

# TASNETWORKS CUSTOMER ENGAGEMENT

May 2017

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COMMERCIAL IN CONFIDENCE



nature

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# BACKGROUND



As part of TasNetworks' customer engagement /feedback programme, research is undertaken annually to understand customers better and provide insight to identify ways of working better for Tasmanian residents. The wider program involves increasing familiarisation with end consumers across the business, undertaking engagement activities/communications and feeding back the results of these activities to the customers themselves.

This research piece aims to build on current understanding within the business about the needs and attitudes of consumers, so that the services that TasNetworks provides can be planned and delivered with the long-term interests of consumers in mind.

The ultimate aim of this research is to help ensure that the business is well placed to plan future services taking into account consumer feedback on aspects such as price, quality, safety, reliability and security of supply.

# OBJECTIVES



Help continue to grow knowledge within the business of customer needs, attitudes and preferences.



Provide a mechanism for customer feedback to reach the business, so that this information can be used to inform future business strategy. This should be done in a way that makes the available feedback channels clear and available to all customers.



Make the research results available to customers, including actions being taken by the business in light of the findings.



Provide the ability to monitor key customer engagement metrics over time, which the aim of demonstrating progress on this front.

# METHODOLOGY & SAMPLE – QUANTITATIVE RESEARCH

## TELEPHONE & ONLINE

A 10 minute telephone and online survey speaking to Tasmanians. Additional sample collected from EcoFest, AgFest and via the TasNetworks website.



## WHO

n=1482  
Tasmanian household energy decision makers

## SAMPLE SIZE

We spoke to a total sample of n=1482

- n=300 online surveys were conducted
- n=702 telephone interviews
- n=63 collected in total from EcoFest 2017
- n=417 collected in total from AgFest 2017

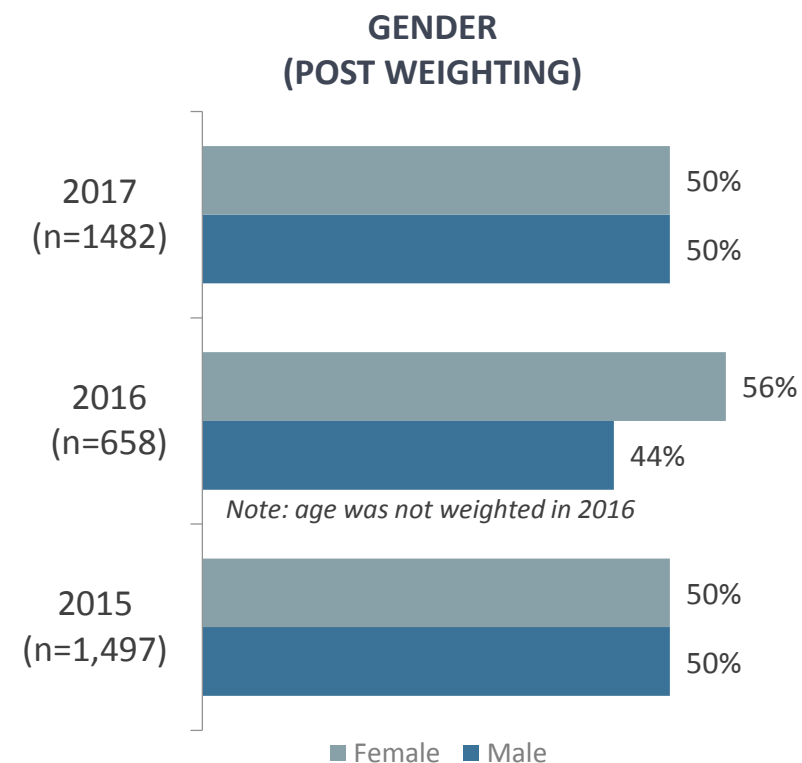
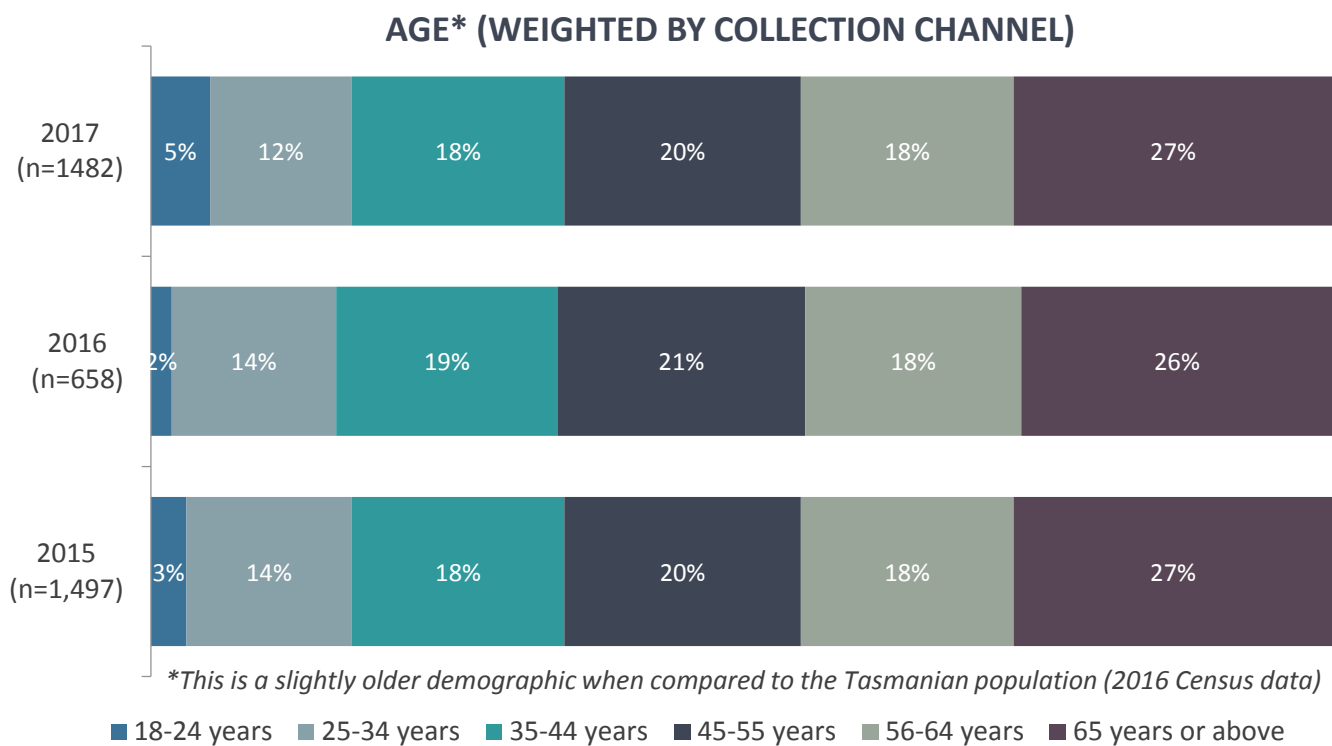


## FIELDWORK

Surveys were conducted between  
5<sup>th</sup> May – 21<sup>st</sup> May 2017  
EcoFest 8<sup>th</sup> April 2017  
AgFest 6/7<sup>th</sup> May 2017

# CONSISTENT WEIGHTING FOR AGE HAS BEEN APPLIED TO ALL DATA TO REMOVE BIAS YEAR ON YEAR.

## DEMOGRAPHICS – weighted by Age & Gender in 2017

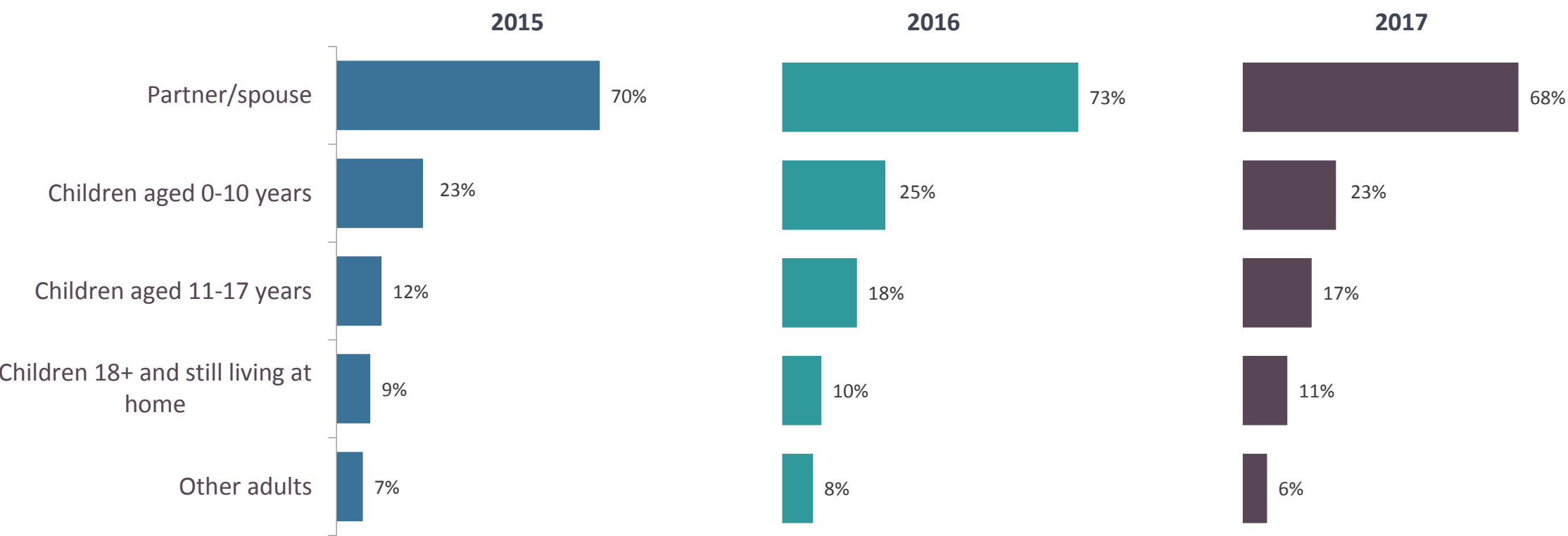


*Note: AgFest & EcoFest respondents are included in total sample results each year, weighted individually then combined.*



# THE HOUSEHOLD STRUCTURE OF THE SAMPLE HAS REMAINED BROADLY SIMILAR OVER THE YEARS.

HOUSEHOLD STRUCTURE

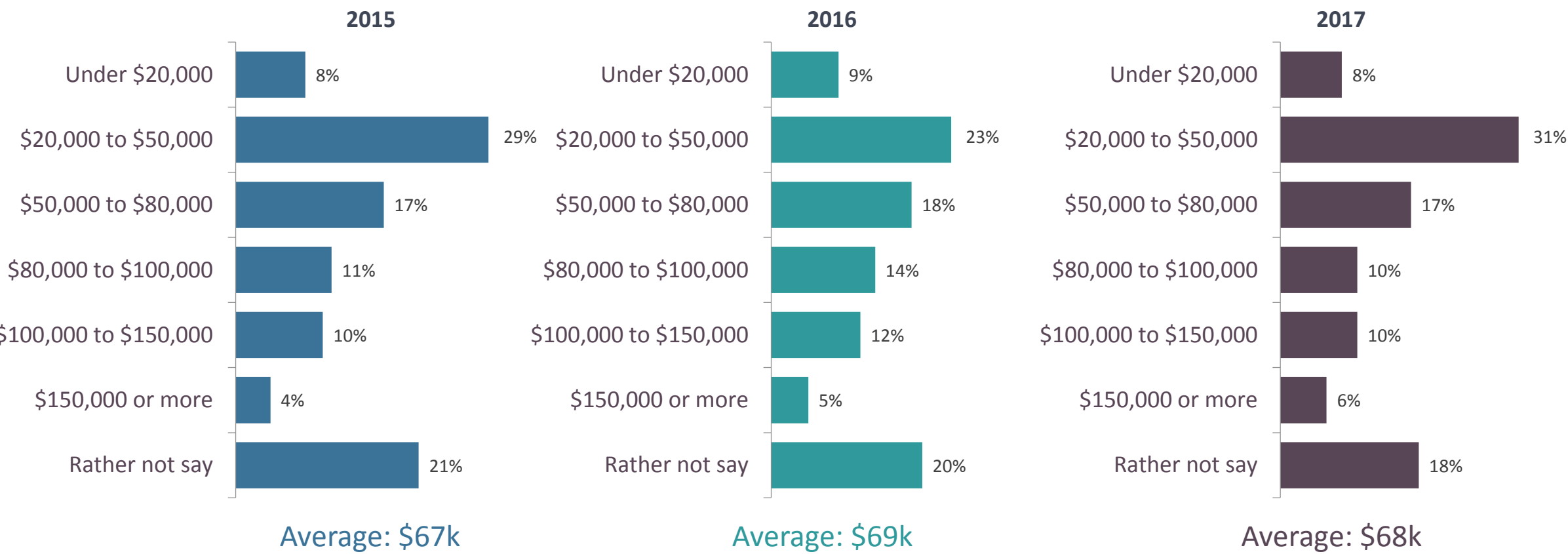


Q22. Which of the following live in your household? (select all that apply)  
Base: All respondents

▲ ▼ Sig. difference at 95% confidence

ALTHOUGH SEEING SLIGHTLY MORE TASMANIANS SURVEYED EARNED BETWEEN \$20-50K THIS YEAR, AVERAGE INCOME HAS REMAINED STABLE OVER TIME.

HOUSEHOLD INCOME





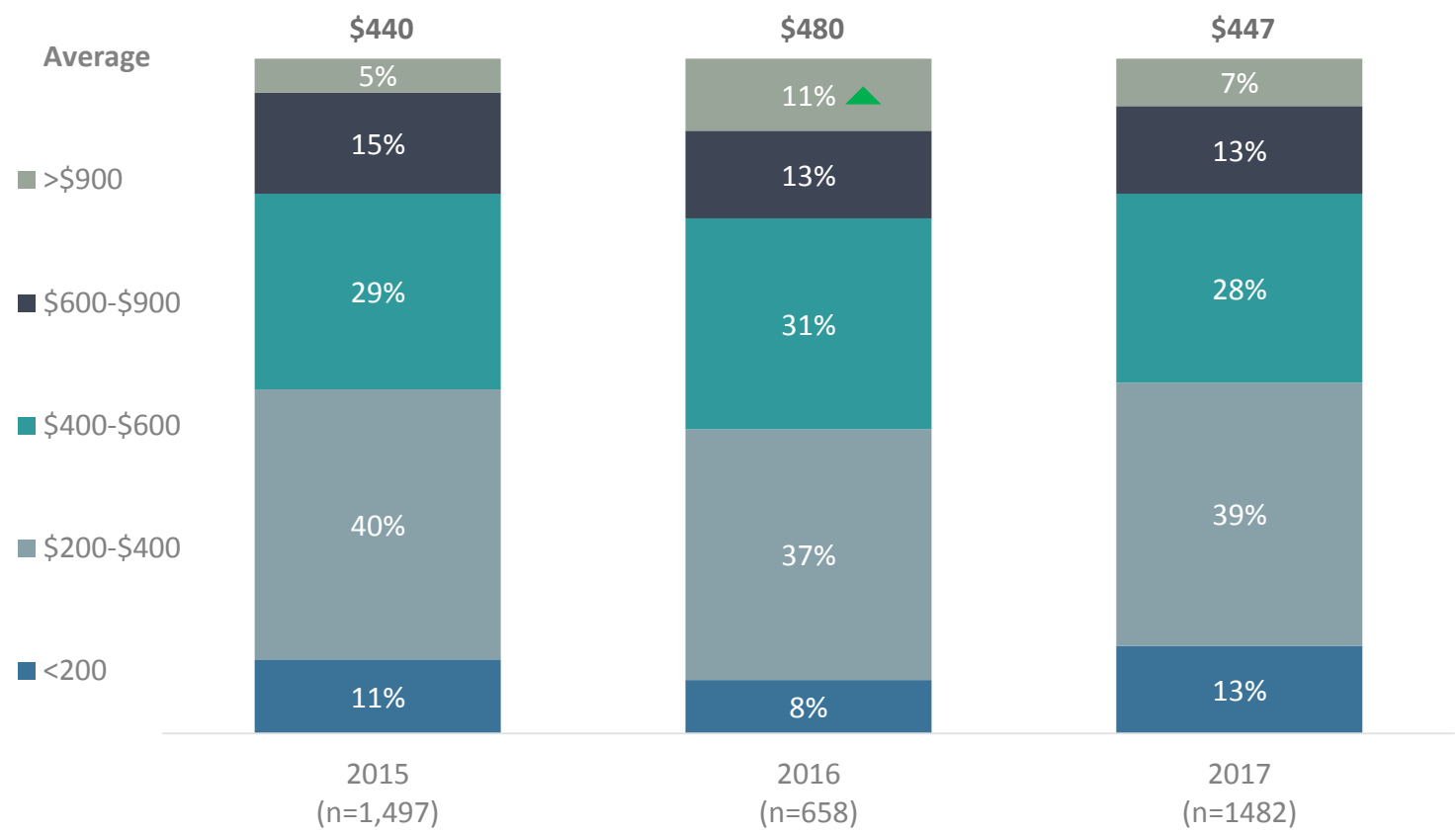


# CUSTOMER CLASSIFICATION

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# THE PERCEIVED AVERAGE QUARTERLY BILL HAS RETURNED TO A LOWER PRICE THIS YEAR AFTER SPIKING IN 2016.

## QUARTERLY ELECTRICITY BILL



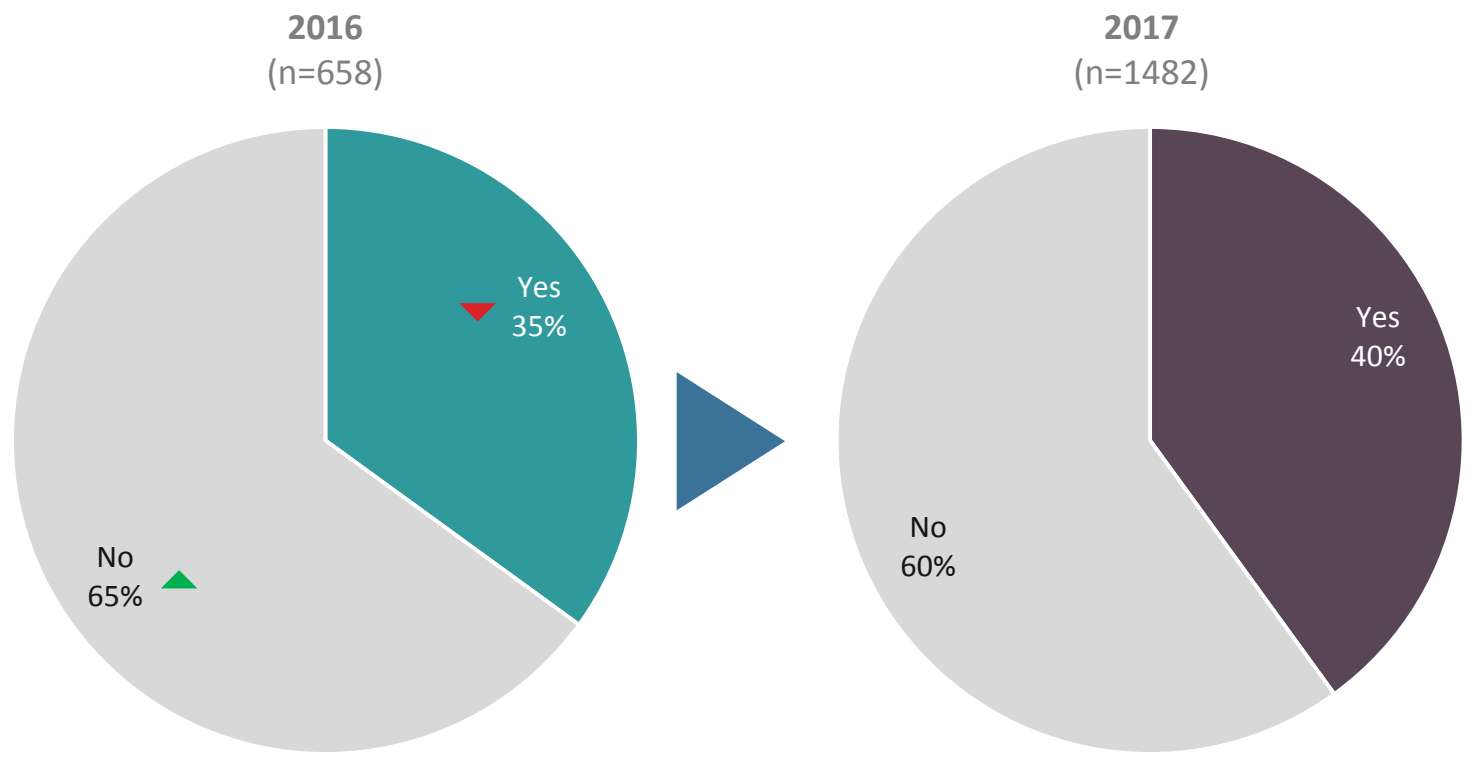
### 2017 Subgroups differences (average \$)

	Sig. difference to total sample	Comparison to 2016
Aged 65+	\$334 ▼	\$383
Kids at home	\$540 ▲	\$562
Low Income (<\$50k)	\$348 ▼	\$392
Business	\$819 ▲	\$800
Concession	\$345 ▼	\$382





# THE PROPORTION OF TASMANIANS SURVEYED RECEIVING A CONCESSION APPEARS TO HAVE INCREASED SLIGHTLY TO 4 IN 10.

## RECEIVE BILL CONCESSION

2015: 41%



### 2017 Subgroups differences

	Sig. difference to total sample	Comparison to 2016
 Aged 65+	76% 	66%
 Low Income (<\$50k)	67% 	69%

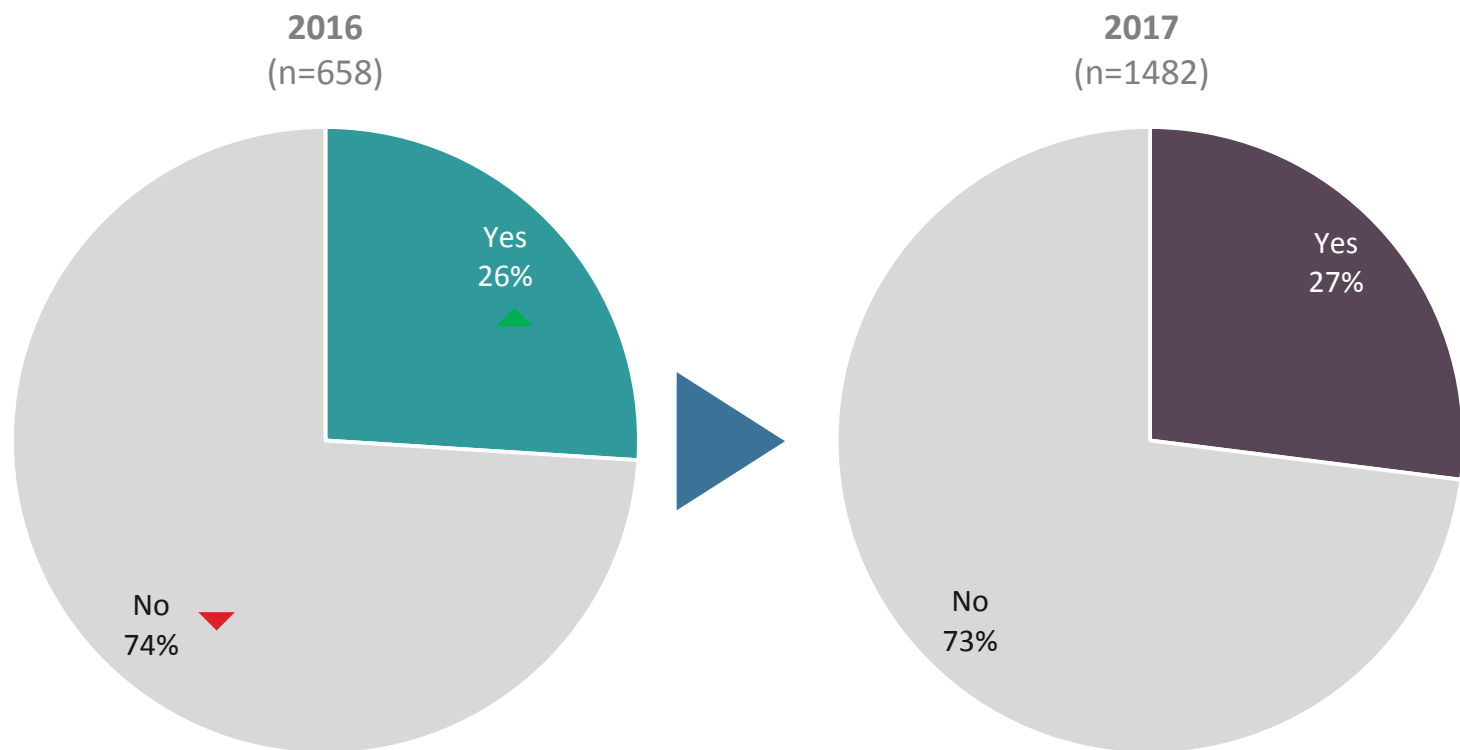
3 in 4 Pensioners are currently receiving a concession on their electricity bill.

# THE NUMBER OF TASMANIANS SURVEYED CLAIMING TO HAVE EMBEDDED GENERATION INSTALLED HAS REMAINED STABLE YEAR ON YEAR.

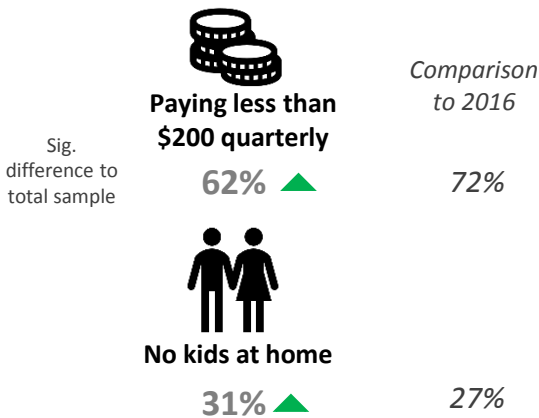
- However the surveyed sample is disproportionate to the Tasmanian population, with only 14% of Tasmanians currently utilising this service in reality.

## EMBEDDED GENERATION INSTALLED

2015: 21%



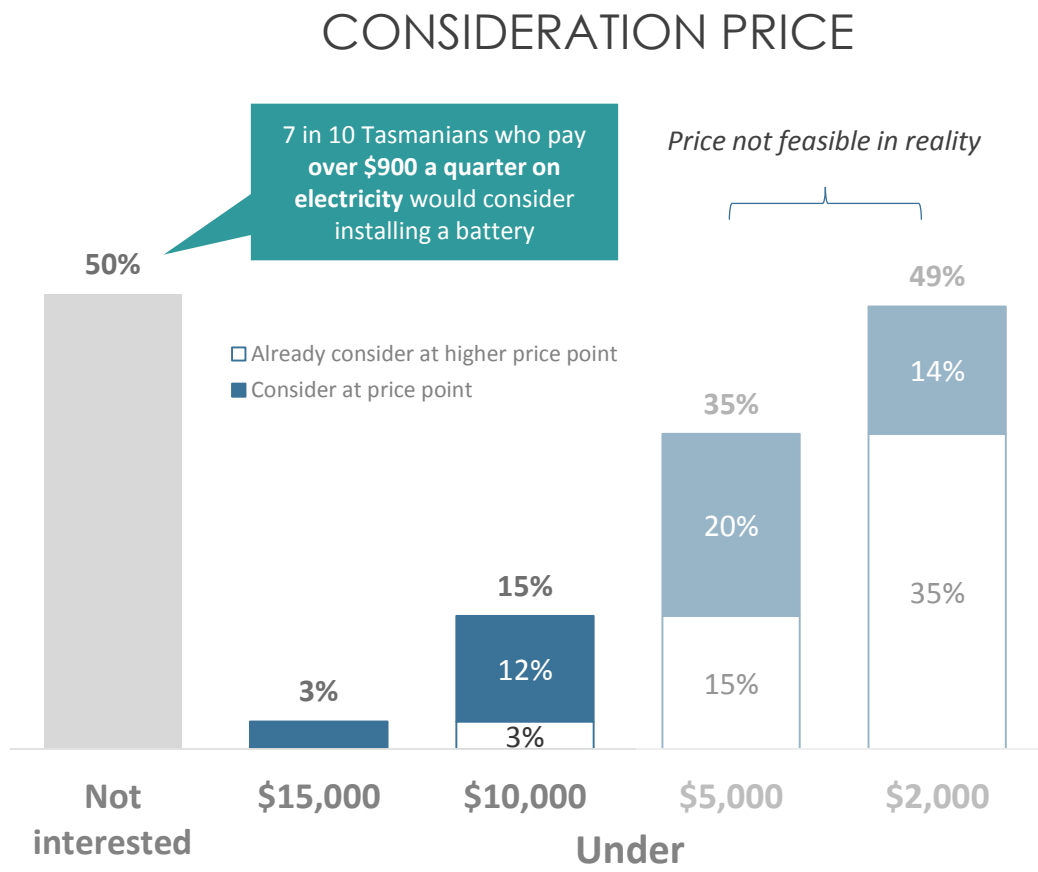
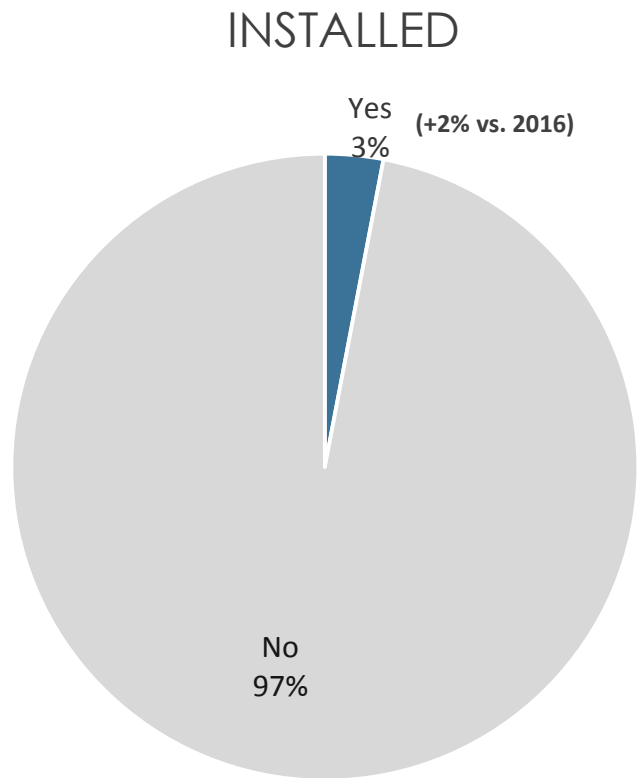
### 2016 vs 2017 Subgroups changes (% 'yes')



Residents who are paying less than \$200 on their electricity bills quarterly are more likely to have embedded generation installed, although this has declined since 2016.

WHILE ONLY 3% OF SURVEYED RESIDENTS ARE CURRENTLY USING BATTERY SYSTEMS, ROUGHLY 1 IN 7 WOULD CONSIDER INSTALLING ONE IF IT WERE BETWEEN \$10-15K.

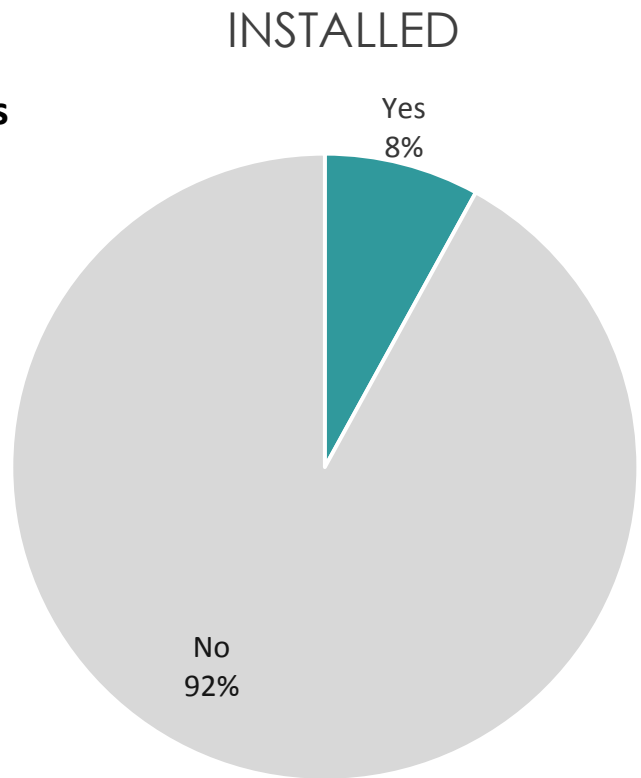
BATTERY SYSTEMS (RESIDENTIAL)



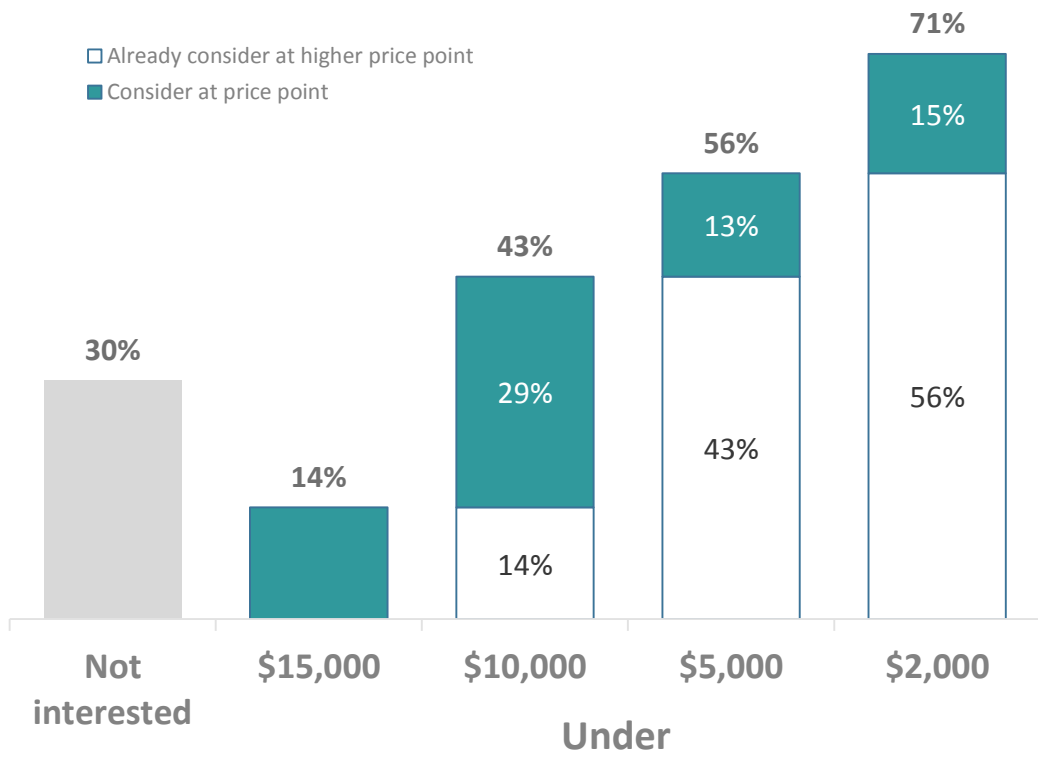
# BUSINESS CUSTOMERS SURVEYED ARE MORE LIKELY TO HAVE A BATTERY SYSTEM INSTALLED AND 7 IN 10 WOULD CONSIDER INSTALLING ONE UNDER THE PRICE OF \$2,000.



## BATTERY SYSTEMS (BUSINESS)



## CONSIDERATION PRICE



# EXECUTIVE SUMMARY – CUSTOMER CLASSIFICATION



## PERCEIVED QUARTERLY BILLS HAVE FALLEN

The average quarterly residential bill is perceived to be lower this year, driven by older (65+) Tasmanians surveyed, those who are receiving a concession and/or have a lower annual income.

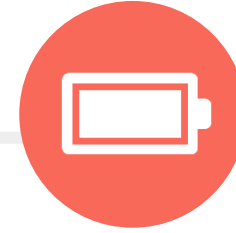
In contrast, businesses claim to be paying slightly more per quarter on electricity, now at \$819 on average.



## MORE CONCESSIONS RECEIVED

A higher number of elderly (65+) Tasmanians surveyed claim they are receiving a concession this year, now with 3 in 4 receiving this benefit. This is a likely cause for the lower average quarterly bill in 2017.

The average bill for Tasmanians surveyed with a concession is \$345 per quarter- \$102 less than those without this benefit.



## INTEREST IN BATTERY SYSTEMS

The use of embedded generation and battery systems in-home have remained stable this year for residential customers.

However, roughly 1 in 7 Tasmanians surveyed would consider installing a battery system in the future if it only cost them between \$10-15k to do so.





# CURRENT SERVICE RELIABILITY, RESPONSE AND PRICING

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# BEFORE BEING ASKED QUESTIONS ABOUT SERVICE RELIABILITY, RESPONSE AND PRICING, RESPONDENTS WERE SHOWN THE FOLLOWING STATEMENT:

***TasNetworks provides a range of services, including the following:***

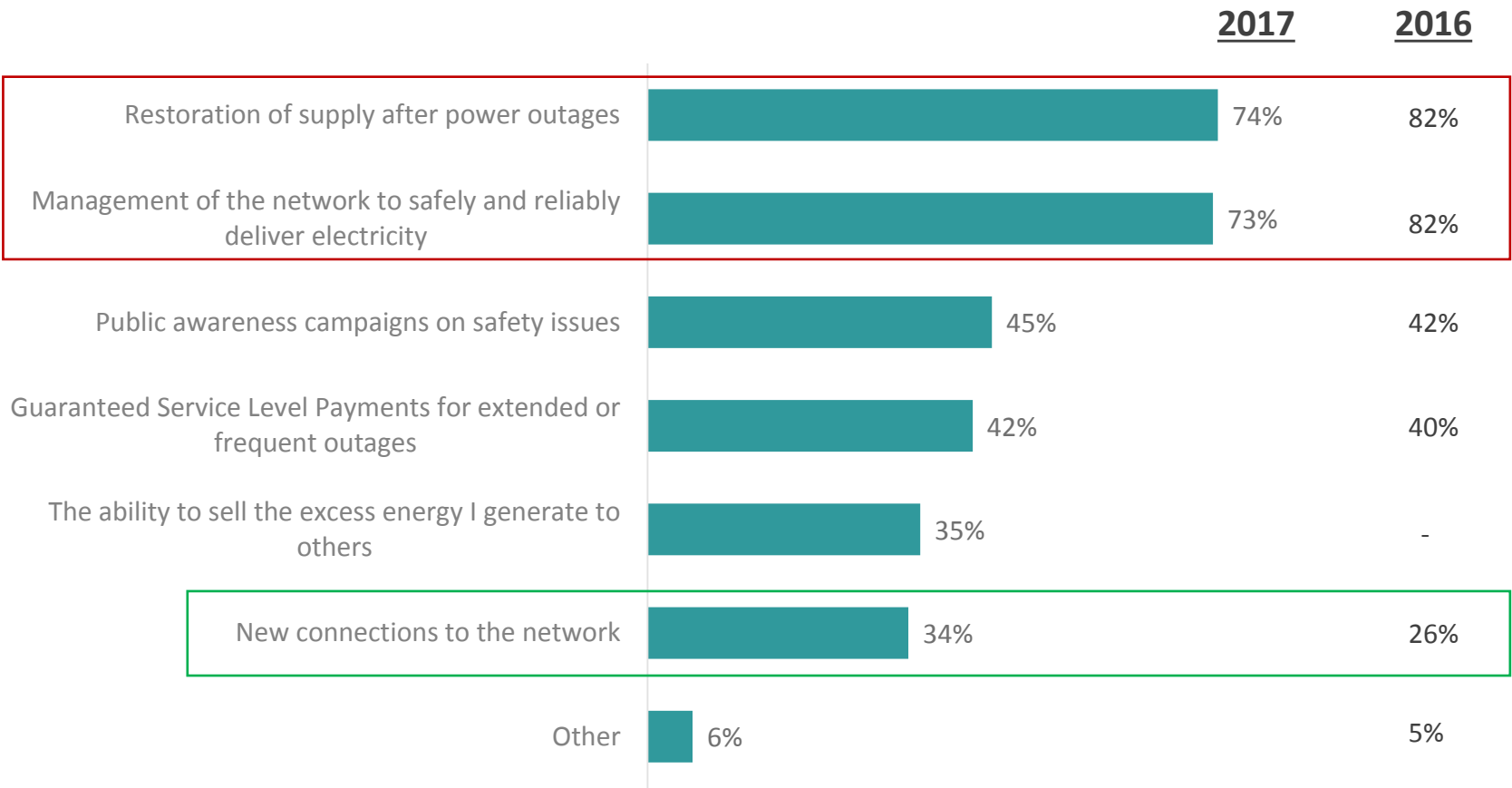
- *Management of the network to provide safe and reliable supply of electricity;*
  - *Restoration of supply to customers after power outages;*
  - *New connections to the electricity network; and*
  - *Public awareness campaigns on safety issues.*

*TasNetworks' charges for network services make up approximately 60% of the total electricity bill that you receive from your energy retailer.*

*These charges equate to approximately \$250 per quarter (for total retail bill of around \$420) for a typical residential customer.*

# THERE HAS BEEN A SOFTENING IN THE VALUE OF TASNETWORKS' CORE SERVICES (DELIVERY & RESTORATION OF SUPPLY) THIS YEAR.

## VALUED TASNETWORKS' SERVICES



### 2017 Subgroup differences

#### Public awareness campaigns



18-34 years old

Sig. difference to total sample  
69% ▲

Comparison to 2016  
41%

#### Management of the network




35-44 years old

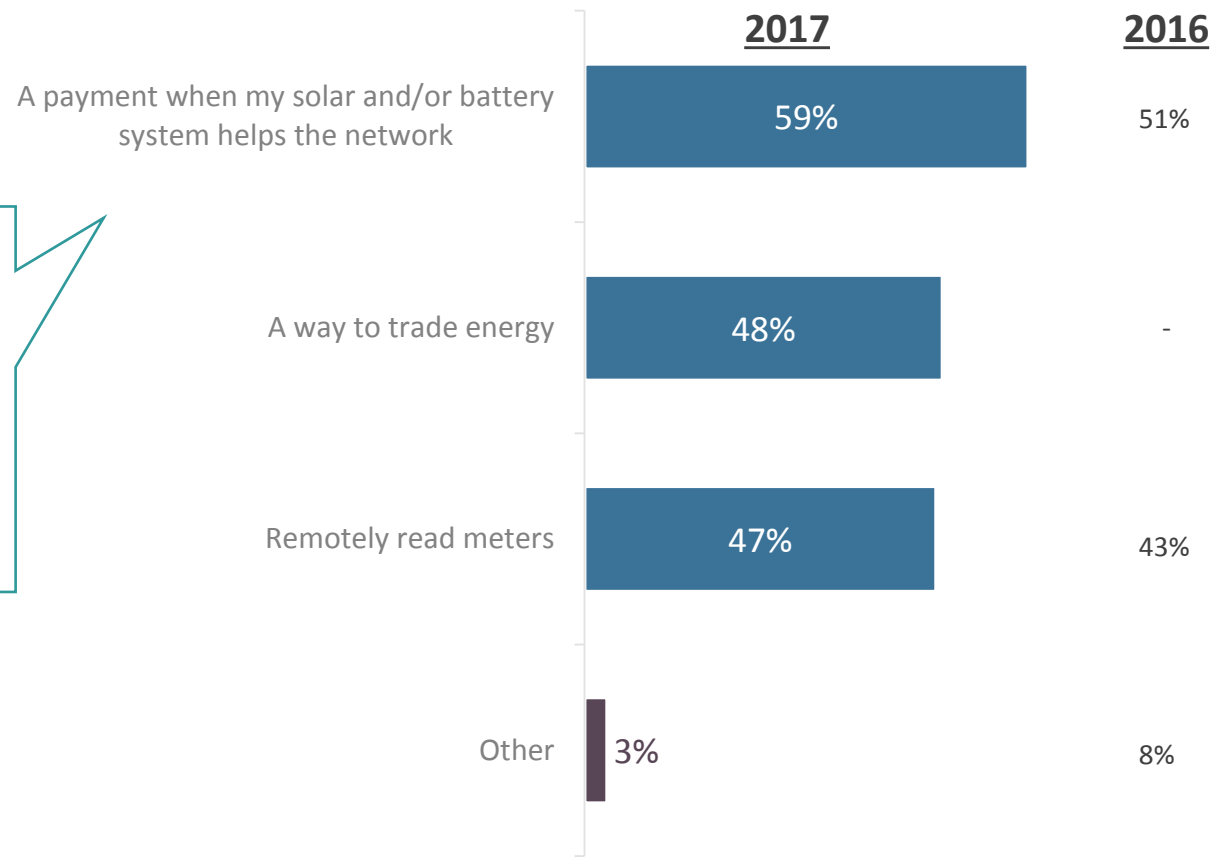
Sig. difference to total sample  
63% ▼

Comparison to 2016  
84%

# INCREASING SLIGHTLY YEAR ON YEAR, NOW 6 IN 10 TASMANIANS SURVEYED WOULD LIKE TASNETWORKS TO OFFER A PAYMENT TO SUPPORT THE NETWORK.

## WHAT OTHER SERVICES WOULD YOU LIKE TASNETWORKS TO OFFER

  
*81% endorsement amongst those who currently have solar panels installed.*



### Other

*'Funding battery storage to homes. Repaying the funding by the storage into the grid.'*

*'Environmental considerations including taking measures to reduce carbon emissions'*

*'Putting electricity wires underground, not hanging from poles.'*

# THE MAJORITY OF CUSTOMERS ARE INTERESTED IN SOLAR PAYMENTS, FEELING IT WILL ENCOURAGE FUTURE SOLAR USE.

## ARGUMENTS FOR/AGAINST POTENTIAL TASNETWORKS OFFERS

Amongst customers who are:



Interested



Not Interested

A payment when my solar/battery system helps the network	Remotely read meters	A way to trade energy
<p><b>59% LIKE</b></p> <p><i>'I think that the electricity fed back into the network should be paid at the <b>same rate as what it is used</b>'</i></p> <p><i>'It's a <b>good incentive</b> to encourage people <b>to use solar power.</b>'</i></p> <p><i>'A rebate or money off the bill would <b>help me to afford other ones</b>'</i></p>	<p><b>48% LIKE</b></p> <p><i>'It would <b>save</b> a lot of <b>manpower</b>. It would mean the bills would come out <b>quicker</b> and <b>easier to keep track of.</b>'</i></p> <p><i>'Then the meter reader <b>doesn't have to enter my property</b> because I have dogs'</i></p> <p><i>'If it was <b>cheaper</b> that'd be good'</i></p>	<p><b>47% LIKE</b></p> <p><i>'It gives you another option, it sounds interesting, <b>I would look into it more.</b>'</i></p> <p><i>'It gives me the <b>ability to generate income.</b>'</i></p> <p><i>'If it's going to <b>save me money then</b> I'd be able to put that saving towards other bills'</i></p> <p><i>'I'm always <b>prepared to listen</b> to a concept as I'm <b>unsure of what they are actually offering.</b>'</i></p>
<p><i>'Do not have solar panels.'</i></p> <p><i>'It's just a different way to deliver power &amp; I'm just <b>too old &amp; not interested.</b>'</i></p> <p><i>'Because I'm <b>not interested</b> in getting solar power or batteries.'</i></p> <p><i>'I don't think it applies to me because I'm happy the way it is &amp; <b>I don't want to change.</b>'</i></p>	<p><i>'Too much chance of <b>error</b>'</i></p> <p><i>'Don't remotely read metres - <b>no trust for accuracy.</b>'</i></p> <p><i>'They did the same thing with the water metre and the <b>cost has gone up</b> very quickly.'</i></p> <p><i>'I don't really like the thought of remotely read metres because I have <b>no control of my power usage</b> and that's not very helpful.'</i></p>	<p><i>'We <b>don't make enough</b> off my solar panels.'</i></p> <p><i>'As soon as you start to trade energy the people with the money can buy &amp; sell it easily but <b>poorer people can't.</b>'</i></p> <p><i>'I don't know that I'd have <b>enough to spare.</b>'</i></p> <p><i>'Maybe if I was living in my own home but <b>because I rent I'm not really interested.</b>'</i></p>

Q9a. How interested would you be if TasNetworks were to offer the following: 9b. Please provide a reason for your answer.

21 Base: All 2017 respondents (n=1482)



# RESPONDENTS WERE THEN SHOWN THE FOLLOWING:

## ***TasNetworks Reliability:***

*TasNetworks is required to ensure that the Tasmanian electricity network performs at an acceptable level of service*

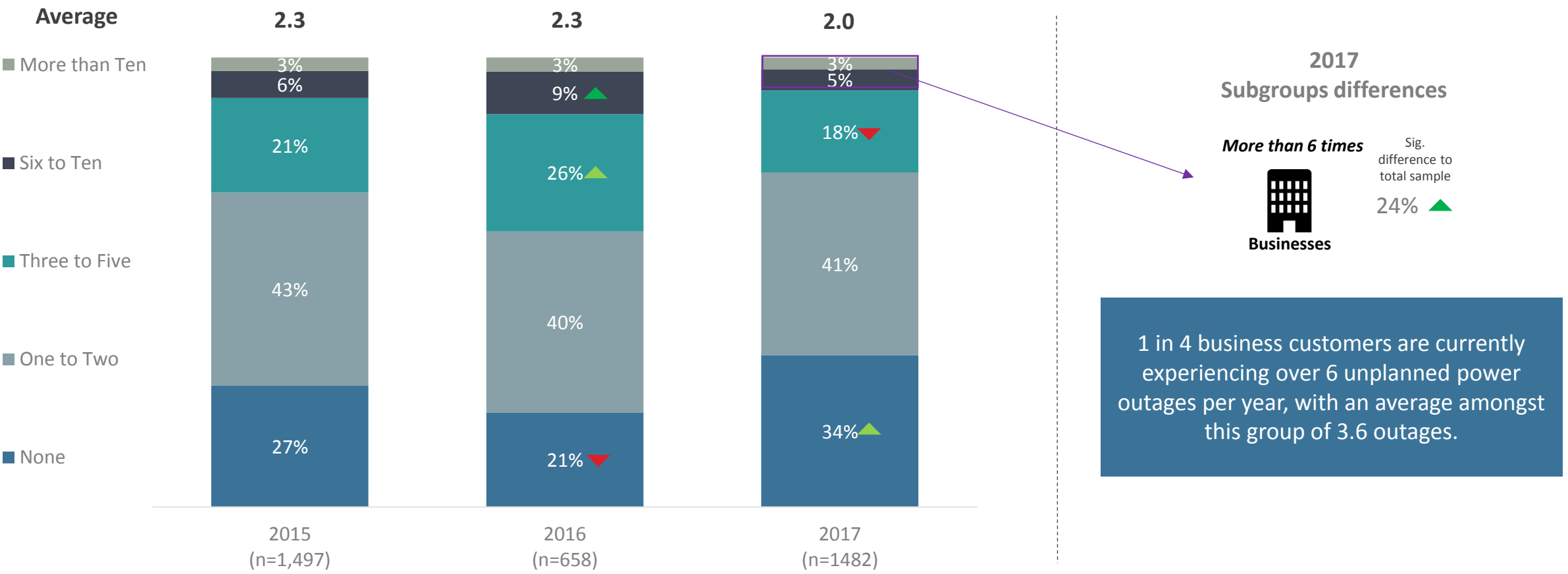
*The established service performance targets have been set independently to ensure that the number and duration of outages experienced by Tasmanian customers remains in line with average historical performance.*

*Approximately one in three customers currently experience reliability service that is below these independent targets.*

*When performance measures are not achieved, TasNetworks provides affected customers with a Guaranteed Service Level payment.*

WE HAVE SEEN A DECLINE IN THE OVERALL NUMBER OF UNPLANNED POWER OUTAGES THIS YEAR, WITH 1 IN 3 RESIDENTS EXPERIENCING NONE AT ALL.

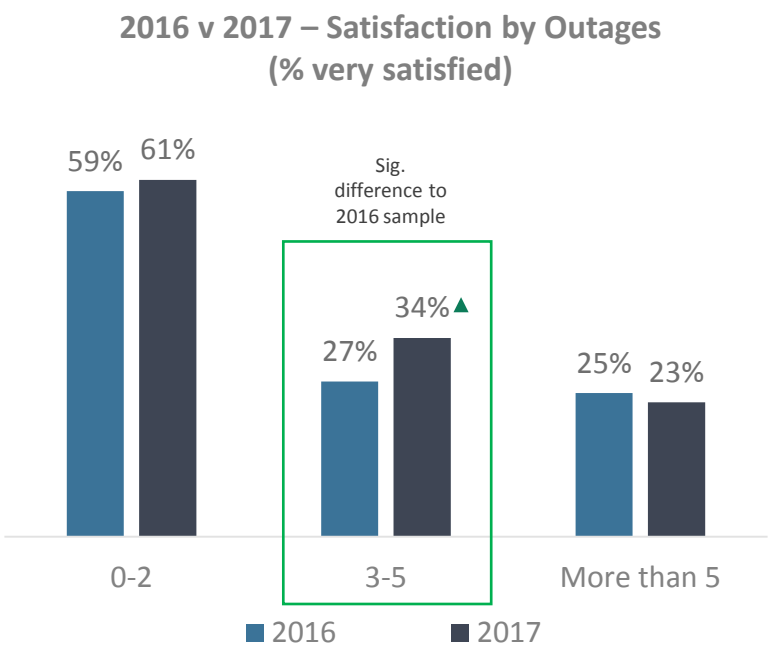
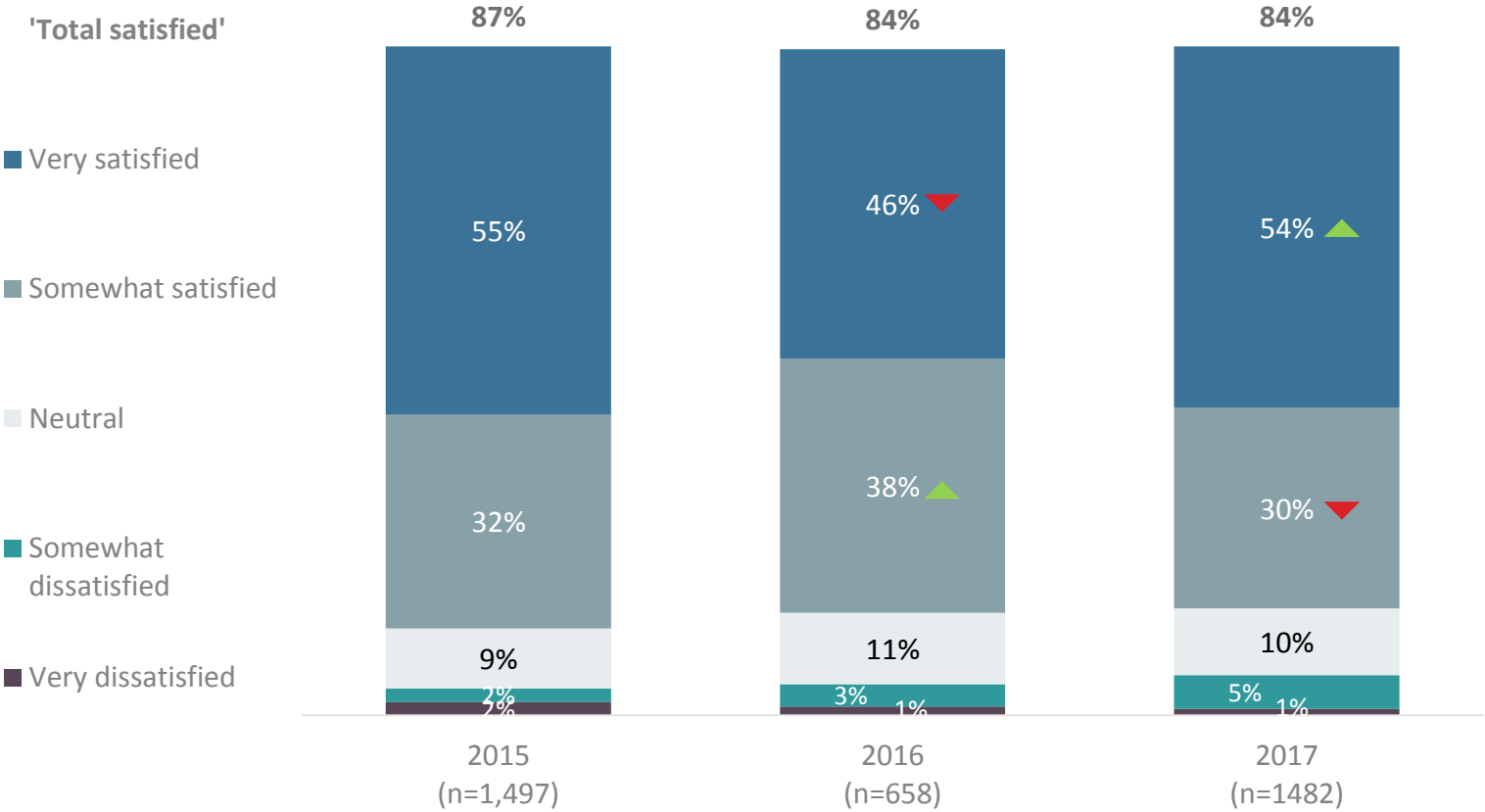
NUMBER OF UNPLANNED POWER OUTAGES





# WHILE OVERALL SATISFACTION WITH RELIABILITY REMAINS HIGH AND STABLE THIS YEAR, MORE RESIDENTS CONSIDER THIS ‘VERY SATISFACTORY’.

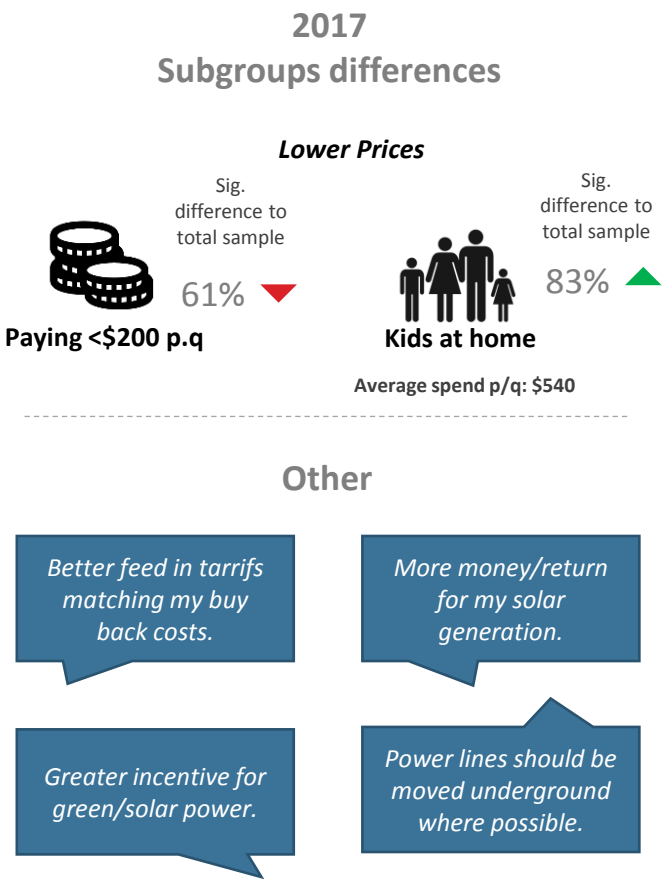
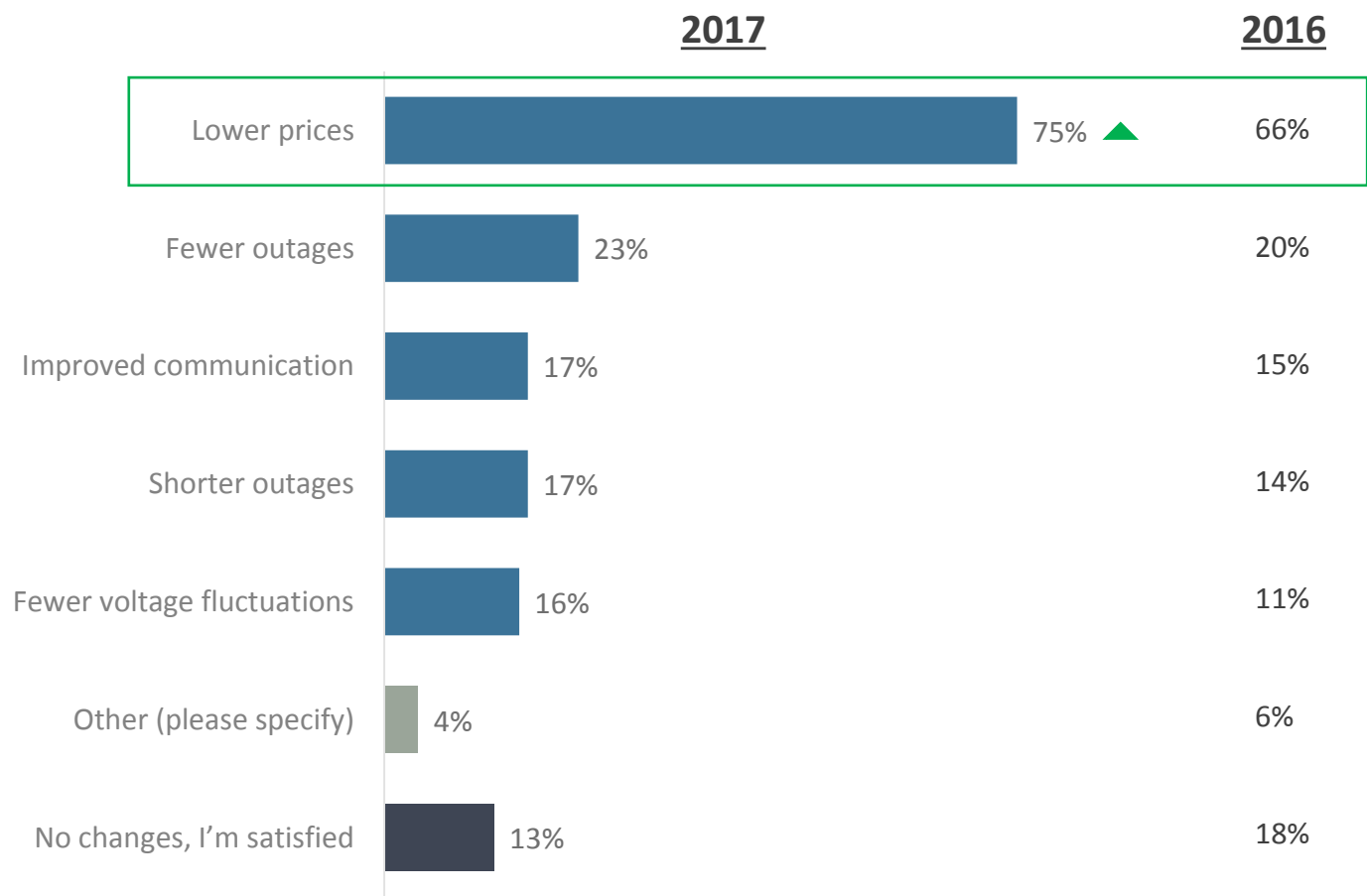
## OVERALL SATISFACTION RELIABILITY



There has been an increase in the number of residents who are ‘very satisfied’, even when experiencing between 3-5 unplanned power outages per year.

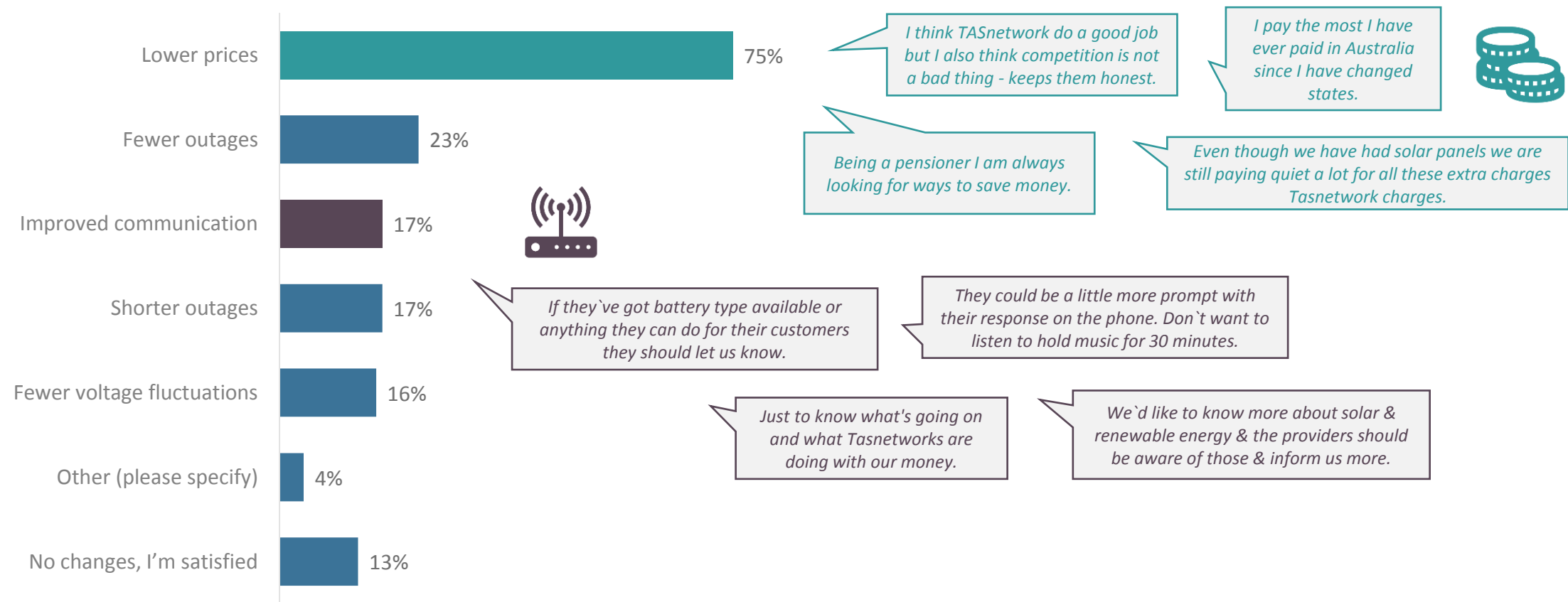
# 3 IN 4 RESIDENTS FEEL THAT LOWER PRICING WOULD GENERATE HIGHER SATISFACTION WITH TASNETWORKS.

## WHICH OPTION WOULD IMPROVE YOUR SATISFACTION



MOST RESIDENTS WOULD SIMPLY PREFER LOWER PRICES REGARDLESS OF THEIR CURRENT SATISFACTION, HOWEVER A PROPORTION OF THESE CUSTOMERS WOULD LIKE MORE INFORMATION ON BATTERY/SOLAR OPTIONS.

WHICH OPTIONS WOULD IMPROVE YOUR SATISFACTION

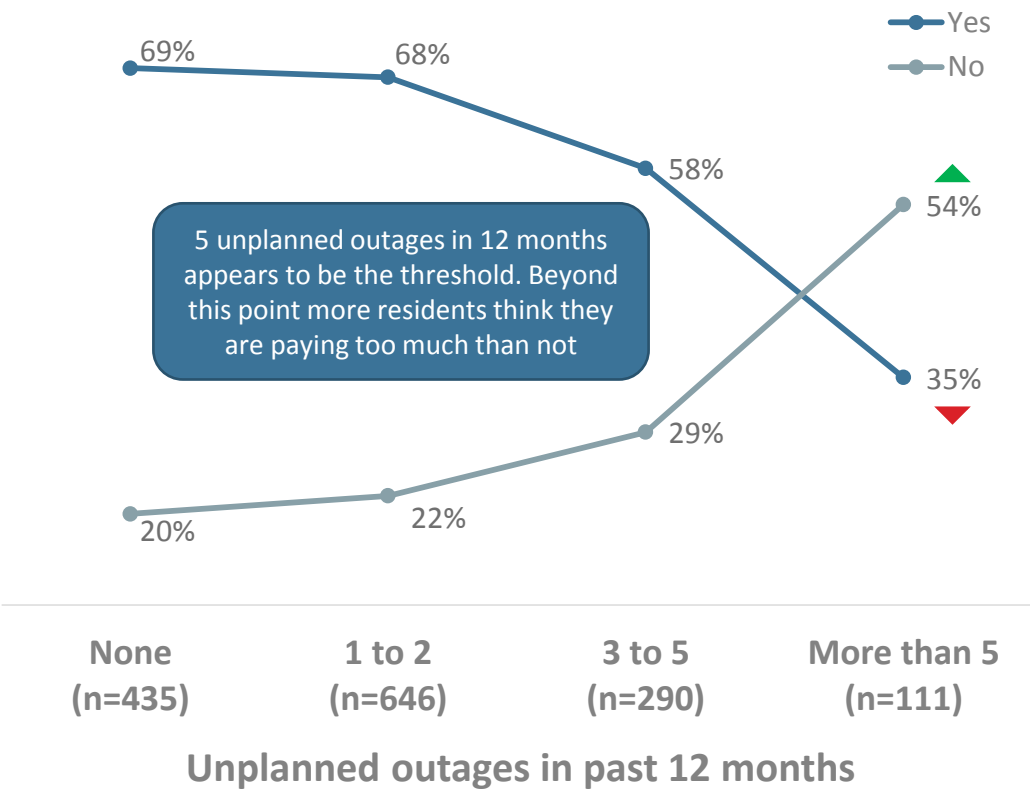
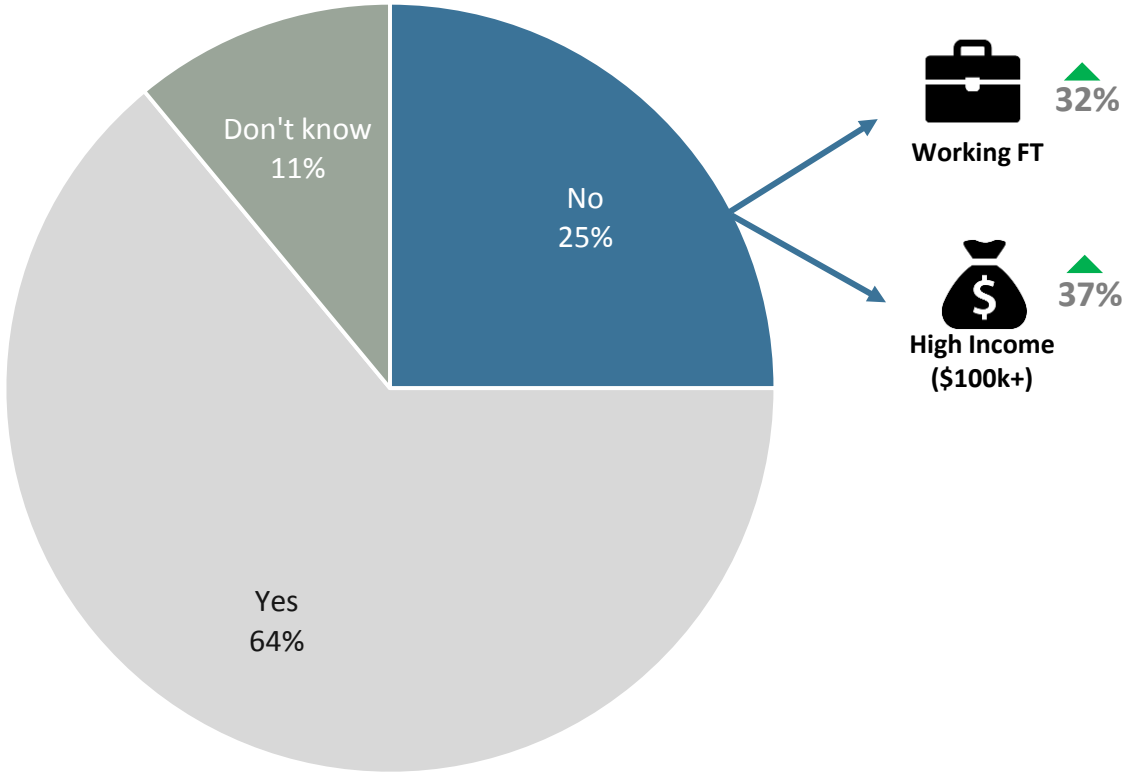


Q14. Which of the following options would improve your satisfaction with your electricity network service? (Select all that apply)

Q15. Why did you think that about [X]?

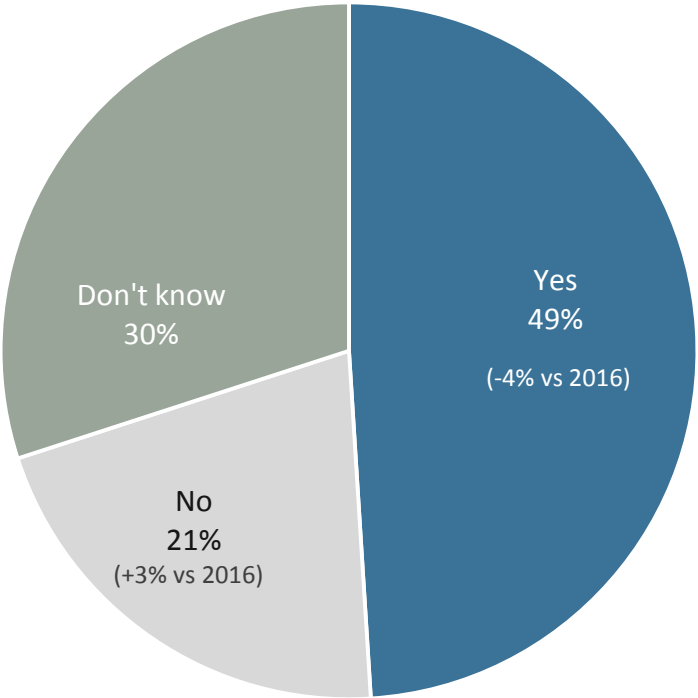
ALTHOUGH MOST WOULD PREFER LOWER ELECTRICITY PRICES, 2 IN 3 RESIDENTS ARE HAPPY WITH THE AMOUNT THEY PAY RELATIVE TO THE RELIABILITY OF THE NETWORK.

HAPPY WITH THE AMOUNT YOU PAY

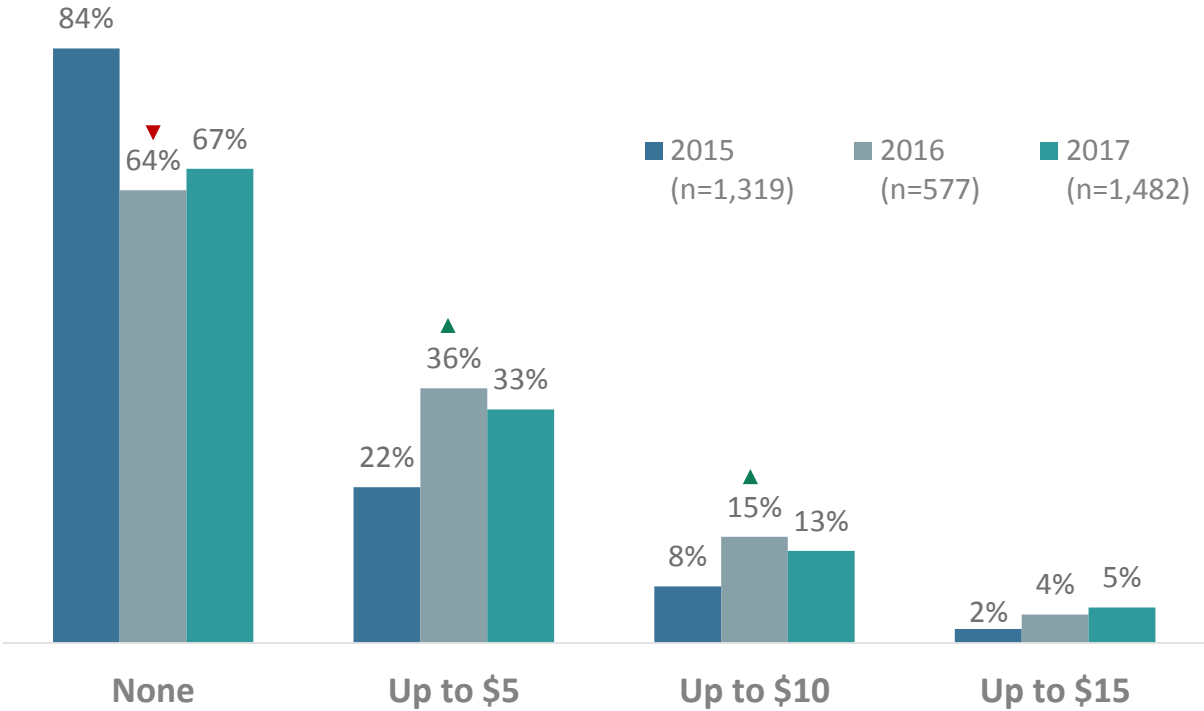


1 IN 2 BELIEVE RELIABILITY COULD BE IMPROVED WITHOUT A PRICE INCREASE, WHILE TOLERANCE FOR A PRICE INCREASE HAS REMAINED STABLE YEAR ON YEAR- 1 IN 3 WILL ACCEPT A COST INCREASE.

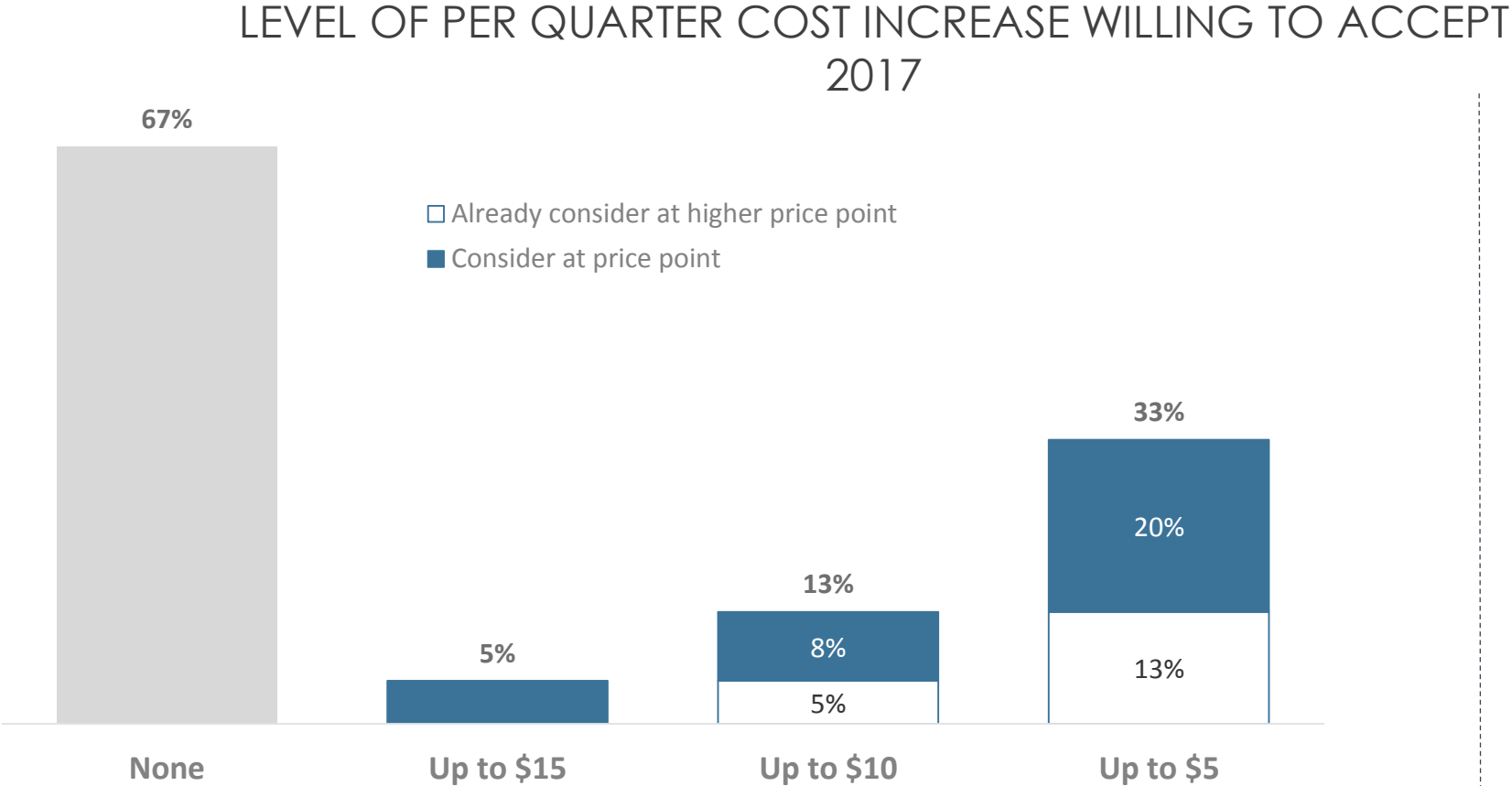
COULD RELIABILITY BE IMPROVED WITHOUT BILL INCREASE  
2017



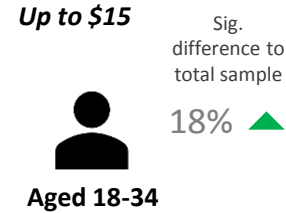
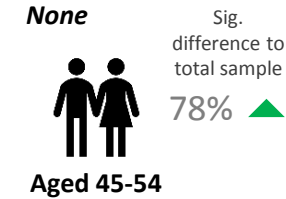
LEVEL OF PER QUARTERLY COST INCREASE WILLING TO ACCEPT FOR BETTER SERVICE AND/OR RELIABILITY



LIKELY DUE TO A POTENTIALLY HIGHER RELIABILITY ON TECHNOLOGY, 1 IN 5 YOUNGER RESIDENTS SURVEYED (18-34) ARE WILLING TO PAY UP TO \$15 PER QUARTER TO IMPROVE NETWORK SERVICES.



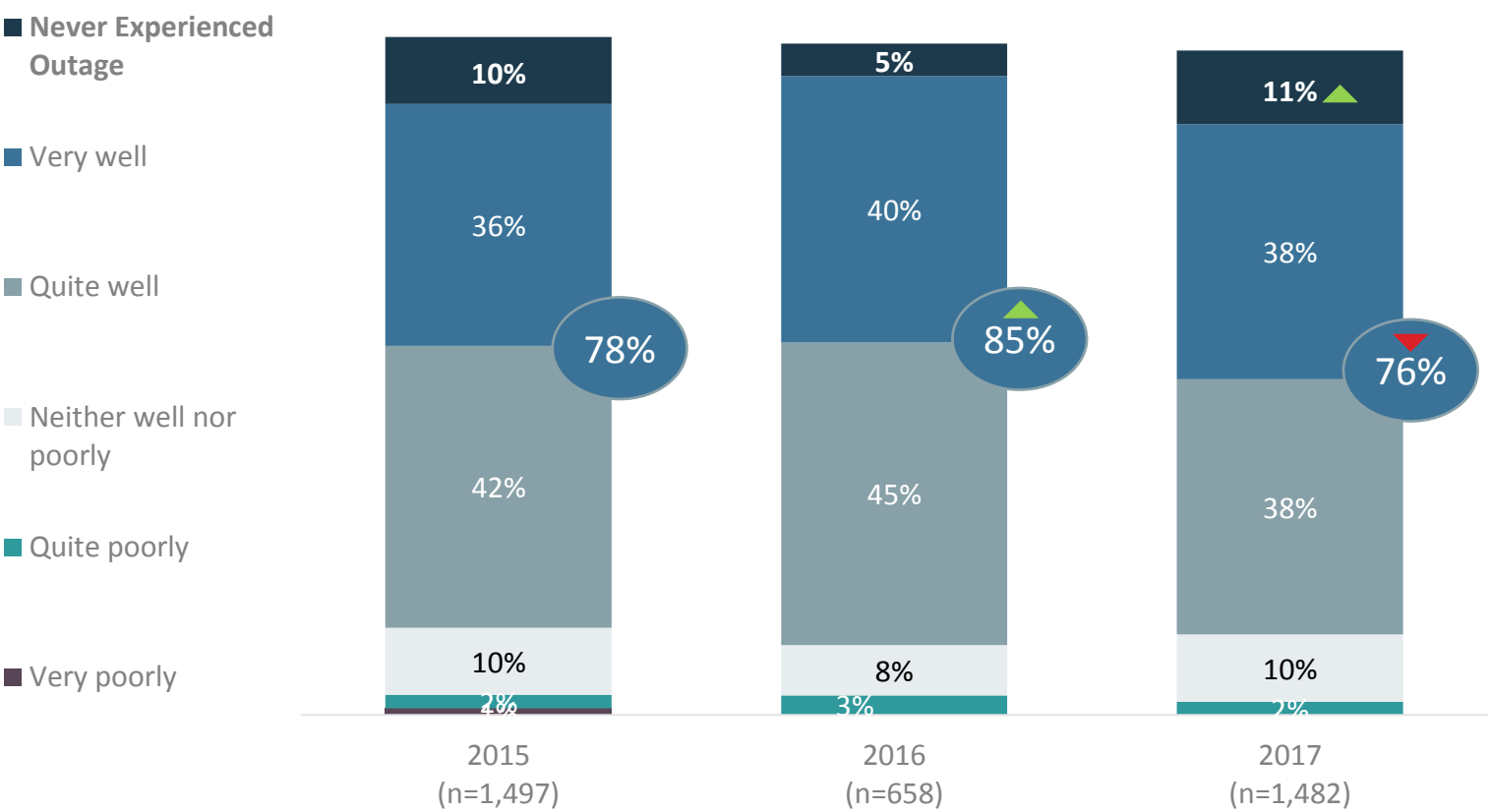
2016  
Subgroup differences



# THE NUMBER OF RESIDENTS SURVEYED EXPERIENCING NO OUTAGES HAS INCREASED THIS YEAR, THOUGH POOR RATINGS CENTRE AROUND BEING KEPT INFORMED WHEN OUTAGES OCCUR.

- There is a potential opportunity for TasNetworks to improve their communications to customers when power outages occur which will likely improve satisfaction.

TASNETWORKS RESPONSE RATING



2017  
Response rating  
*'quite poorly' & 'very poorly'*

It's the nature of the method they use to advise you of an outage. They don't respond. It's Aurora that you call.

50% of them are awesome - they were here in two hours. The other 50% are bad - when they have a lot of calls they need to prioritise better.

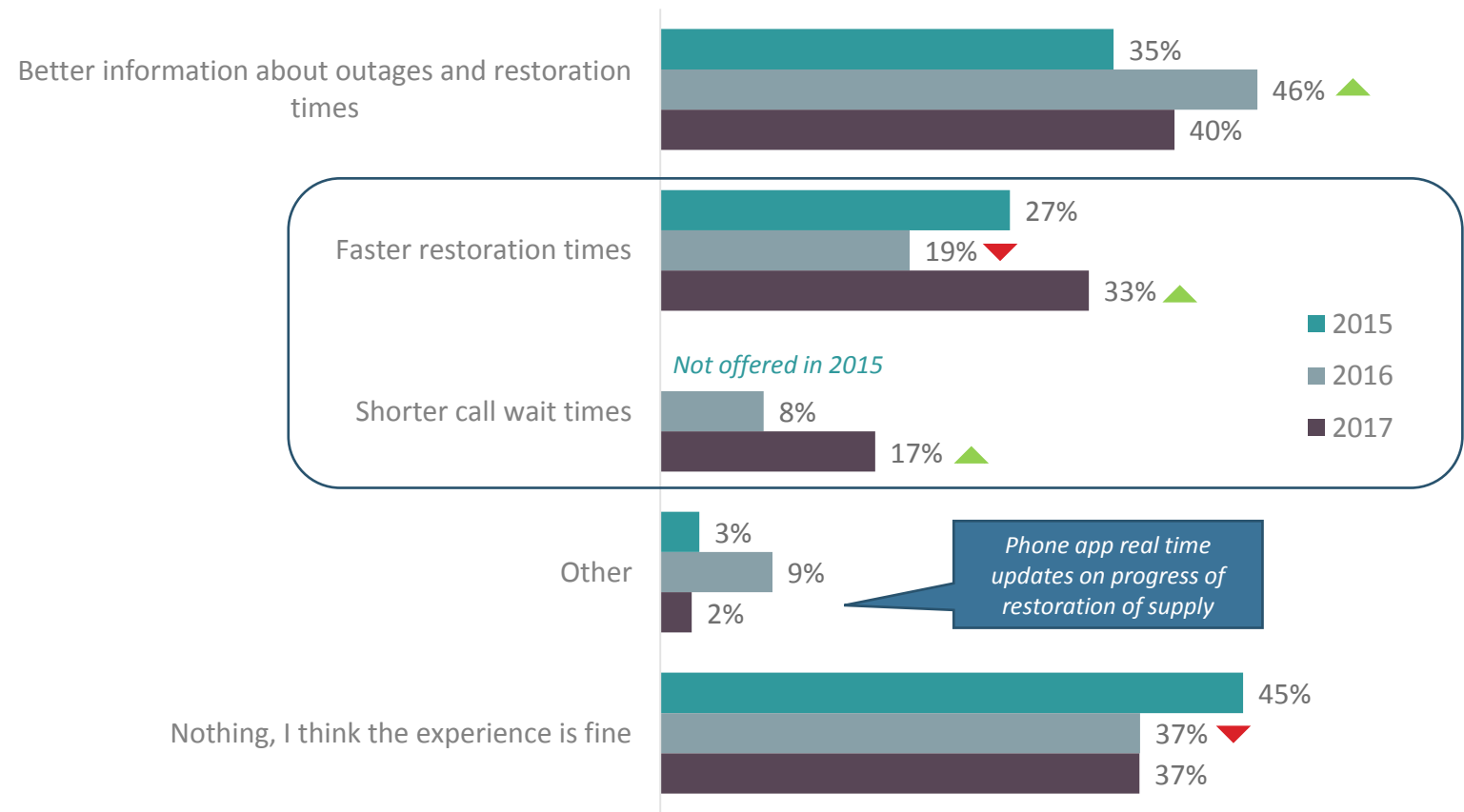
Sometimes power is off at peak times and we are not advised about the reason why or when it will be returned often we just wait and see...

Because we ourselves had only access to automated phone services which told us nothing about when the power would be reinstalled.



# CUSTOMERS SURVEYED HAVE A HIGHER PREFERENCE FOR FASTER RESTORATION TIMES AND SHORTER CALL WAIT TIMES THIS YEAR WHEN COMPARED TO 2016.

## TASNETWORKS RESPONSE EXPERIENCE IMPROVEMENTS



### 2017 Subgroup differences

Shorter call wait times



22%

Pensioners

Faster restoration



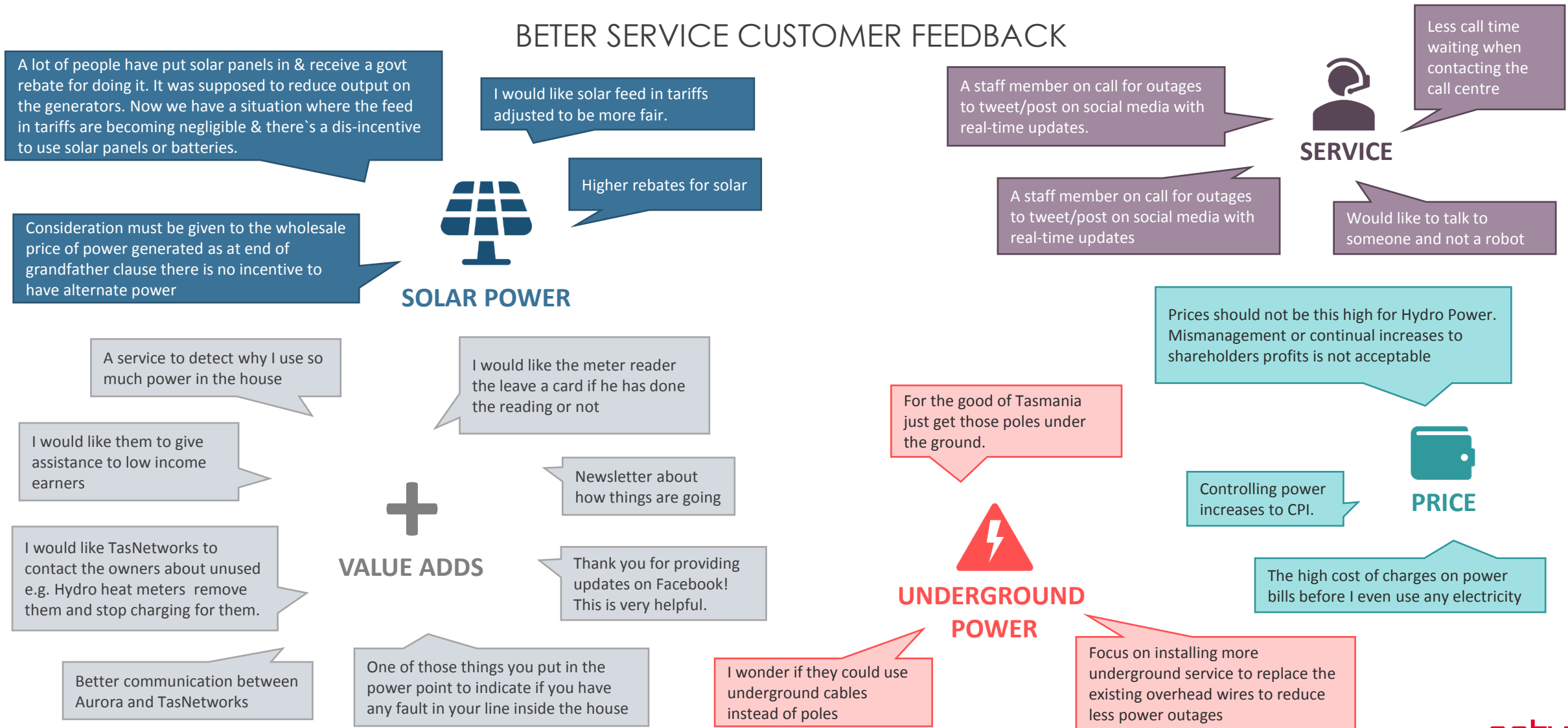
48%

Aged 18-34

Short call wait times is particularly important for Pensioners whereas young, tech-savvy customers require faster restoration of the network.

# FEEDBACK FOCUSES ON SOLAR POWER HOWEVER SOME CUSTOMERS WERE CONCERNED ABOUT SERVICE, PRICE AND POWERLINES.

## BETER SERVICE CUSTOMER FEEDBACK



# EXECUTIVE SUMMARY - RELIABILITY, RESPONSE & PRICING (I)



## CHANGES IN VALUED SERVICES

There has been a softening in the perceived value of TasNetworks' core services (delivery and restoration of supply) this year, particularly amongst a younger audience (35-44 years old).

However, younger electricity users (18-34 years old) are now significantly more likely to value TasNetworks' public awareness campaigns on safety issues.



## POTENTIAL TO TRADE ENERGY

1 in 2 customers like the idea of having a way to trade excess energy, enticed by the option to generate an income and have more control over their energy bill.

However, more information is needed for customers to make an informed decision as to whether they would like to partake in this trading in the future.



## OUTAGES REMAIN INFREQUENT

The perceived average number of unplanned outages has remained stable this year at 2.0 times for residents while overall satisfaction stayed high.

The number of customers who rate their satisfaction as 'very high' has significantly increased, notably amongst those who are experiencing between 3-5 outages per year.

# EXECUTIVE SUMMARY - RELIABILITY, RESPONSE & PRICING (II)



## DESIRE TO REDUCE PRICES AND IMPROVE COMMUNICATION

Unsurprisingly 'lower prices' is the option most likely to improve satisfaction amongst residents. This is driven particularly by those with kids at home, spending an average of \$540 per quarter.

Improved communication channels and more information on solar & renewable energy options are also requested by 1 in 6 residents to improve satisfaction.



## YOUNGER TASMANIANS WILLING TO PAY MORE

With a likely higher affinity with technology, 1 in 5 Tasmanian residents surveyed aged 18-34 feel they are willing to pay up to \$15 more on their bill per quarter to improve network services.

This age group is also more likely to express their need for shorter restoration times to improve their experience with TasNetworks during power outages.



## SOLAR PRICING

General customer feedback focuses heavily on solar power and the current and future feed in tariff pricing strategy. Customers feel disadvantaged by the amount they receive for selling energy back to the grid as they feel this does not reflect the price they pay for their usage.

General information on solar options for customers and suggestions of trustworthy sources for purchase/installation was something which also customers suggested spontaneously.



# POTENTIAL NEXT STEPS

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# POTENTIAL NEXT STEPS



## GROW BATTERY SYSTEM UPTAKE

There is potential to grow the battery system market in Tasmania with such a low current base of customers with these installed.

Battery systems priced up to \$2,000 have high consideration amongst Tasmanians surveyed and should be promoted if possible to increase uptake.



## ASSIST IN SOLAR POWER UPTAKE

There is a potential opportunity to become a direct source of information for all things solar.

Customers desire more information not only on purchasing and installation but also solar pricing and their options to trade energy if possible.

With concerns around the pricing strategy of solar, consider sharing information on why the payment to support the network is at a lower rate than usage.



## THE MORE COMMUNICATION, THE BETTER

Providing customers with an ample supply of information will likely improve satisfaction. It provides customers more of a feeling of control over their expenditure and existing or future options available to them (e.g. trading energy, remotely read meters, etc).

It also positions the brand as a category leader, driving value and a feeling of worth towards the company.



## CLARITY WILL ASSIST SATISFACTION WHEN EXPERIENCING OUTAGES

Endeavour to provide more clarity before, during and after power outages.

Although satisfaction remains high, some customers feel they aren't always proactively notified of changes to their network.

Once informed, customers feel they aren't given estimations on when to expect the network to be back in action, leaving them feeling like they are in the dark.

# THANK YOU!

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