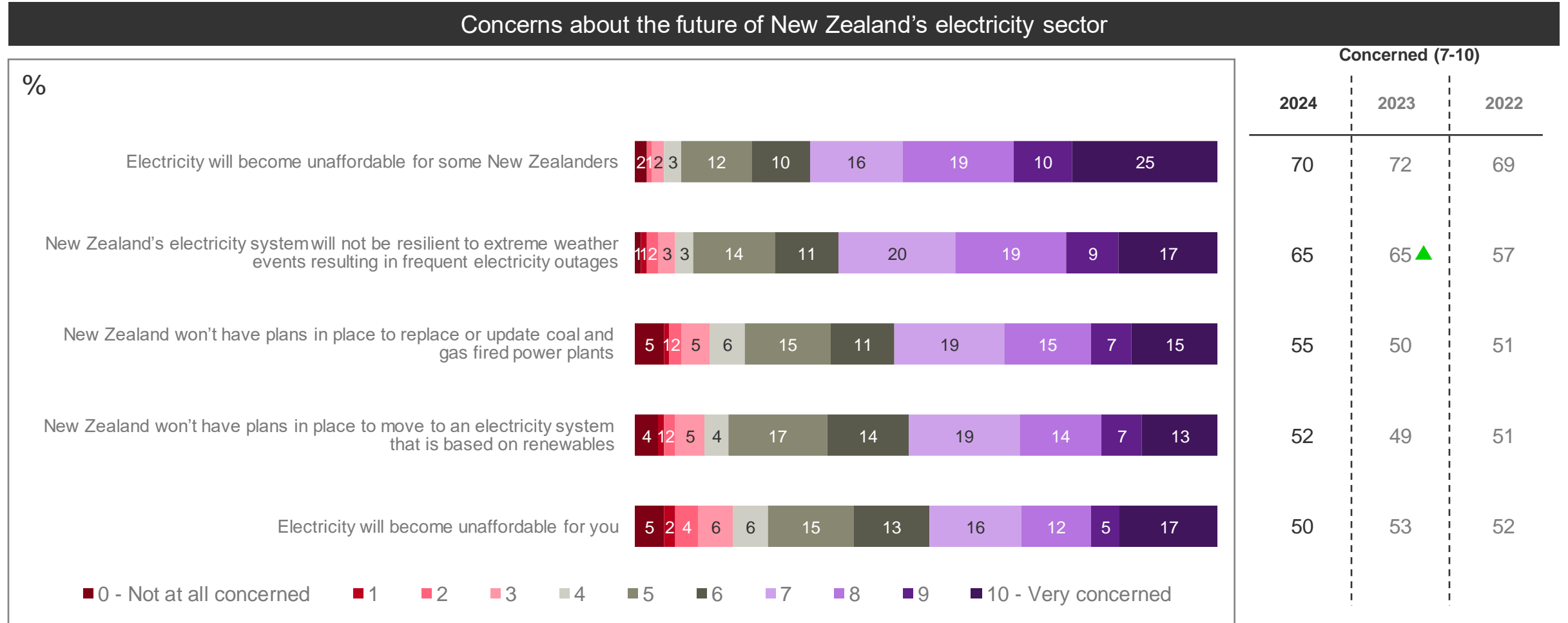
Attitudes about the electricity market



Affordability and resilience remain the two most important issues to New Zealanders when thinking about managing the electricity sector in the future.



Affordability and resilience are also the two areas New Zealanders are most likely to be concerned about when thinking about the next ten years.



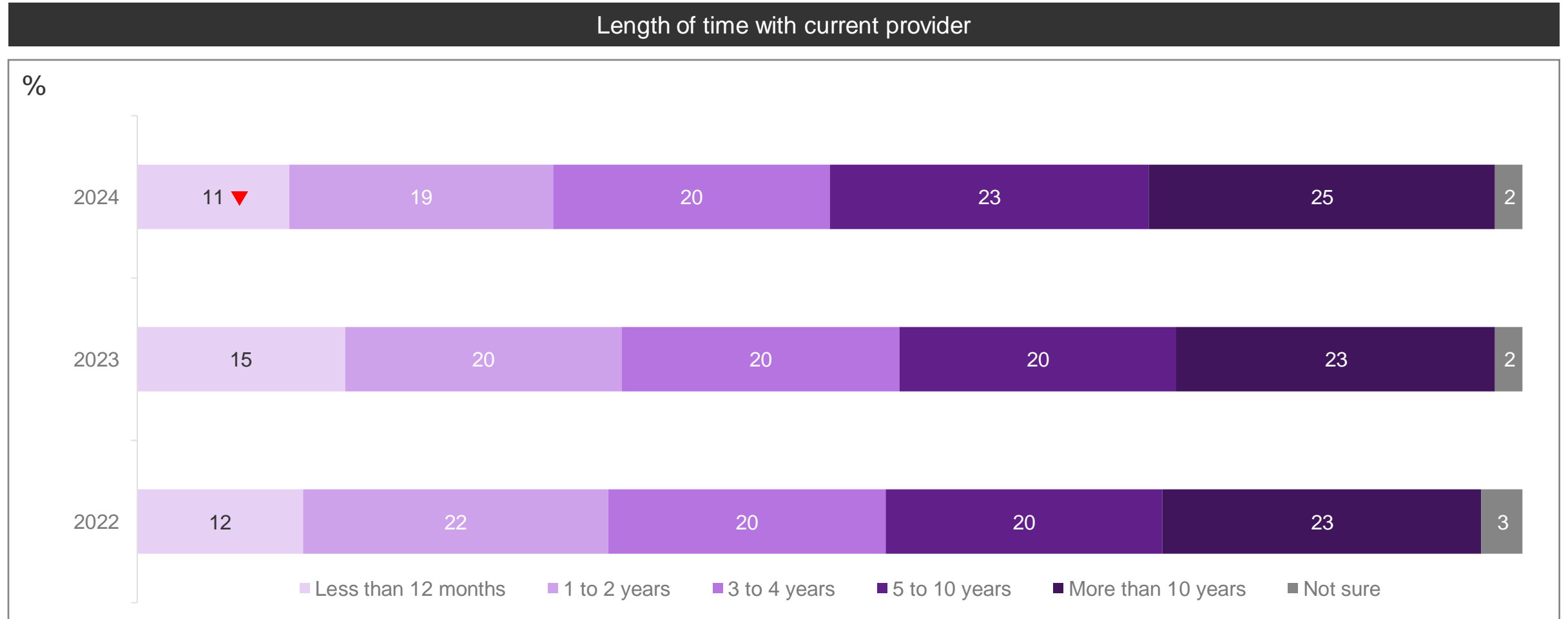


04

Switching behaviours
and bundling

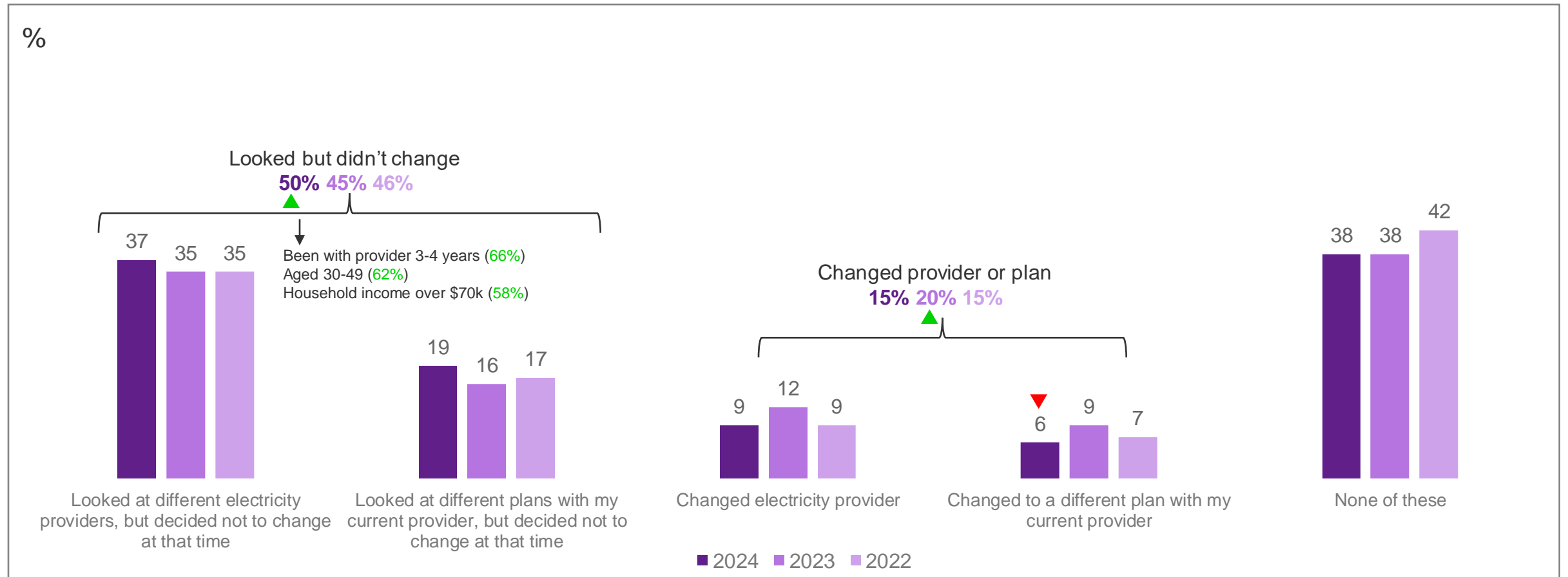


Fewer New Zealanders have changed provider in the last 12 months, compared to a similar time last year.

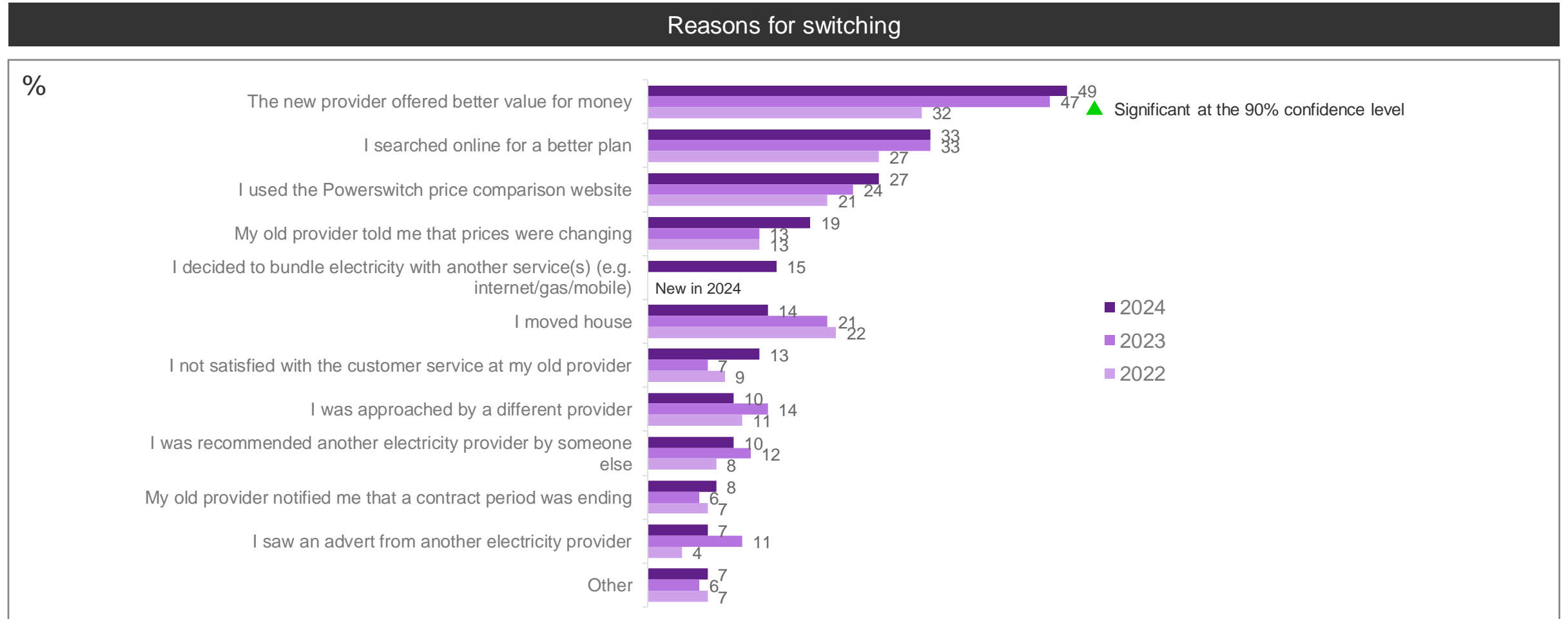


Half of New Zealanders have looked at different plans or providers in the last 12 months but decided not to change. This is a significant increase of 5 pts since 2023. Those who have been with their provider for 3-4 years, on higher incomes, or aged 30-49 are more likely to have reviewed other plans or providers but decided not to change.

Switching behaviours in the past 12 months

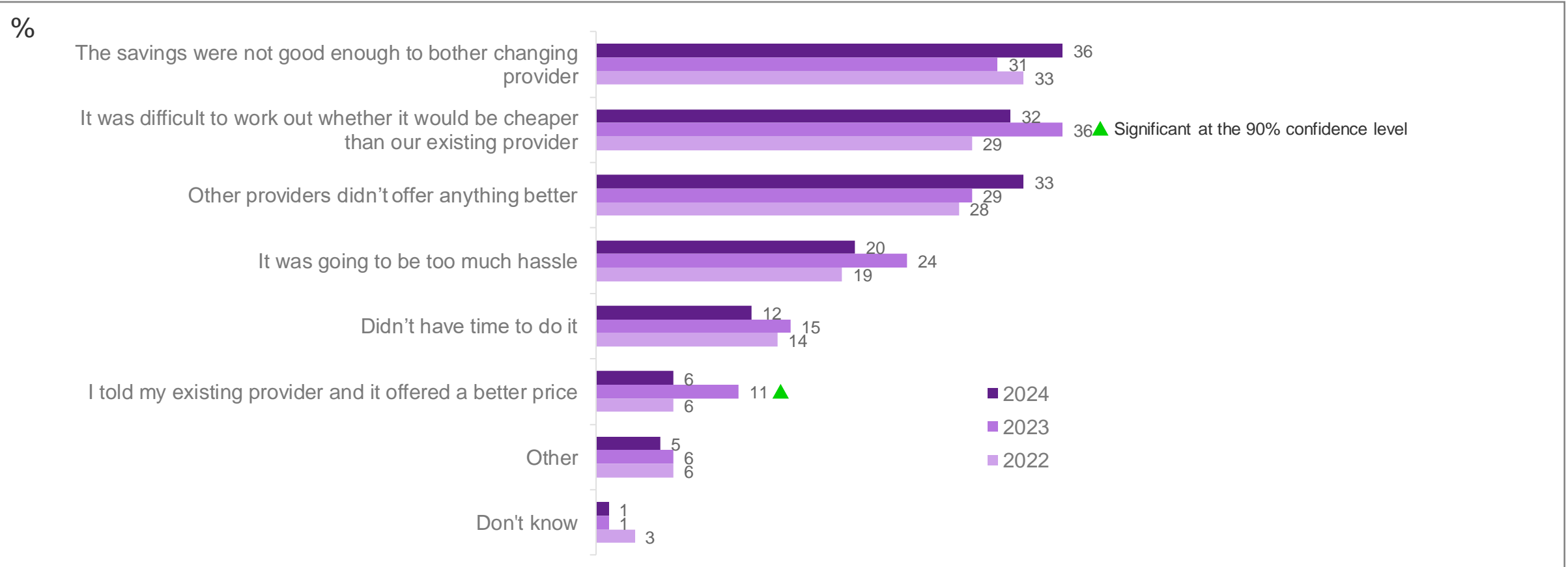


The key reason for switching providers among the 9% of New Zealanders who switched in the last 12 months is the offer of better value for money which is in line with previous years. Fifteen percent of those who switched did so because they wanted to bundle their power with other services.



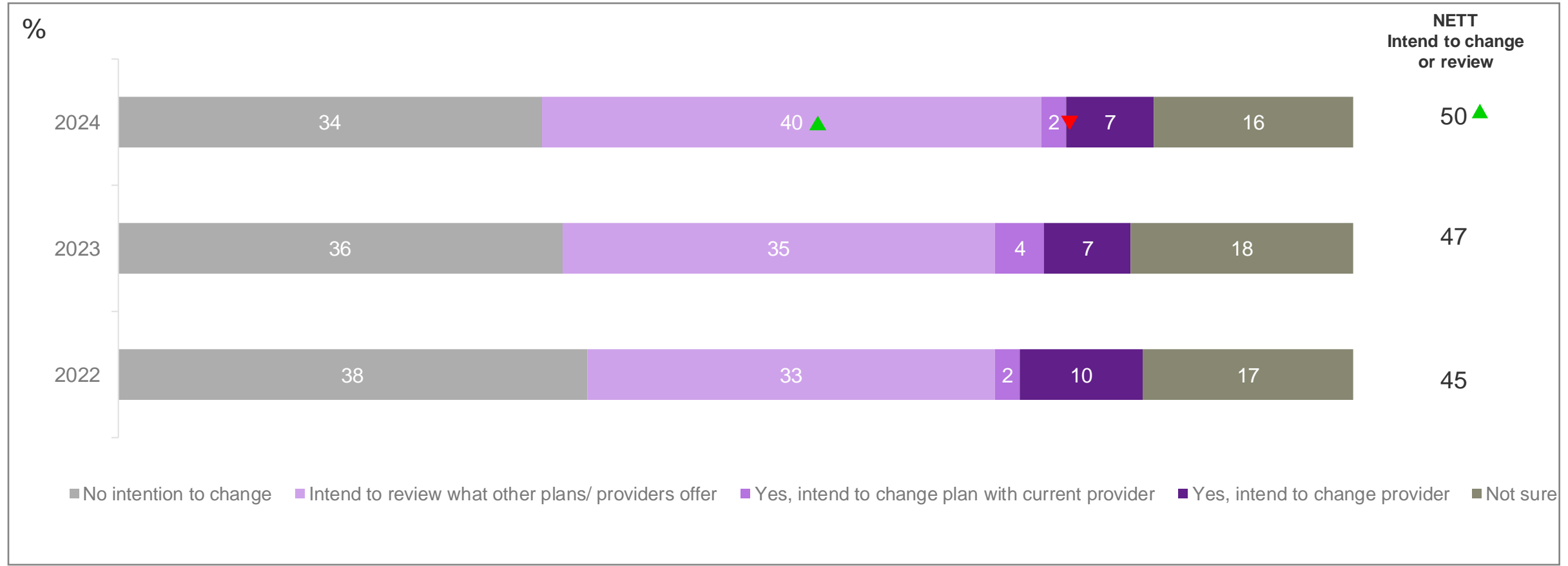
Insufficient savings continues to be the key reason for the 37% of New Zealanders who decided not to switch providers.

Reasons for deciding not to switch



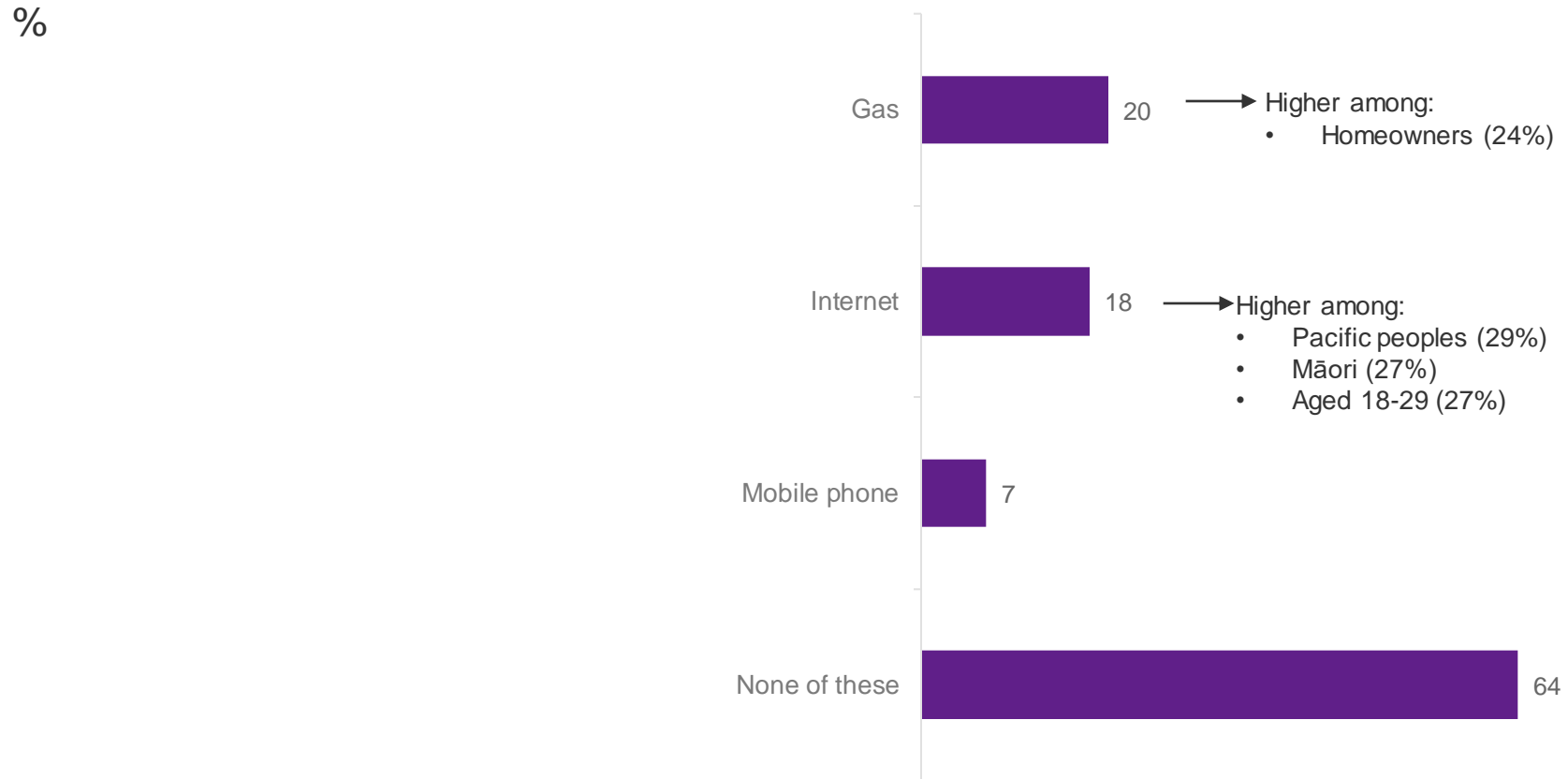
In the next 12 months, half of New Zealanders plan to change provider/ plan or at least review what is on offer. This is an increase on 2023.

Switching intentions over the next 12 months

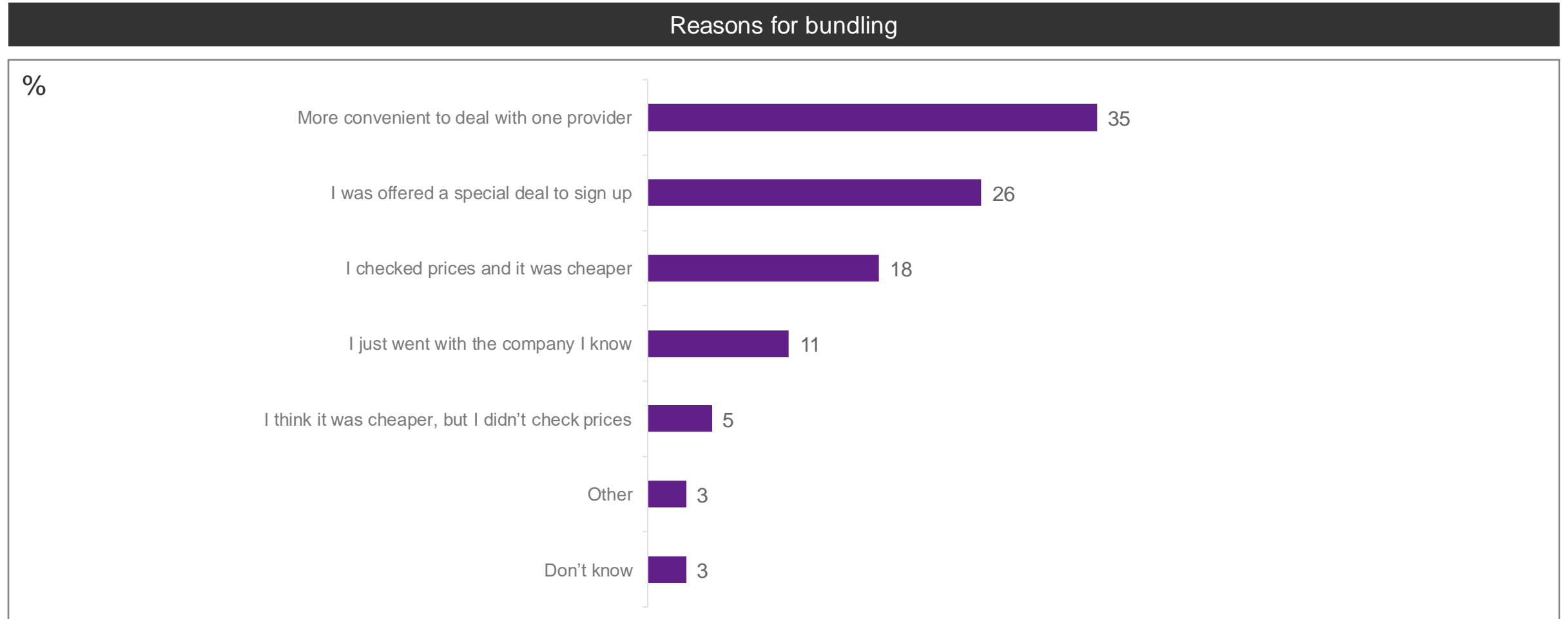


A third of New Zealanders have bundled another service with their electricity. The most common services to bundle are gas and internet, and a few have bundled with their mobile phone service.

Bundling behaviour (new in 2024)

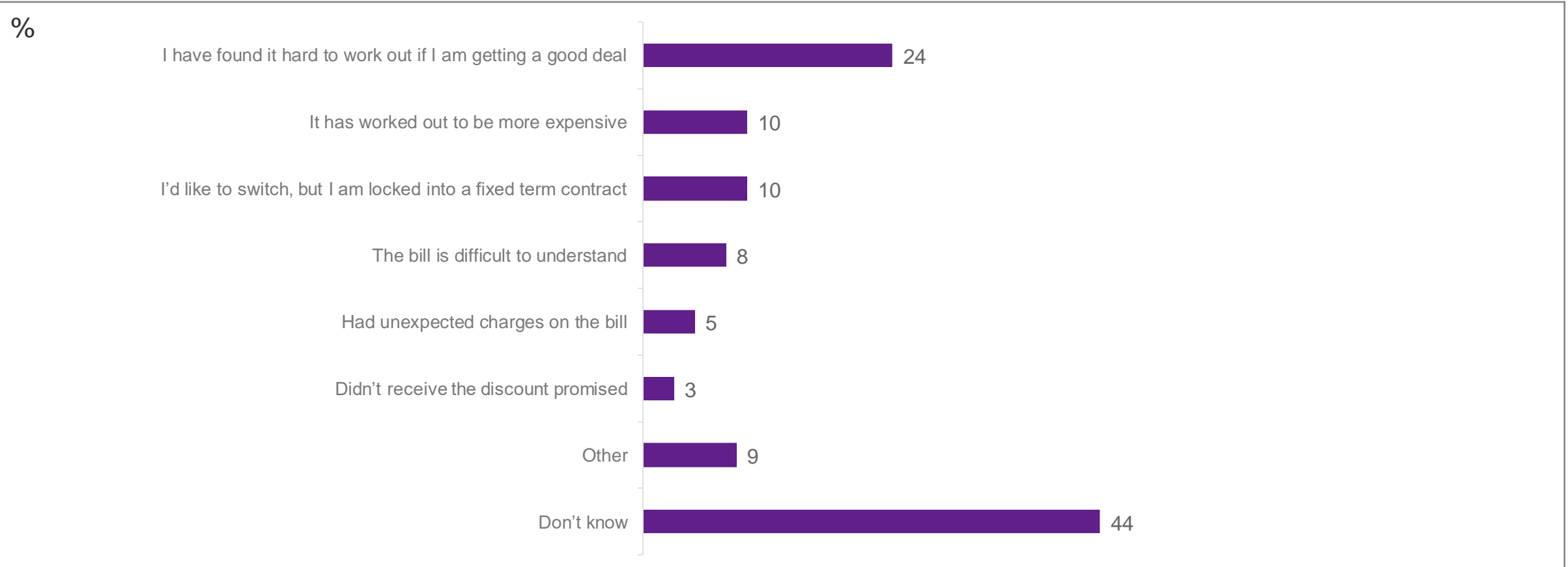


The main reasons for bundling other services with electricity is convenience (35%) and signing up to a special deal (26%).



One in four New Zealanders who have bundled services with their electricity provider found it hard to know if they were actually getting a good deal and one in ten later worked out services were more expensive when bundled. One in ten New Zealanders with bundled services would like to change but are locked into a contract.

Experiences with bundling

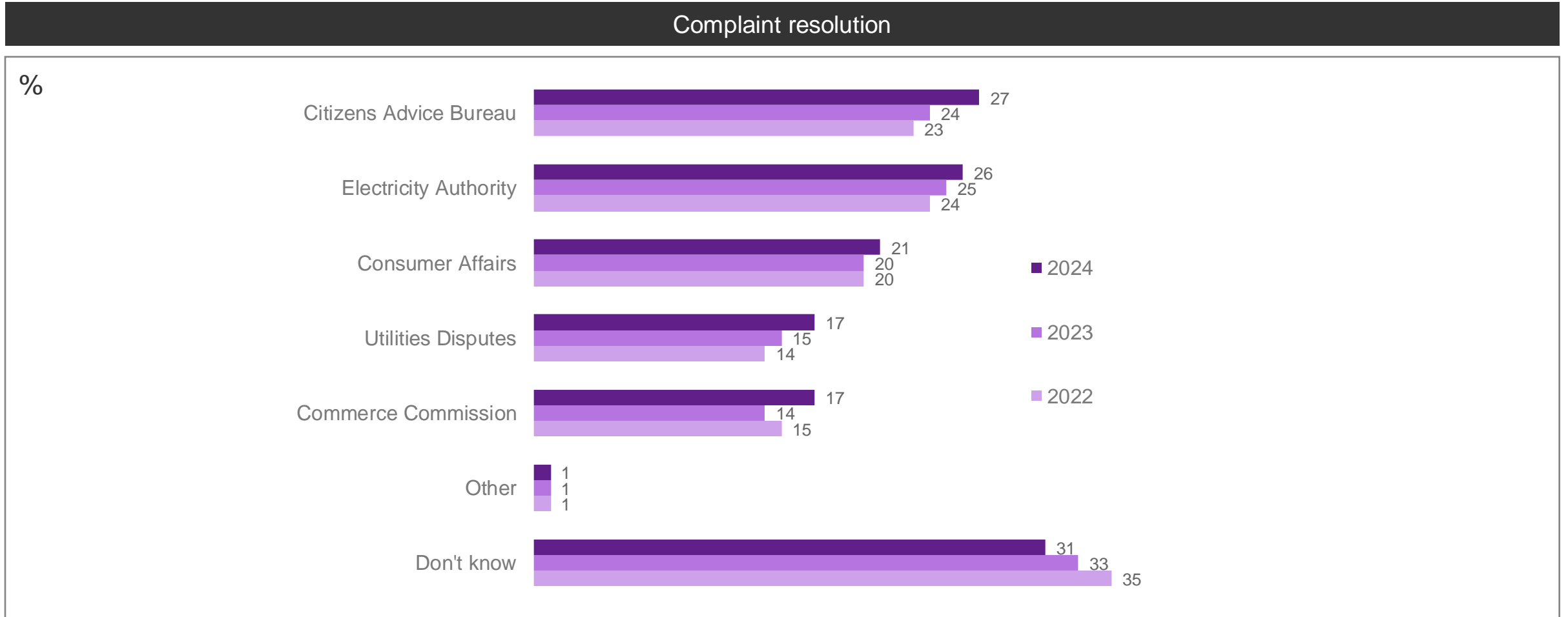


05

Knowledge about and
confidence in the
electricity market



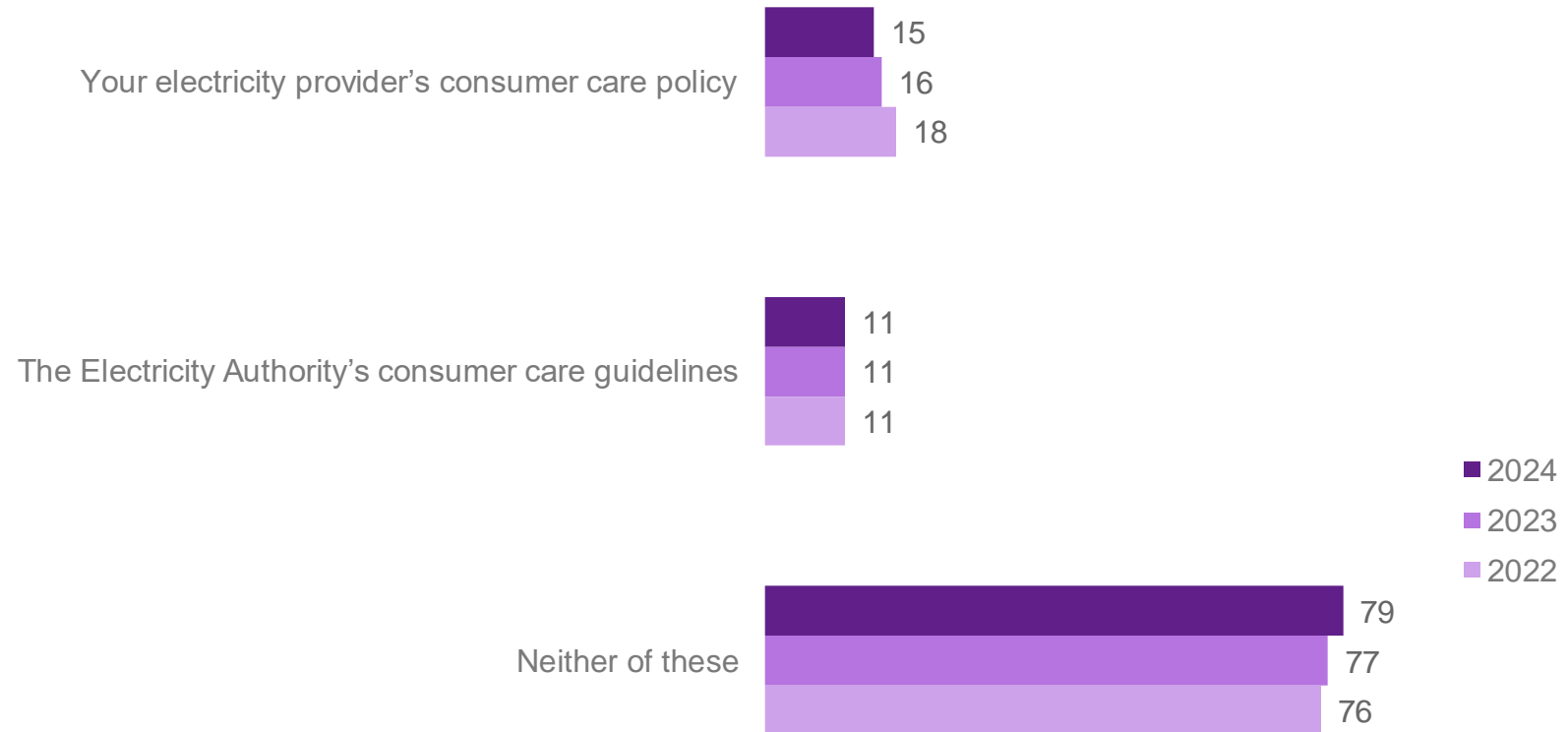
Most commonly, New Zealanders would contact the Citizens Advice Bureau if they had a complaint about their electricity provider. This is a slight increase on 2023, but not a statistically significant one.



Awareness of electricity consumer care policies remains low.

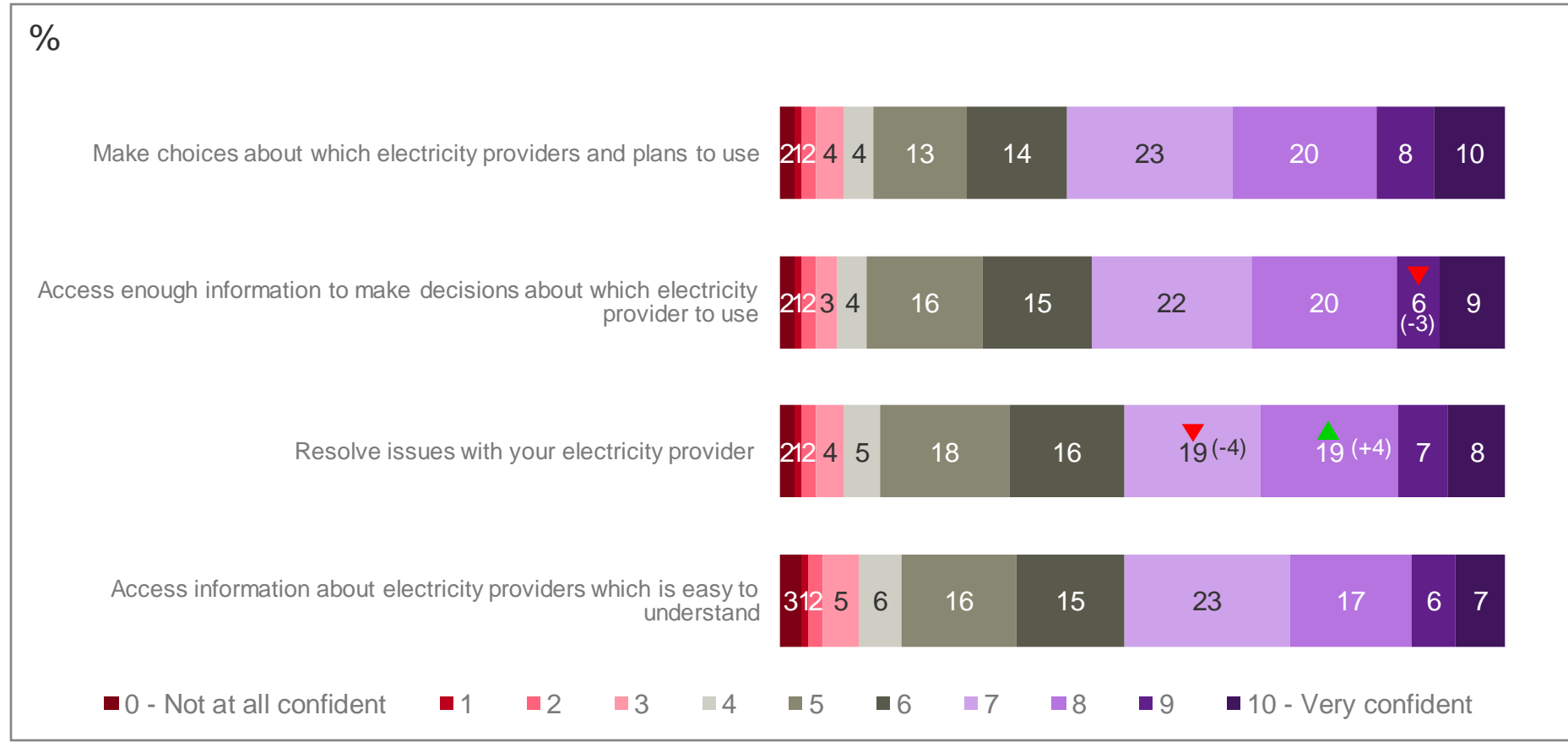
Awareness of consumer care policy and guidelines

%



The majority of New Zealanders feel confident in their ability to make choices about providers, resolve issues and access the information they need. Between 52% and 61% are confident with each statement.

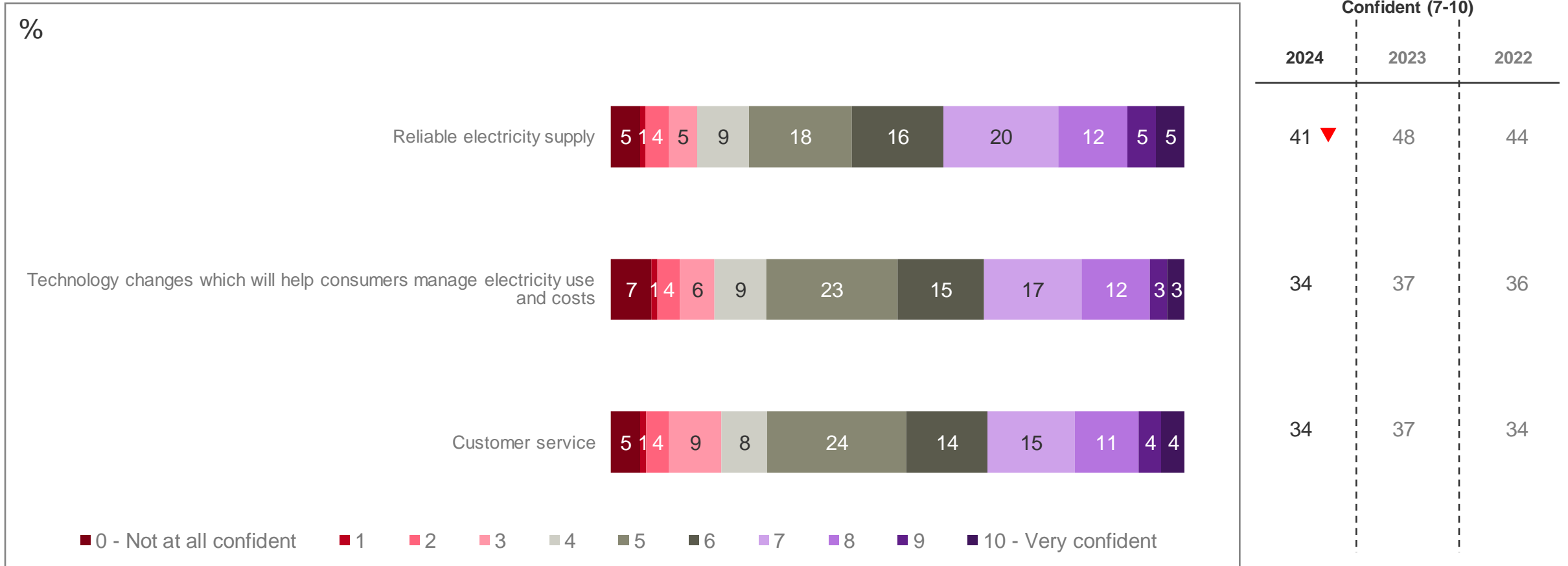
Making choices and accessing information



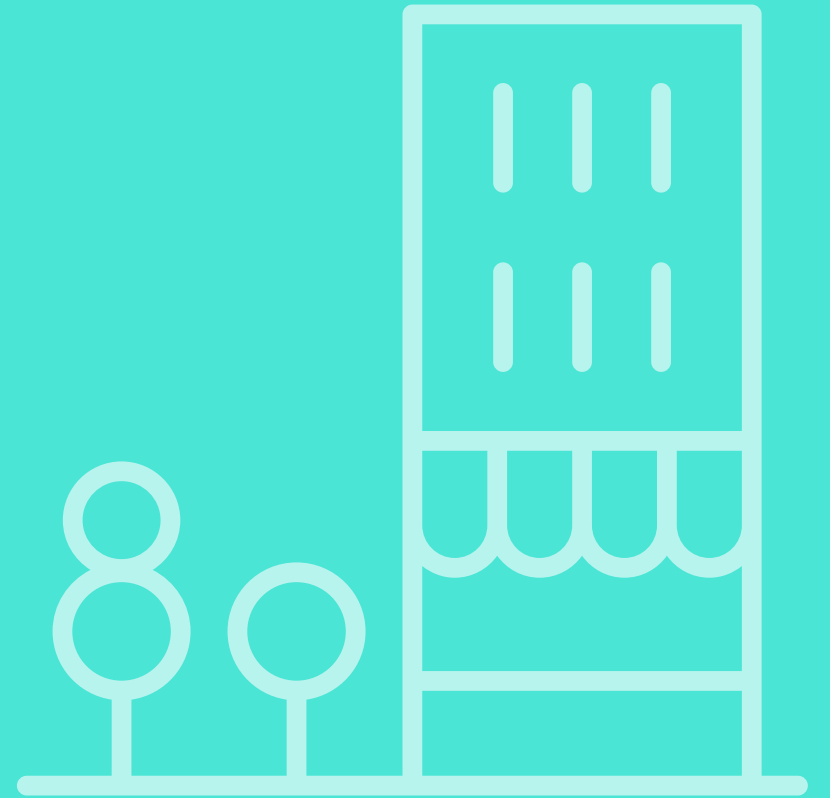
	Confident (7-10)		
	2024	2023	2022
Make choices about which electricity providers and plans to use	61	65 ▲	58
Access enough information to make decisions about which electricity provider to use	57	61 ▲	55
Resolve issues with your electricity provider	53	56	52
Access information about electricity providers which is easy to understand	52	57 ▲	50

Compared to 2023, fewer New Zealanders are confident the electricity market will deliver a more reliable electricity supply over the next five years (down 7 pts to 41%).

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

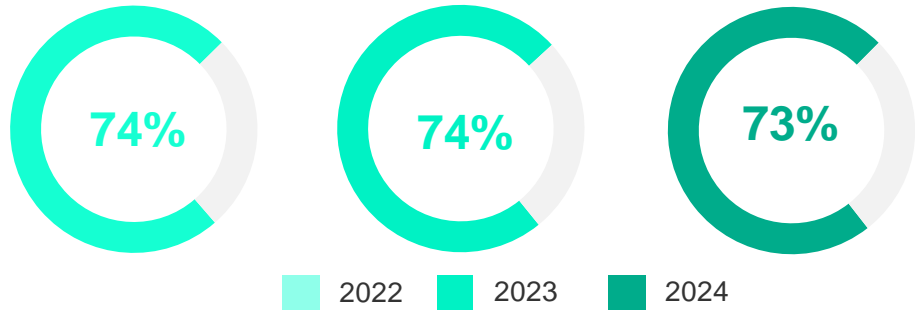


Small business summary

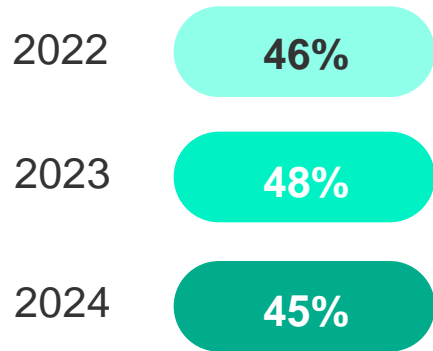


Experiences with electricity provider

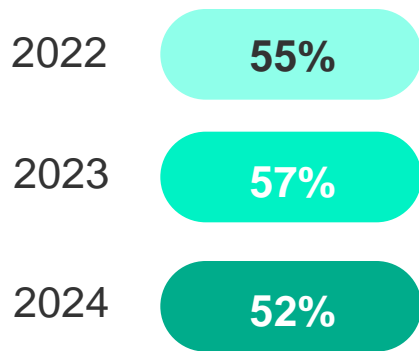
Overall satisfaction with electricity providers remains the same.



Trust in electricity providers to do the right thing is unchanged.

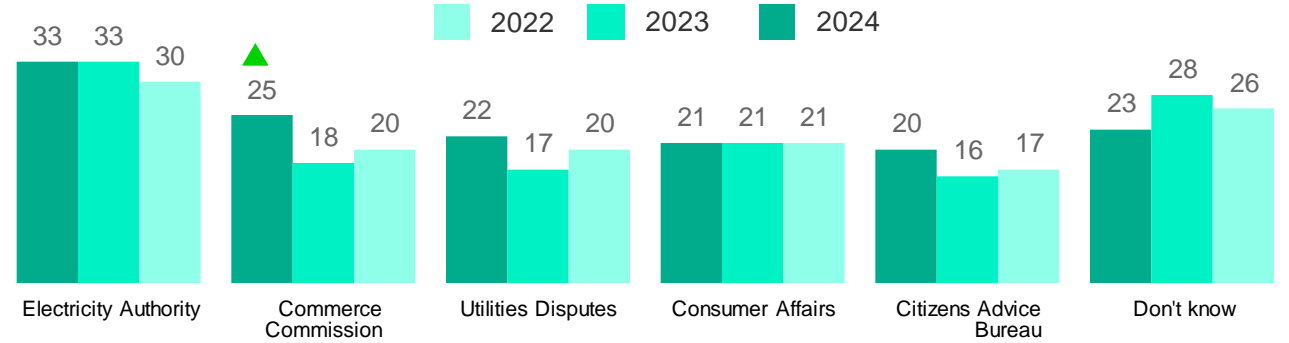


Perceived value for money is also unchanged.



Knowledge about and confidence in the market

Most commonly, small businesses would approach the Electricity Authority with a complaint about their electricity provider and compared to 2023, more small businesses would approach the Commerce Commission (up 7pts to 25%).



Confidence in making decisions about providers and accessing enough and easily understood information is stable.

	Confident (7-10)		
	2022	2023	2024
Make choices about which electricity providers and plans to use	62	65	64
Access enough information to make decisions about which electricity provider to use	60	59	61
Access information about electricity providers which is easy to understand	55	55	54
Resolve issues with your electricity provider	52	52	53

▲ ▼ Significantly higher/lower than previous year

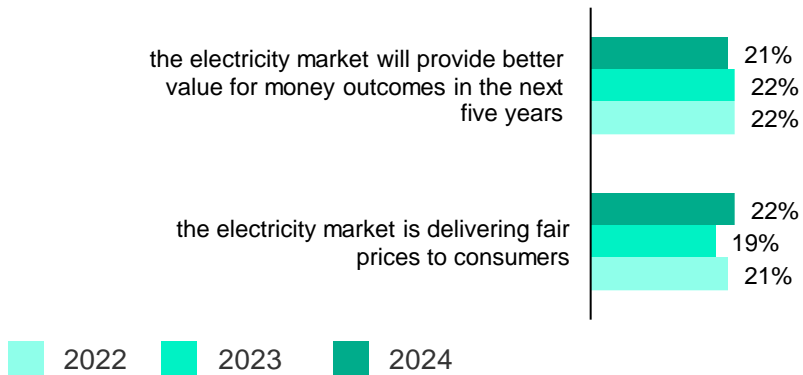
Affordability

Since 2022, more small businesses have experienced financial pressure caused by their electricity bills.

	% agree (7-10)		
	2024	2023	2022
My business finds it harder to pay electricity bills than it did a year ago	38 ▲	33	28
Electricity bills put a lot of pressure on my business' finances	32 ▲	28 ▲	21

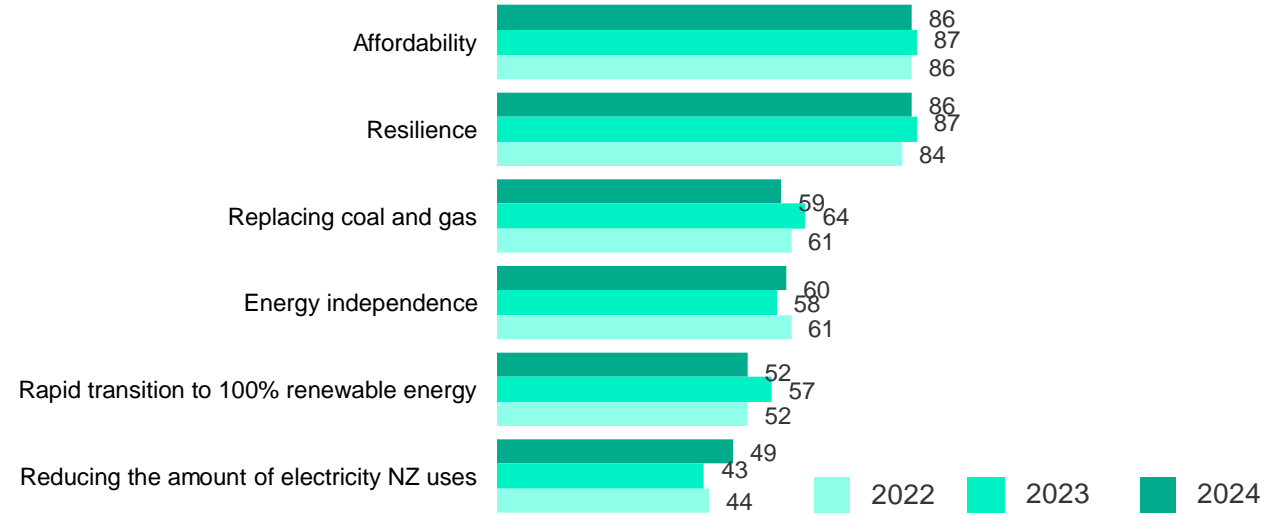
And small businesses have low confidence that the electricity market is delivering fair prices, or that this will improve in the next five years.

% who are confident ...



Attitudes towards the electricity sector

Affordability and a resilient system remain the two most important issues for small businesses.

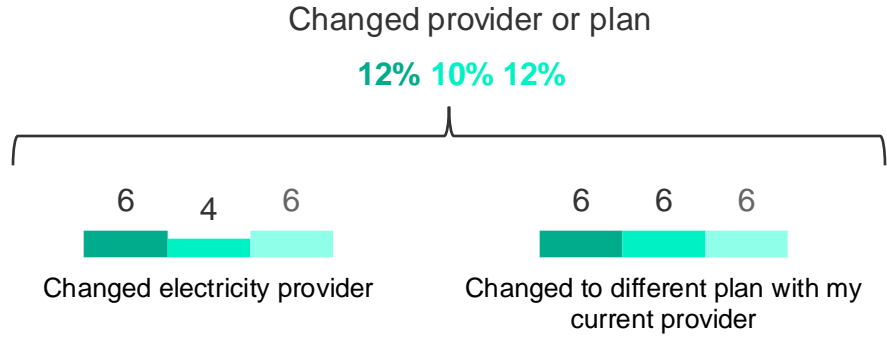


As in 2023, the greatest concern among small businesses is that New Zealand's electricity sector will not be resilient to extreme weather over the next 10 years, with concerns increasing over time.

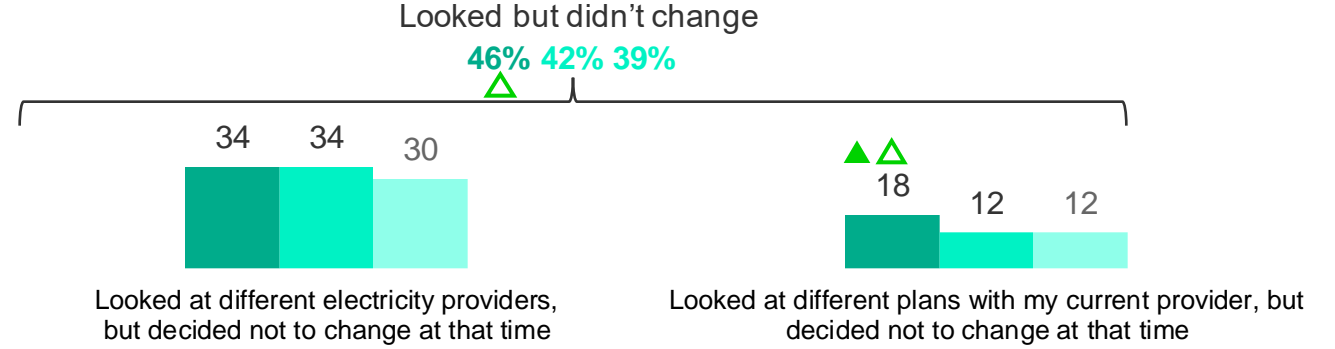
% concerned about the future of New Zealand's electricity sector...	2024	2023	2022
New Zealand's electricity system will not be resilient to extreme weather events resulting in frequent electricity outages	67 ▲	68 ▲	59
Electricity will become unaffordable for some New Zealand businesses	62	62	57
New Zealand won't have plans in place to replace or update coal and gas fired power plants	59	55	53
New Zealand won't have plans in place to move to an electricity system that is based on renewables	53	53	52
Electricity will become unaffordable for you	41	41	39

Switching behaviour

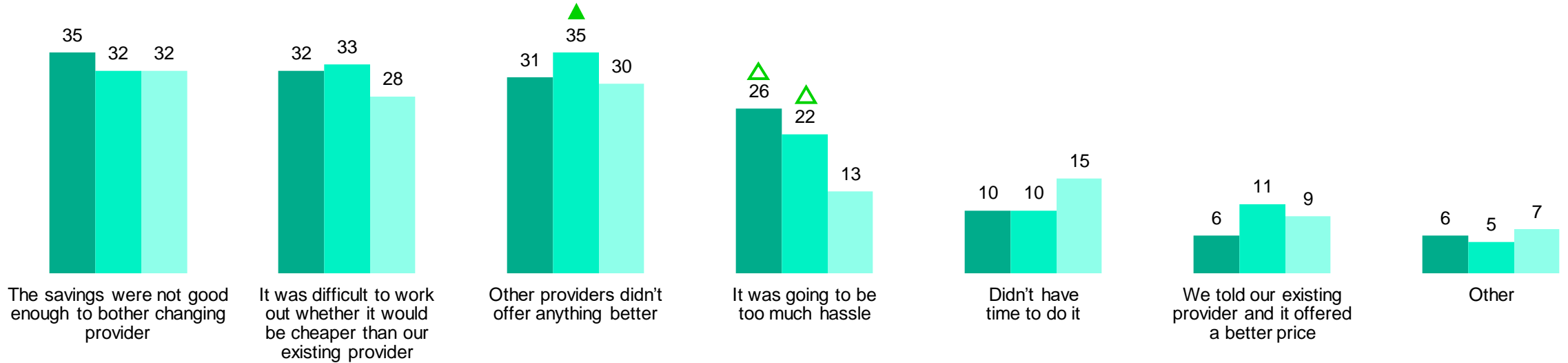
There has been no change to the share of small businesses that have changed provider or plan.



However, since 2022, more small businesses have looked into other plans, but decided not to change.

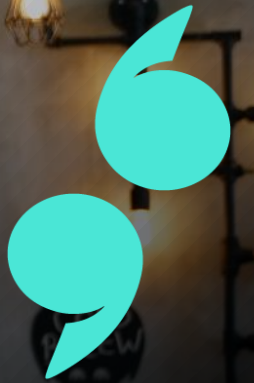


Insufficient savings are the most common reason for not switching providers among the 34% who looked into this. This is followed closely by businesses saying they found it difficult to work out if things would be cheaper. Since 2022, there is a growing sense that switching providers is not worth the hassle.

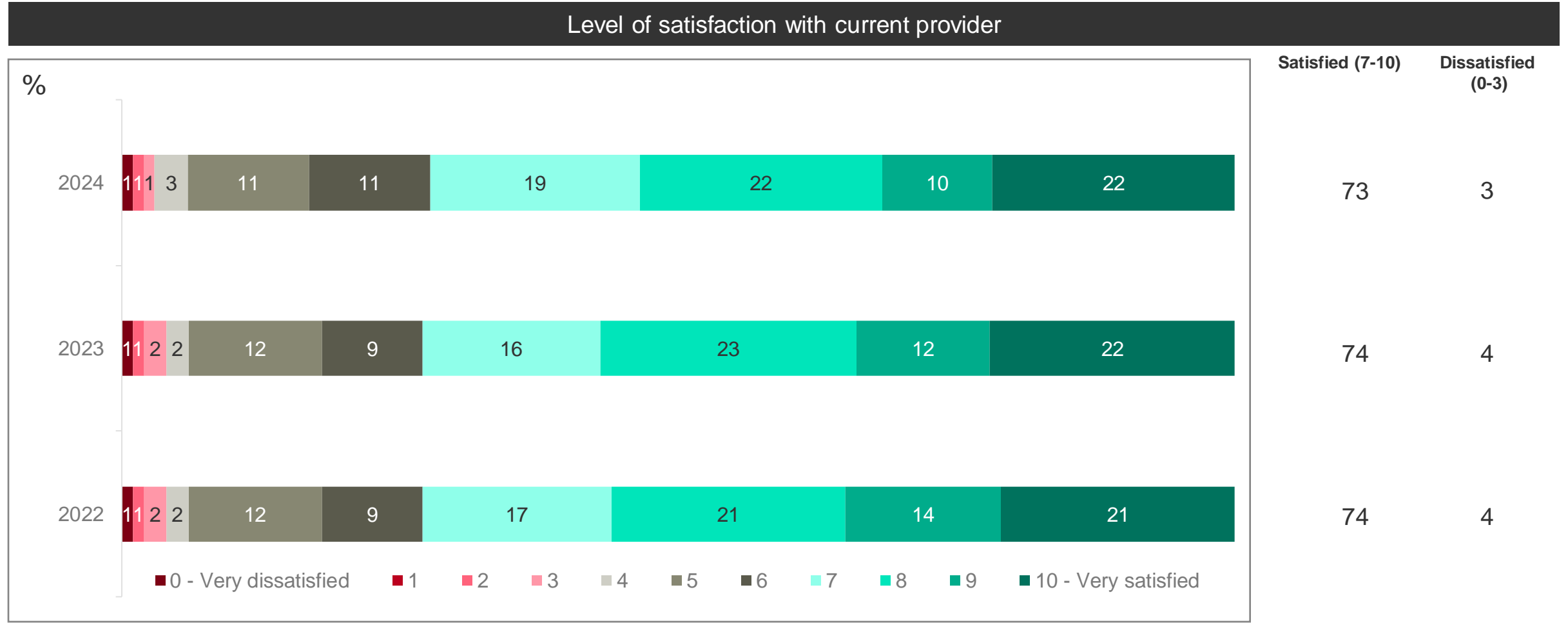


01

Small business' experiences in the electricity market

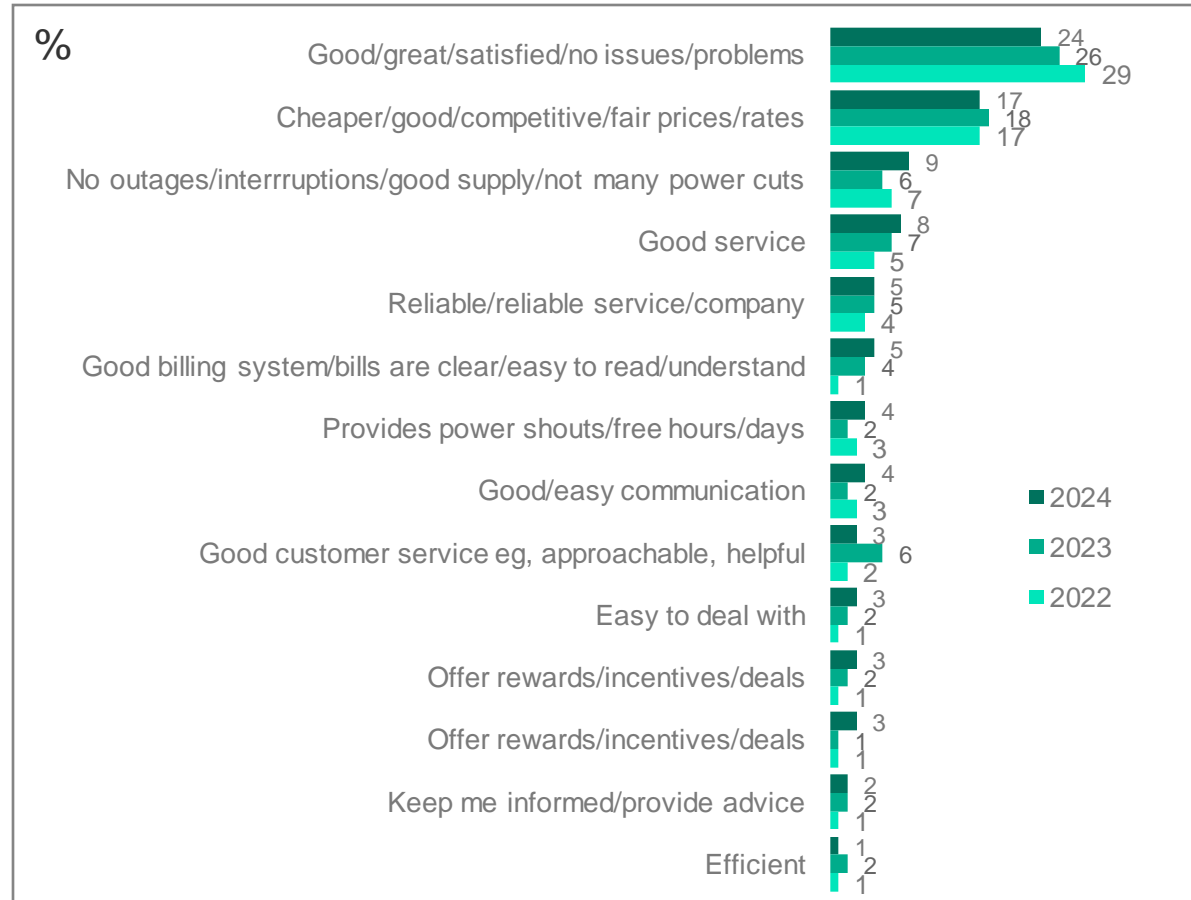


Small business' satisfaction with their current electricity provider is at similar levels to previous years.



For the 73% of small businesses who are satisfied with their provider, no issues and cheap prices are the key drivers.

Reasons for being satisfied with current provider (coded responses)



“

They have done a faultless job of supplying me and I have no complaints at all.

SmartPay- meaning I pay a set amount every week, it means I do not even need to think about [it]. Great communication etc.

Great communication, they send a weekly advice on our power usage. Great App as well.

There have been no problems but as always the cost is a consideration.

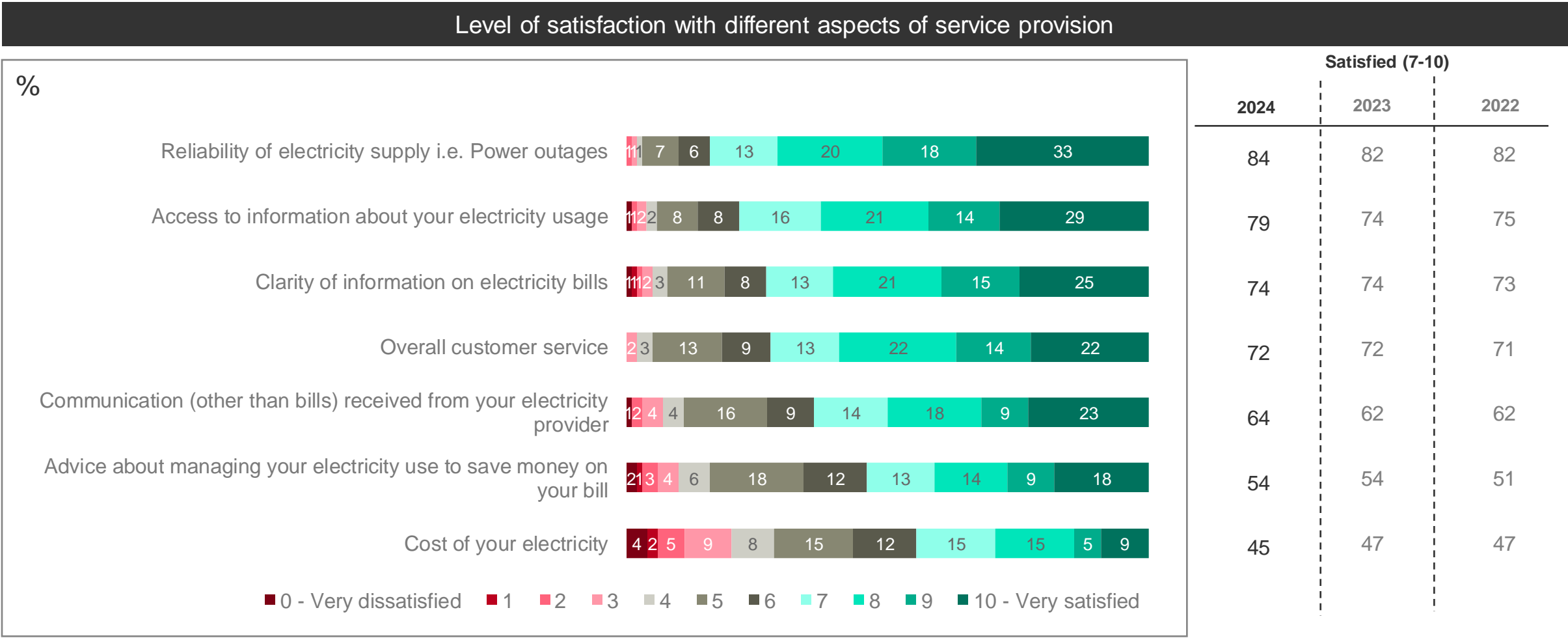
They are very good to deal with , offer excellent incentives to earn rewards etc.

Service and pricing is OK but billing and payment receipts in need of improvement.

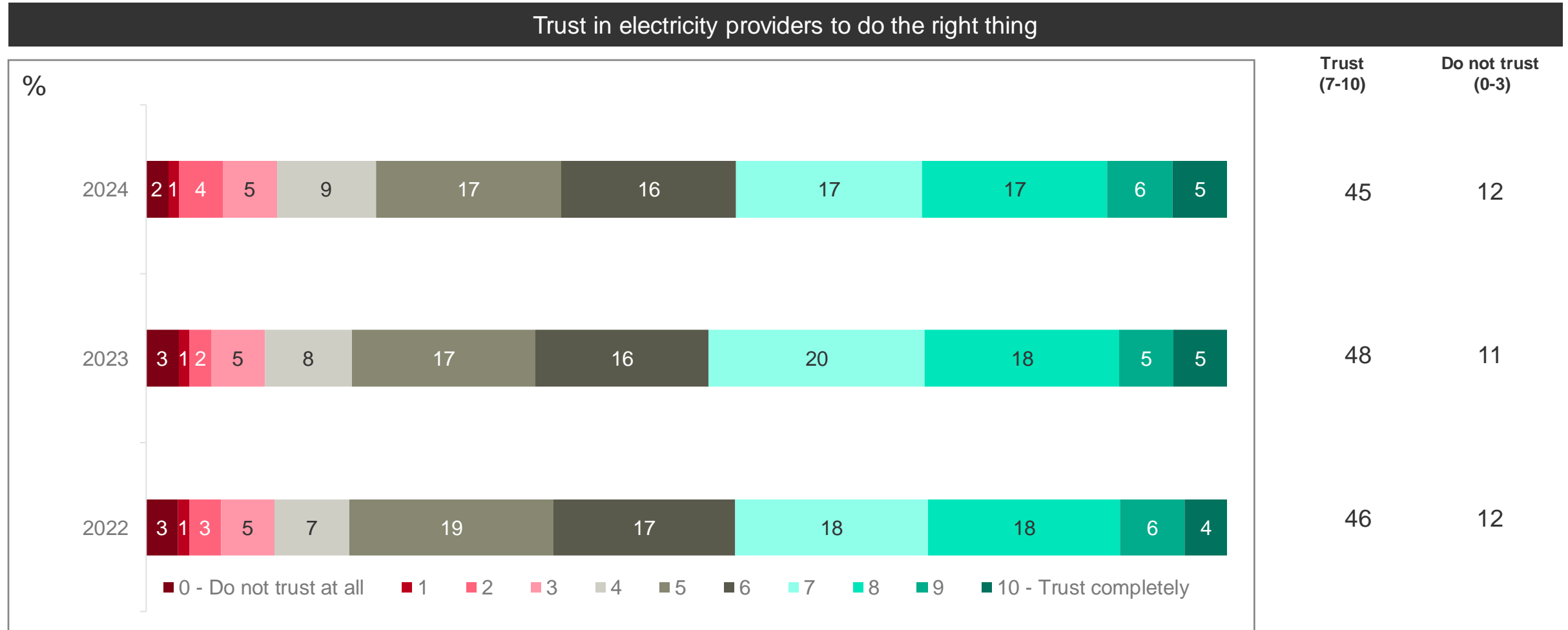
Very good, transparent pricing, responsive customer service, ethical company.

Nothing special about the service but have had a continuous supply of electricity.

Small businesses' satisfaction with different aspects of the service from electricity providers remains unchanged. As in previous years, satisfaction is highest for reliability of supply and lowest for cost.

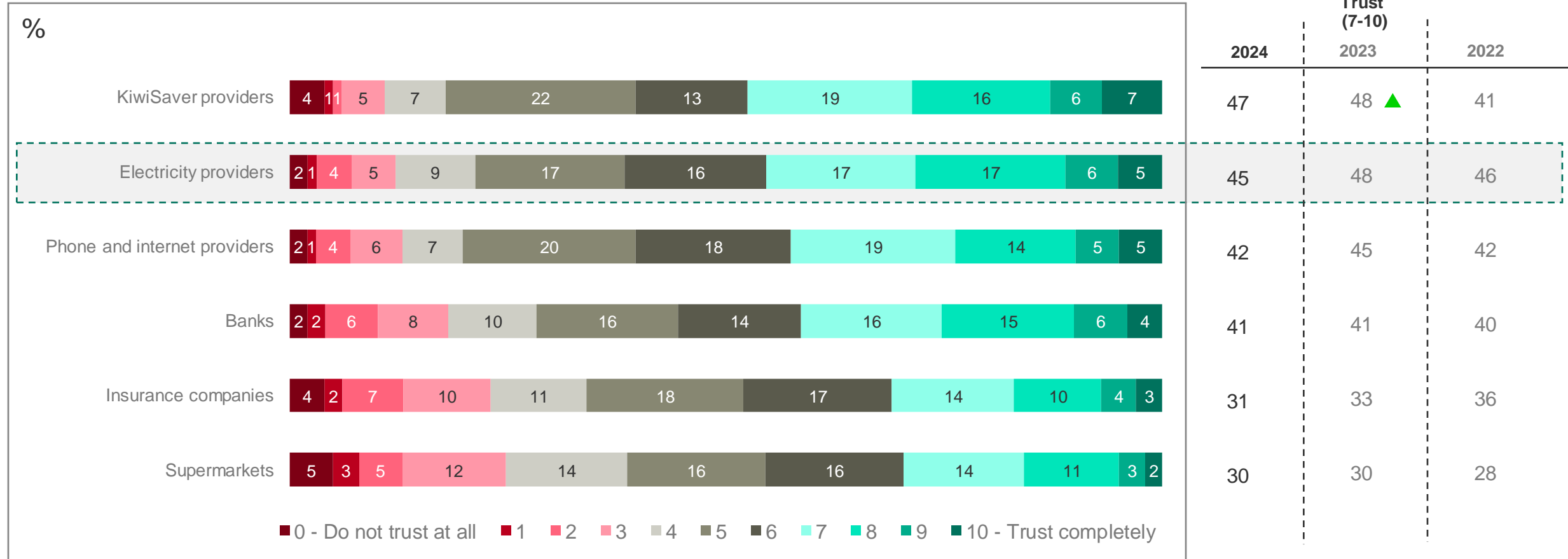


Similarly, small businesses' trust in electricity providers is stable; nearly half trust them to do the right thing and just over one in ten do not.



Like previous years, trust is highest for Kiwisaver and electricity providers and lowest for insurance companies and supermarkets.

Trust to do the right thing – sector comparison

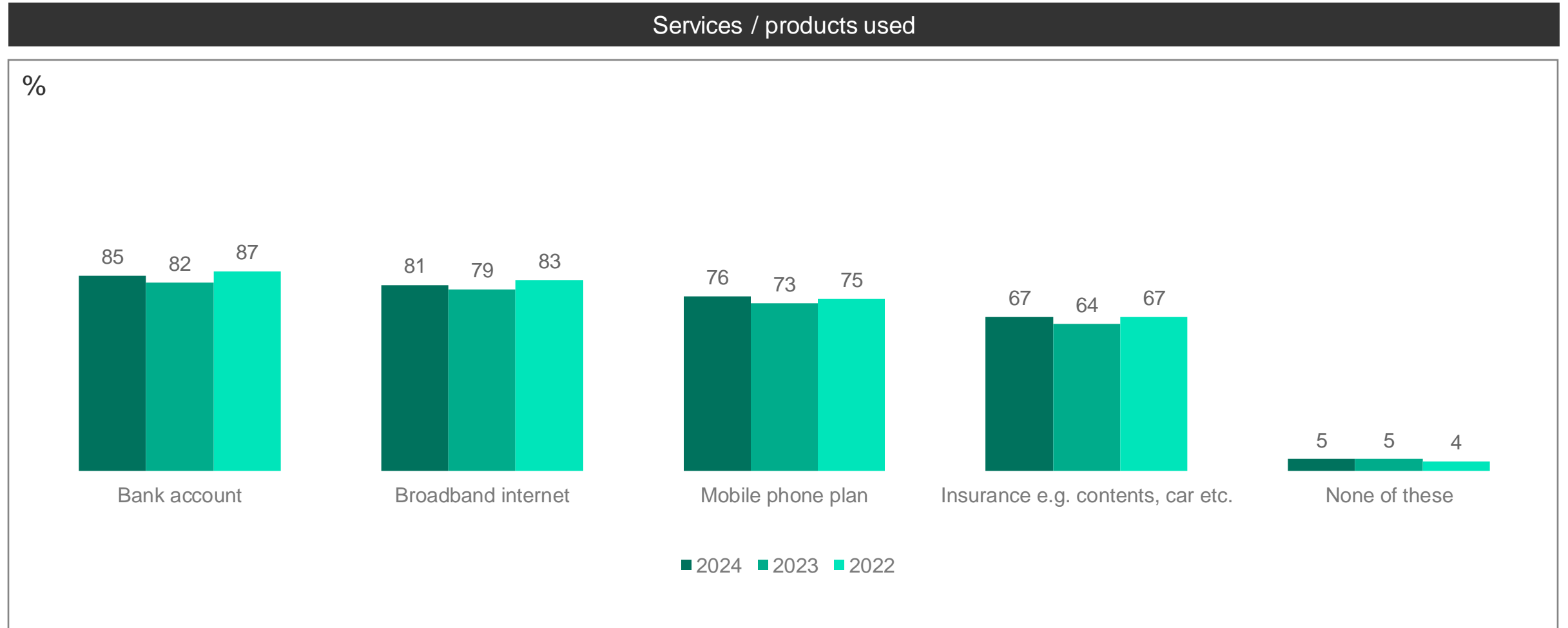


02

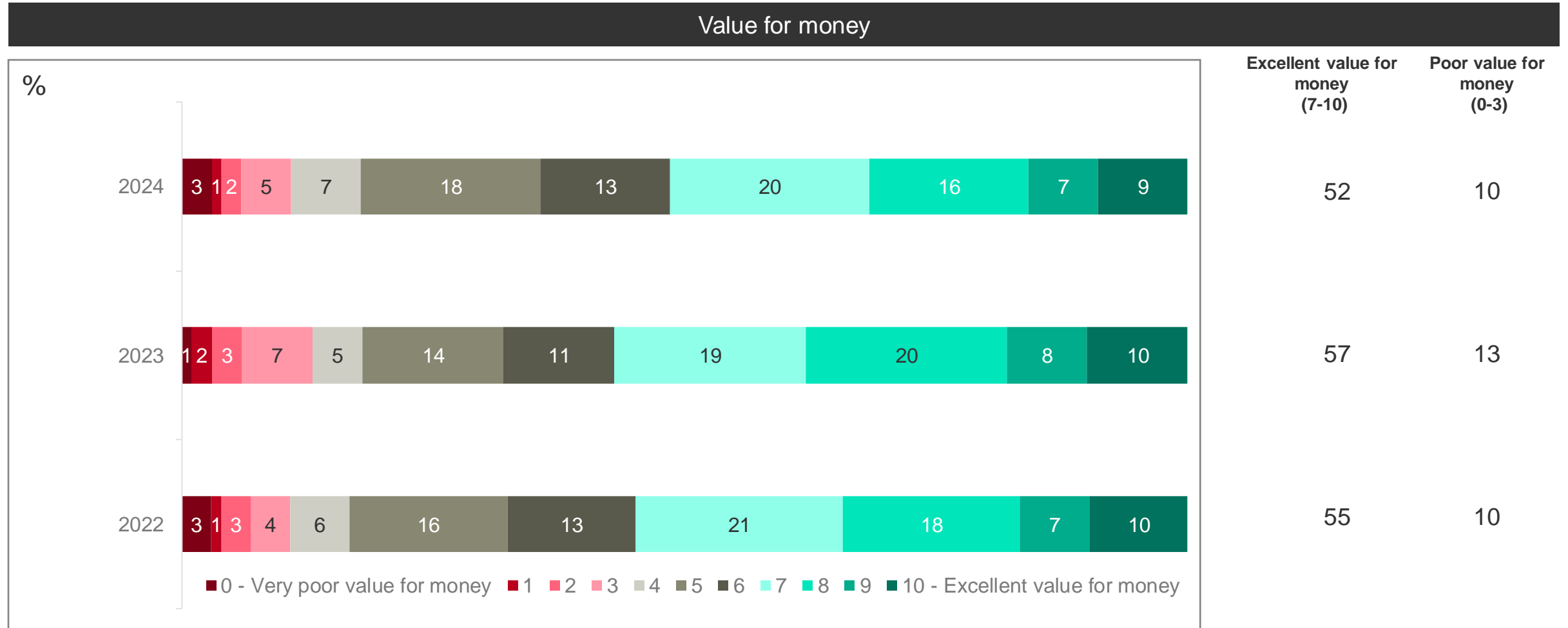
Affordability



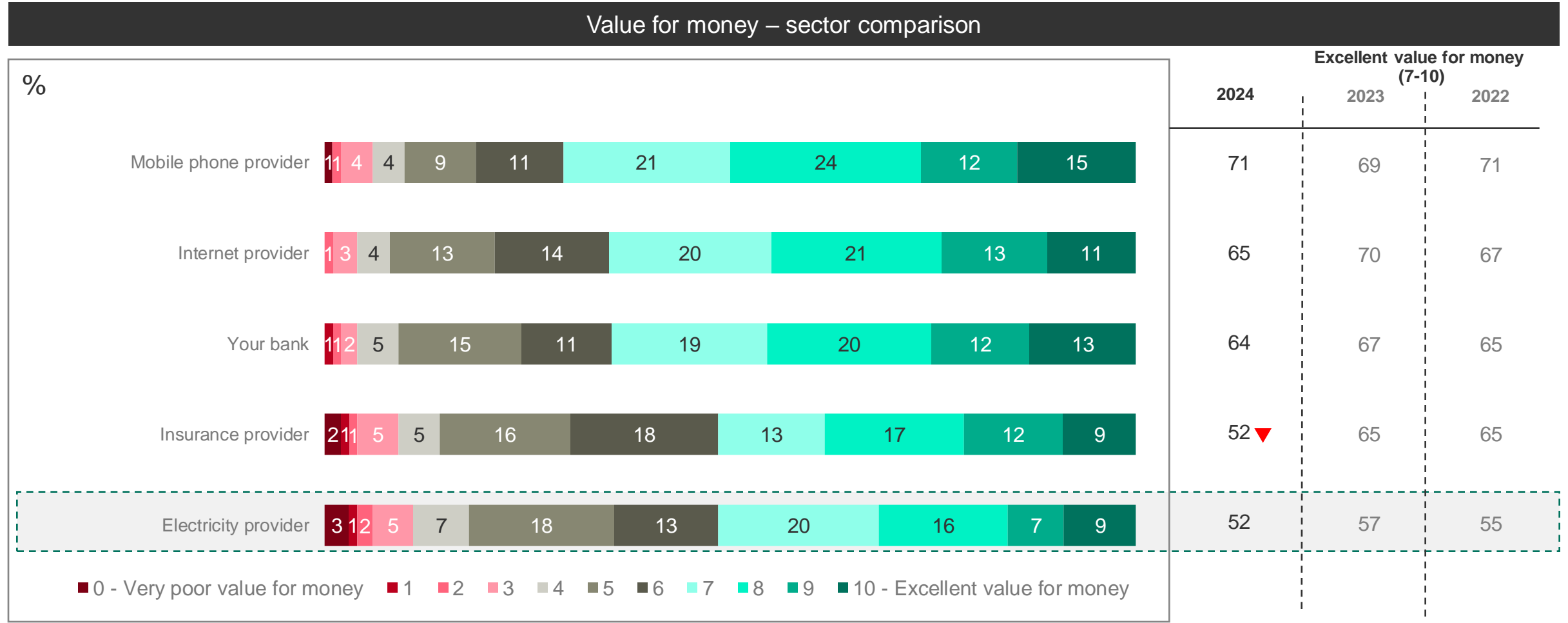
Small businesses use a range of products and services. About a third do not have insurance for their business.



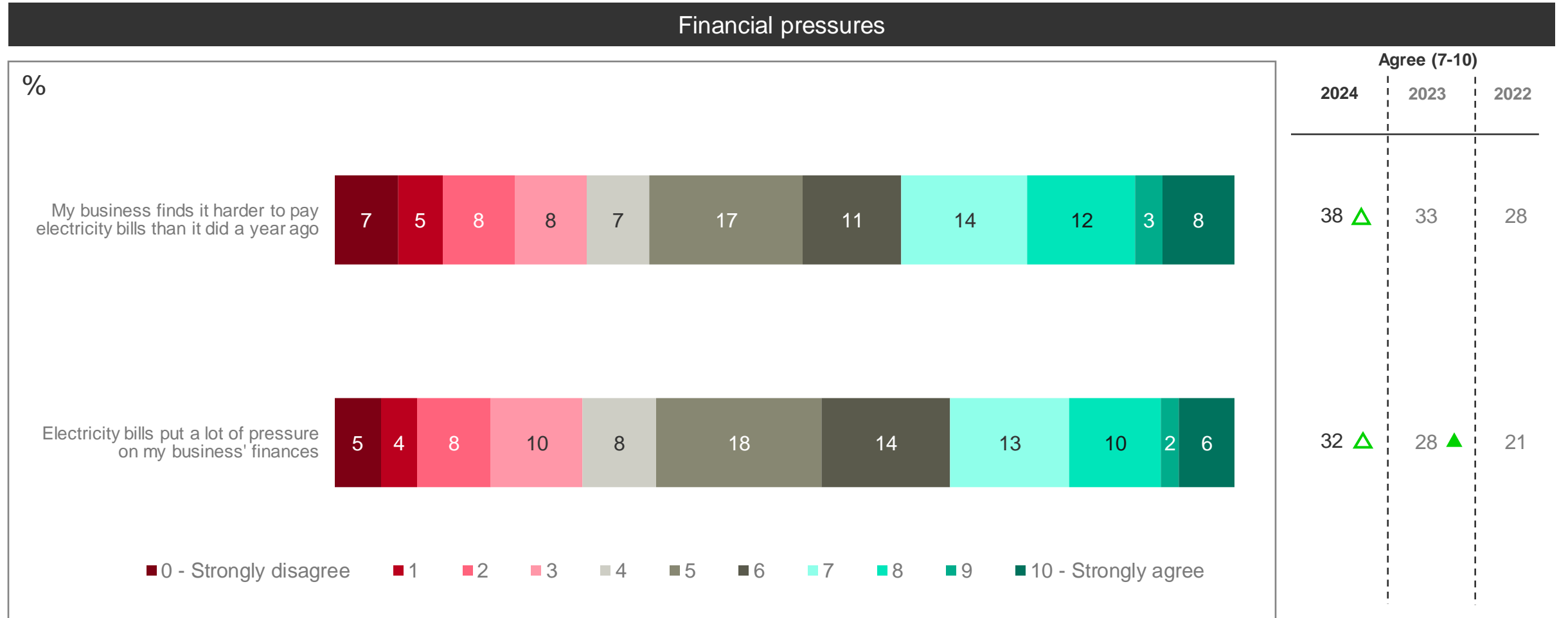
Compared to previous years, a similar share of small businesses feel they receive excellent value for money from their electricity provider (52%). One in ten think they receive poor value for money.



Compared with other sectors, small businesses continue to think electricity providers have the worst value for money. Since 2023, there has been a drop in perceptions of value for money in the insurance sector (down 13 pts to 52%) bringing insurance in line with electricity.

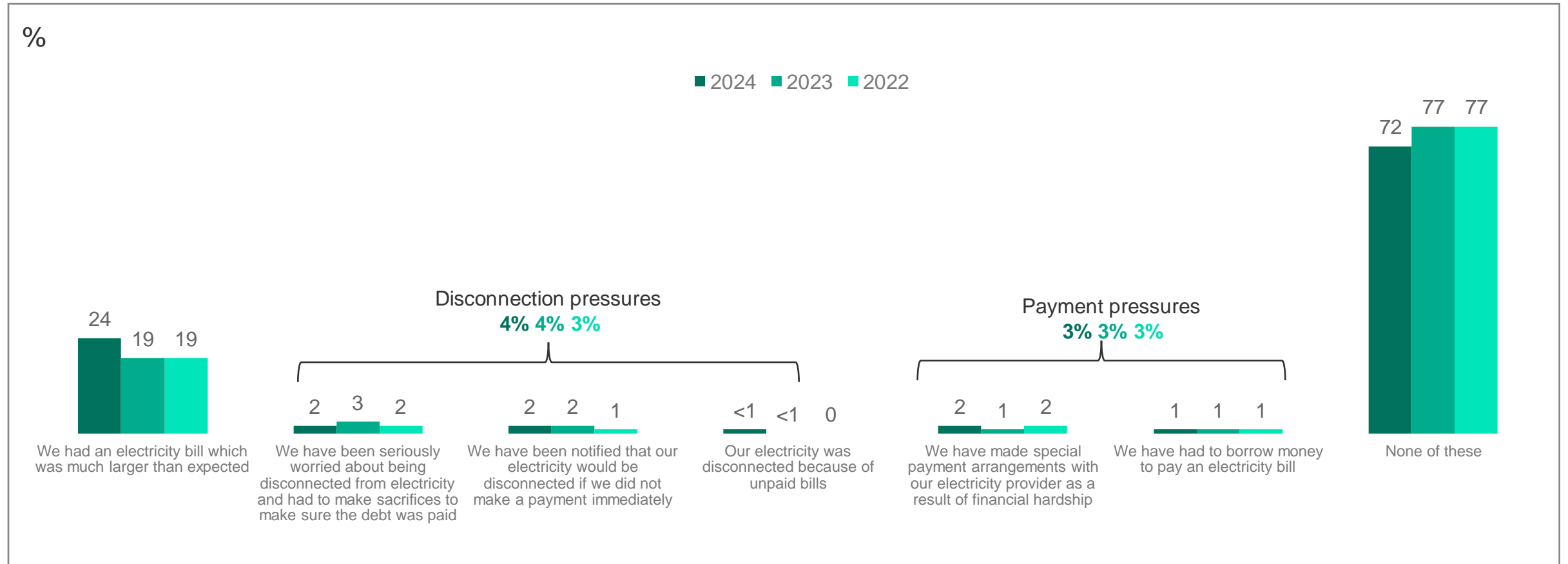


About a third of small businesses have experienced financial pressures due to electricity bills. This is up significantly since 2022.



About one in four small businesses have received a much larger than expected electricity bill in the last 12 months. This is higher than previous years, although the increase is not statistically significant.

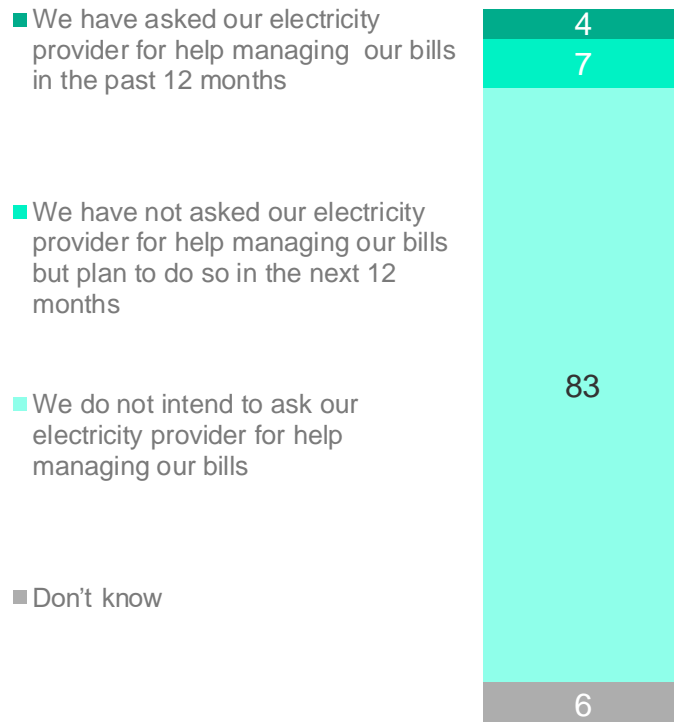
Pressures experienced in the past 12 months



In the last 12 months, very few small businesses have had to approach their electricity provider for help managing their bills.

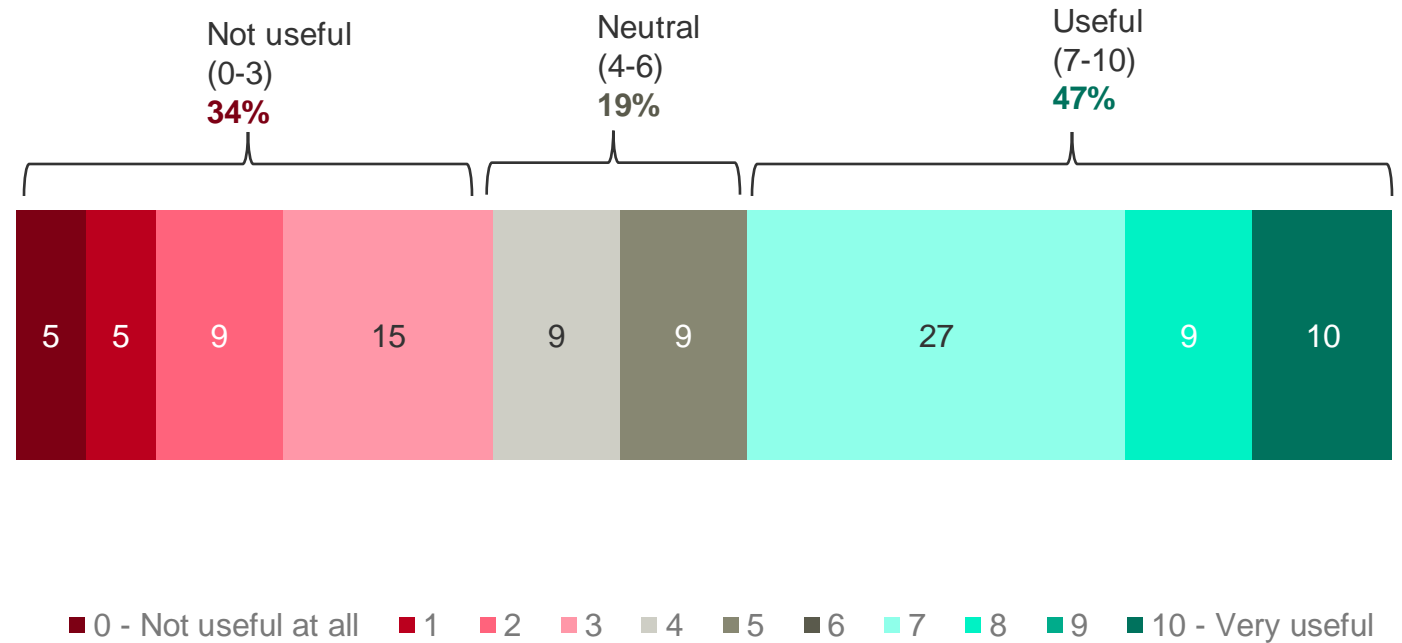
Help with managing electricity bills (new in 2024)

%



% Usefulness of help received from electricity provider

**Caution: Very small sample size – interpret results with caution*

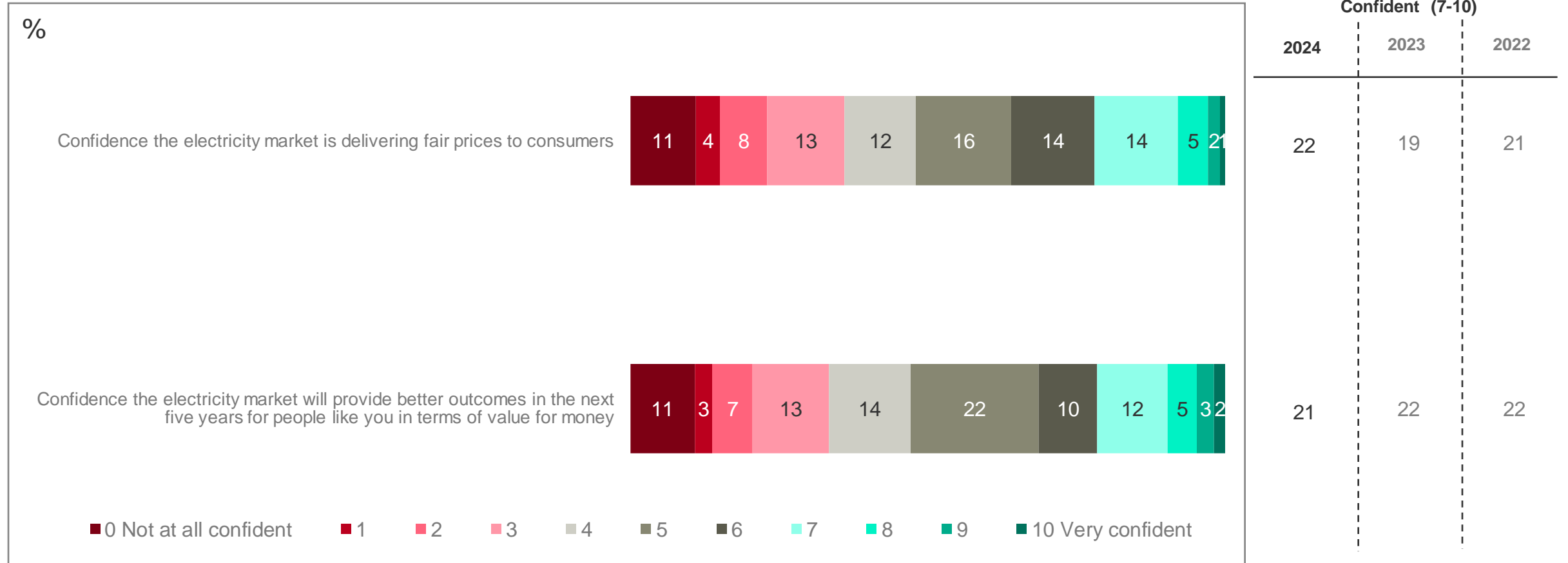


Q10a Which of the following applies to you?
Base: Total Small businesses: 2024 n=500

Q10a How useful was the help you received from your electricity provider for managing your bills?
Base: Those who have asked their provider for help in the last 12 months: n=21

Small businesses' confidence that the electricity market will deliver fair prices remains low; about one in five are confident which is comparable with previous years.

Confidence in the electricity market delivering fair prices to consumers



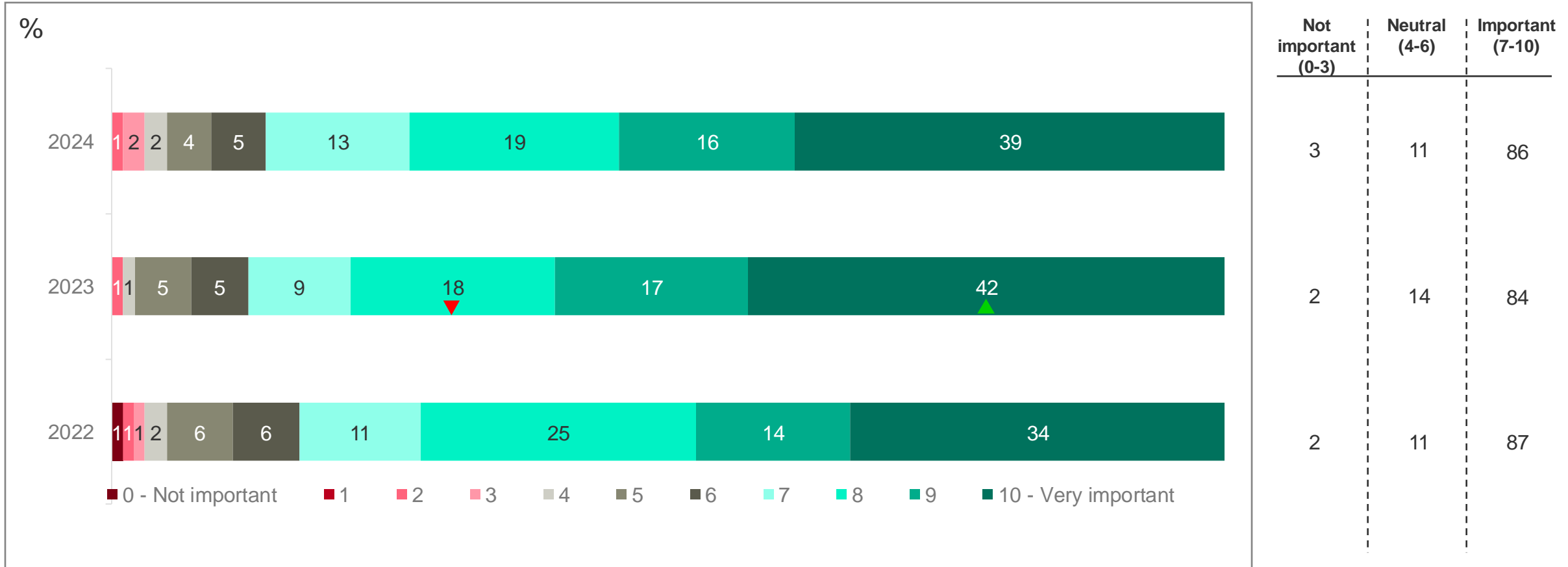
03

Attitudes about the
electricity market



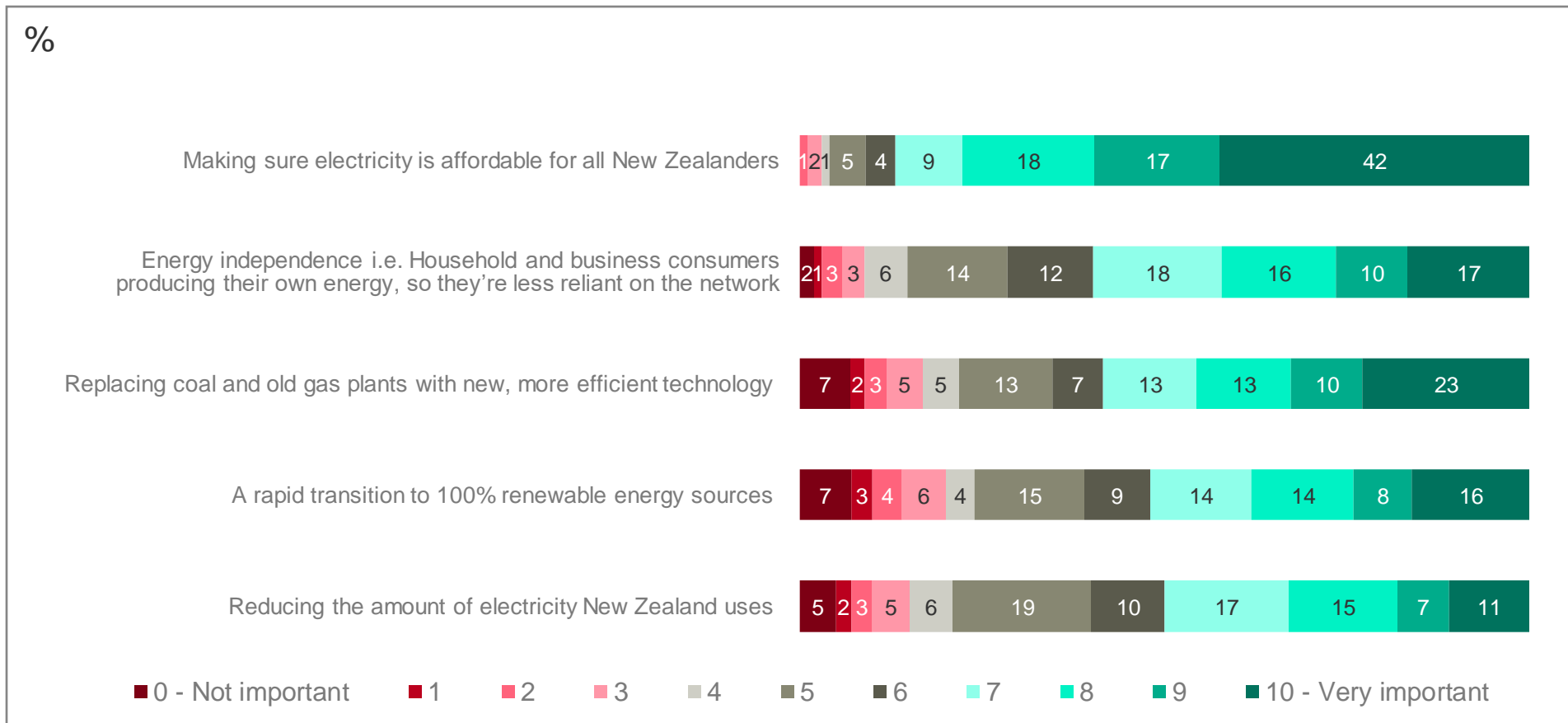
Most small businesses think it is important for the electricity sector to ensure the system is resilient to extreme weather events.

Importance of ensuring a system resilient to extreme weather events



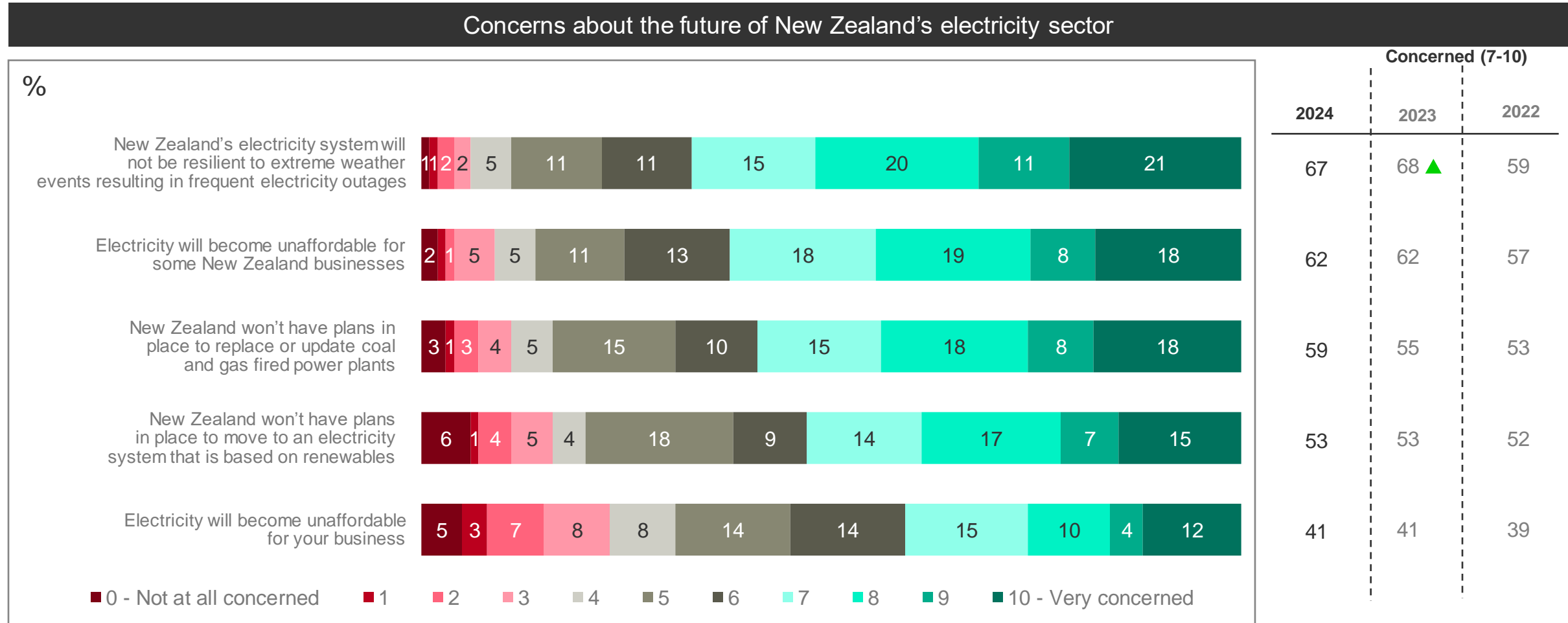
Equally important for managing the electricity sector is ensuring electricity is affordable for all New Zealanders.

Importance of issues for managing the electricity sector in the future



Important (7-10)		
2024	2023	2022
86	87	86
60	58	61
59	64	61
52	57	52
49	43	44

Two thirds of small businesses are concerned about the resilience of New Zealand’s electricity system over the next ten years; this is stable after a significant increase in 2023. The second most common concern is that electricity will become unaffordable for some businesses over the next ten years.

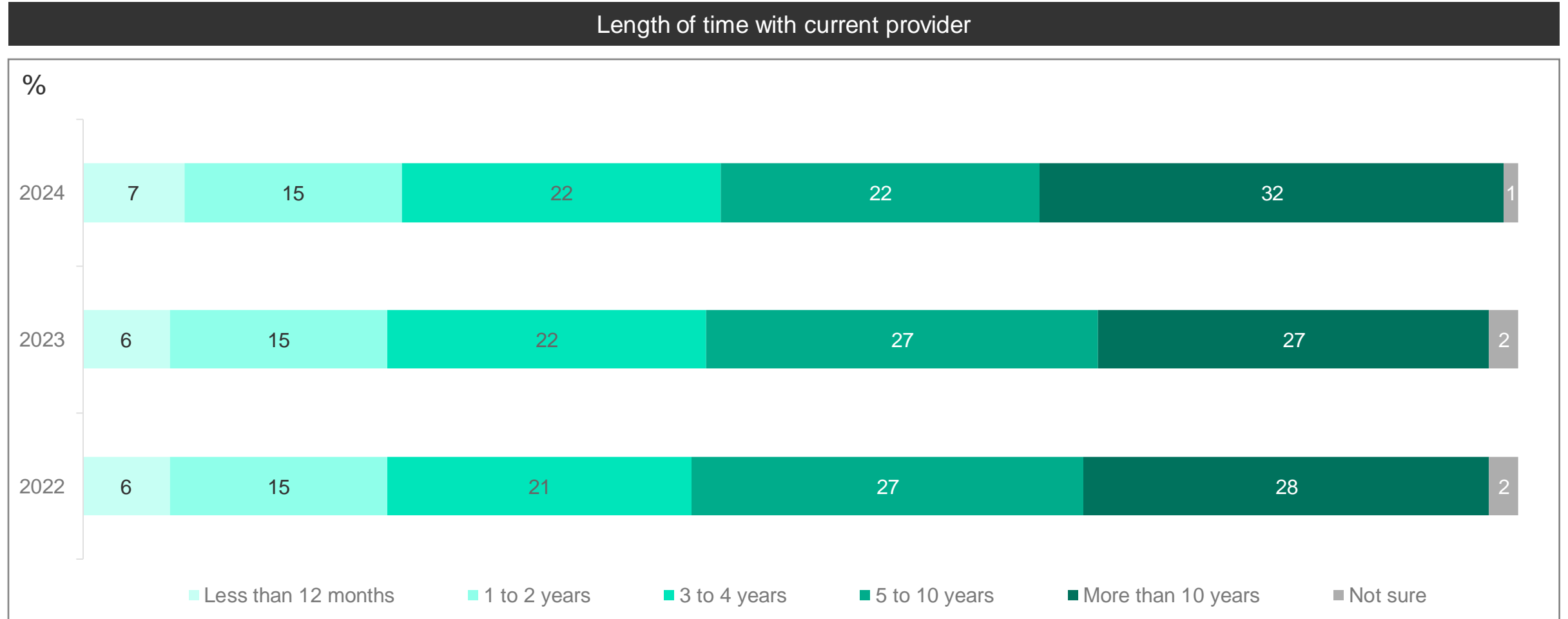


04

Switching behaviours

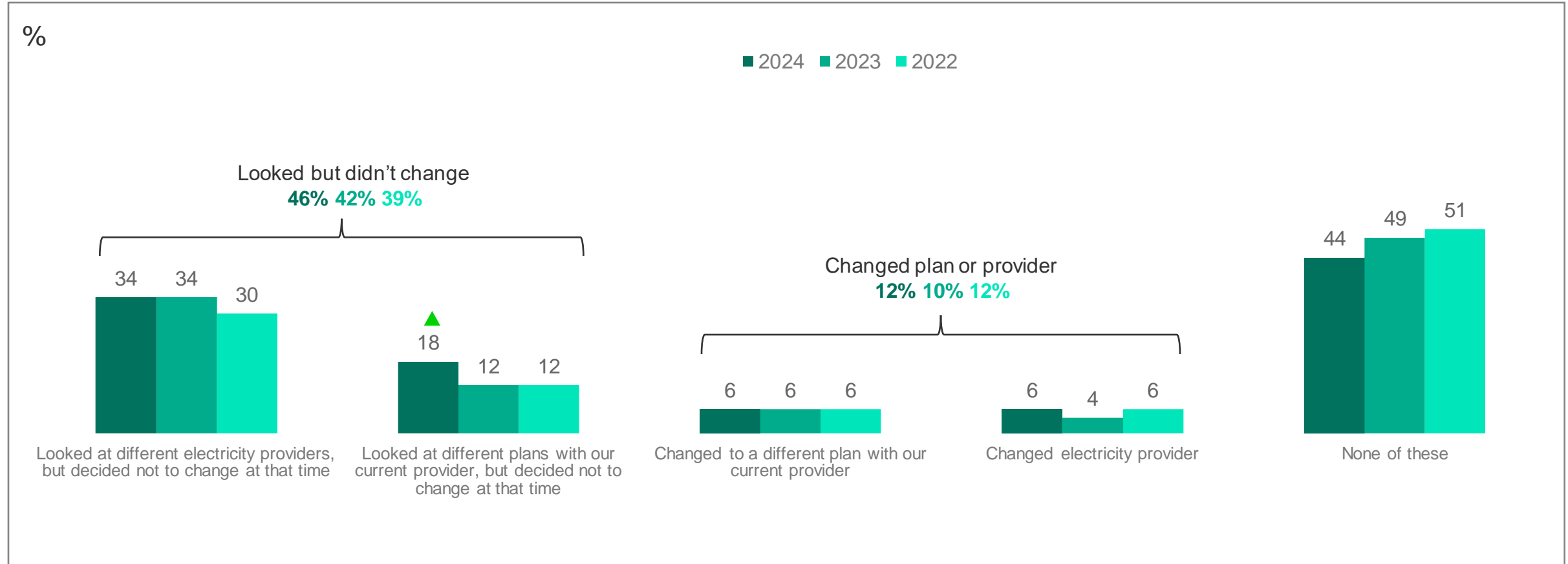


Tenure with an electricity provider has remained stable over the last three years, with the majority of small businesses having stayed with their provider for at least three years.



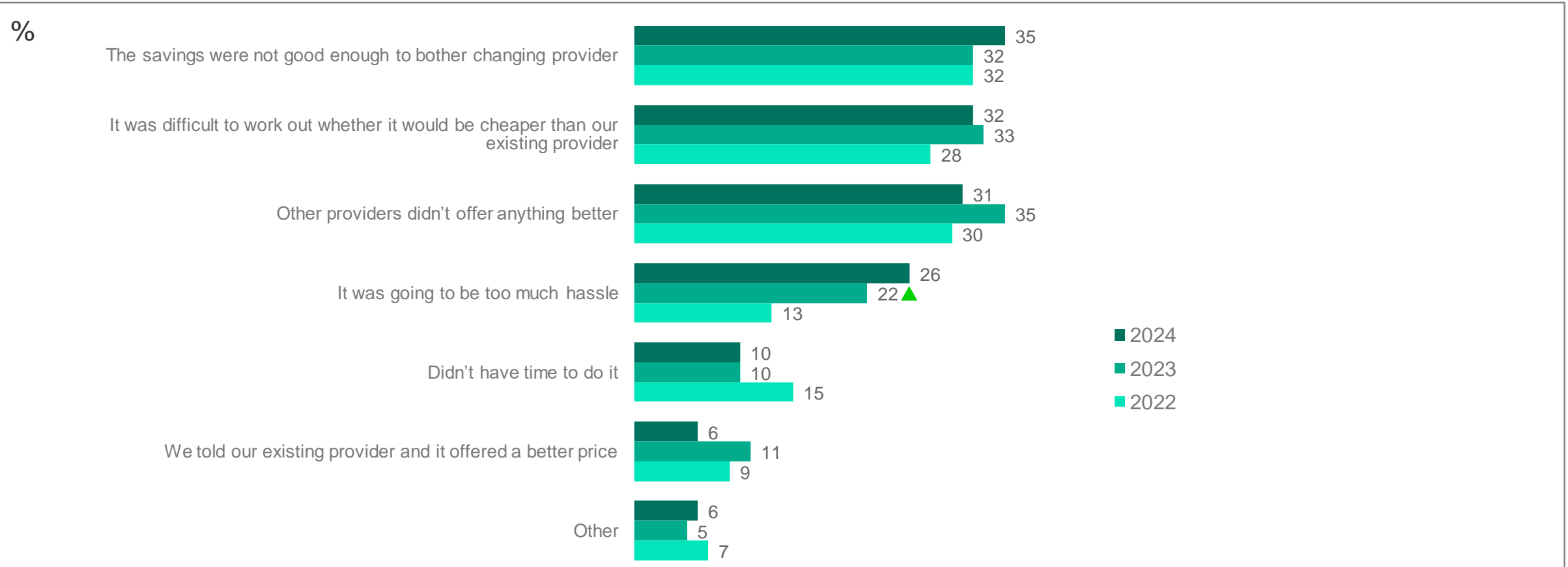
Nearly half of small businesses reviewed other plans or providers in the past 12 months but decided not to change. This is similar to previous years overall, however more reviewed plans with their current provider than in 2023 or 2022).

Switching behaviours in the past 12 months



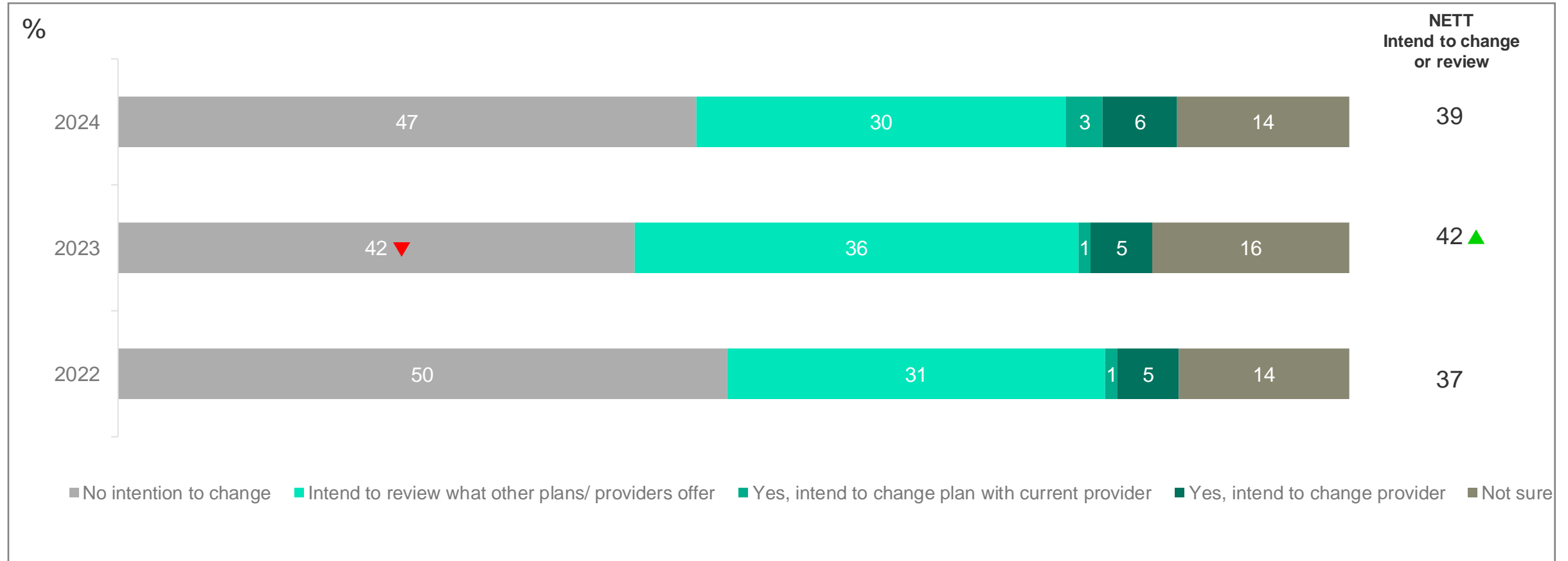
For the 34% of small businesses who looked at other electricity providers but decided not to switch, insufficient savings is the most common reason for staying with their current provider.

Reasons for deciding not to switch



About two in five small businesses intend to switch plan / provider or review what is on offer in the next 12 months. This is in line with previous years.

Switching intentions over the next 12 months



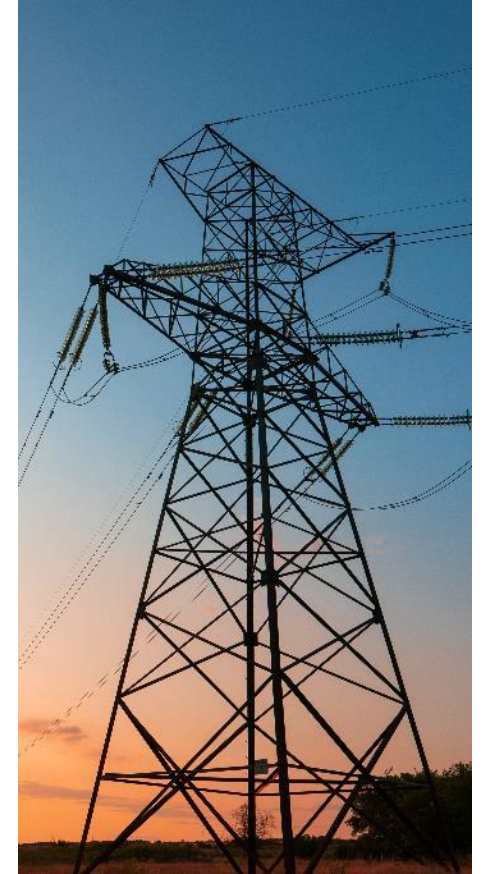
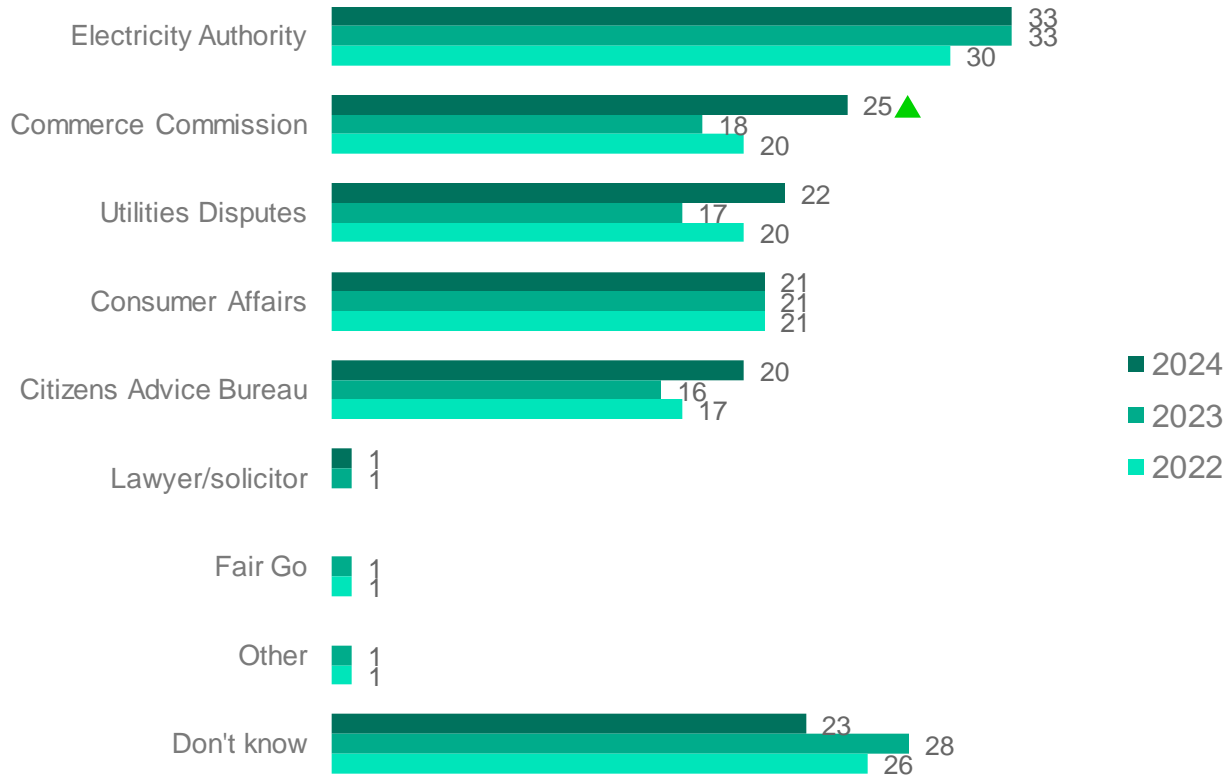
05

Knowledge about and
confidence in the
electricity market

If small businesses had a complaint about their provider, one in four would go to the Commerce Commission, which is a significant increase (of 7 pts) since 2023. However, small businesses are still most likely to go to the Electricity Authority with a complaint.

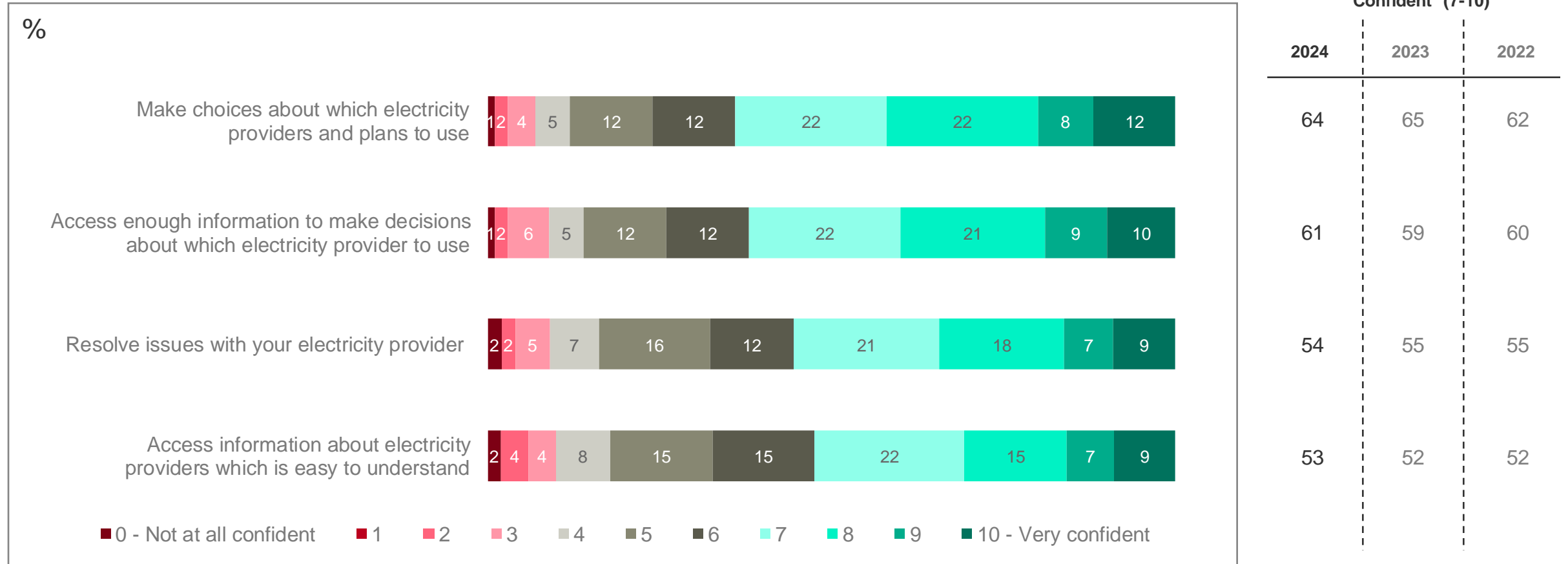
Complaint resolution

%



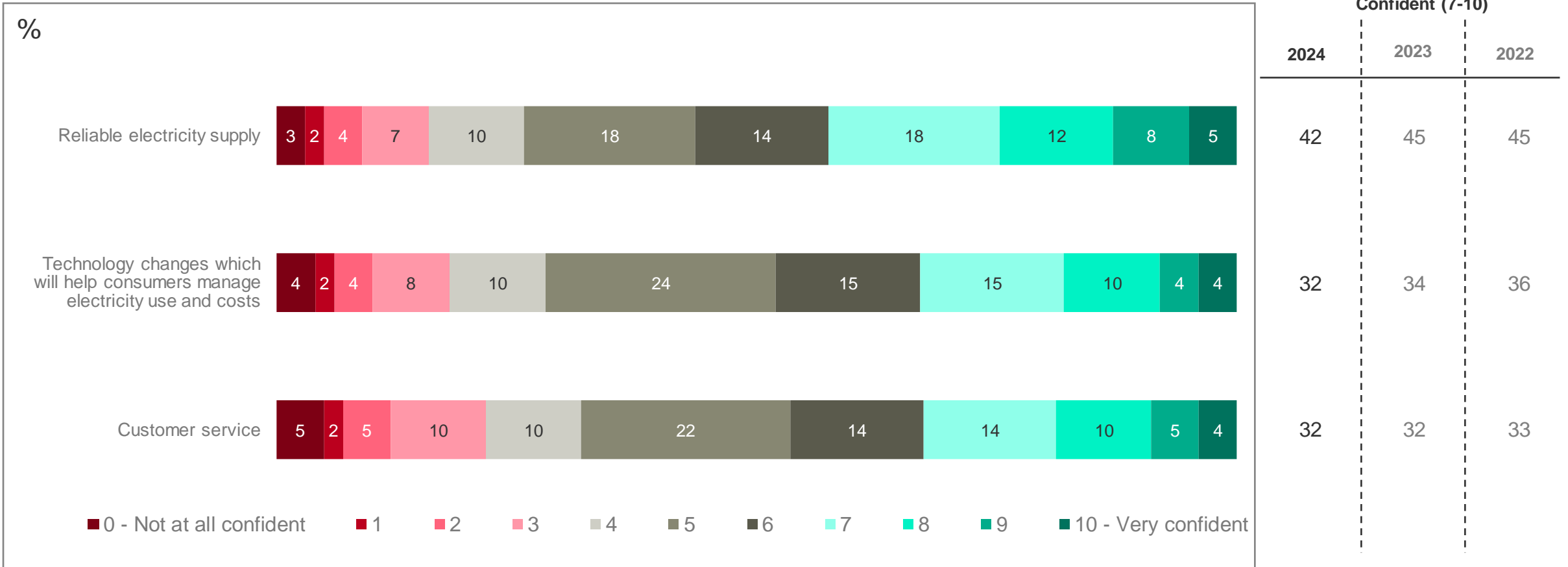
The majority of small businesses feel they can make choices about which electricity providers to use and feel they can access information when making these decisions (64% and 61%, respectively). Slightly fewer (but still the majority) feel they can resolve issues with their provider or access information which is easy to understand (54% and 53%, respectively).

Making choices and accessing information



Less than half (42%) of small businesses are confident New Zealand will have a more reliable electricity supply over the next five years, and even fewer are confident there will be technological changes to help with electricity use and costs, or that customer service will be improved in the electricity market (32% for each).

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



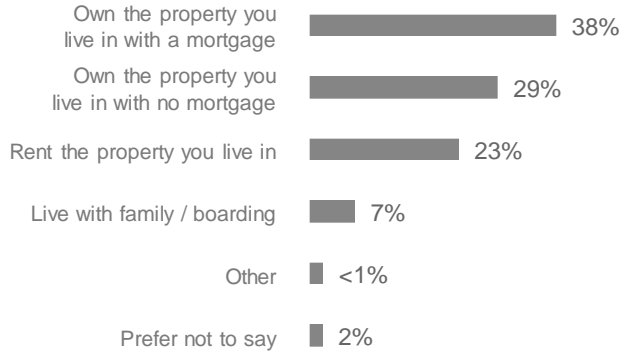


Sample profiles

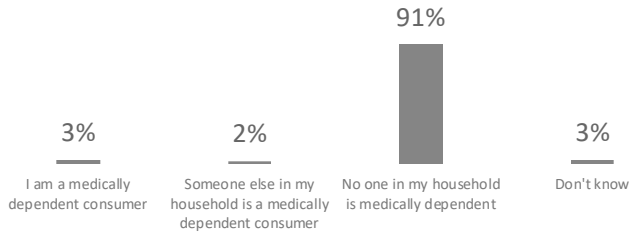
Who took part – Total New Zealand residents



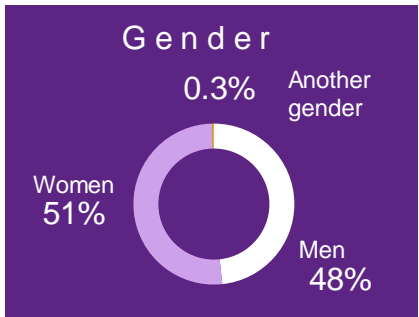
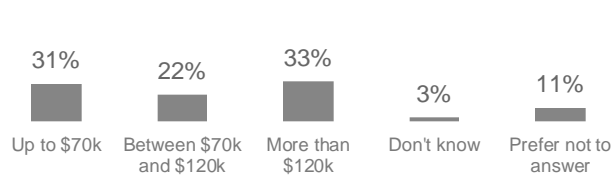
Home tenure



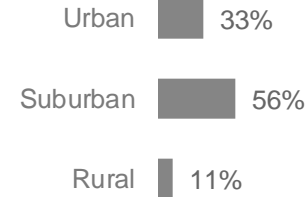
Medically dependent households



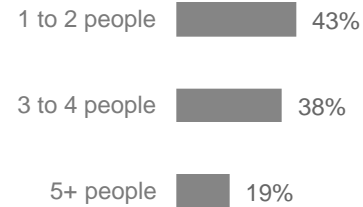
Household income



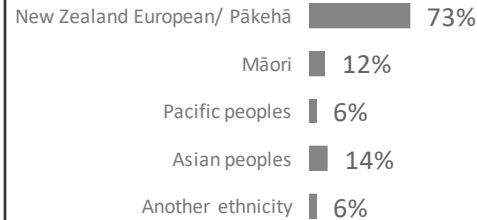
Area type



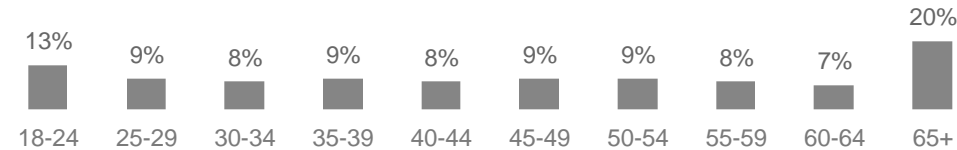
Number of people in household



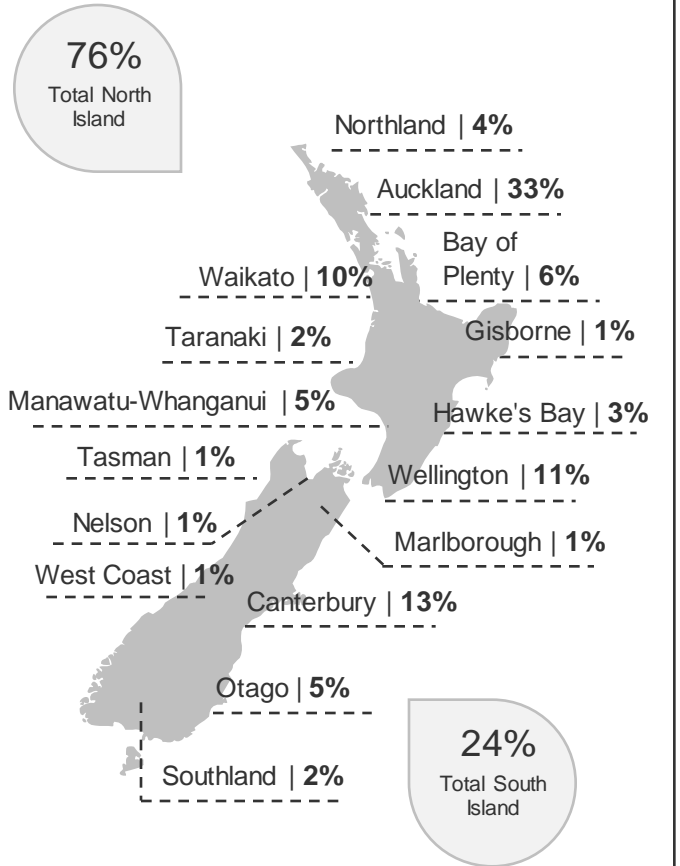
Ethnicity



Age



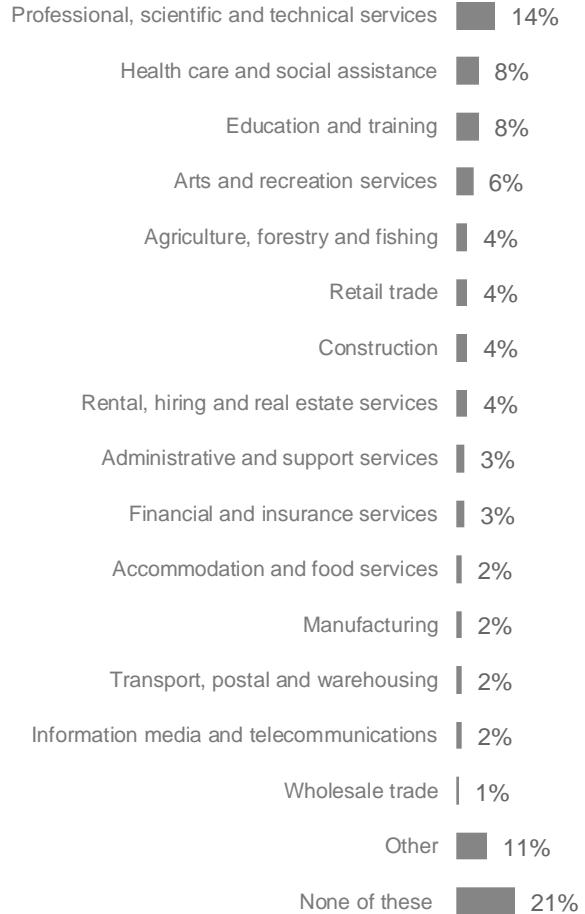
Region



Who took part – New Zealand Small businesses



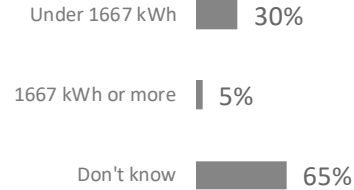
Industry



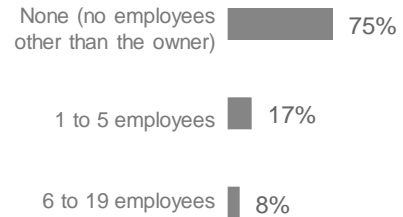
Gender



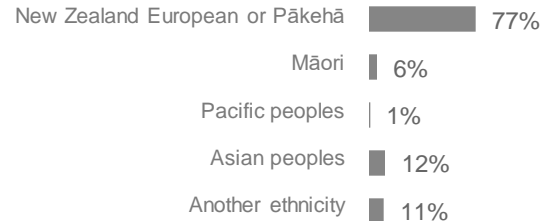
Electricity consumption per fortnight



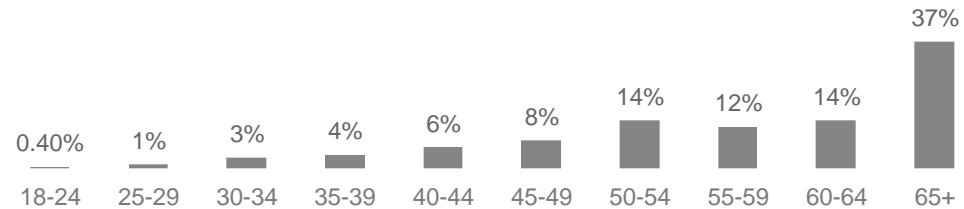
Business size



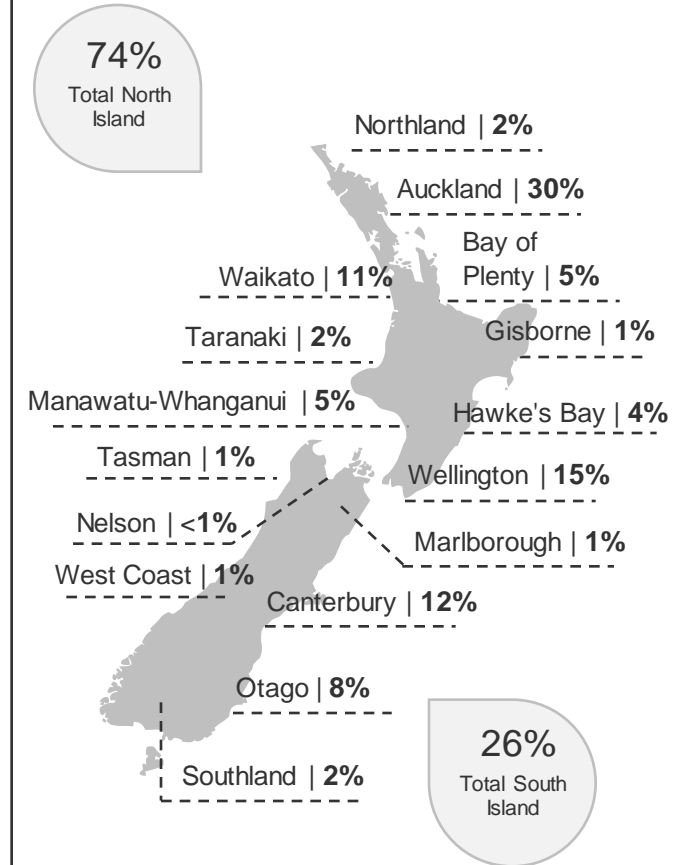
Ethnicity



Age



Region



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