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Consumer Research ▶▶

# Quantitative Findings: ECPA Review



***Prepared for:***



**Ontario Energy Board**

**Commission de l'énergie de l'Ontario**

December 5, 2014

**:: Topline Report ::**

## Situation Analysis

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- In 2010, the Government of Ontario introduced the ECPA to protect Ontario energy consumers from misleading and unfair practices that were being undertaken by some energy suppliers in the province.
- In December 2013, the Minister issued a letter under Section 30 of the ECPA, requiring the OEB to commence a review of Part II of the ECPA and the regulations made under Part II.
- The OEB will assess how effective the ECPA has been in protecting the interests of consumers, having regard to the current state of the retail markets and consumer experience with them.

# Consumer Research Approach

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**Our approach was designed to provide the OEB with the following:**

1. An unfiltered reaction from low-volume energy consumers on the markets and the effectiveness of consumer protection.
2. The public's suggestions for improvements to the ECPA.
3. Participation from a representative sample of low-volume consumers.

**Think**

*What do we know and what do we need to find out?*

**Identify**

*What is the range of stakeholder views and experience with the retail markets and consumer protection?*

**Quantify**

*How do low-volume consumers in Ontario feel about consumer protection? What has their experience been with energy suppliers? How well is the ECPA working in practice?*

# Residential Survey Results

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Residential Survey

Non-Residential Survey

# Methodology

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- The results presented here are from a survey of residential households conducted by Innovative Research Group over telephone among **1,519** randomly-selected respondents, between November 19<sup>th</sup> and November 28<sup>th</sup> 2014.
- The sample draws from three distinct groups: A) those with retail energy contracts signed since January 2011; B) those who cancelled or let their energy contracts expire since January 2014; and C) a sample of general household energy bill payers. A fourth group, unaware contract holders, was also identified for the purposes of analysis.
- INNOVATIVE was provided by energy suppliers with a list of current contract and cancelled/expired contract holders. This list was used to conduct the telephone survey. For the analysis below respondents are classified based on their own understanding of whether or not they are under a contract. For example if a respondent listed as a contract holder did not know they had a contract, they were treated as a non-contract holder.
- For all respondents, only the person who is responsible for paying the electricity bill was eligible to complete this survey.
- The sample of non-contract households was weighted by region and household income using Statistics Canada data to reflect households of bill payers across Ontario.
- Un-weighted probability samples of **742** (current contracts), **154** (former contracts), **252** (unaware contracts), **371** (general population) would have estimated margins of error of **±3.6%**, **±7.9%**, **±6.2%**, and **±5.1%** percentage points, respectively, 19 times out of 20. The margin of error will be larger within each sub-grouping of the sample.

**Note:** *Graphs and tables may not always total 100% due to rounding values rather than any error in data. Sums are added before rounding numbers.*

# Key Findings

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## **Contract holders (who are aware of their contract) are generally satisfied with their contracts, entered into a contract to save money, and, for the most part, believe they are saving money**

- 69% of those who say they are still under contract are satisfied with their electricity contract, and 78% are satisfied with their gas contract. These households are drawn from a list of contracts signed after January 2011.
- Half of respondents with each contract type say their primary reason for signing up was to save money (51% for electricity; 52% for gas), and a similar number believe that they are (52% for electricity; 53% for gas).

## **Unaware contract holders are a key concern**

- 30% of those with a contract did not identify that they had one when asked.
- This group is less familiar with the retail energy markets (35% familiar compared to 51% for non-contract and 65% for current contracts) and less confident they understand contracts.
- This group is also less educated: 21% have university degrees compared to 28% among current contract holders and 40% in the non-contract sample; and they score lower on an index of the cognitive self-assessment questions.

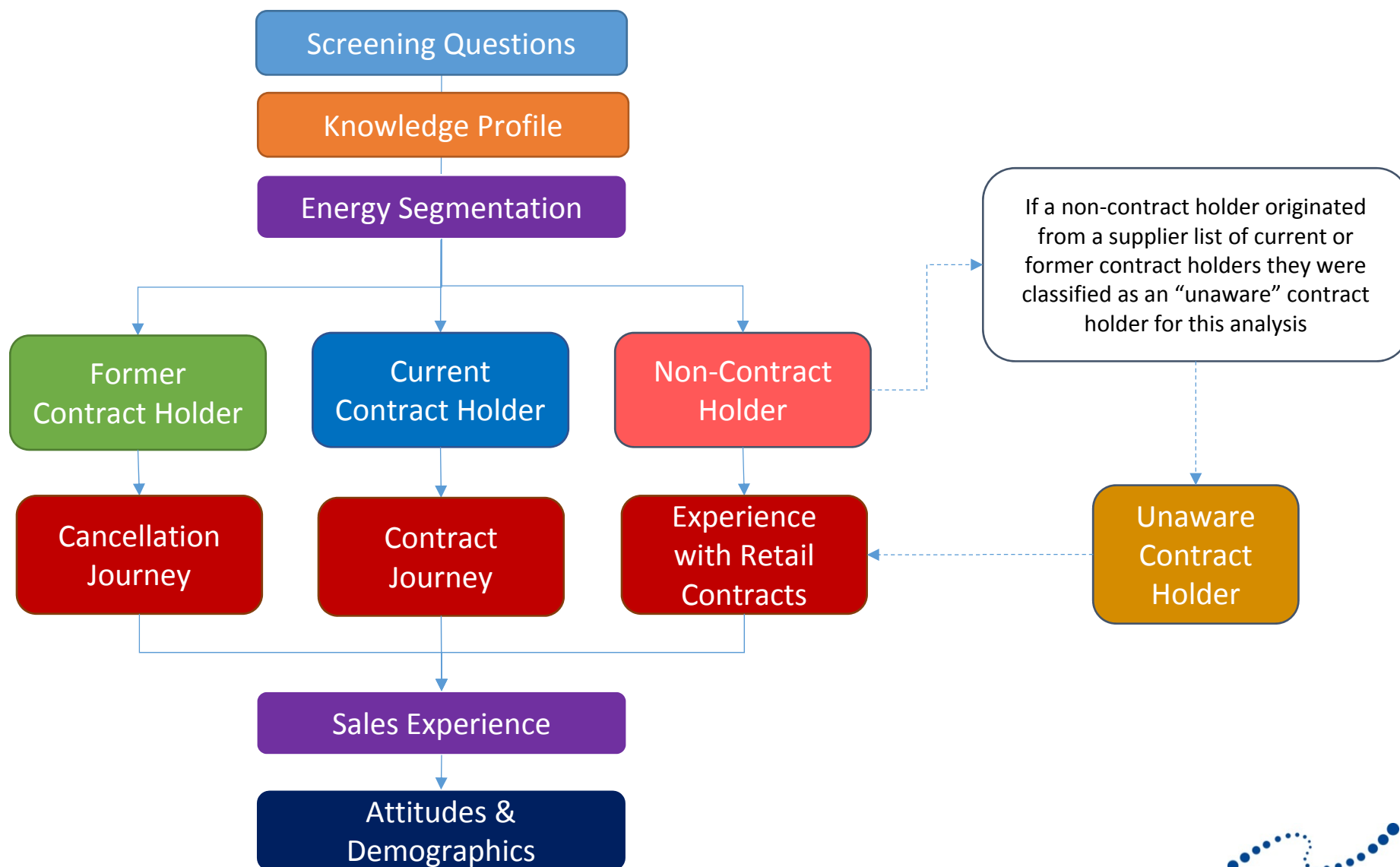
## **Former contract holders were generally not satisfied with their contracts because of high costs**

- Among those with past contracts, 63% say they were dissatisfied with their electricity contract, while 61% were dissatisfied with their gas contract.
- Whether they cancelled or did not renew, the most common reason cited was the high cost of the contract.
- When former contract holders were called, 52% believed that they were still under contract (it is not known what portion of this is explained by these respondents taking up a new contract from a different supplier).

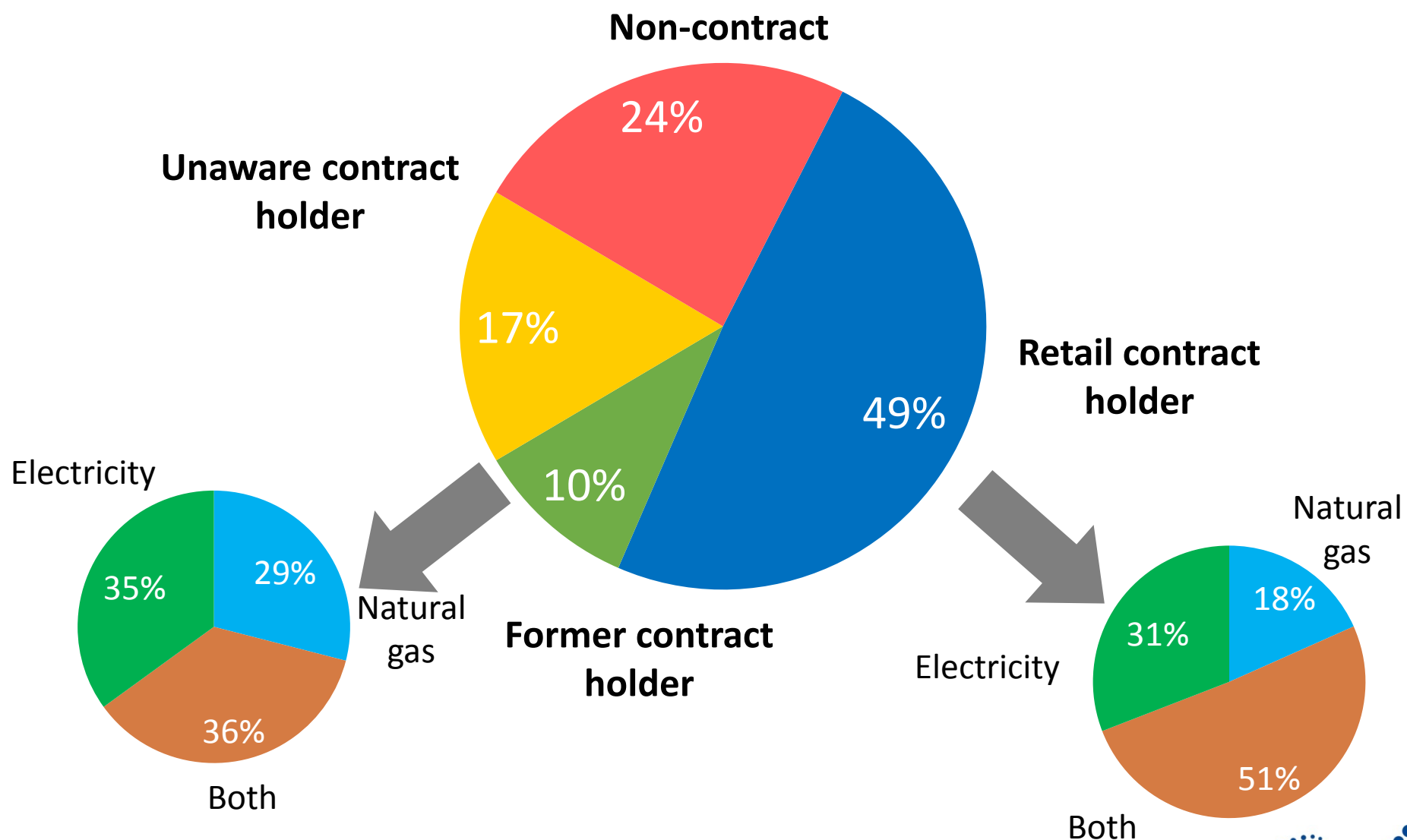
## **Retail energy contract sales are mostly door-to-door and many are unhappy with this sales practice**

- Most who have heard from suppliers were approached door-to-door. Among the non-contract segment, of the 99% that were approached, 94% was door-to-door. Among current contract holders, seeking out the contract is more common (23%) and while door-to-door makes up 77% of approaches, 10% also said they were referred by a friend or family member.
- Almost no respondents said their sales experience was better than typical (3%-6% across the segments), while many said that it was worse (38%-49%). Of those who said it was worse, a plurality in every segment cited aggressive sales practices as the reason.

# Survey design



# Energy Segmentation Results



**Note:** These results are from all four sample groups. When pooled together these results are not representative of the general household population.



## Segmentation by sample source: 1-in-3 contract holders are unaware that they have a contract

Often when a respondent from a supplier list of current or former contract holders received the survey they were not aware that they had, or had recently had, a contract. This chart details how frequently this occurred and in what ways.

[Note: Not all of the respondents whose data is included here completed the full survey due to quota sampling.]

		Final classification (based on segmentation questions)				
		Current Contract Holder	Former Contract Holder	Unaware Contract Holder	Non-Contract Holder	Total
Original classification (based on sample lists)	Current Contract Holders (sample provided by suppliers)	63%	7%	30%	0%	100%
	Former Contract Holders (sample provided by suppliers)	52%	21%	27%	0%	100%
	General Household Bill Payers (not provided by suppliers)	20%	4%	0%	76%	100%

Percentages shown are *row* percentages (rows sum to 100%)

# Knowledge Profile

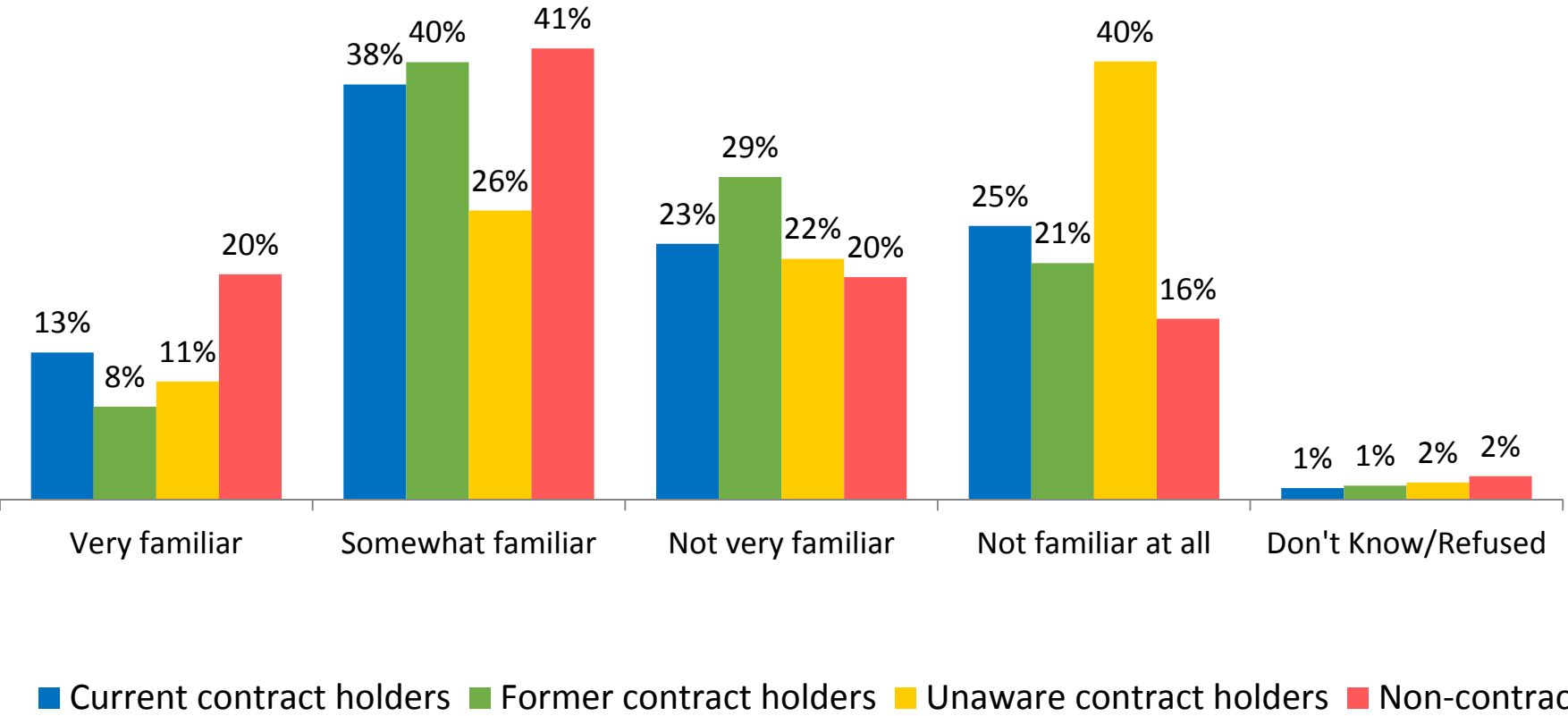
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Residential Survey

Non-Residential Survey

# Self-assessed financial literacy by segment: non-contract holders most likely to say they are very or somewhat familiar

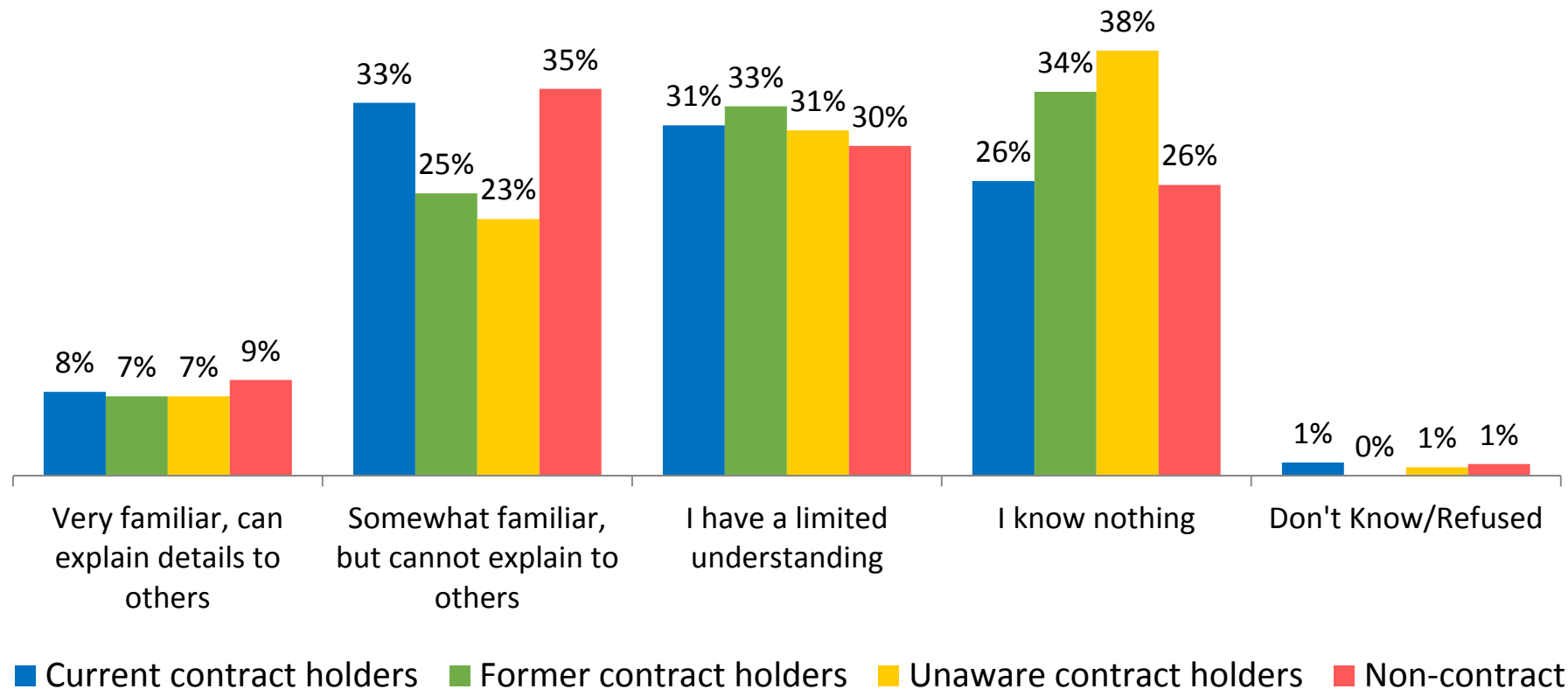
**Q** How familiar are you with financial information such as financial statements or the way the stock market works?



# Energy market knowledge by segment: current contracts and non-contracts more likely to say they are familiar

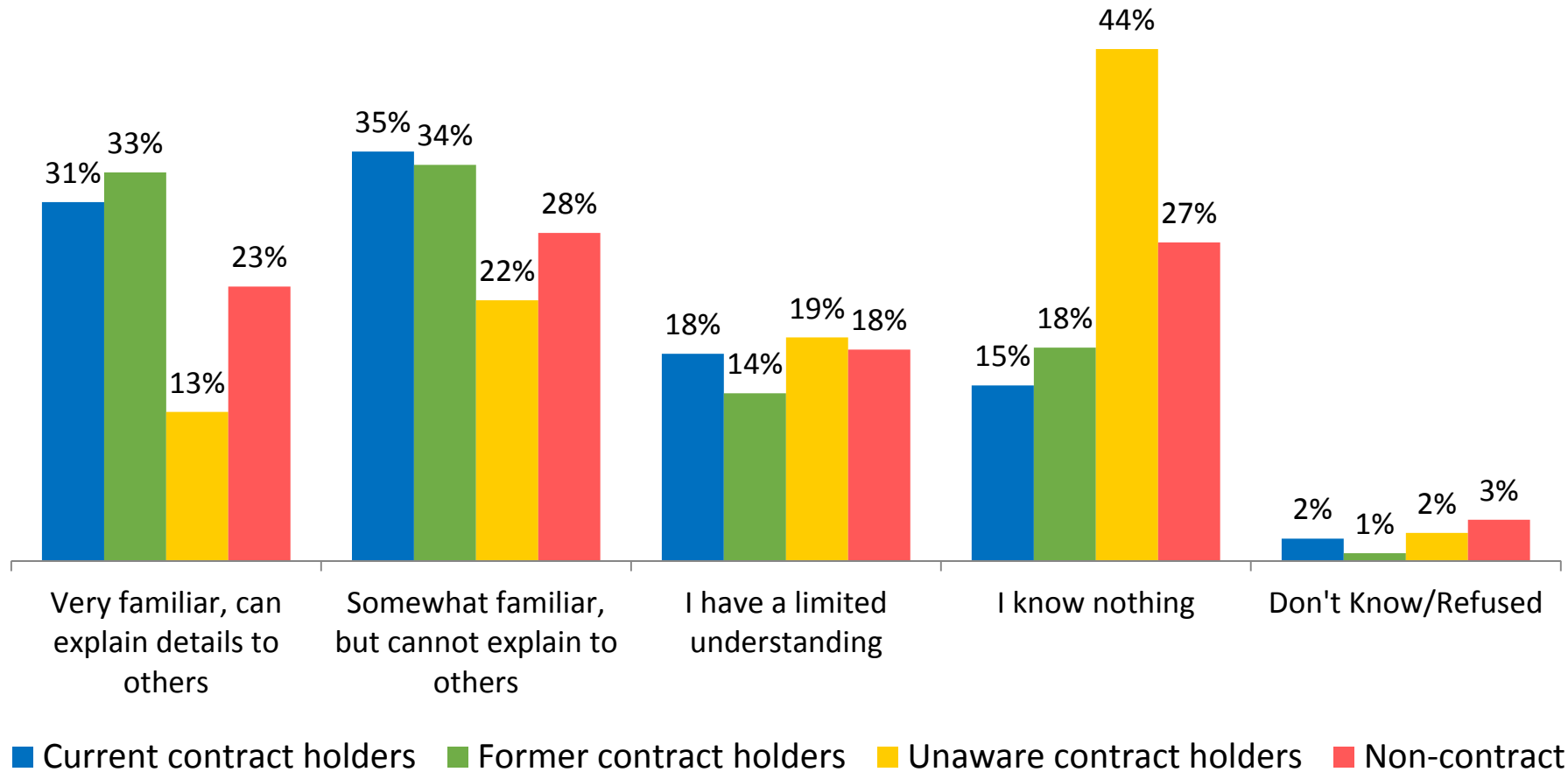


In general, how familiar are you with the way Ontario's electricity and natural gas markets work?



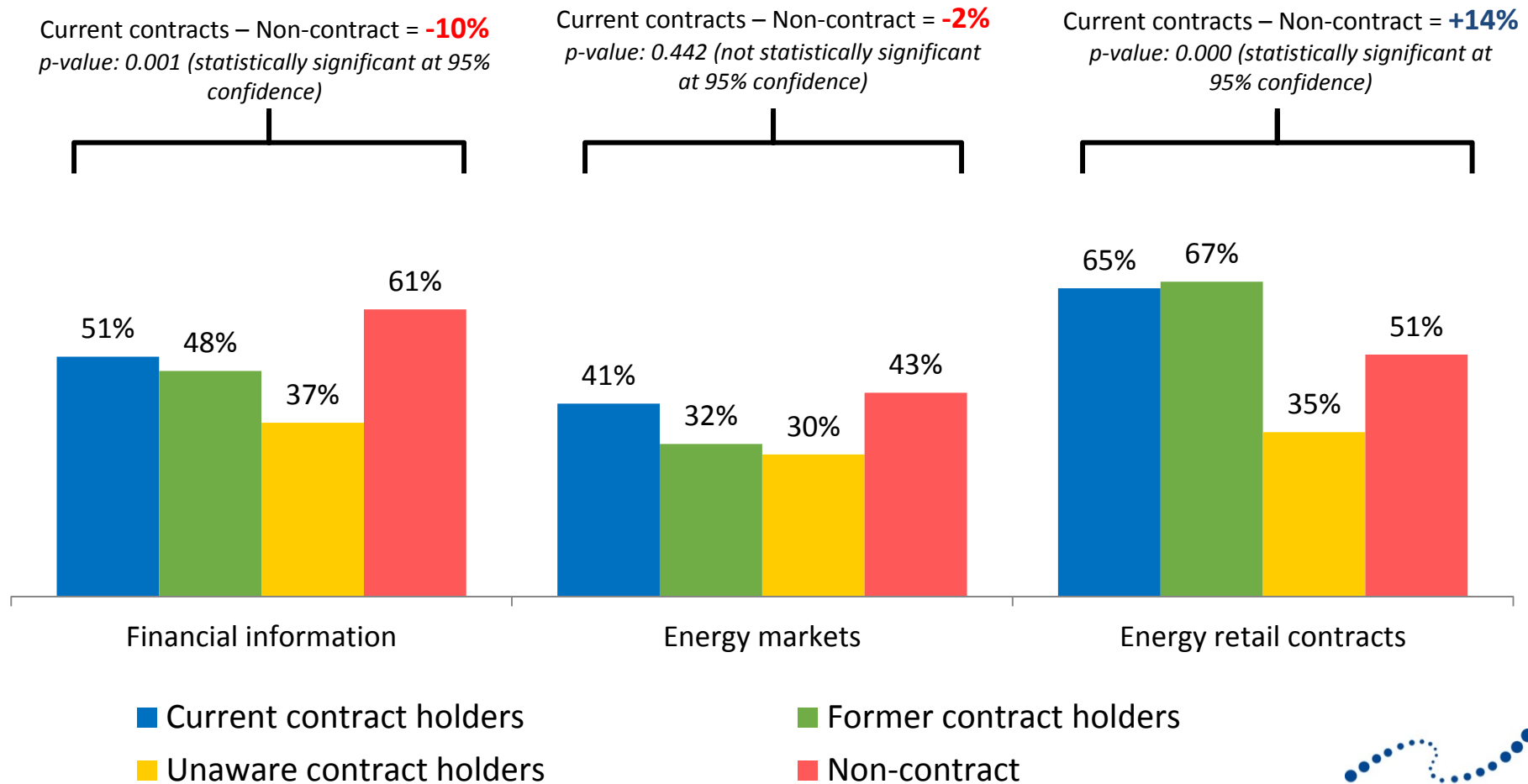
# Retail energy contract option awareness: current and former contracts are more aware than other two segments

**Q** How familiar are you with the option of entering into a contract with an energy retailer to buy your electricity or natural gas instead of buying electricity or natural gas from your utility?



# Knowledge statement differences: non-contracts more familiar with financial info; contracts with retail energy market

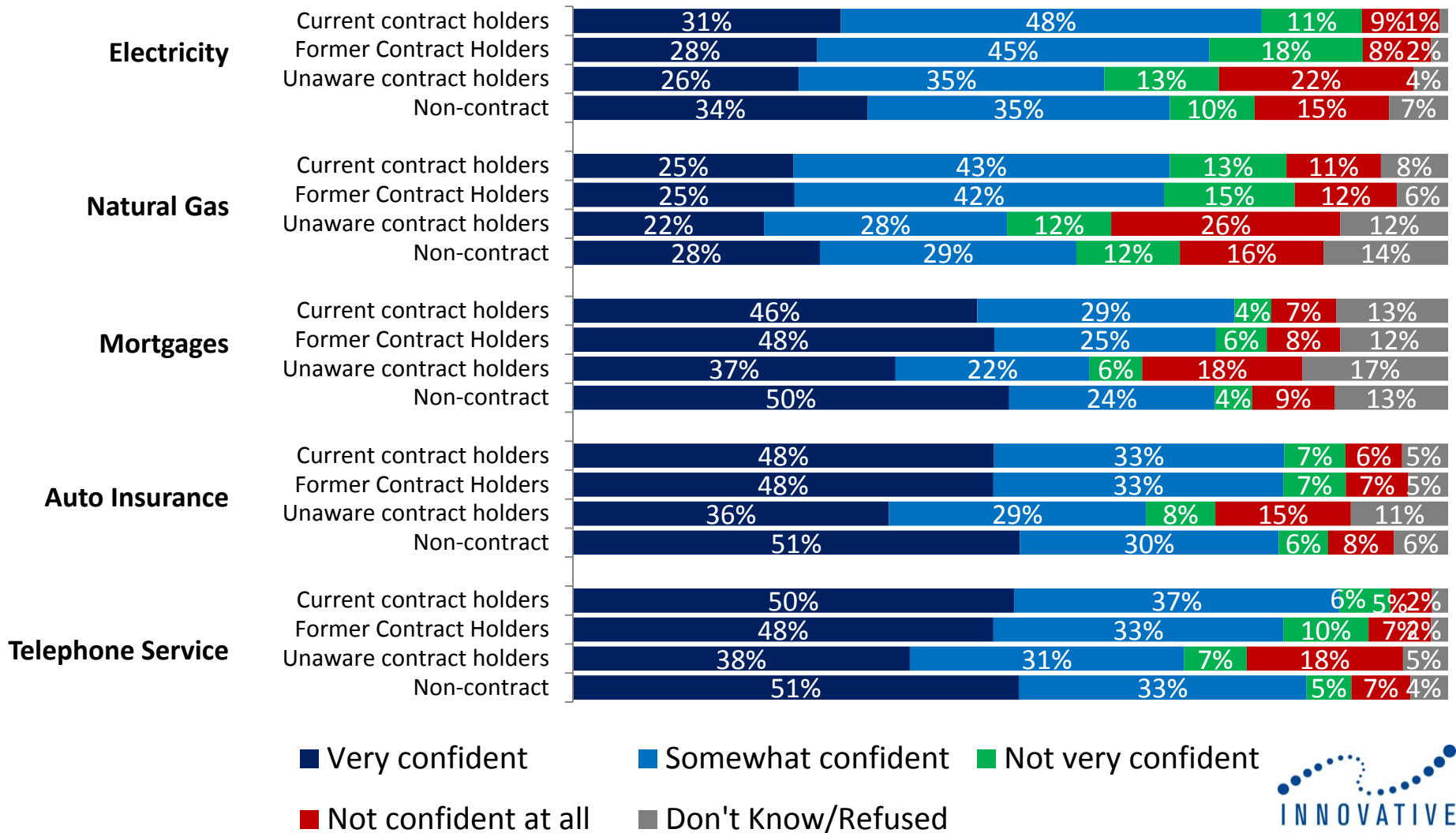
% who say they are at least “somewhat familiar”



# Contract comfort: Current and non-contract groups similar, unaware contract holders less confident on each measure 15



There are a number of basic services most people include in their monthly budgets. These can include mortgages, electricity, natural gas, auto insurance, and telephone service, all of which can involve signing contracts. **How confident are you when it comes to understanding the following types of contracts?**

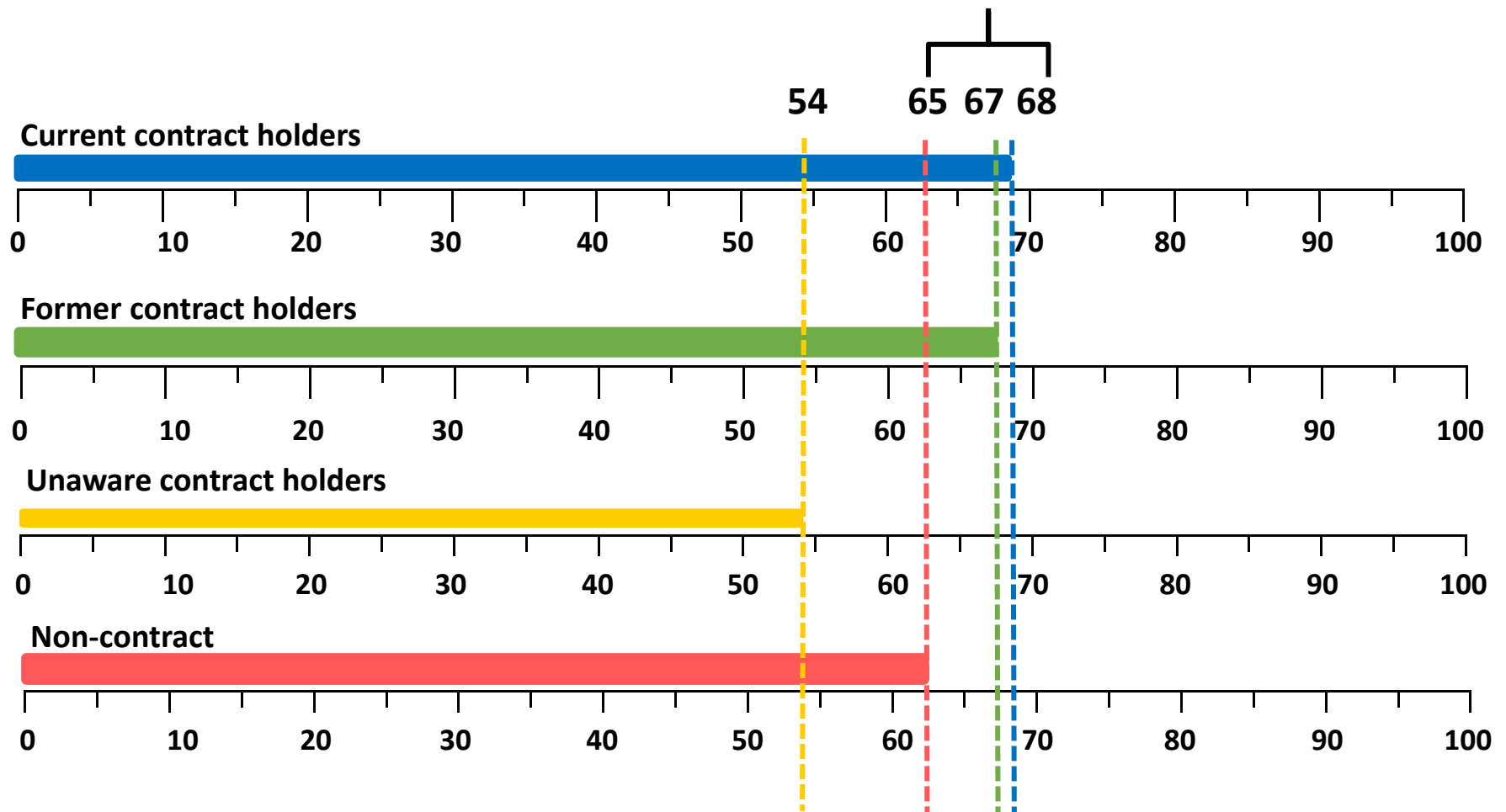


# Contract comfort index: current contracts rank themselves most comfortable with contracts; unaware the least

In order to summarize overall comfort with contracts, a **contract comfort index** was calculated. The index is equal to the sum of a respondent's answers to all of the previously asked contract comfort questions, and then re-scaled from 0 to 100.

## Average Index Scores

Current contracts – Non-contracts = **+3%**  
*p-value: 0.053 (statistically significant at 90% confidence)*





# Retail Journey: Current Contracts

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## Post-ECPA Contracts

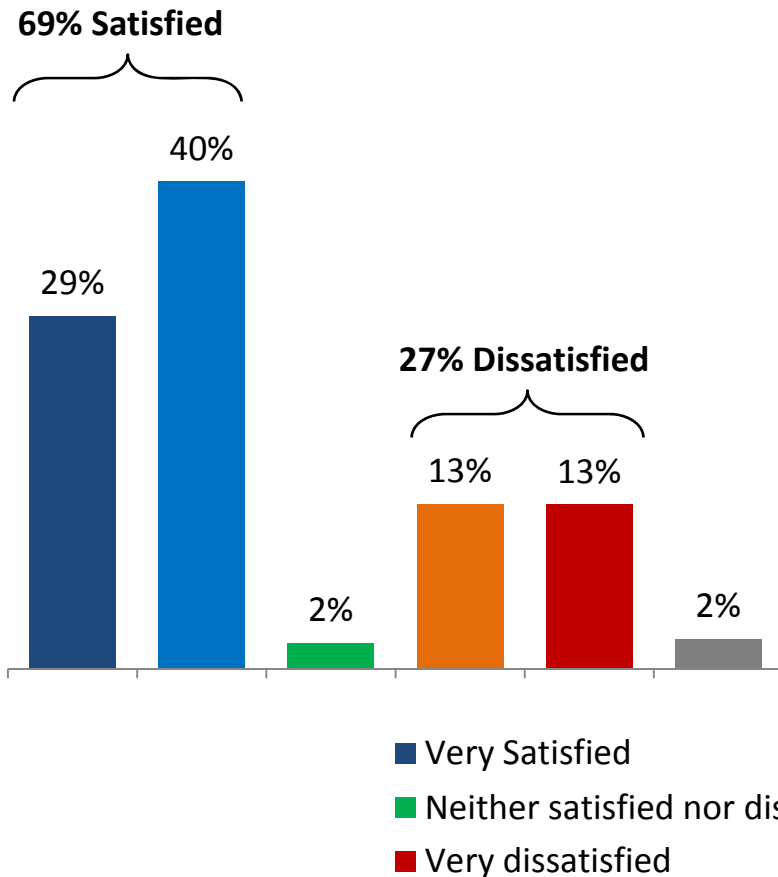
Residential Survey

Non-Residential Survey

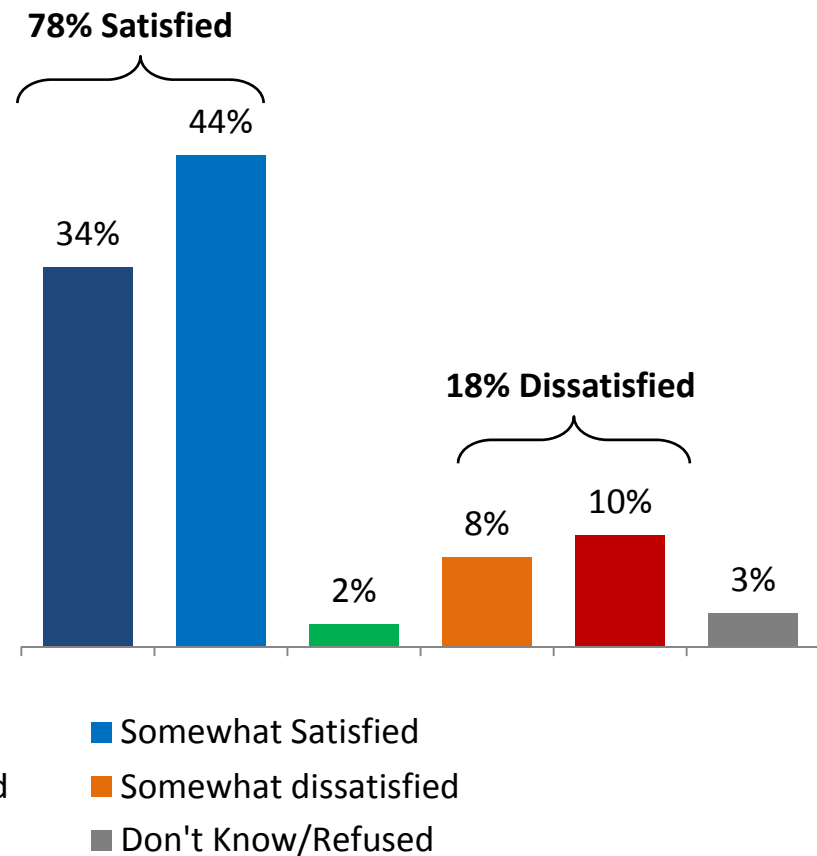
# Current contracts: Over 2/3rds satisfied among both natural<sup>18</sup> gas and electricity contract holders



How satisfied are you with your **current electricity contract** you entered into with your electricity retailer?



How satisfied are you with your **current natural gas contract** you entered into with your natural gas retailer?

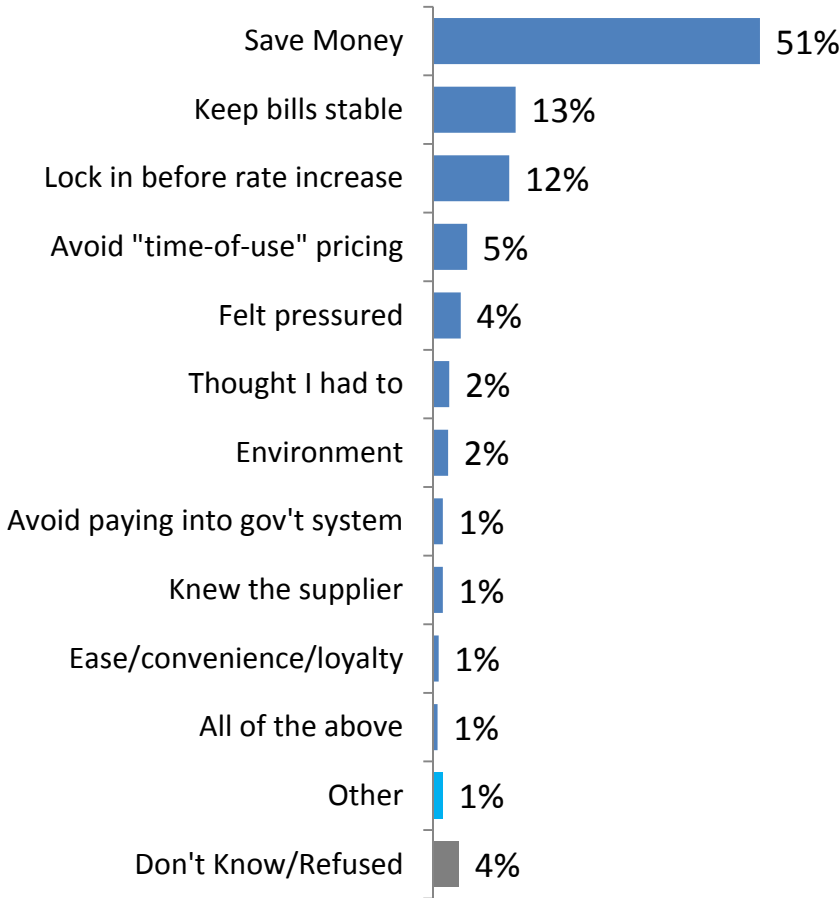


**Note:** The sample of current contracts consisted of households who signed a contract since 2011 and remembered that they were under contract when asked at the beginning of the survey.

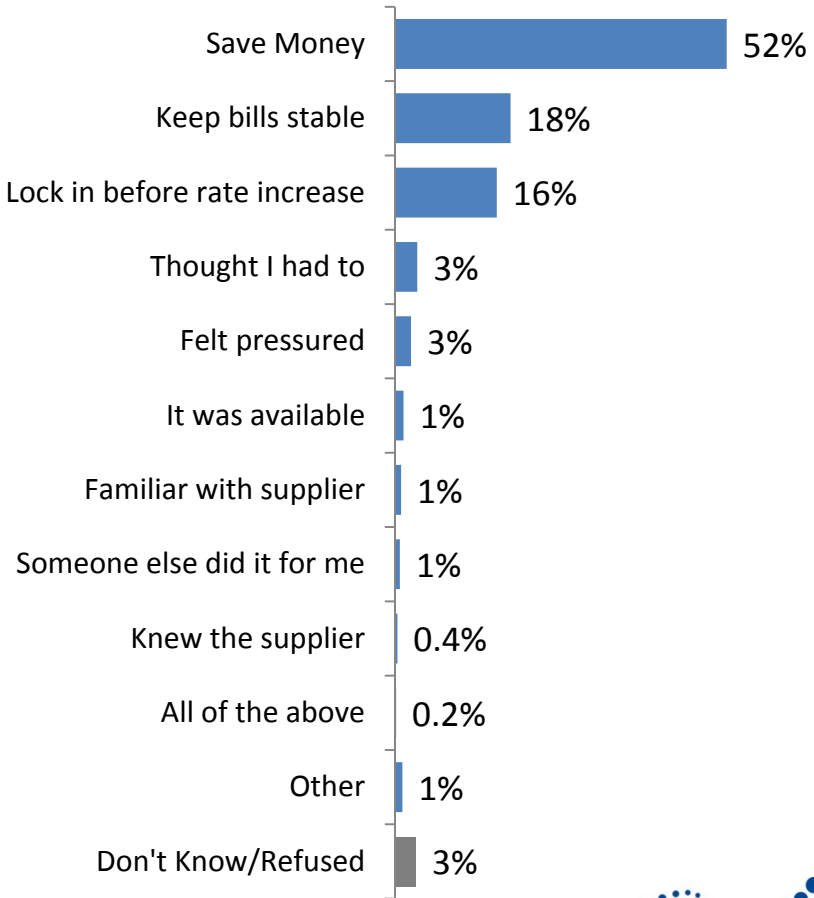
# Reason for entering into contracts: 1-in-2 from each contract type say they were looking to save money



What was the primary reason for entering into your **current electricity contract**?



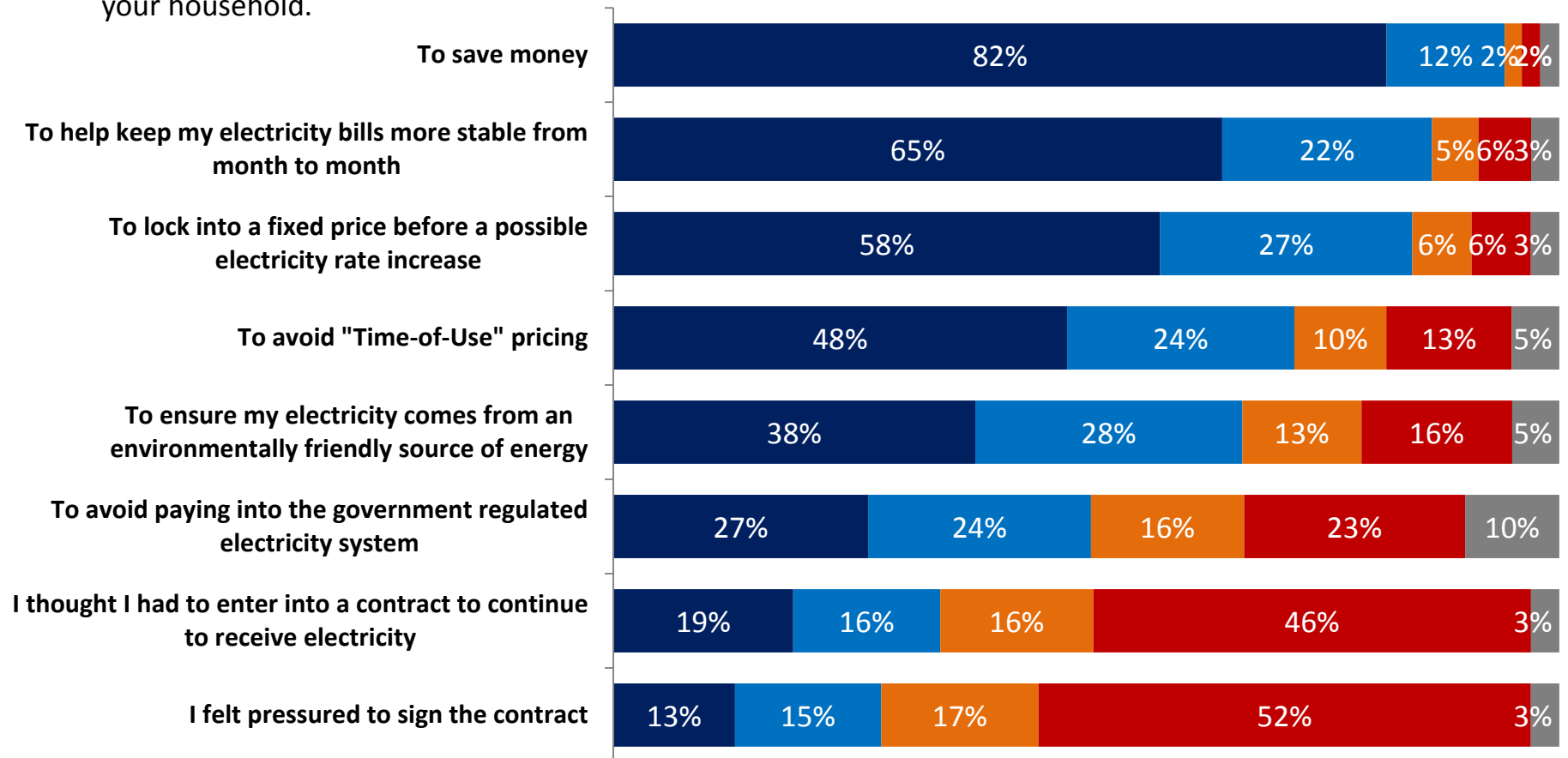
What was the primary reason for entering into your **current natural gas contract**?



# Most important reasons (electricity): saving money and other pricing reasons are seen as most important



There are a number of reasons why people have entered into contracts with **electricity** retailers. For each reason I read you, please indicate if it was a very important reason, a somewhat important reason, not really an important reason, or not an important reason at all when you decided to enter into an electricity contract for your household.

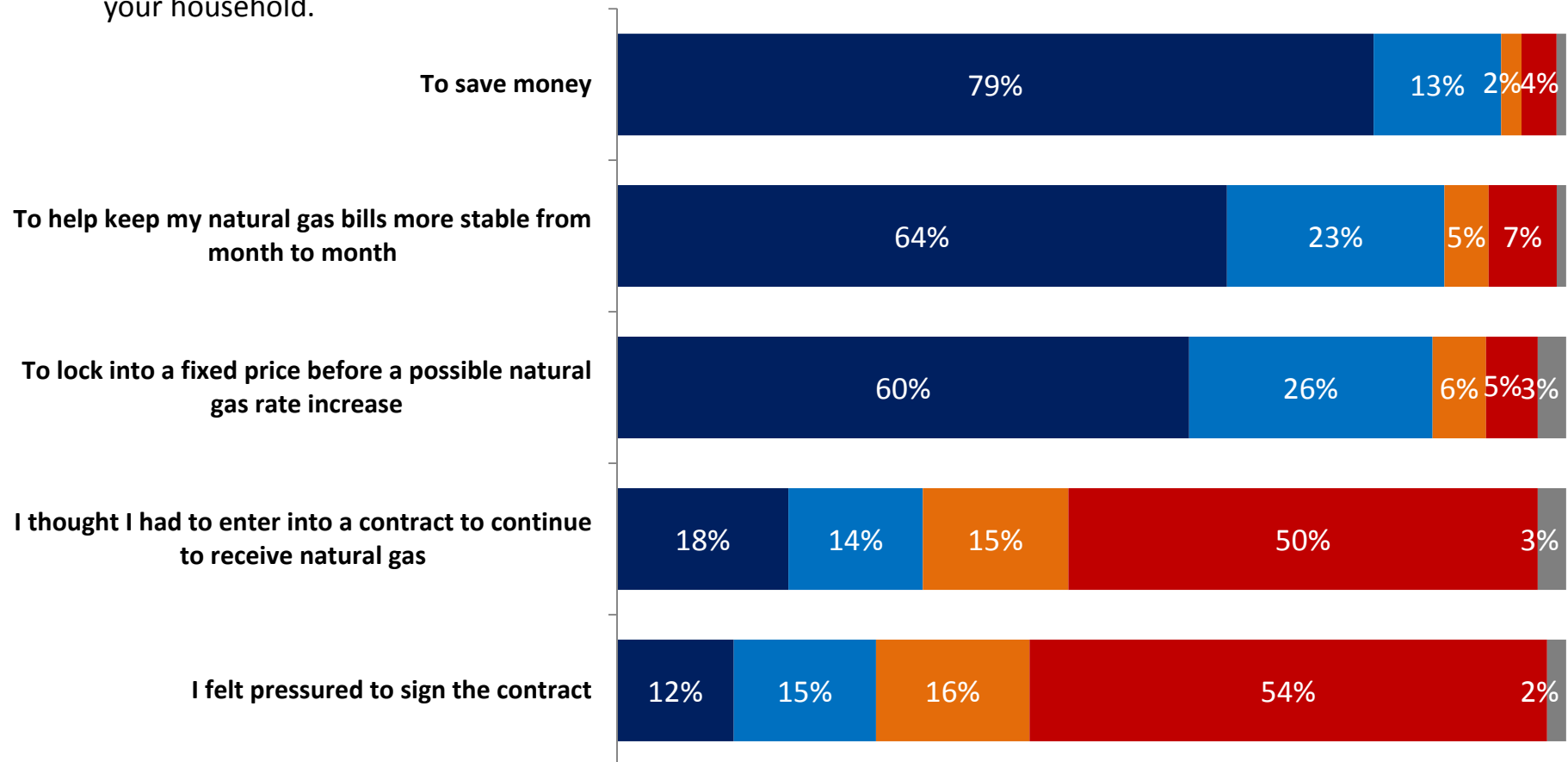


■ Very important reason     
 ■ Somewhat important reason     
 ■ Not really an important reason  
■ Not an important reason at all     
 ■ Don't Know/Refused

# Most important reasons (gas): monetary reasons all rated as<sup>21</sup> the most important



There are a number of reasons why people have entered into contracts with **natural gas** retailers. For each reason I read you, please indicate if it was a very important reason, a somewhat important reason, not really an important reason, or not an important reason at all when you decided to enter into a natural gas contract for your household.

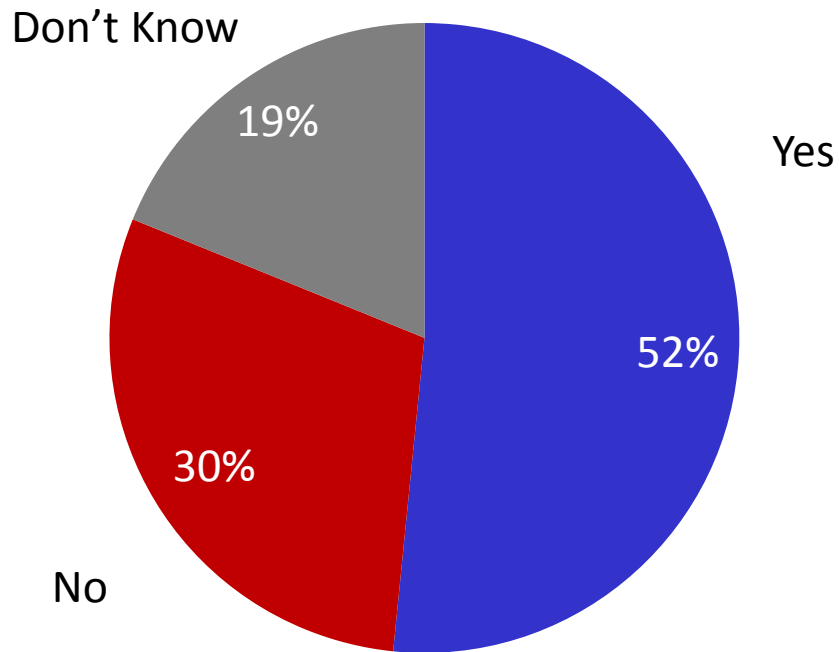


- Very important reason
- Somewhat important reason
- Not really an important reason
- Not an important reason at all
- Don't Know/Refused

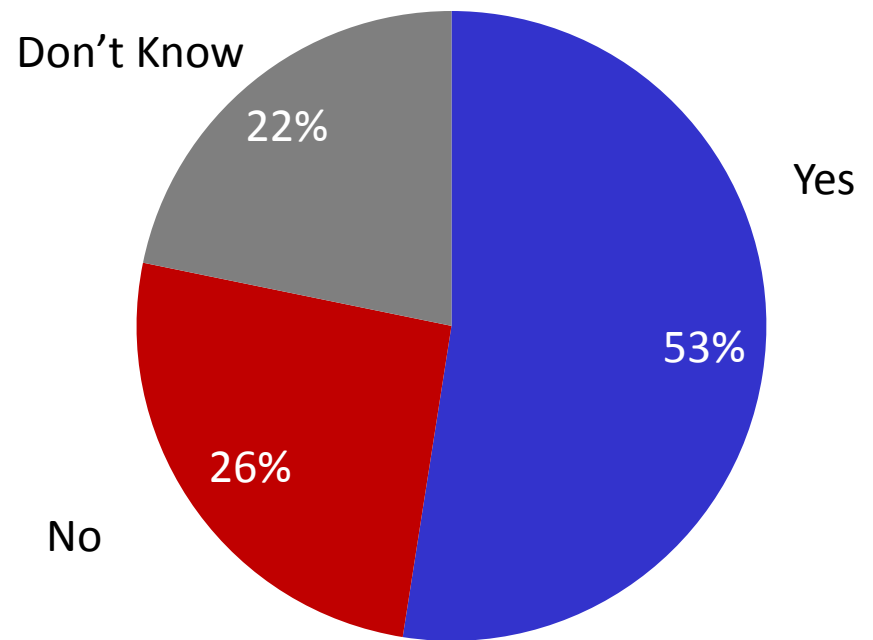
# Saving money: Half of each type of contract holder believe they are saving money, 1-in-5 aren't sure



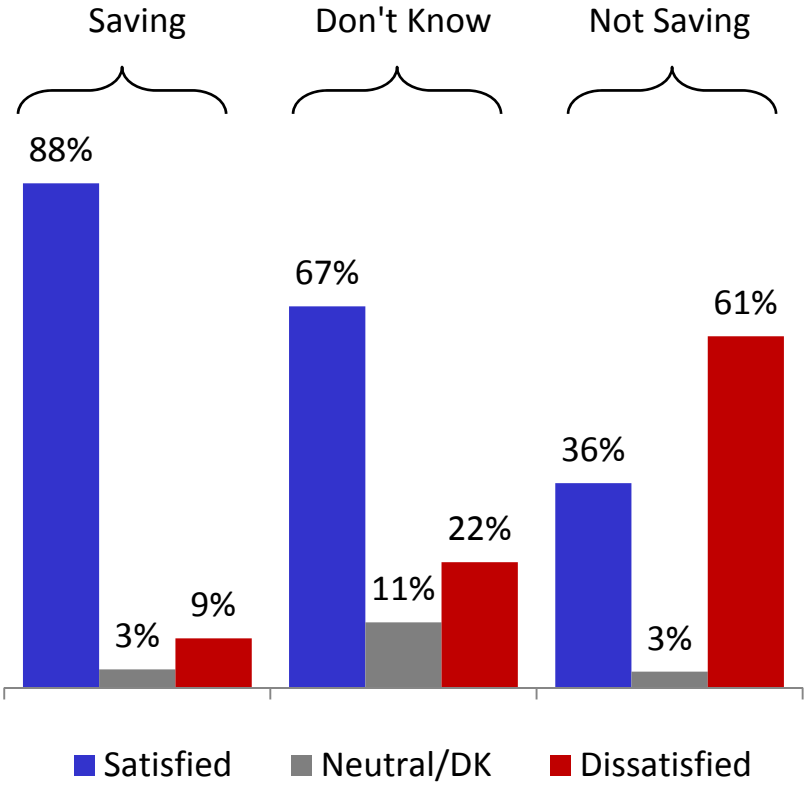
From what you can tell, are you saving money under your **current electricity contract?**



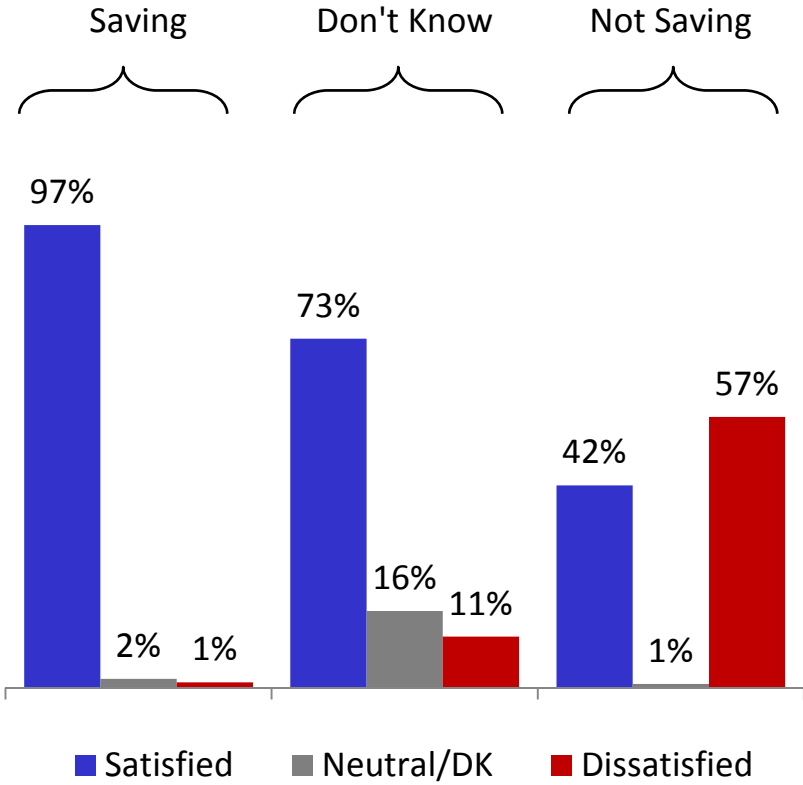
From what you can tell, are you saving money under your **current natural gas contract?**



# Satisfaction and savings: satisfaction is highly associated with whether a respondent thinks they are saving money



How satisfied are you with your **current electricity contract** you entered into with your electricity retailer?

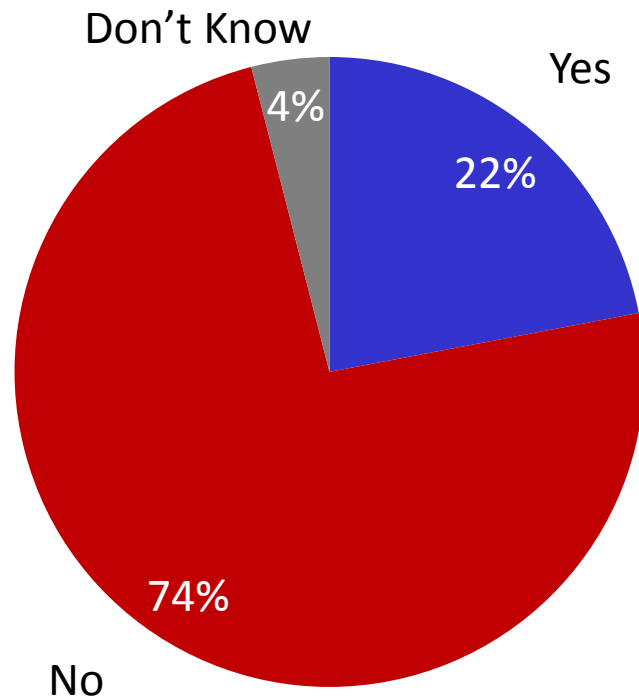


How satisfied are you with your **current natural gas contract** you entered into with your natural gas retailer?

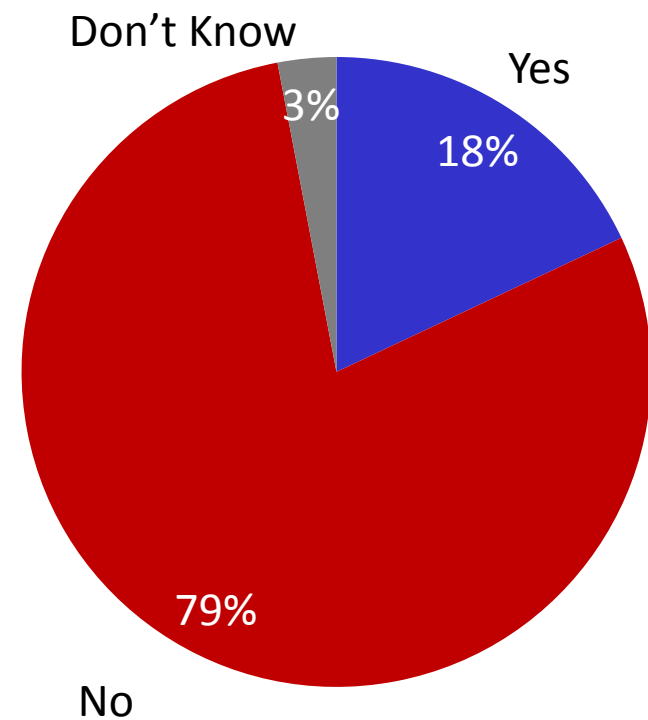
# Bundling: 1-in-5 contract holders of each contract type recall a bundled offer<sup>4</sup>



When you entered into your **most recent electricity contract**, did it also include another product or service – either for free or at some cost – such as a thermostat or something else?



When you entered into your **most recent natural gas contract**, did it also include another product or service – either for free or at some cost – such as a water heater or something else?

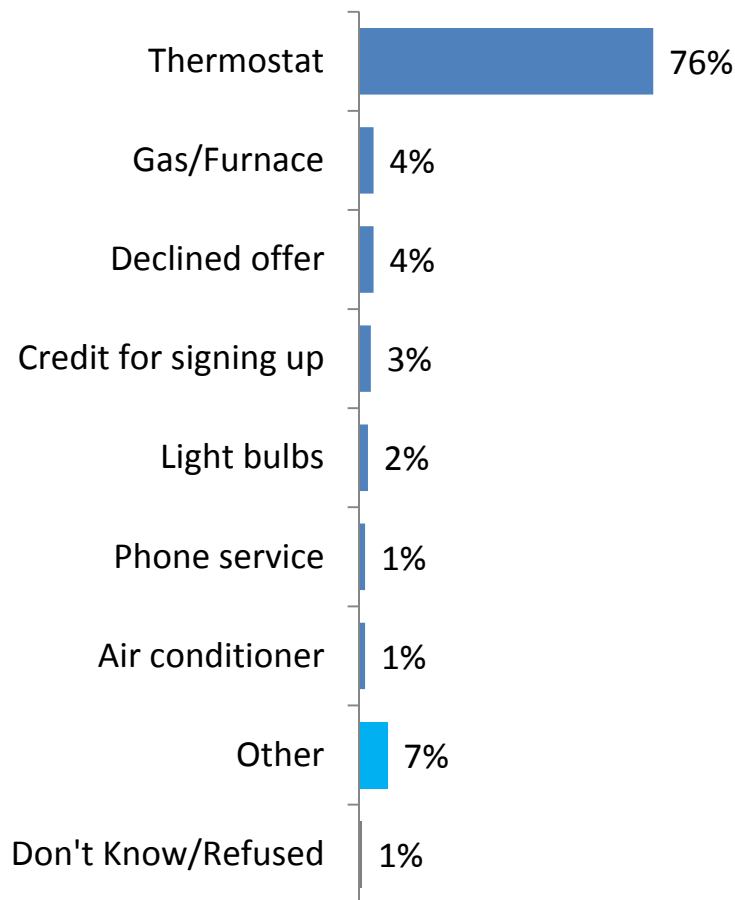




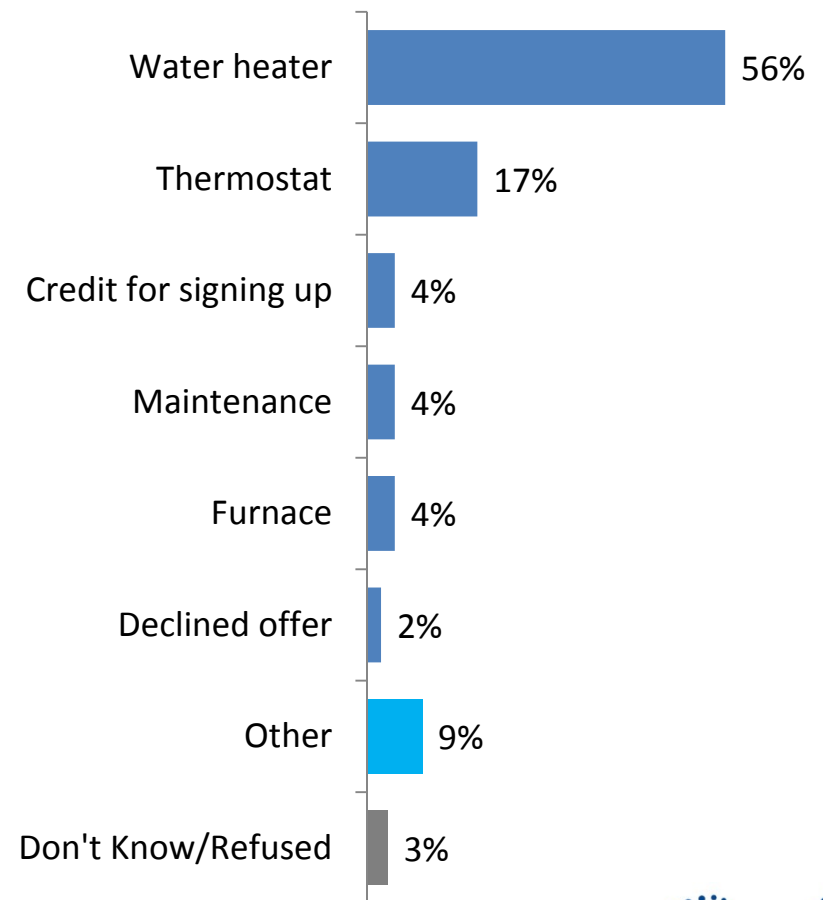
# Bundled offer: most electricity contracts with a bundling offer included a thermostat, for gas a water heater



Please specify which product or service was included in the contract?



Please specify which product or service was included in the contract?



# Former Contracts

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**Contracts cancelled or expired over the past 3 years**

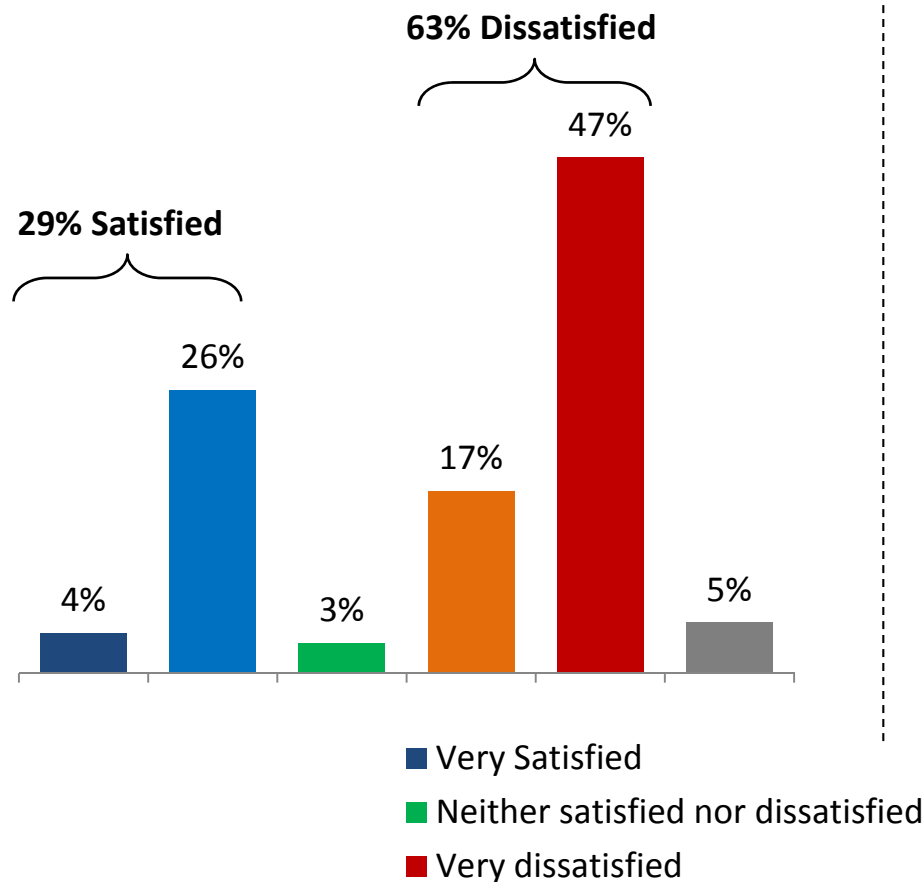
**Residential Survey**

**Non-Residential Survey**

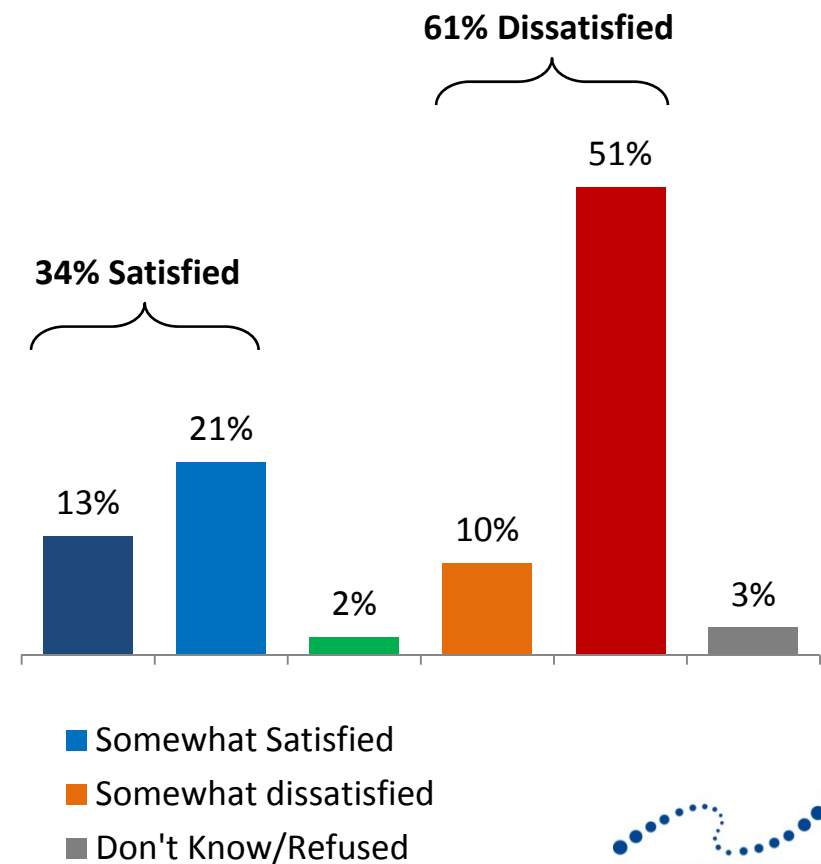
# Former contract satisfaction: Approximately 6-in-10 former contract holders were dissatisfied with their contracts <sup>27</sup>



How satisfied were you with the last **electricity contract** you entered into with an electricity retailer?



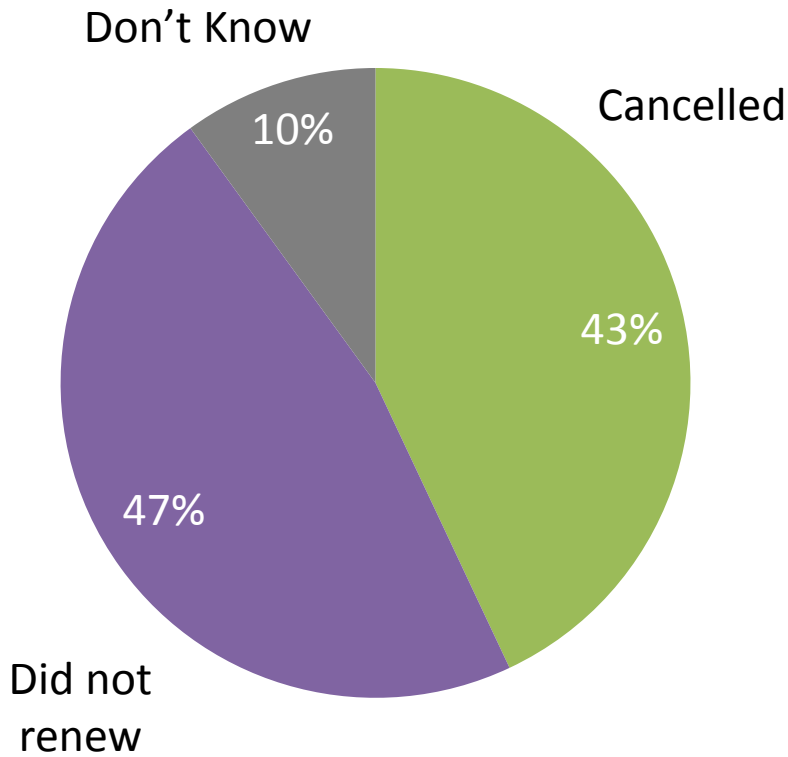
How satisfied were you with the last **natural gas contract** you entered into with a natural gas retailer?



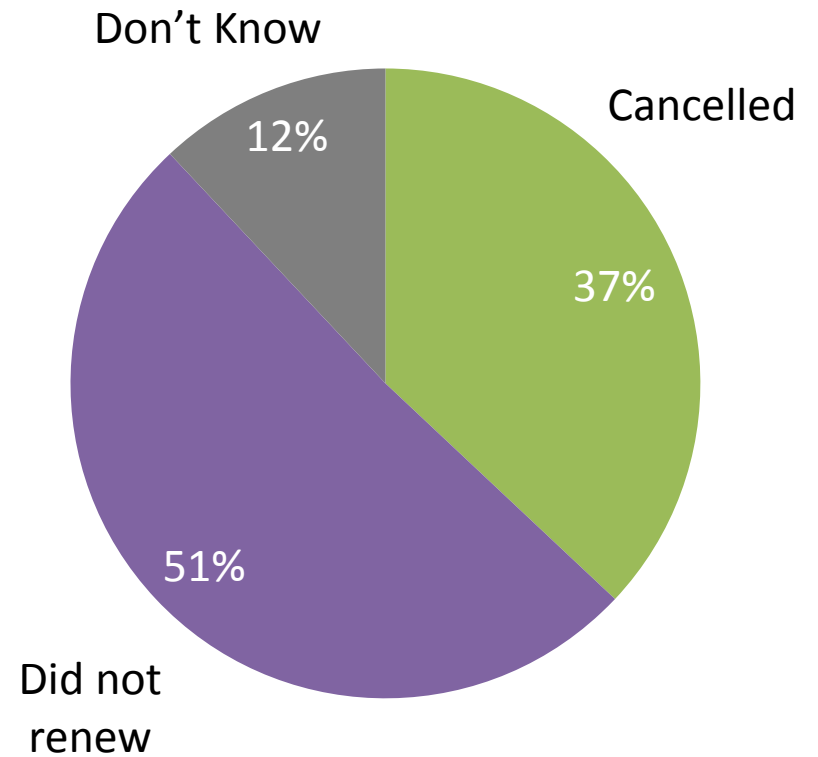
# Cancelled & Expired: 43% of electricity contracts were cancelled compared to 37% for natural gas



Did you cancel your **electricity** contract or simply not renew?



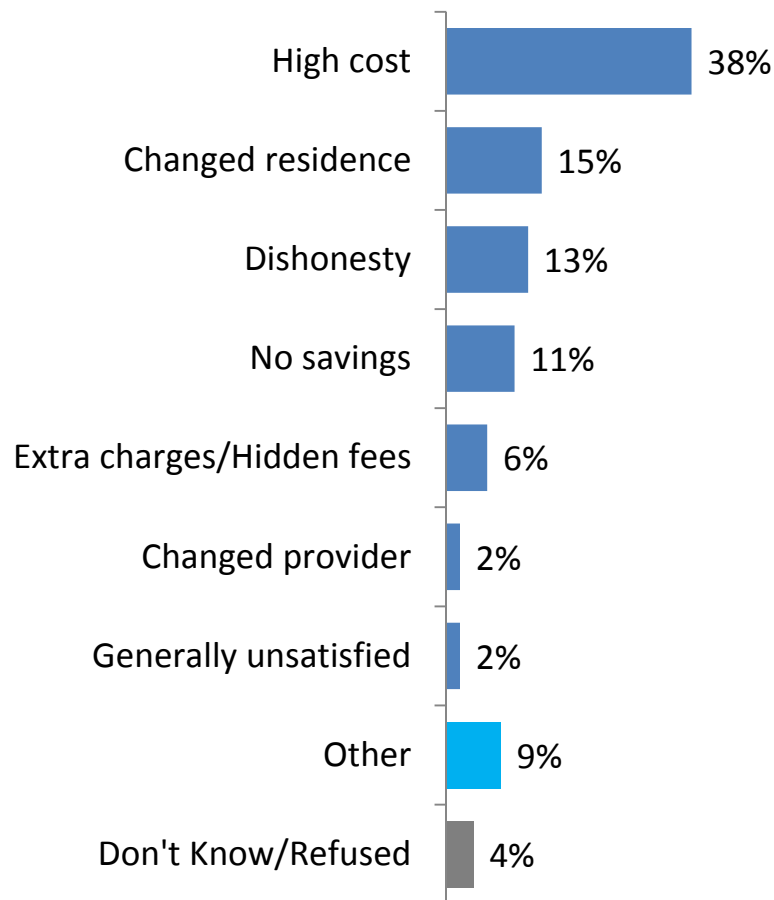
Did you cancel your **natural gas** contract or simply not renew?



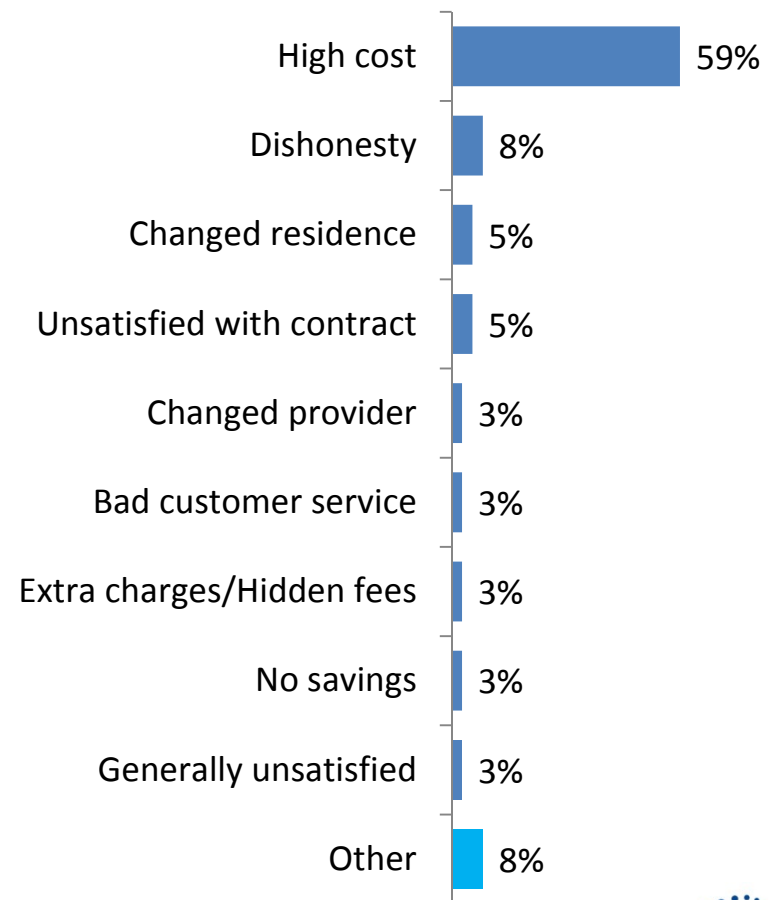
# Cancellation reasons: 4-in-10 electricity contracts cancelled due to high cost, 6-in-10 for gas <sup>29</sup>



What was your primary reason for **cancelling** your electricity contract?



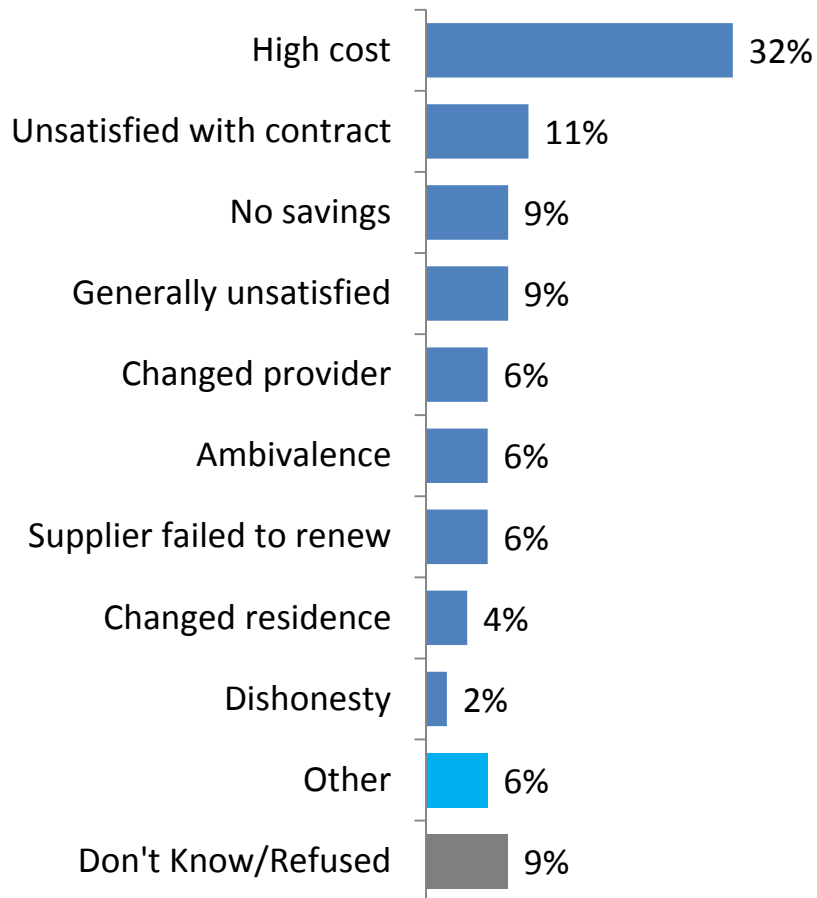
What was your primary reason for **cancelling** your natural gas contract?



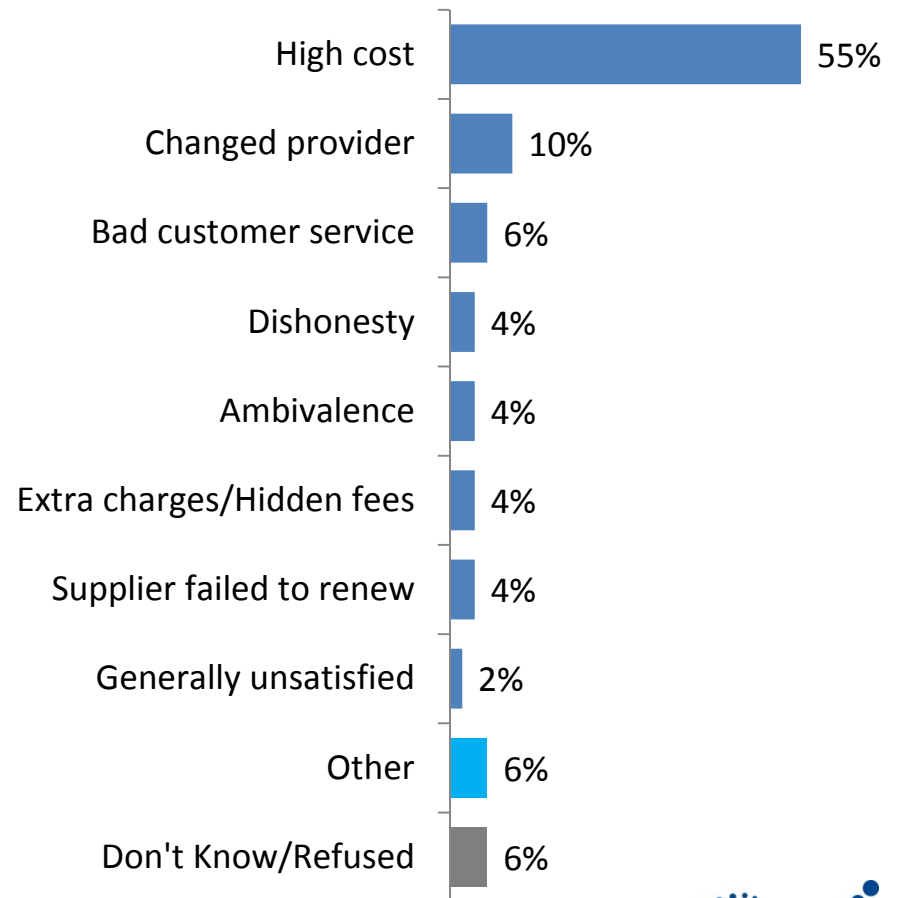
# Non-renewal reasons: High cost is the most important reason for non-renewal in both contract types



What was your primary reason for **not renewing** your electricity contract?



What was your primary reason for **not renewing** your natural gas contract?



# Sales Experience: all segments

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Residential Survey

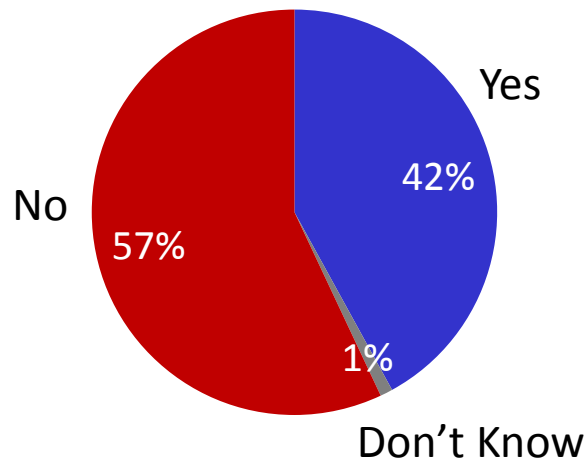
Non-Residential Survey

# Sales experience: 4-in-10 former contract holders have since<sup>32</sup> been approached, 6-in-10 non-contract holders have



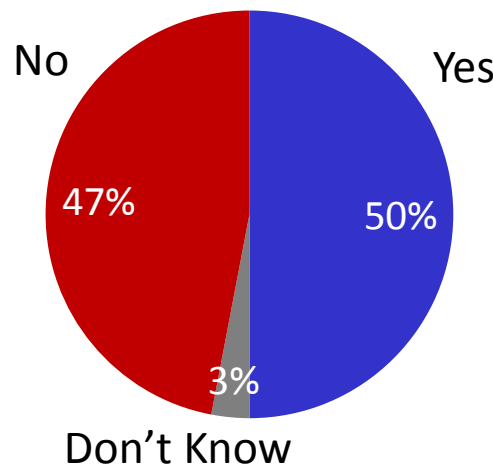
Have you been approached by a retailer selling electricity or natural gas under contract or sought out such a retailer since your previous contract ended?

## Former contract holders

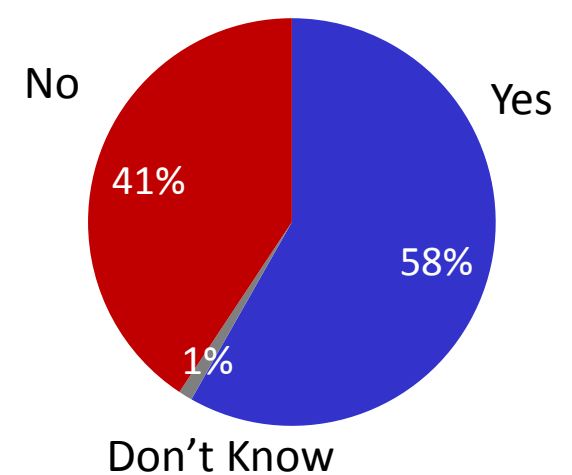


Have you ever been approached by a retailer selling electricity or natural gas under contract or sought out such a retailer?

## Unaware contract holders



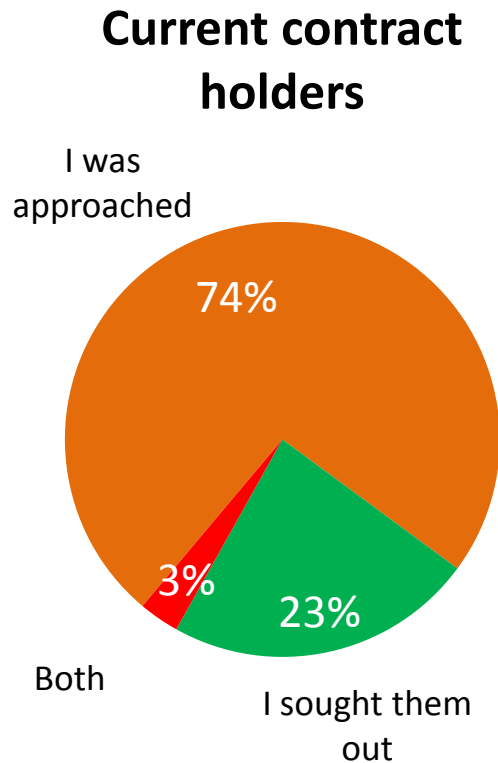
## Non-Contract





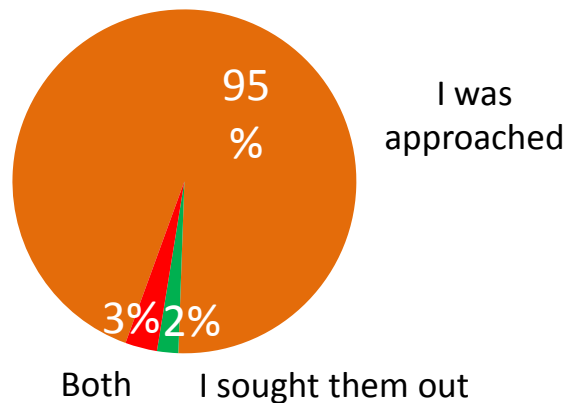
# Seeking out contracts: 1-in-4 current contract holders sought out their contract, while other groups approached

**Q** Thinking about the most recent energy retail contract you entered into, were you approached by an energy retailer or did you seek out the contract independently?

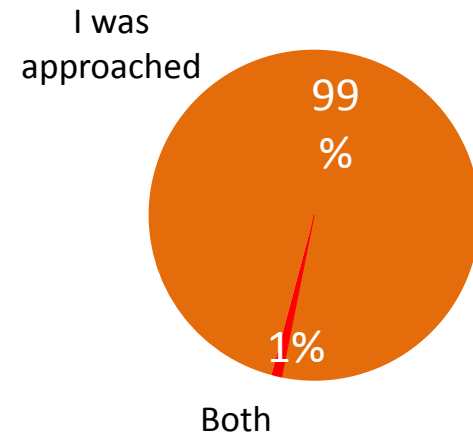


**Q** Were you approached or did you seek them out?  
[Asked only of those who have been approached or sought out]

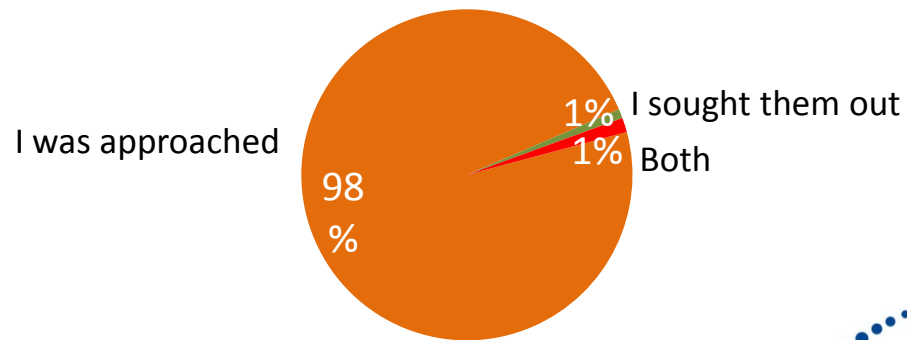
### Former contract holders



### Unaware contract holders



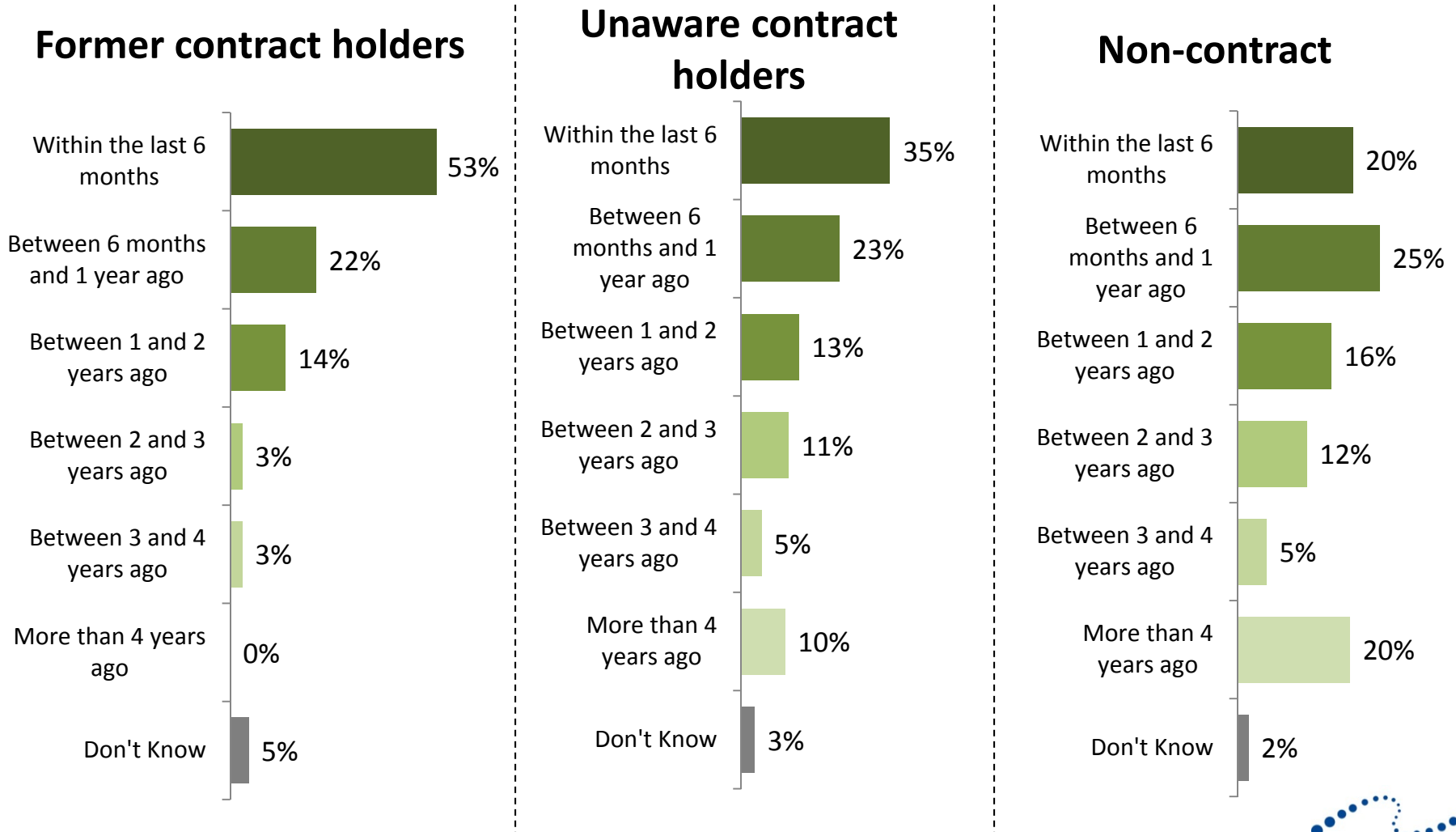
### Non-contract



# Sales experience: former contract holders more likely to be recently approached 34



Thinking back when was the most recent time that you were approached by a natural gas or electricity retailer?  
[Only asked of those who have been approached]



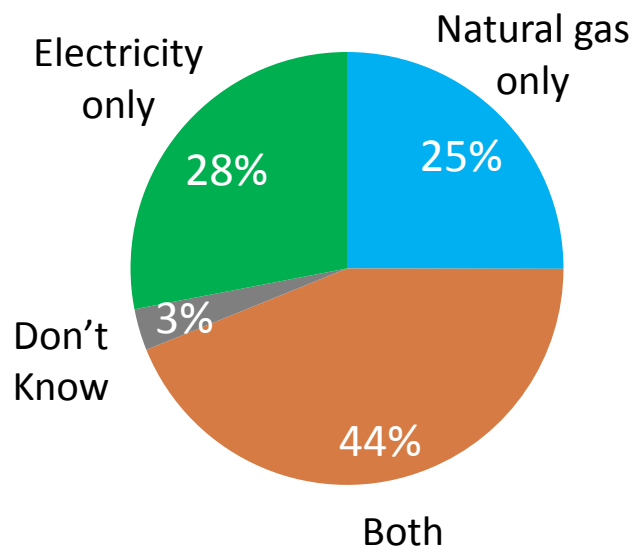
# Type of contract approach: non-contract group more likely to recall being approached about a natural gas contract



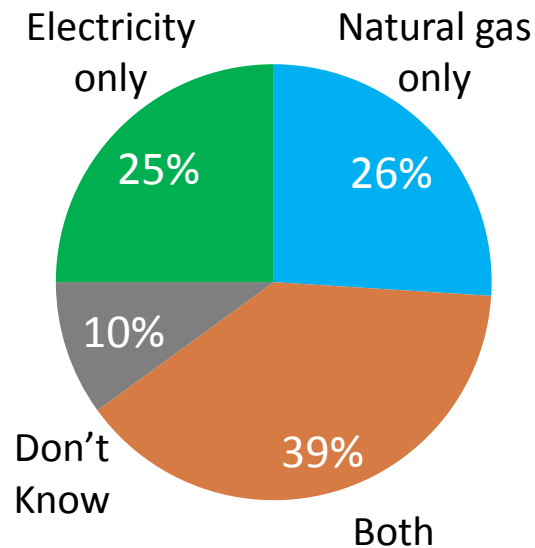
And when you were last approached by an energy retailer, was it to sell you natural gas or electricity or both natural gas and electricity?

[Only asked of those who have been approached]

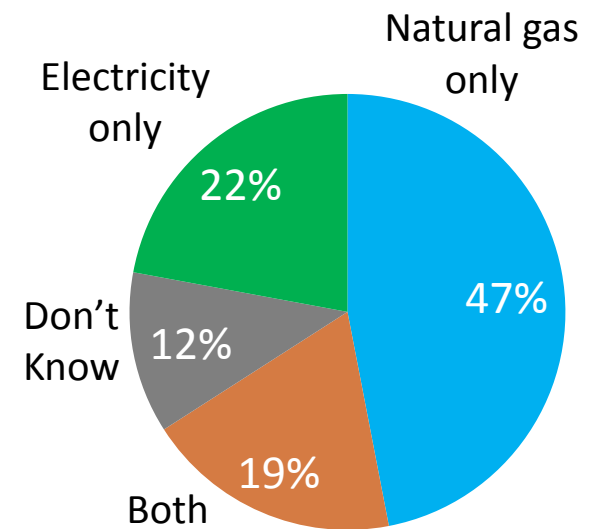
## Former contract holders



## Unaware contract holders



## Non-Contract

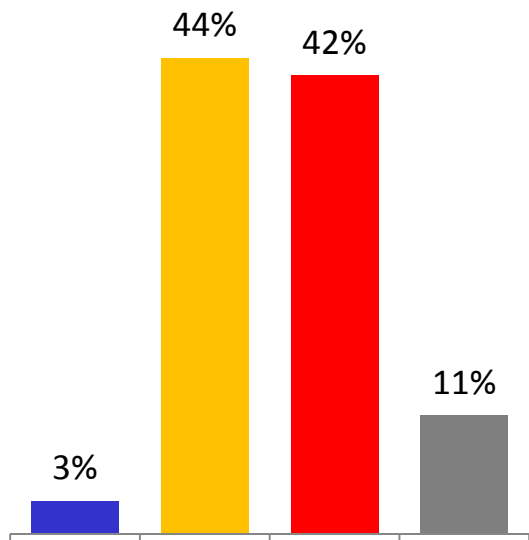


# Approach experience: half of non-contract holders say their experience was worse than typical <sup>36</sup>

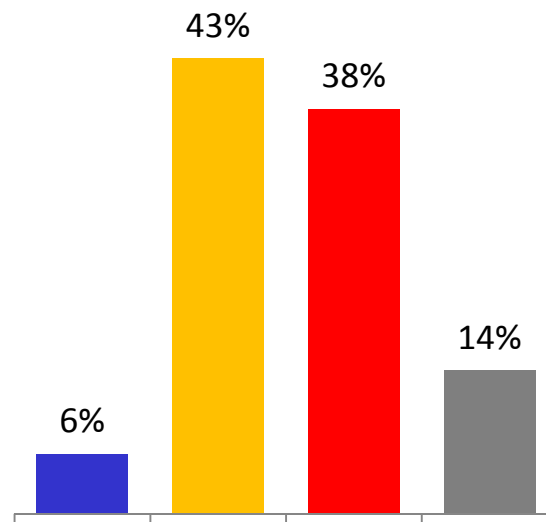


When thinking about your experience with the energy retailer who approached you, how did that experience compare with other retailers such as cable, telephone, banks and insurance companies?  
[Only asked of those who have been approached]

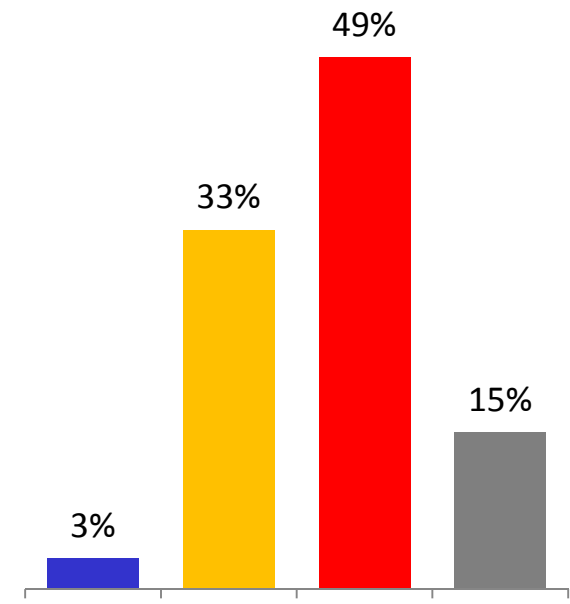
## Former contract holders



## Unaware contract holders



## Non-Contract



- The experience I had with the energy retailer was better than my experience with other salespeople
- The experience I had with the energy retailer was pretty typical than my experience with other salespeople
- The experience I had with the energy retailer was worse than my experience with other salespeople
- Don't Know/Refused

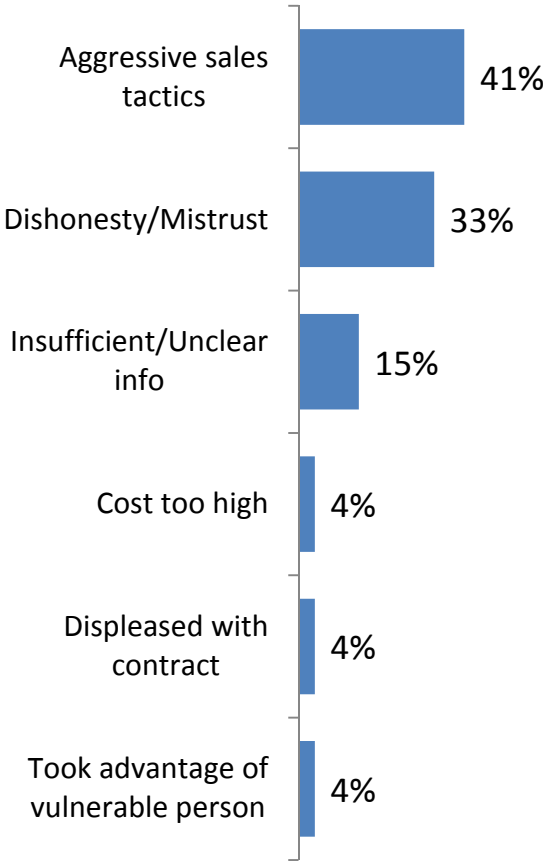
# Why a worse experience: Aggressive sales practices most common reason given by every segment



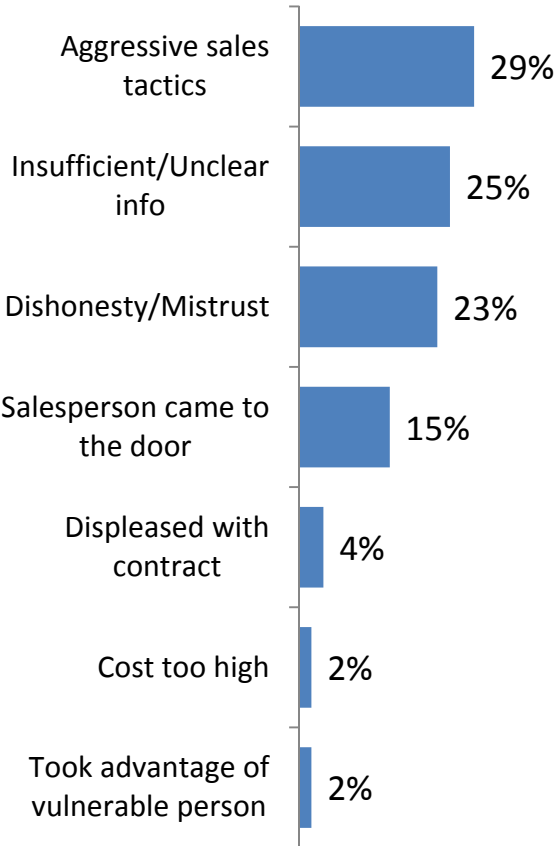
And why was your experience with the energy retailer worse?

[Only asked of those who said their experience was worse than with retailers of other goods and services]

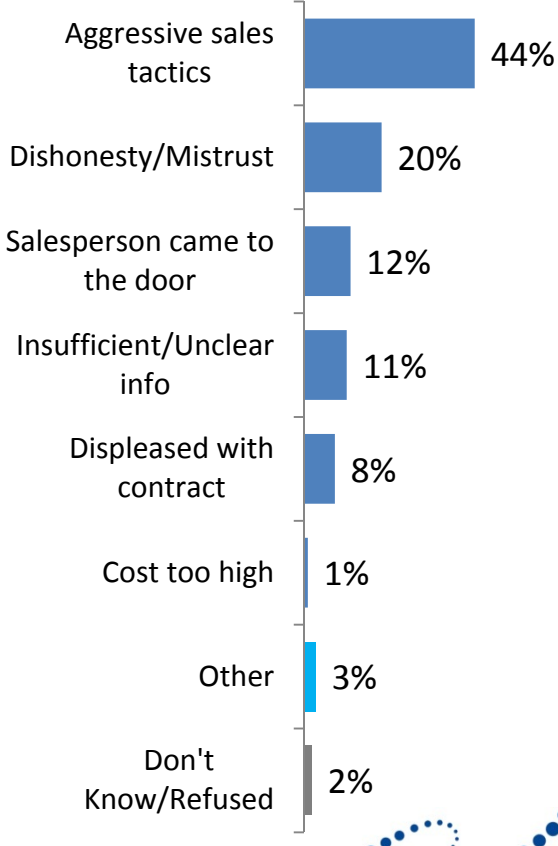
## Former contract holders



## Unaware contract holders



## Non-Contract

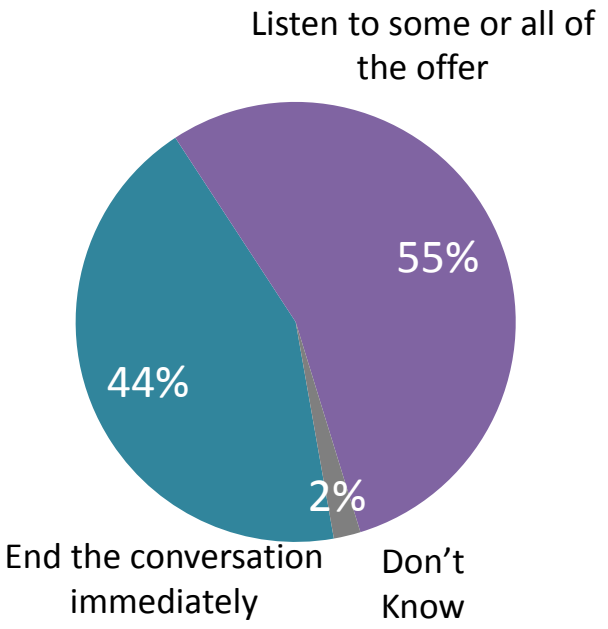


# Sales experience: unaware contract holders most likely to say they listened to the offer

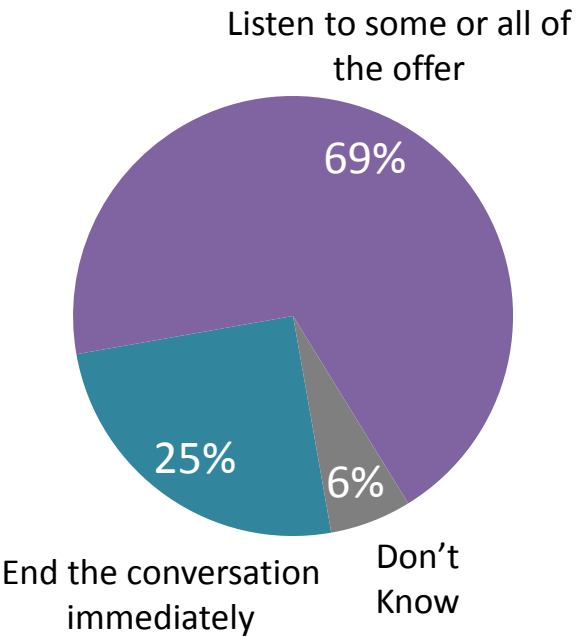


Which of the following best describes what happened when you were approached? Did you...  
[Only asked of those who were approached]

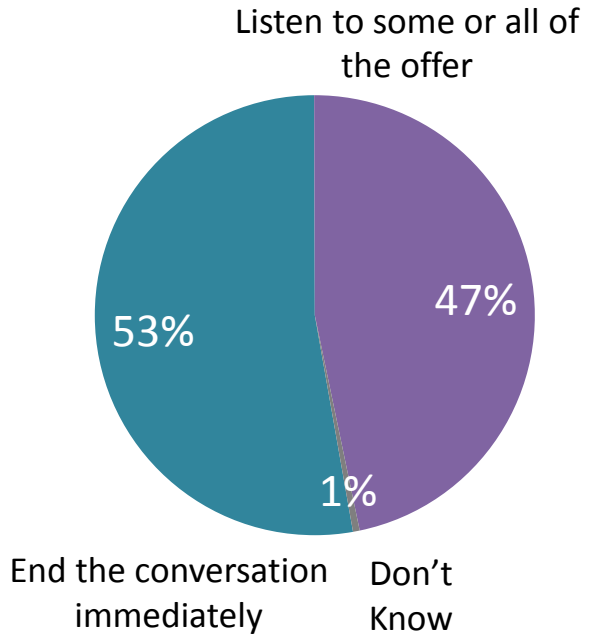
## Former contract holders



## Unaware contract holders



## Non-Contract



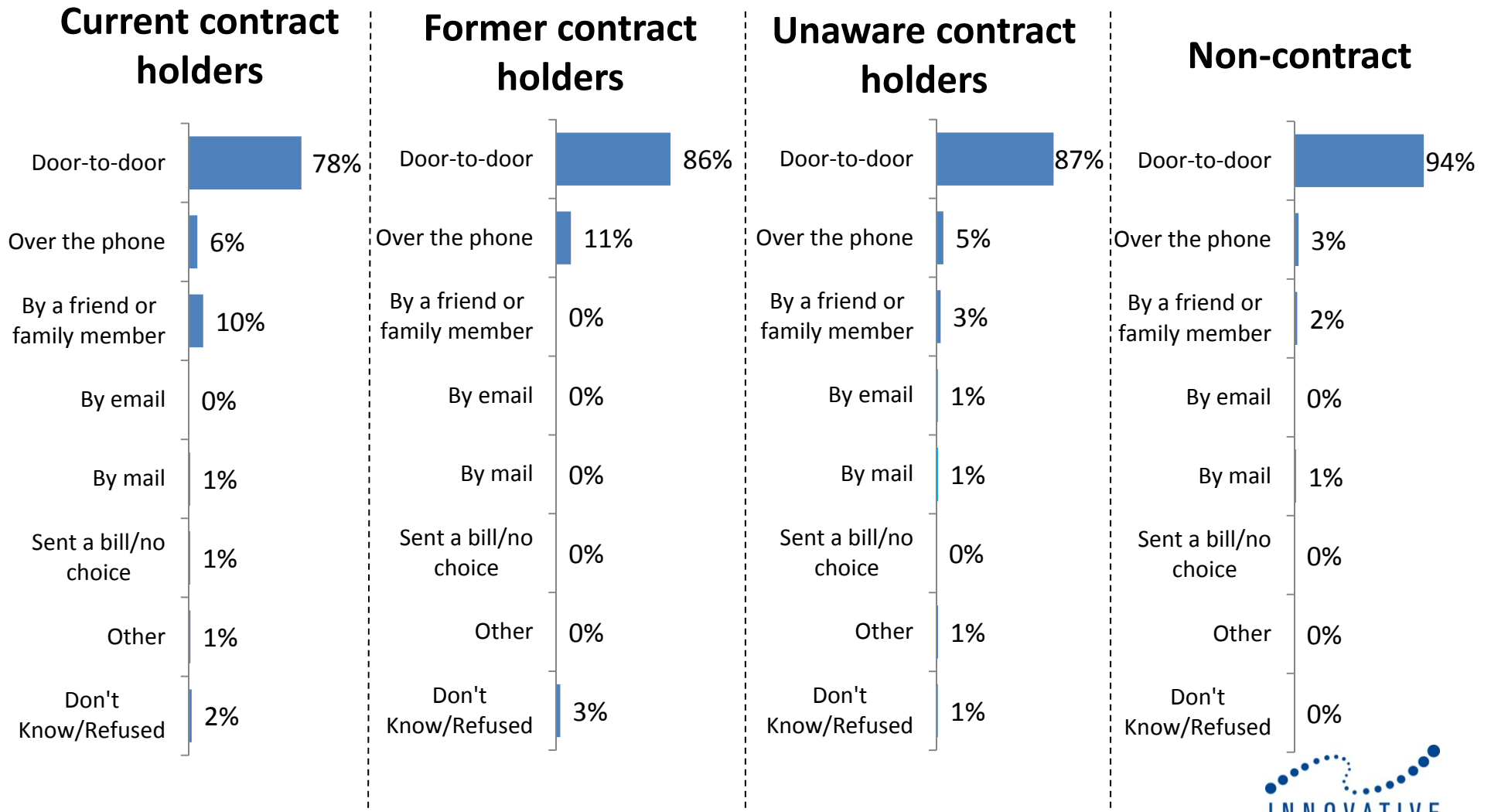
**Note:** Those who say they ended the conversation immediately were not asked the remaining questions in this section



# Sales mode: Almost all approaches happen door-to-door; 10% of current contract holders approached through referral



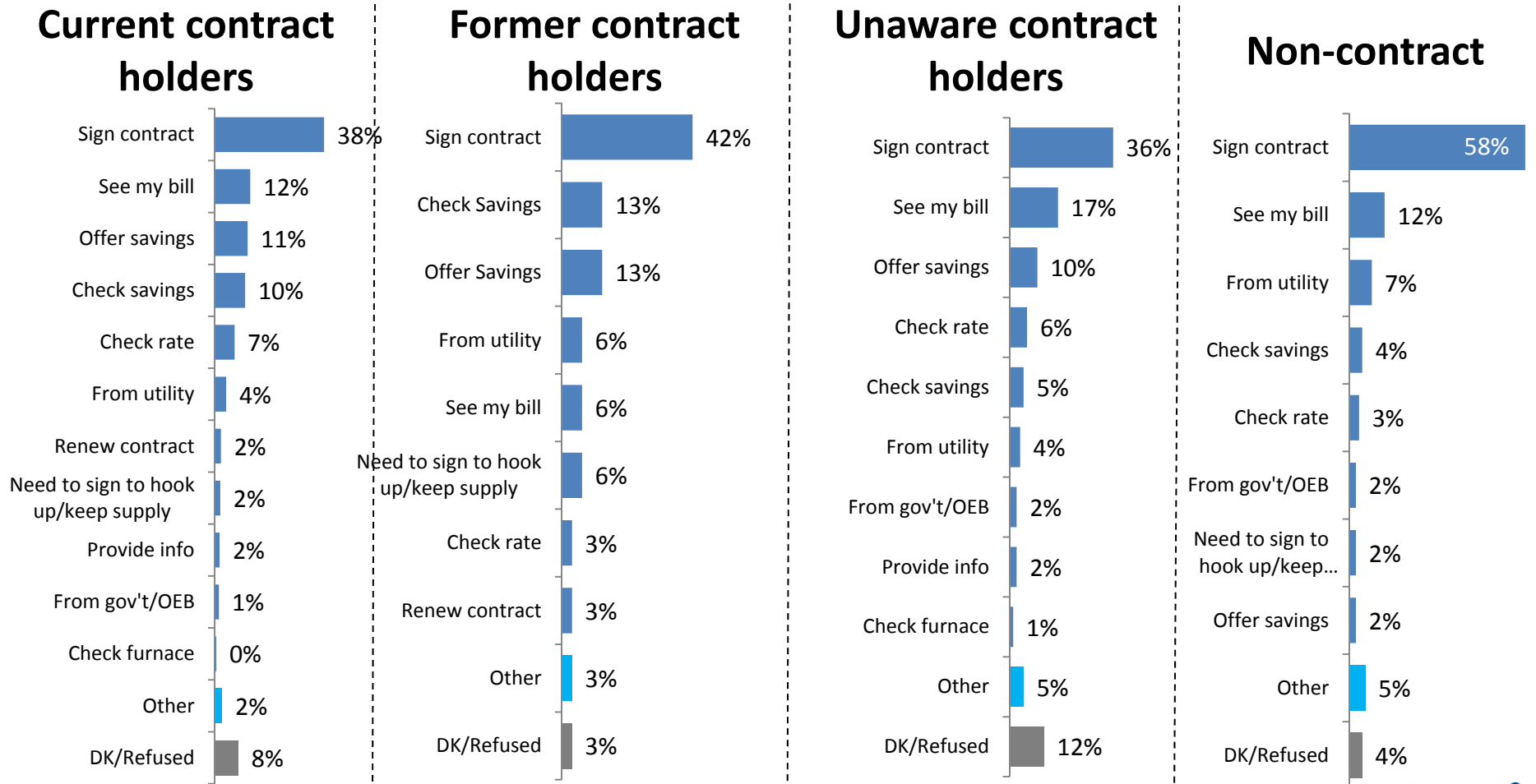
And in what way were you approached by an energy retailer?  
 [Asked only of those who were approached in each group]



# Sales purpose: non-contract holders only group where a majority say sign energy contract



When you were approached at the door, what was your understanding of the purpose of the visit?  
 [Asked only of those who were approached door-to-door in each group]



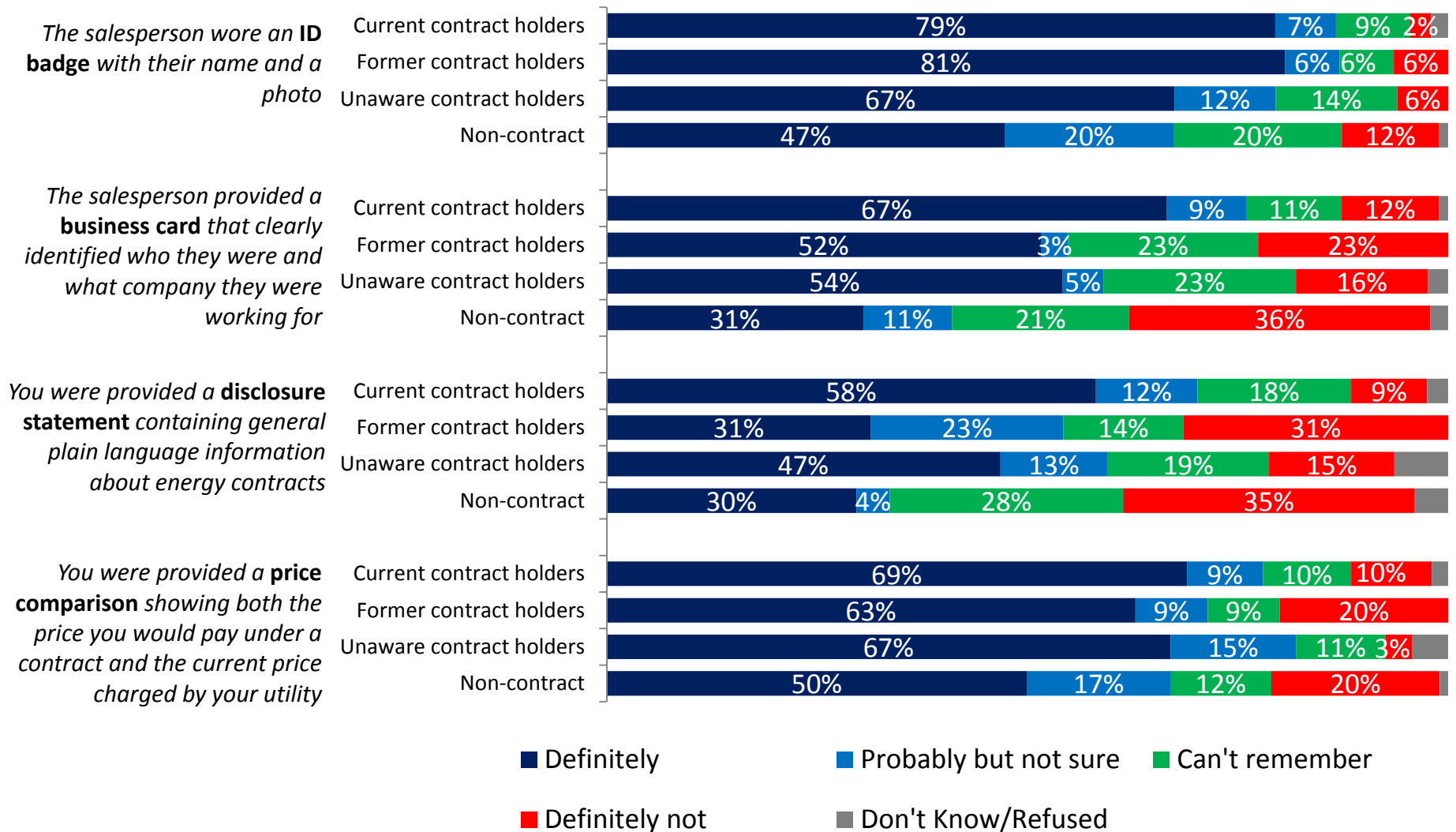


# Sales practices: non-contract holders less likely to recall disclosure statement or price comparison



And when you were approached, do you recall any of the following?

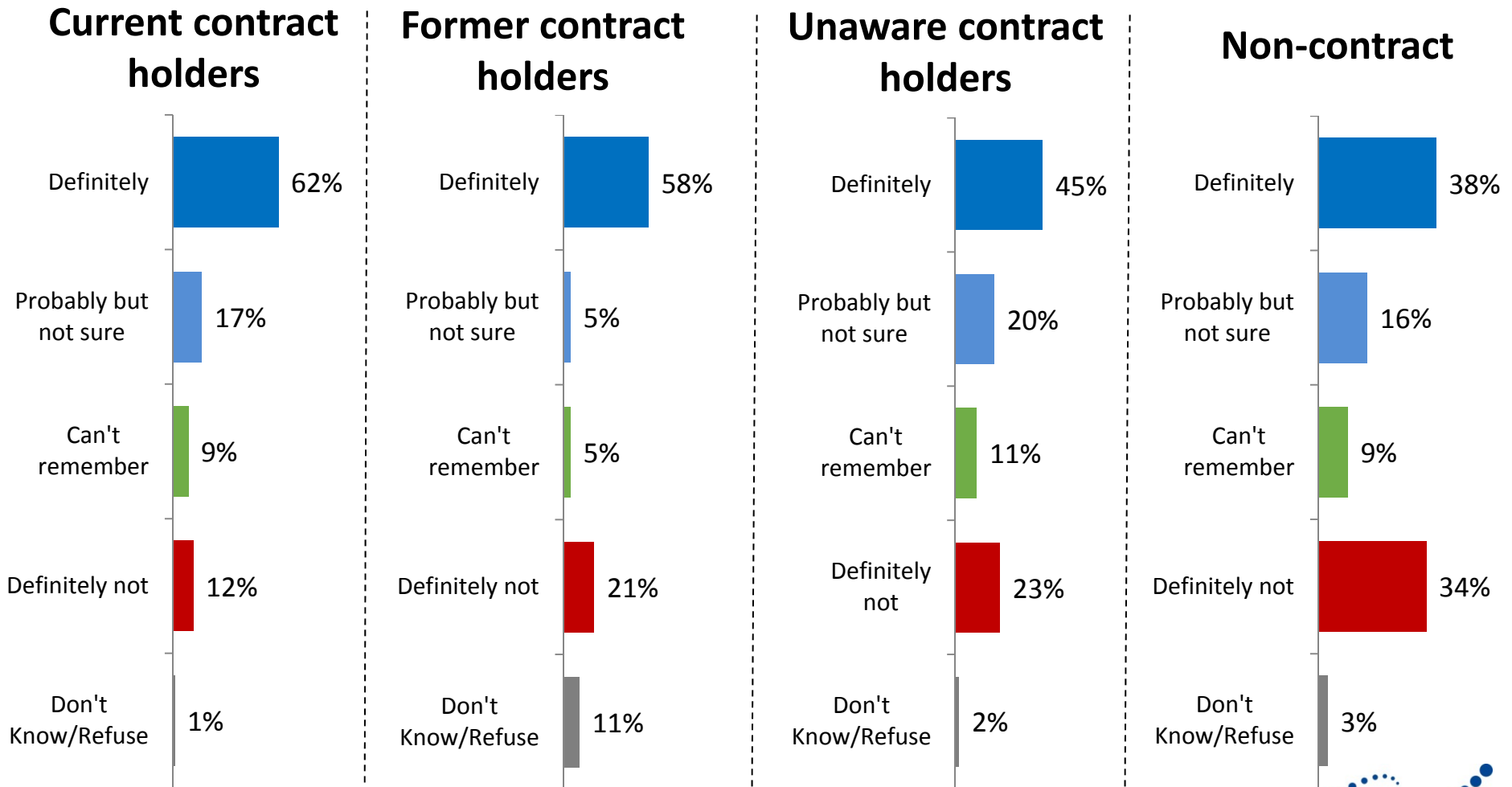
[Asked only of those who were approached; first two only asked of those approached door-to-door]



# Read disclosure statement: contract holder more likely to have read disclosure statement than other groups

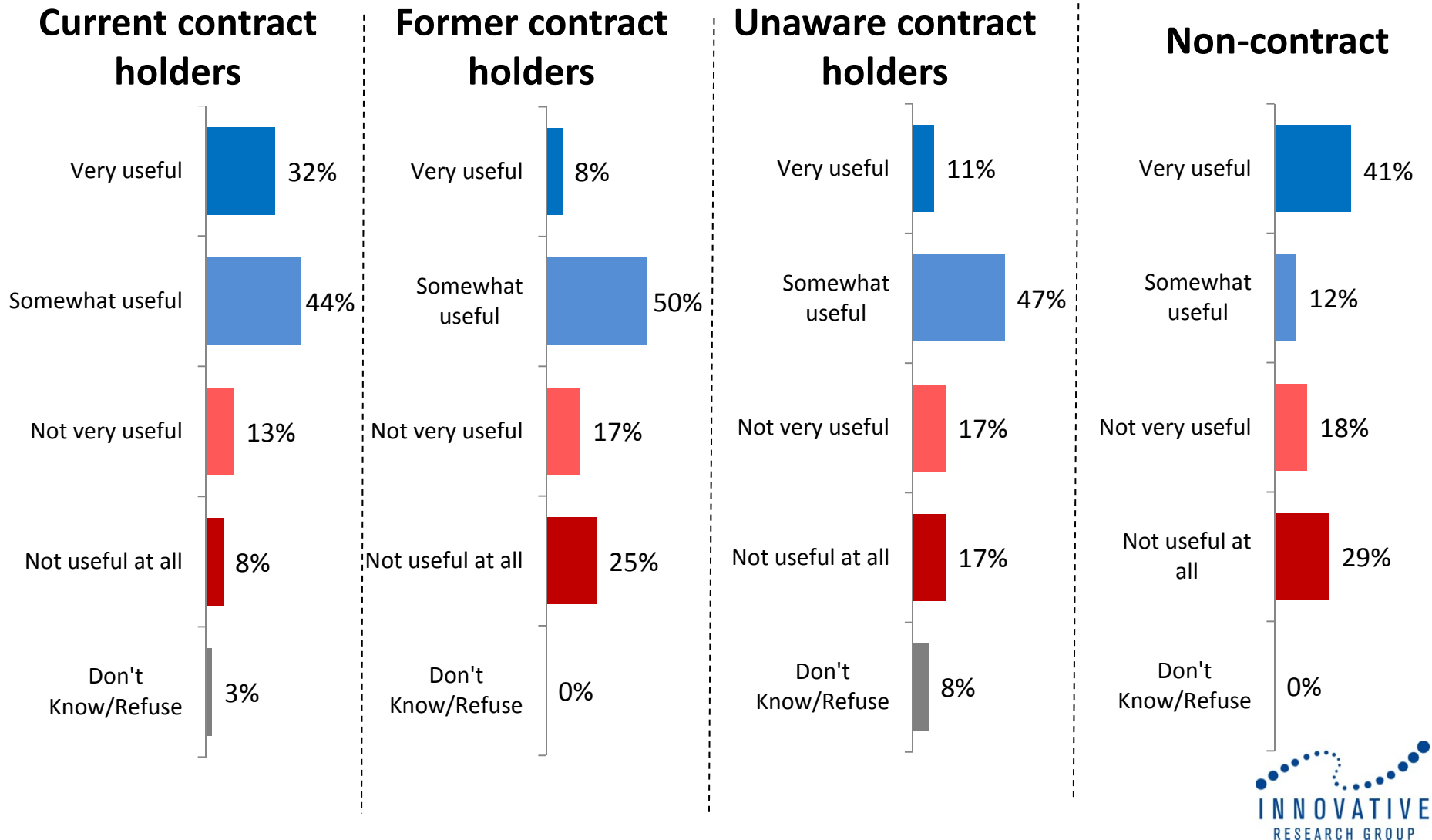


Did you read the **disclosure statement** that was provided to you?  
[Asked only of those who at least “probably” received one]



# Usefulness of Disclosure Statement: a majority of those who read the disclosure statement found it useful

**Q** And how useful did you find the disclosure statement in helping you make a decision to enter into a contract?  
[Asked only of those who said they at least “probably” read their disclosure statement]

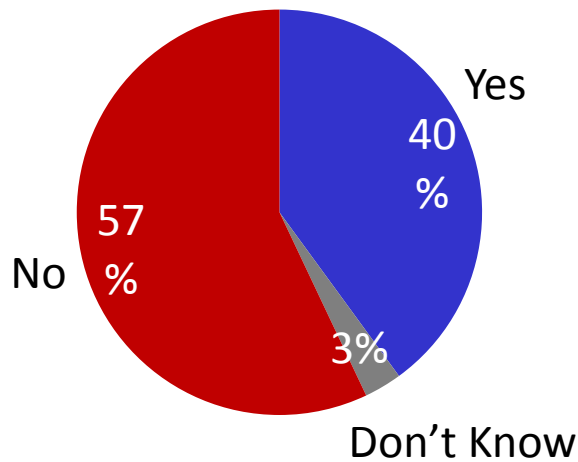


# Signed a contract: a number of households that were approached in the past have signed up for retail contracts

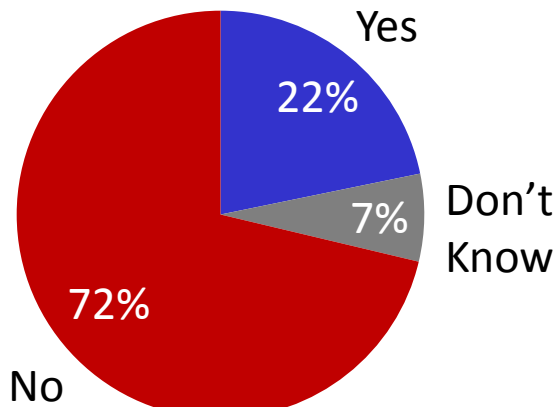


As a result of this approach, did you sign a contract for your natural gas or electricity?  
[NOTE: only asked of those who were approached and listened to sales pitch]

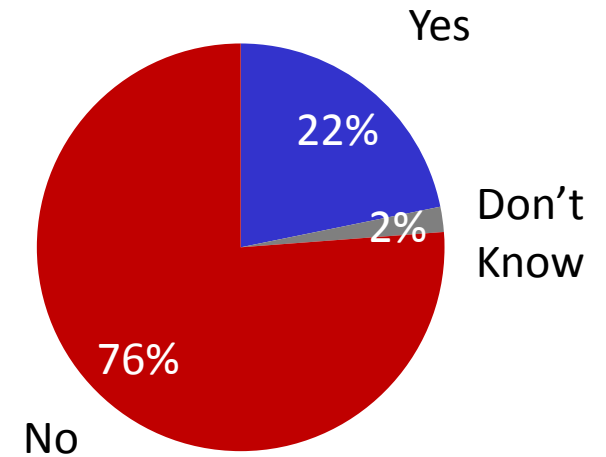
### Former contract holders



### Unaware contract holders



### Non-Contract



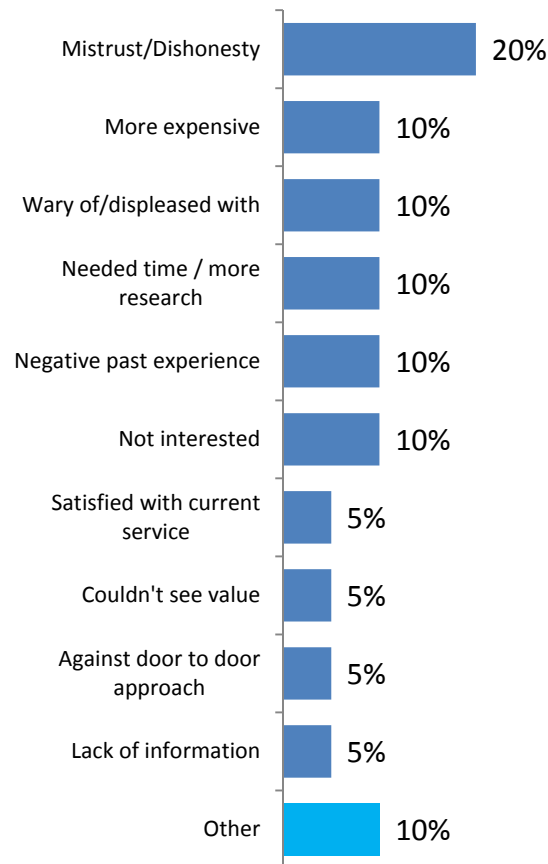
# Reason for not entering into contract: former and non-contract cite mistrust, expense



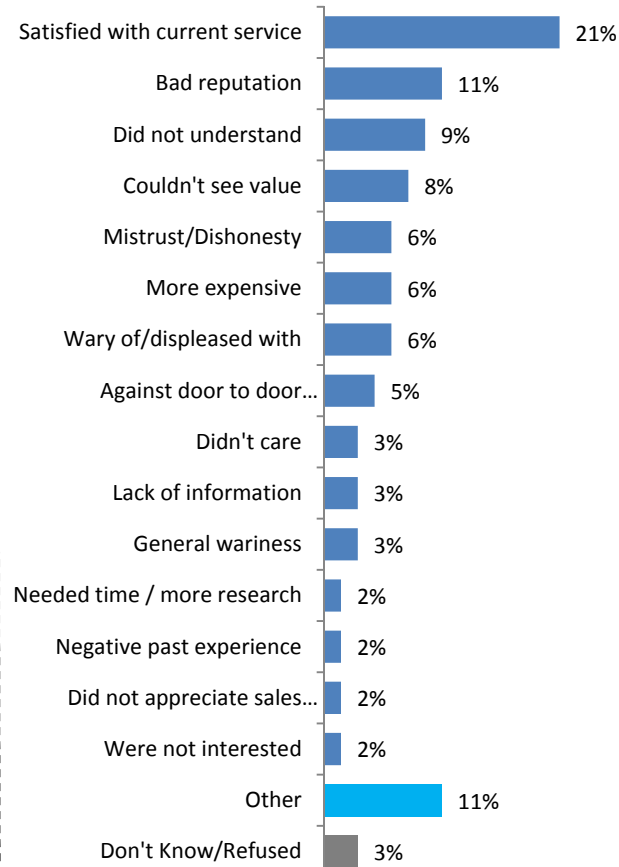
And why did you decide **not** to enter into the contract

[Only asked of those who were approached and opted not to enter into a contract]

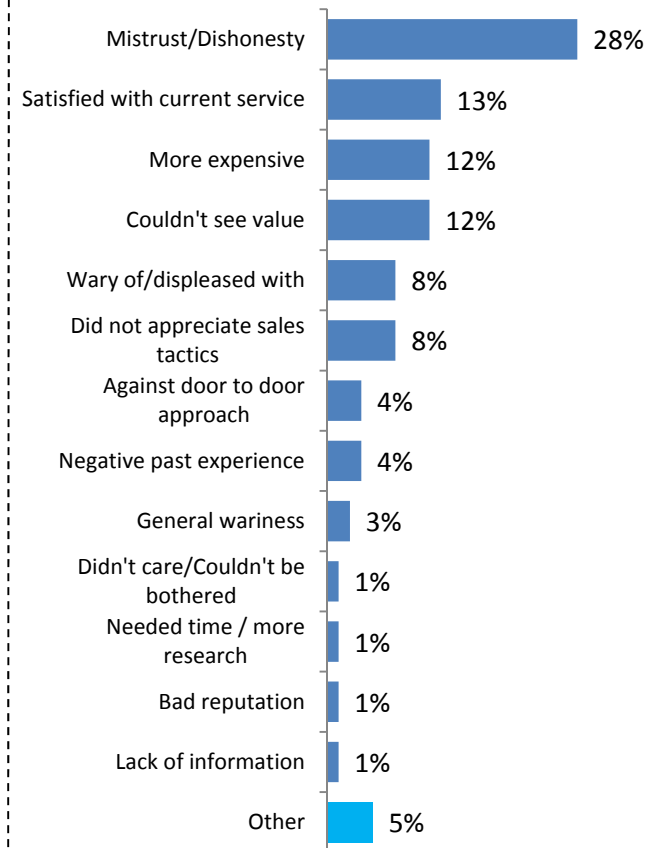
## Former Contract Holders



## Unaware Contract Holders



## Non-Contract



# Demographic and Attitudinal Segmentation

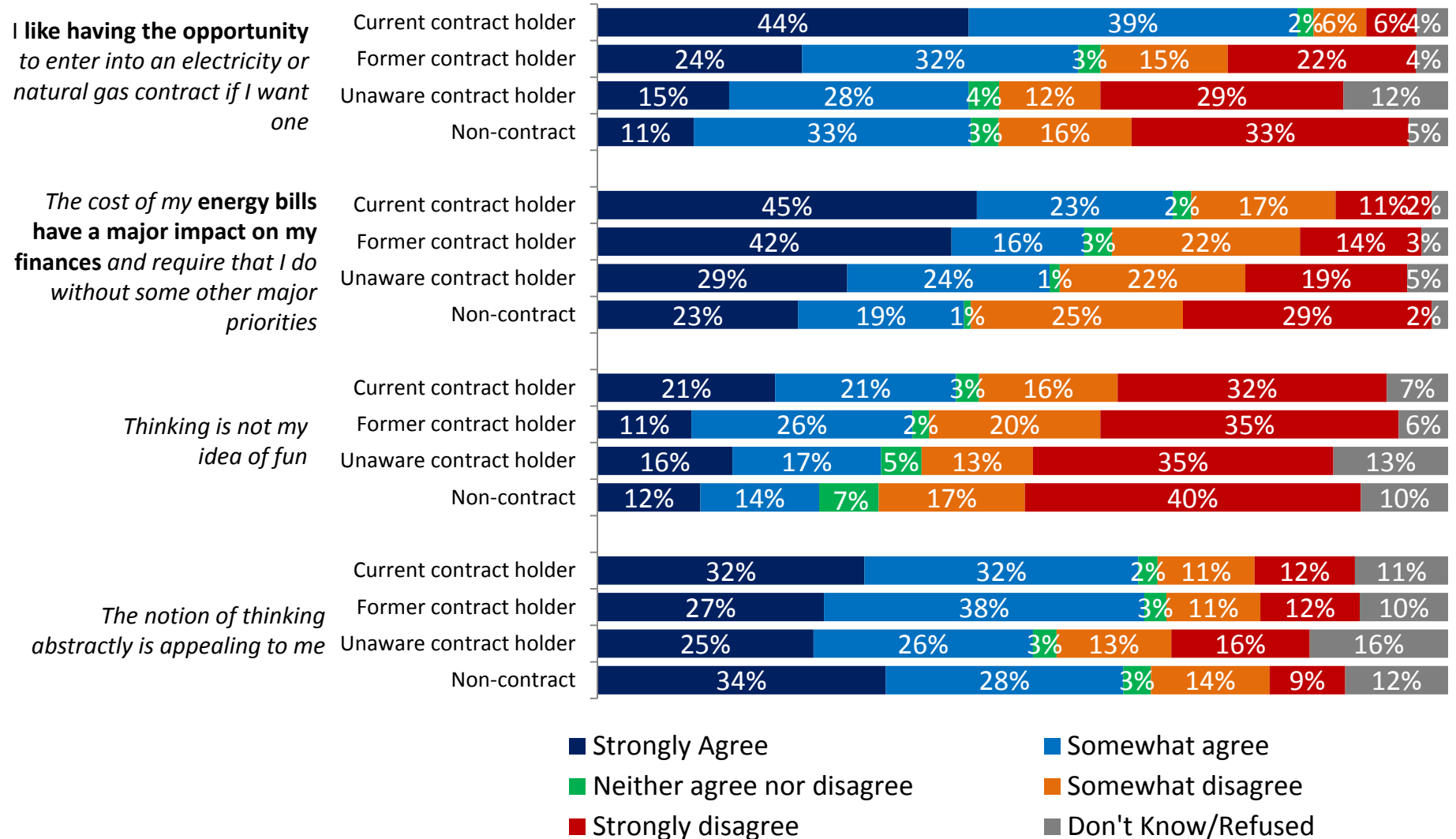
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Residential Survey

Non-Residential Survey

# Attitudinal attributes by segment: Current/former contract segments more likely to say energy bills have major impact <sup>47</sup>

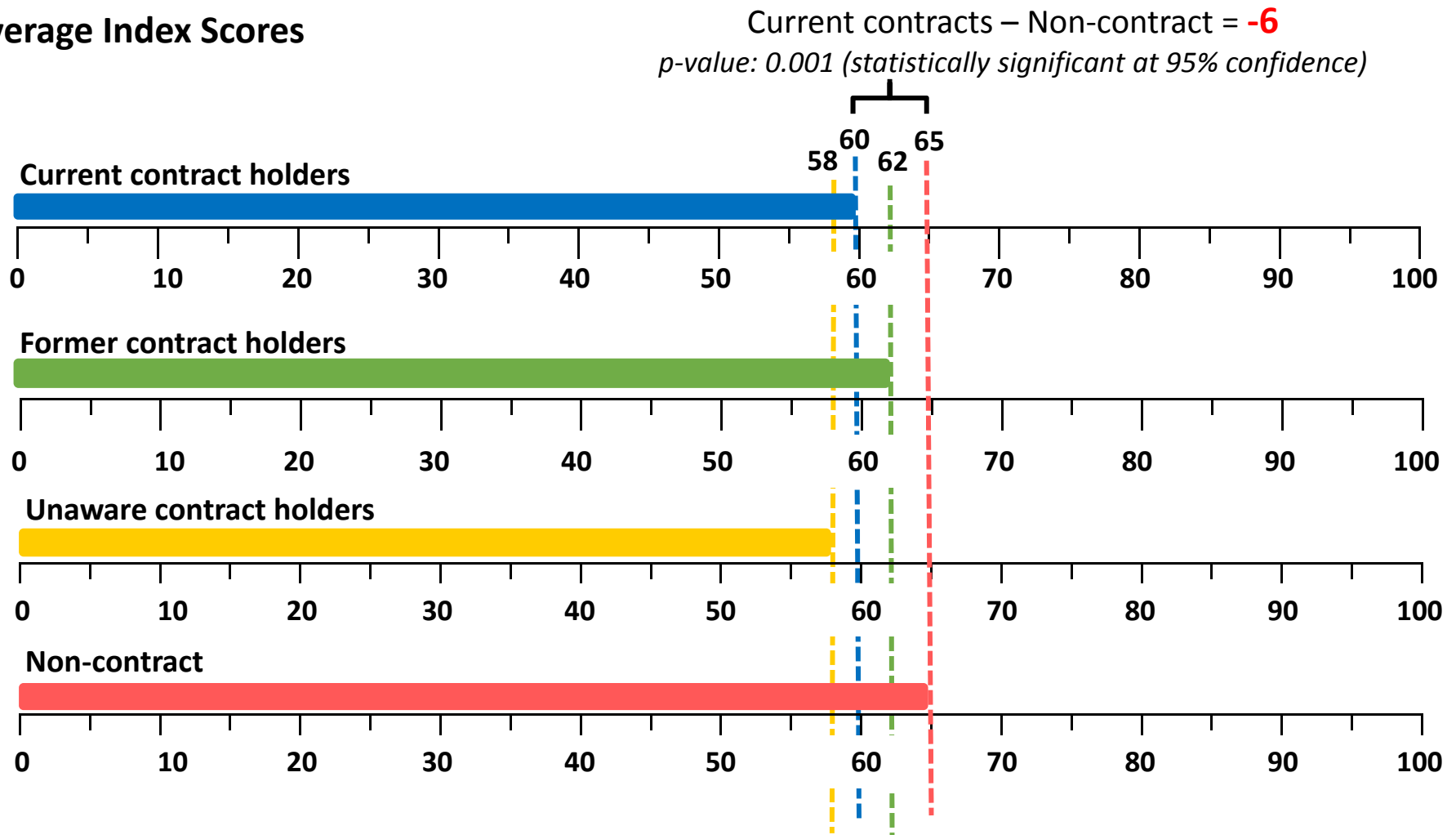
**Q** For each of the following statements please tell me if you strongly agree, somewhat agree, somewhat disagree or strongly disagree?



# Cognitive self-assessment index: Non-contract rank higher; statistically significant diff. from contract holders

The previous battery asks two cognitive self-assessment questions: “thinking is not my idea of fun” and “the notion of thinking abstractly is appealing to me”. These are combined into an overall cognitive self-assessment index. The direction of the first statement is reversed so that the higher a respondent scores the greater their self-assessed cognitive ability. The scores are re-scaled from 0 to 100.

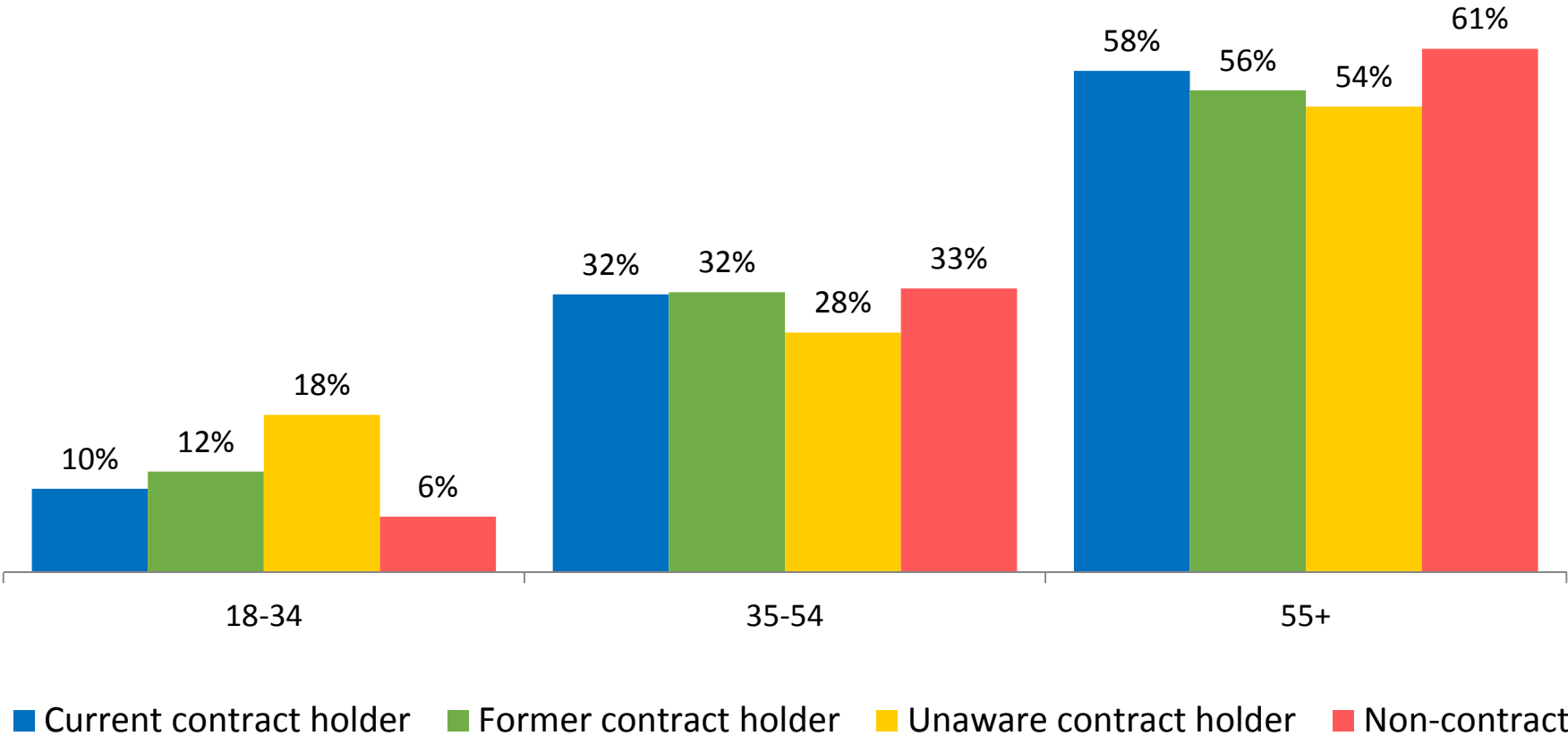
## Average Index Scores





# Age groups by segment: Unaware contract holders more likely to be between 18 and 34 compared to other segments

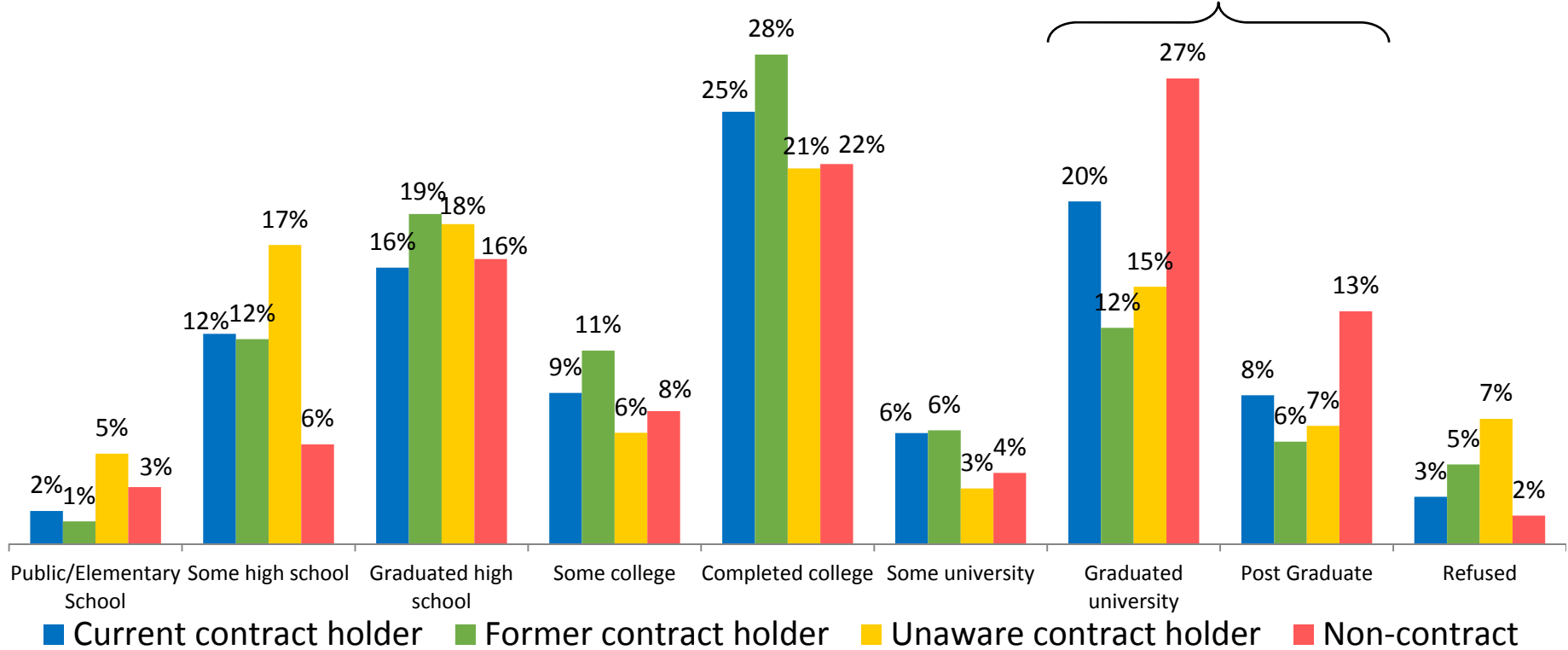
Q Which of the following age groups do you fall into?



# Education by segment: Non-contract more likely to have university degree

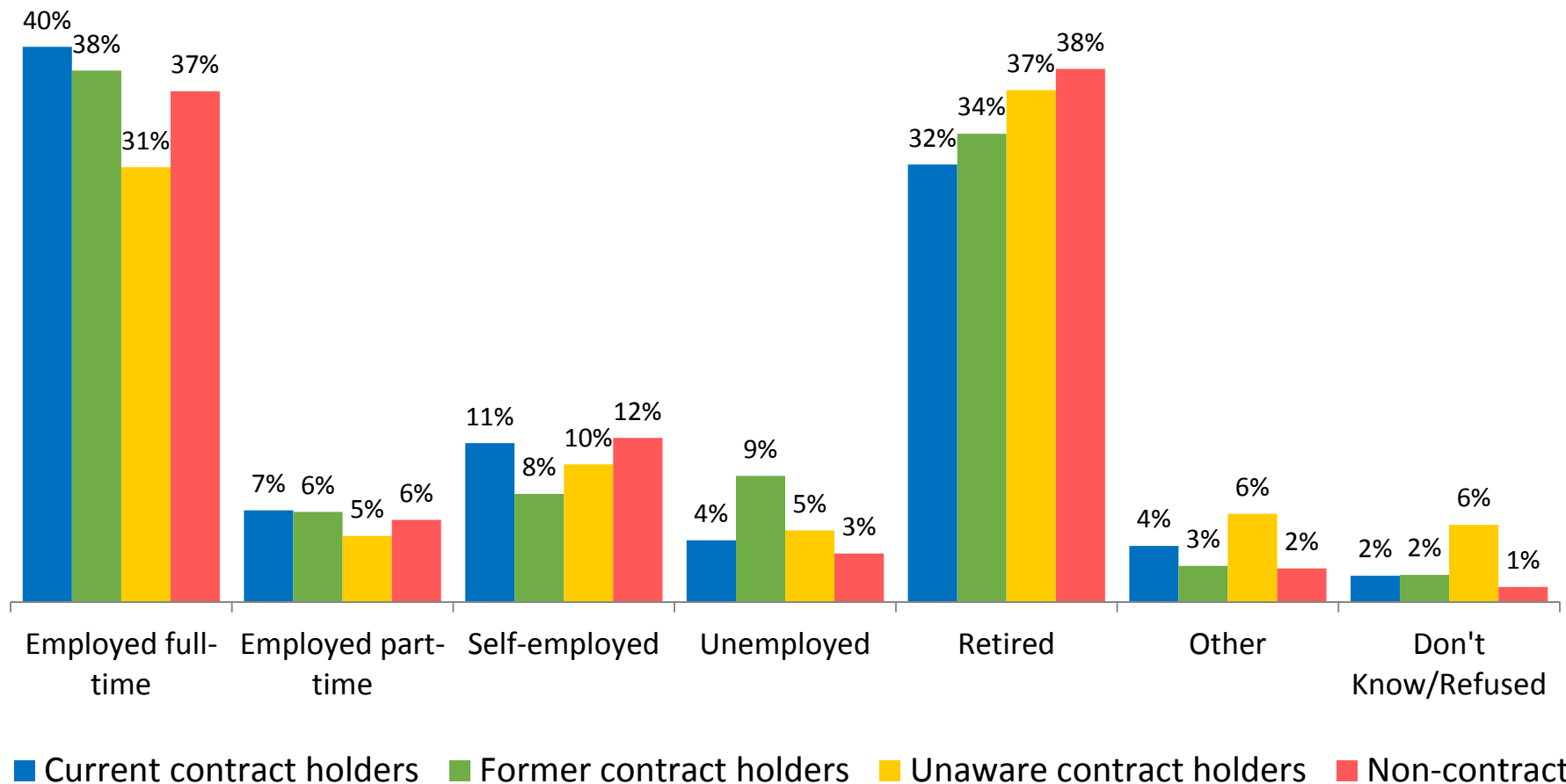
**Q** What is the highest level of schooling that you have completed?

**University degree:**  
 Current contract: 28%  
 Former contract: 18%  
 Unaware contract: 21%  
 Non-contract: 40%



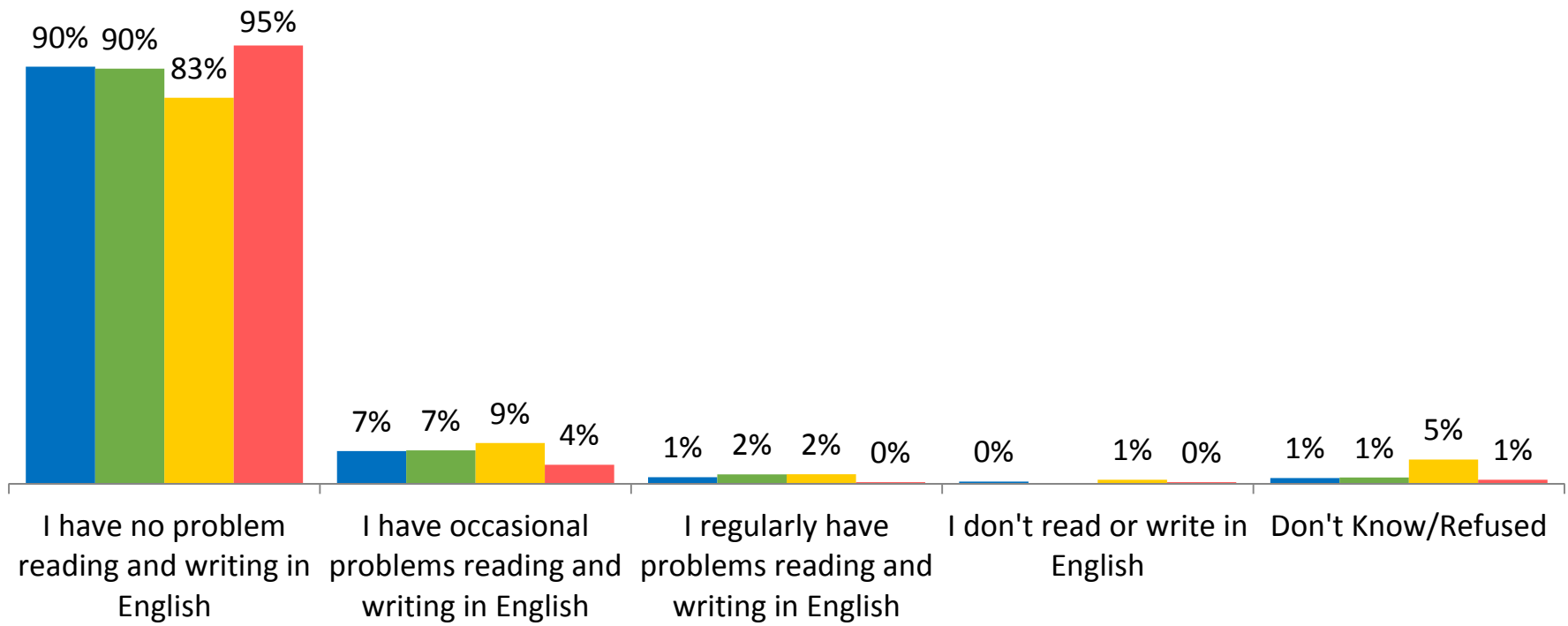
# Employment status by segment: Non-contract less likely to identify as unemployed compared to other groups <sup>51</sup>

**Q** Which of the following best describes your current job status?  
[Similar answers are grouped together for analysis]



# English language comfort by segment: Unaware contract holders slightly less likely to say they have no problems

**Q** Experts say for a variety of reasons, 40% of Ontarians have at least some difficult reading and writing in English. Which of the following statement best applies to you...

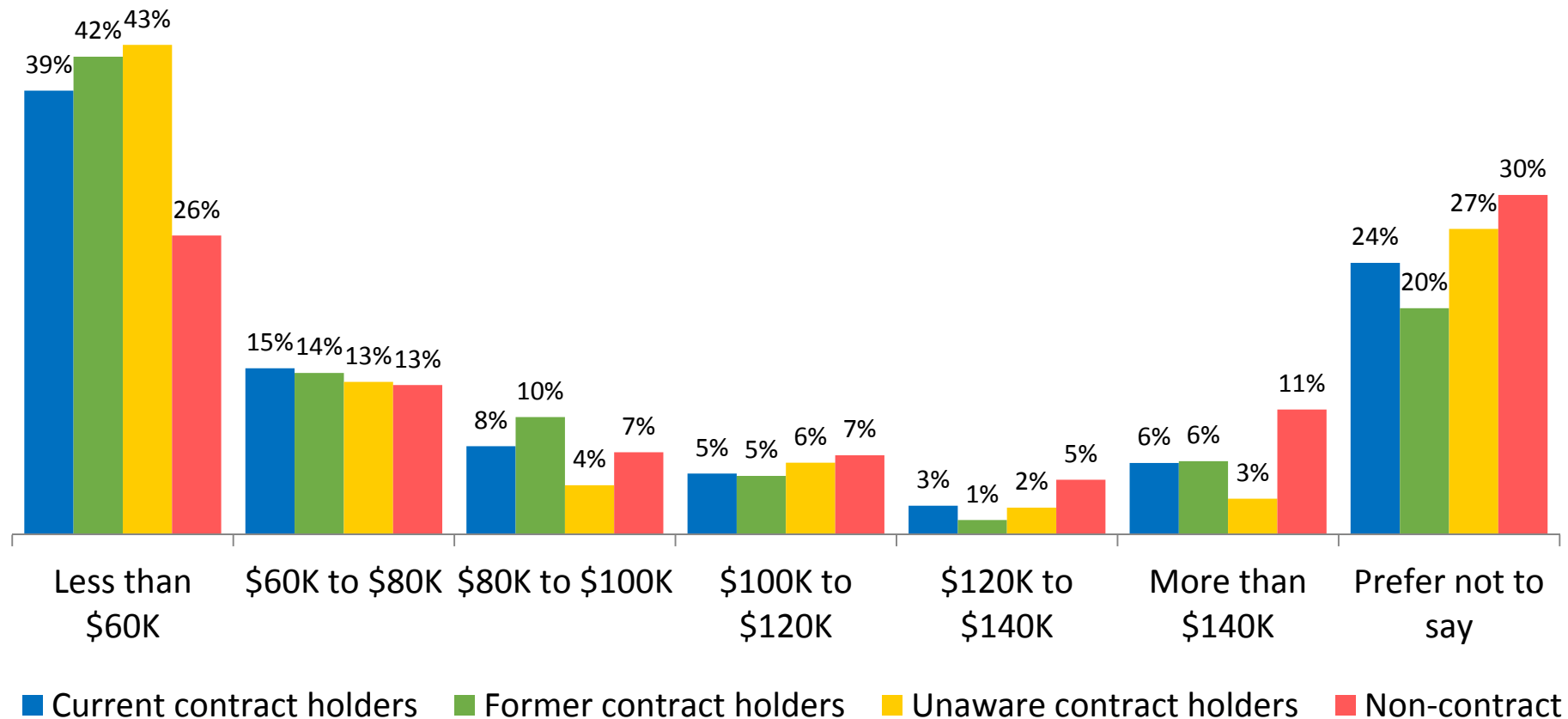


■ Current contract holders ■ Former contract holders ■ Unaware contract holders ■ Non-contract

# Income by segment: Non-contract households more likely to<sup>53</sup> earn over \$60,000 in household income last year



Was your total household income for last year under or over \$60,000? And would that be...?



# Non-Residential Survey Results

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Residential Survey

Non-Residential Survey

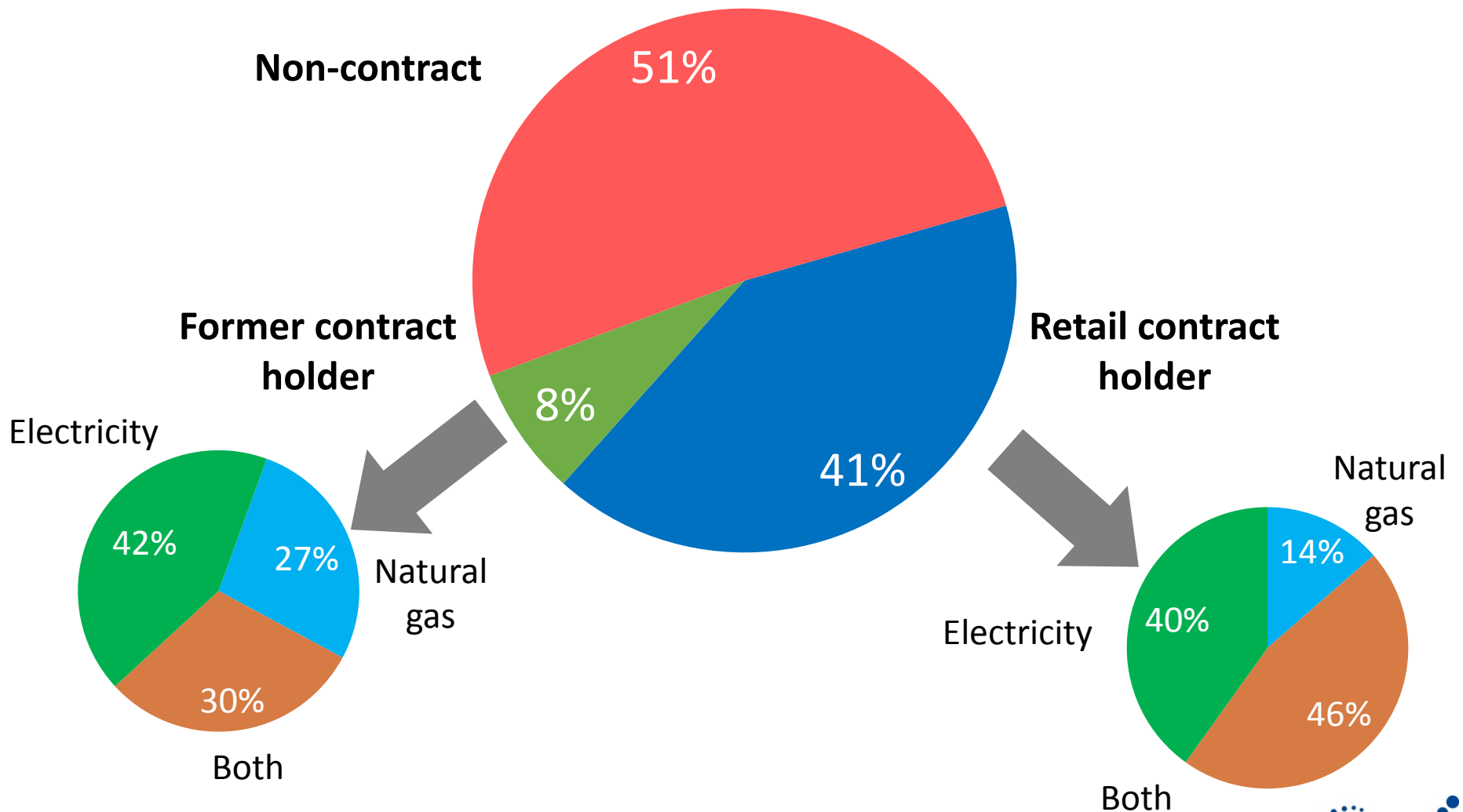
# Methodology

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- The results presented here are from a survey conducted by Innovative Research Group over telephone among **428** randomly-selected businesses, between November 19<sup>th</sup> and November 30<sup>th</sup> 2014.
  - The sample draws from 3 distinct groups: A) organizations with retail energy contracts signed since January 2011; B) organizations who had retail energy contracts that were cancelled or expired since January 2014; and C) a sample of general non-residential respondents.
  - INNOVATIVE was provided by energy suppliers with a contact list of current contract contact holders and former contract holders. This list was used to conduct the telephone survey. Despite the initial sample they were drawn from, respondents were asked a series of questions to confirm their own understanding of whether they were or had been under contract and were classified on *this* basis for any analysis.
  - For all businesses, only the person who is responsible for paying the electricity bill was eligible to complete this survey.
  - Un-weighted probability samples of **176** (current contracts), **33** (former contracts)\*, and **219** (general population) would have estimated margins of error of **±7.4%**, **±17.2%**, and **6.7%** percentage points, respectively, 19 times out of 20. The margin of error will be larger within each sub-grouping of the sample.
- \* Due to the small sample size of former contract holders, finding from this segment of non-residential consumers has not been included in this report. This is on account of limited statistical significance.

**Note:** *Graphs and tables may not always total 100% due to rounding values rather than any error in data. Sums are added before rounding numbers.*

# Energy Segmentation Results



**Note:** These results are from all 3 sample lists; when pooled together these results are not representative of the general non-residential population.



# Knowledge Profile

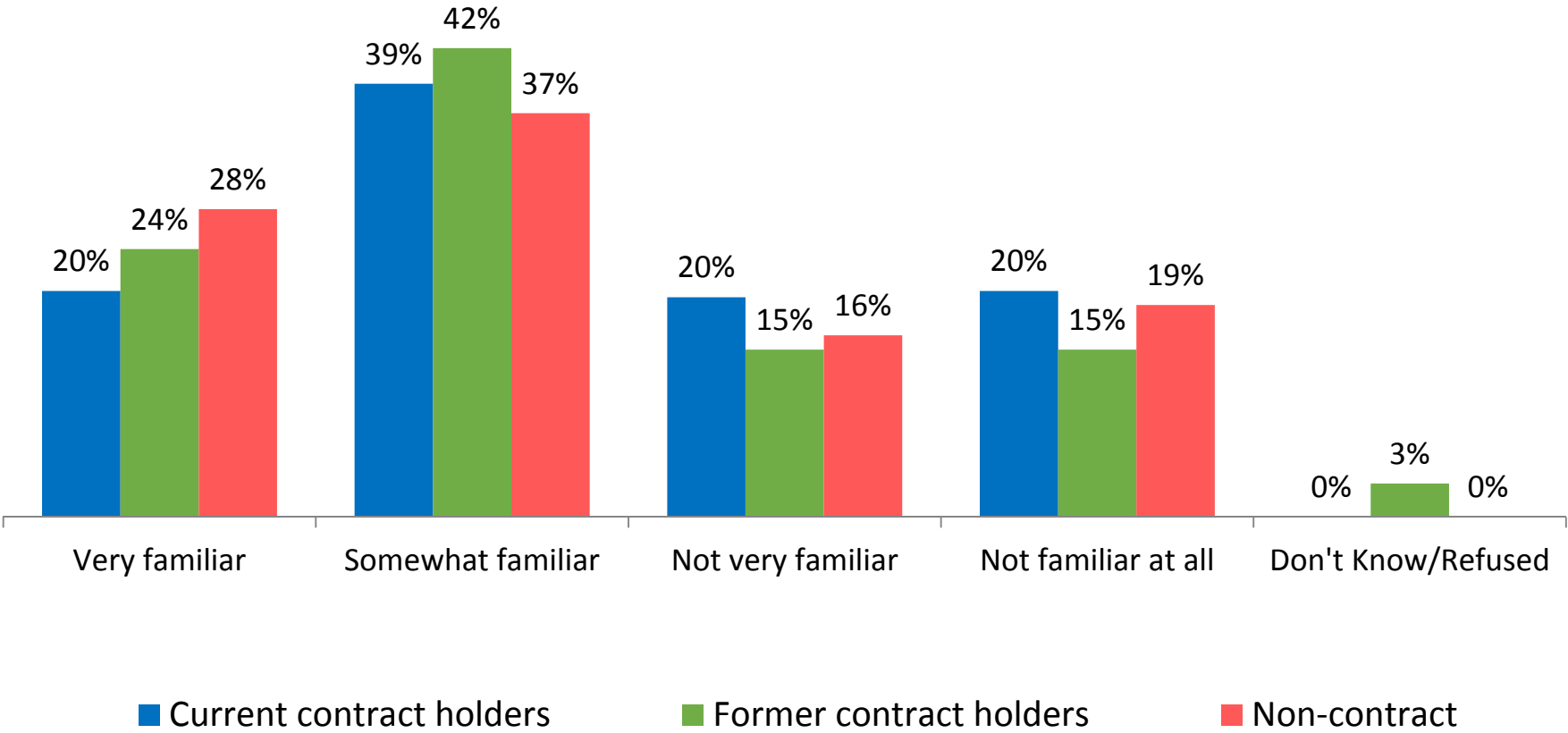
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Residential Survey

Non-Residential Survey

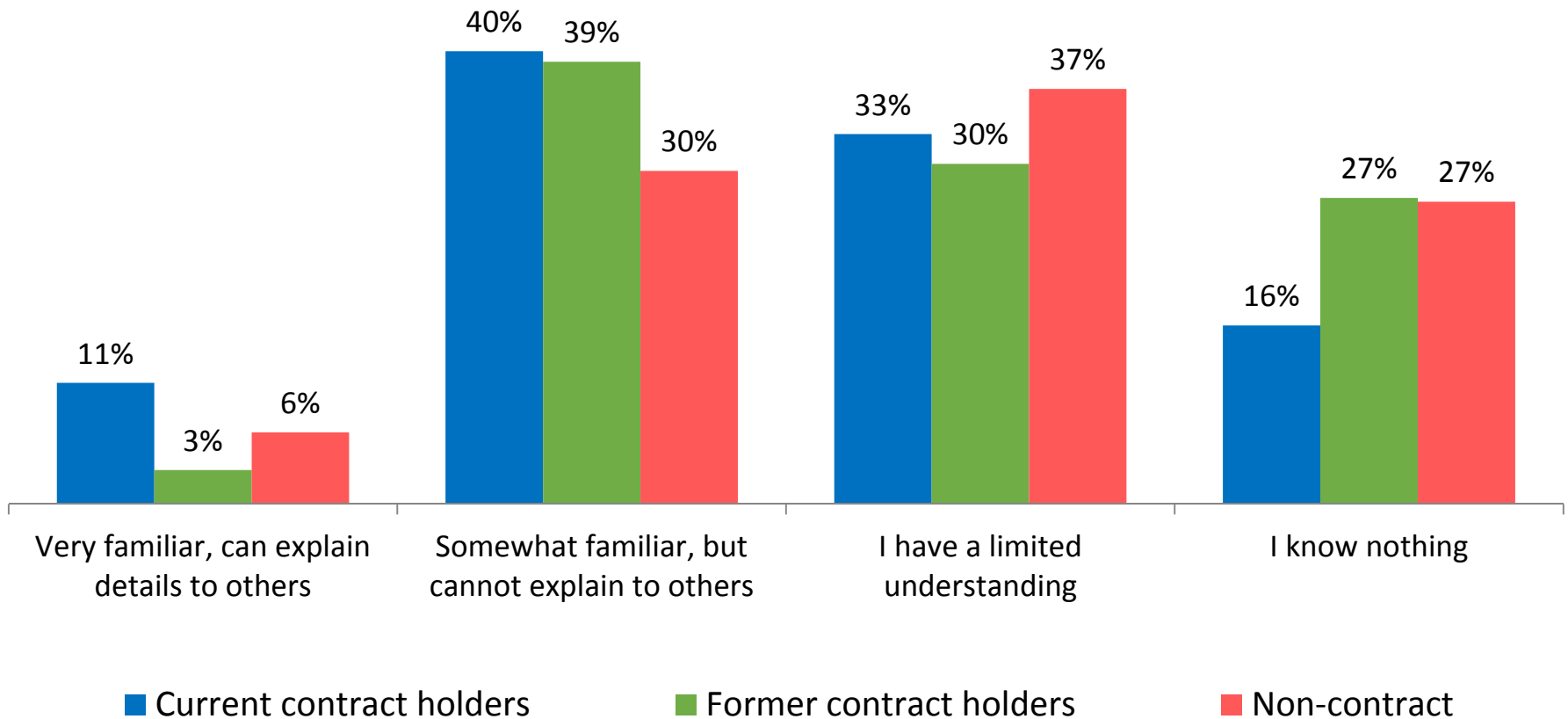
# Self-assessed financial literacy by segment: non-contract sample most likely to say very familiar

**Q** How familiar are you with financial information such as financial statements or the way the stock market works?



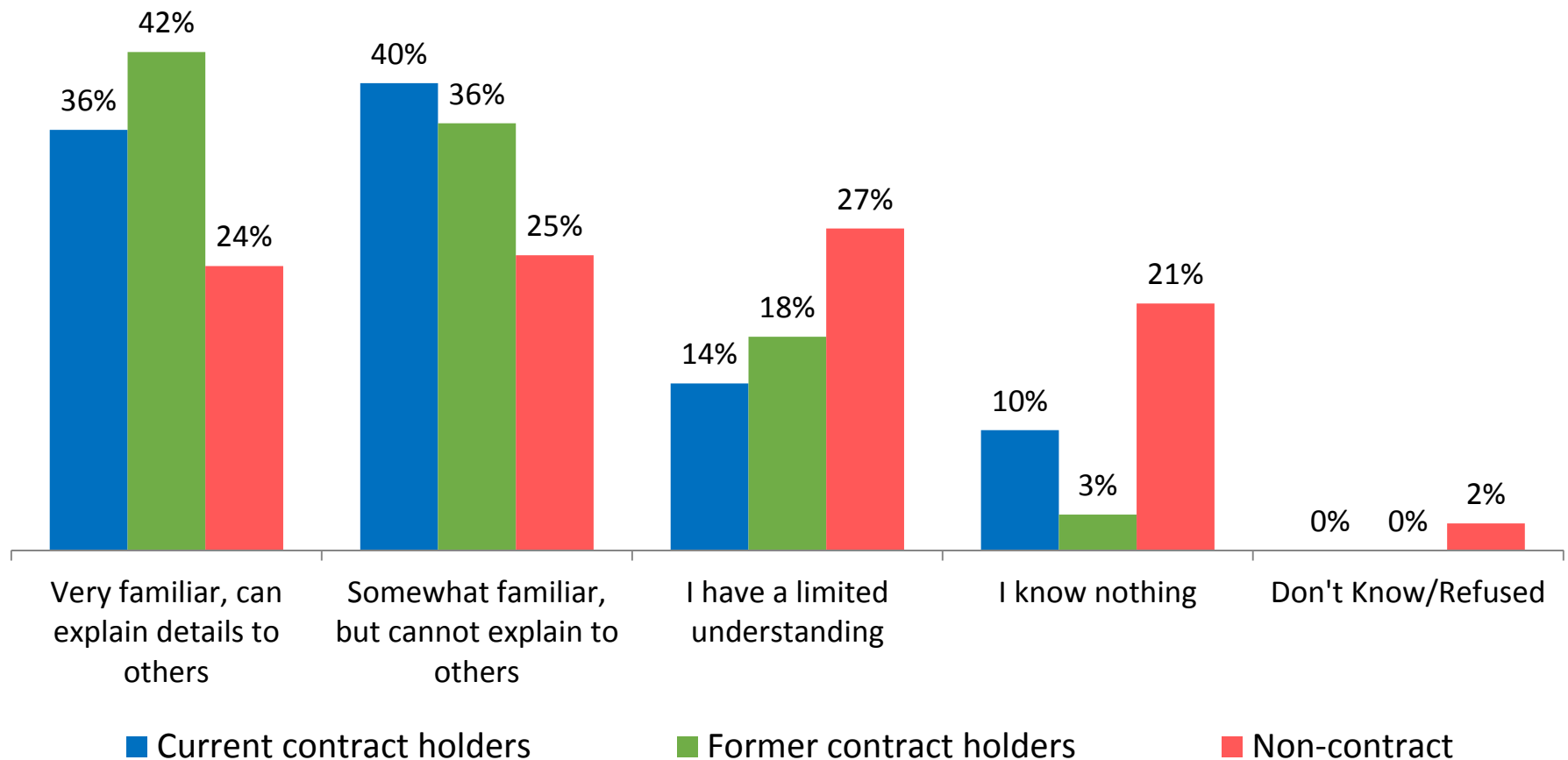
# Energy market knowledge by segment: current contracts least likely to say they know nothing

**Q** In general, how familiar are you with the way Ontario's electricity and natural gas markets work?



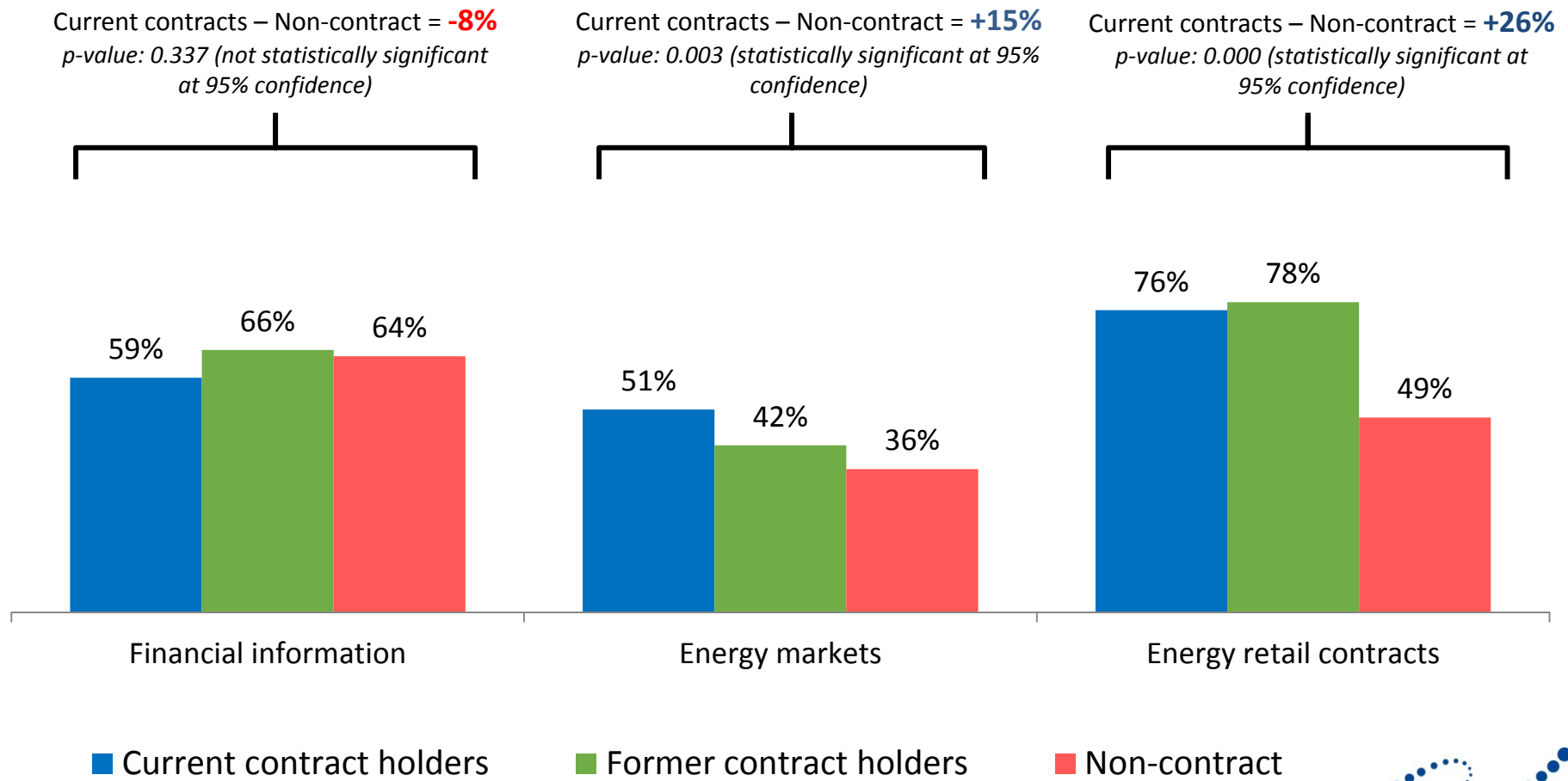
# Retail energy contract option awareness: current & former contracts are more aware, non-contract segment less so <sup>60</sup>

**Q** How familiar are you with the option of entering into a contract with an energy retailer to buy your electricity or natural gas instead of buying electricity or natural gas from your utility?



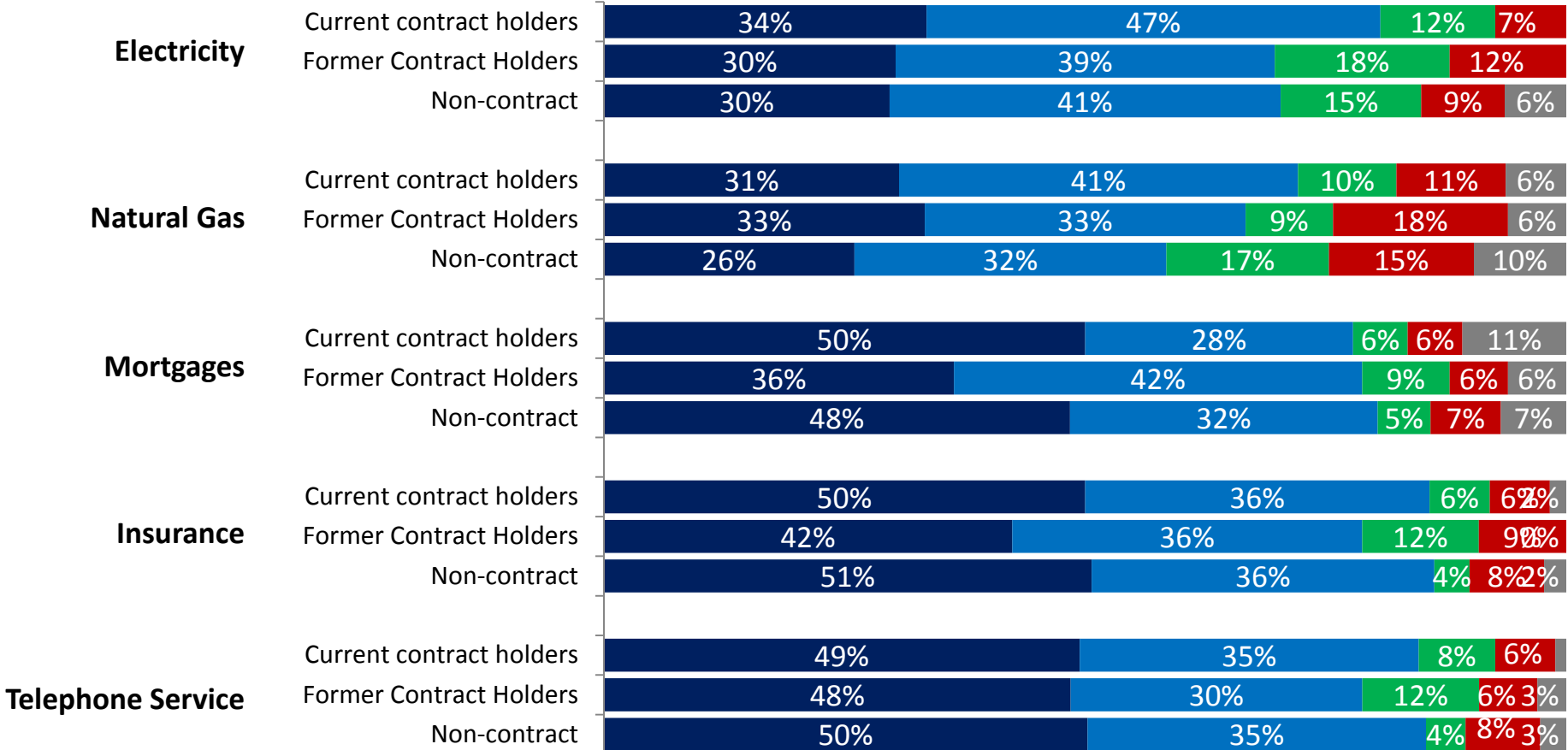
# Knowledge statements: current contract holders rate themselves more familiar with energy markets and contracts 61

**% who say they are at least “somewhat familiar”**



# Contract comfort: Current and former contracts rate themselves higher on energy contract comfort

**Q** There are a number of basic services most organizations include in their monthly budgets. These can include rent, electricity, natural gas, insurance, and telephone service, all of which can involve signing contracts. **How confident are you when it comes to understanding the following types of contracts?**



■ Very confident     
 ■ Somewhat confident     
 ■ Not very confident  
■ Not confident at all     
 ■ Don't Know/Refused

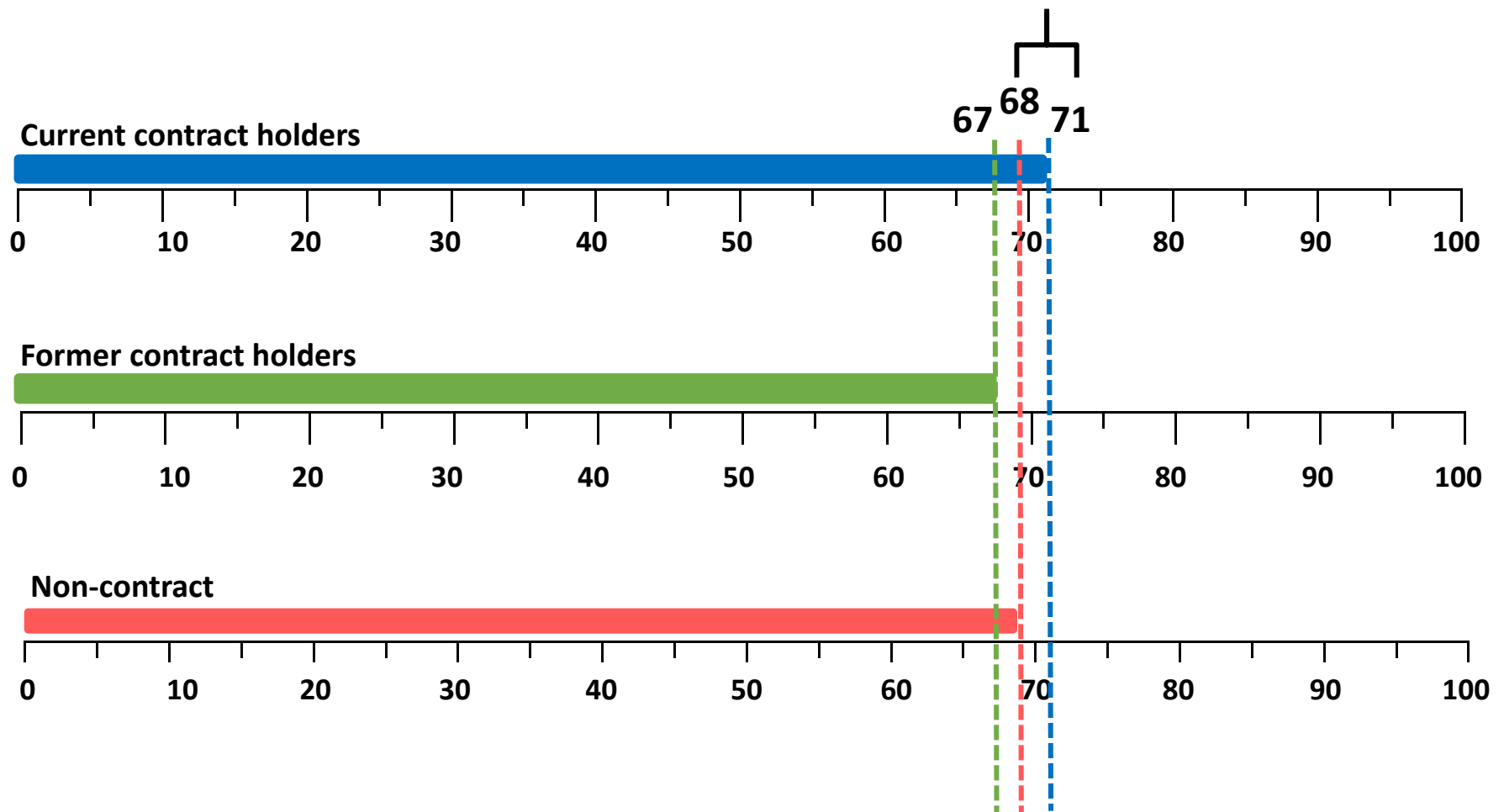


# Contract Comfort Index: minimal differences between segments

In order to summarize overall comfort with contracts, we have calculated a **contract comfort index**. The index is equal to the sum of an organization's answers to all of the previously asked contract comfort questions, and then re-scaled from 0 to 100.

## Average Index Scores

Current contracts – Non-contracts = **+3%**  
*p-value: 0.218 (not statistically significant at 95% confidence)*



# Retail Journey: Current Contracts

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## Post-ECPA Contracts

Residential Survey

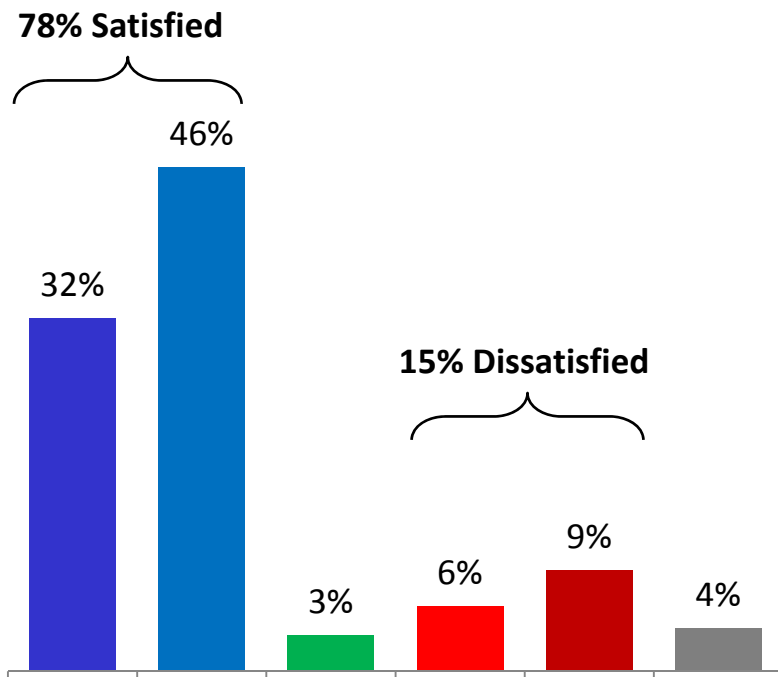
Non-Residential Survey



# Current contracts: Over 2/3rds satisfied among both natural<sup>65</sup> gas and electricity contract holders



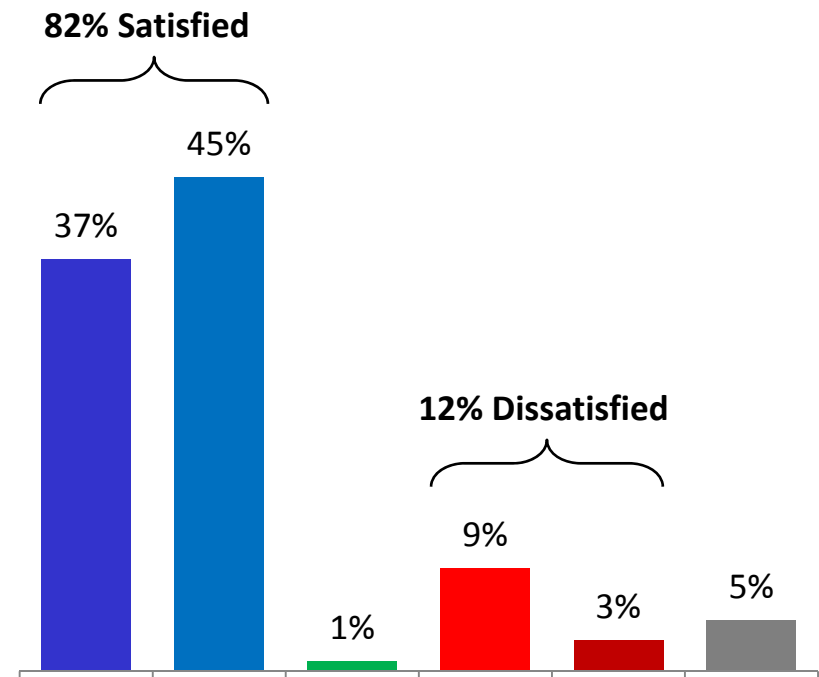
How satisfied are you with the **current electricity contract** your organization entered into with its electricity retailer?



- Very Satisfied
- Neither satisfied nor dissatisfied
- Very dissatisfied



How satisfied are you with the **current natural gas contract** your organization entered into with its natural gas retailer?

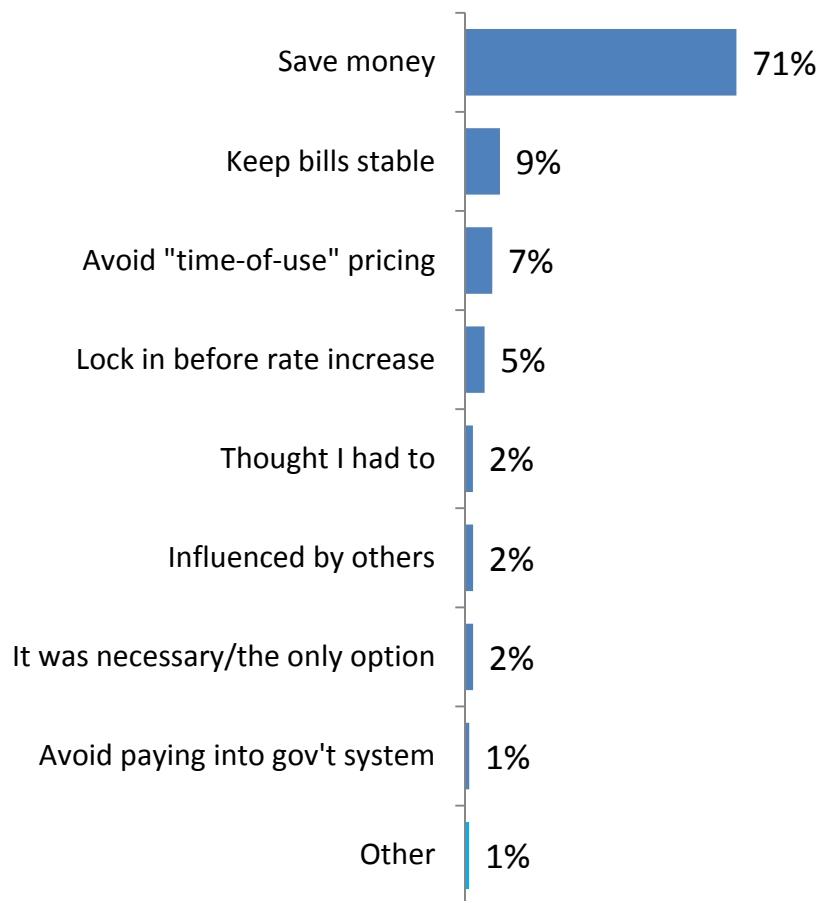


- Somewhat Satisfied
- Somewhat dissatisfied
- Don't Know/Refused

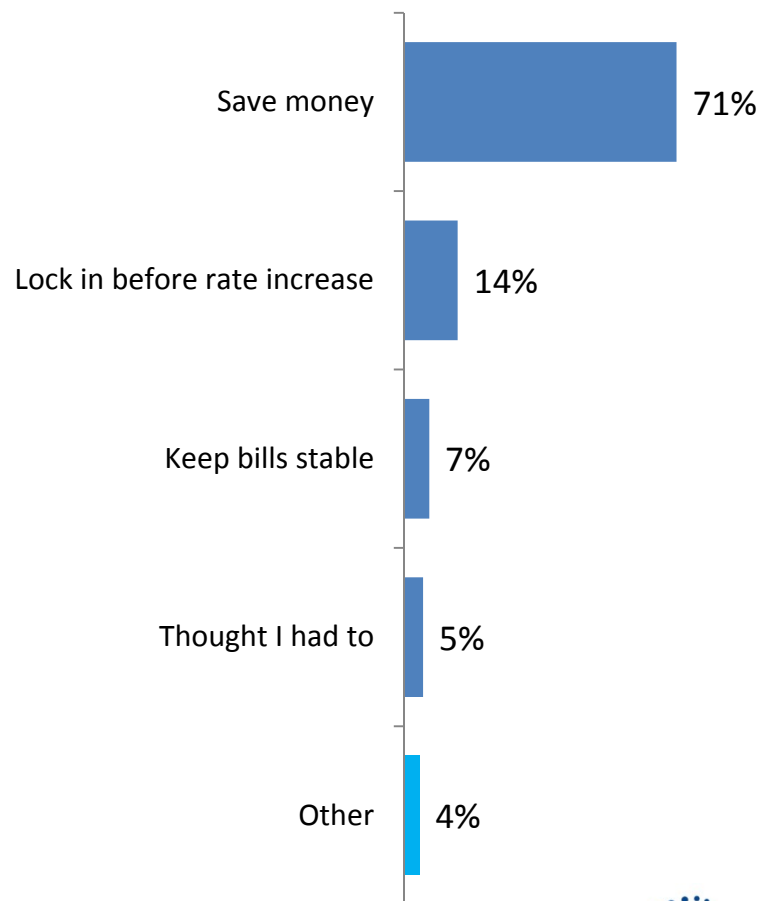
# Reason for contracts: 7-in-10 from each contract type say they were looking to save money



What was the primary reason at your organization for entering into its **current electricity contract**?



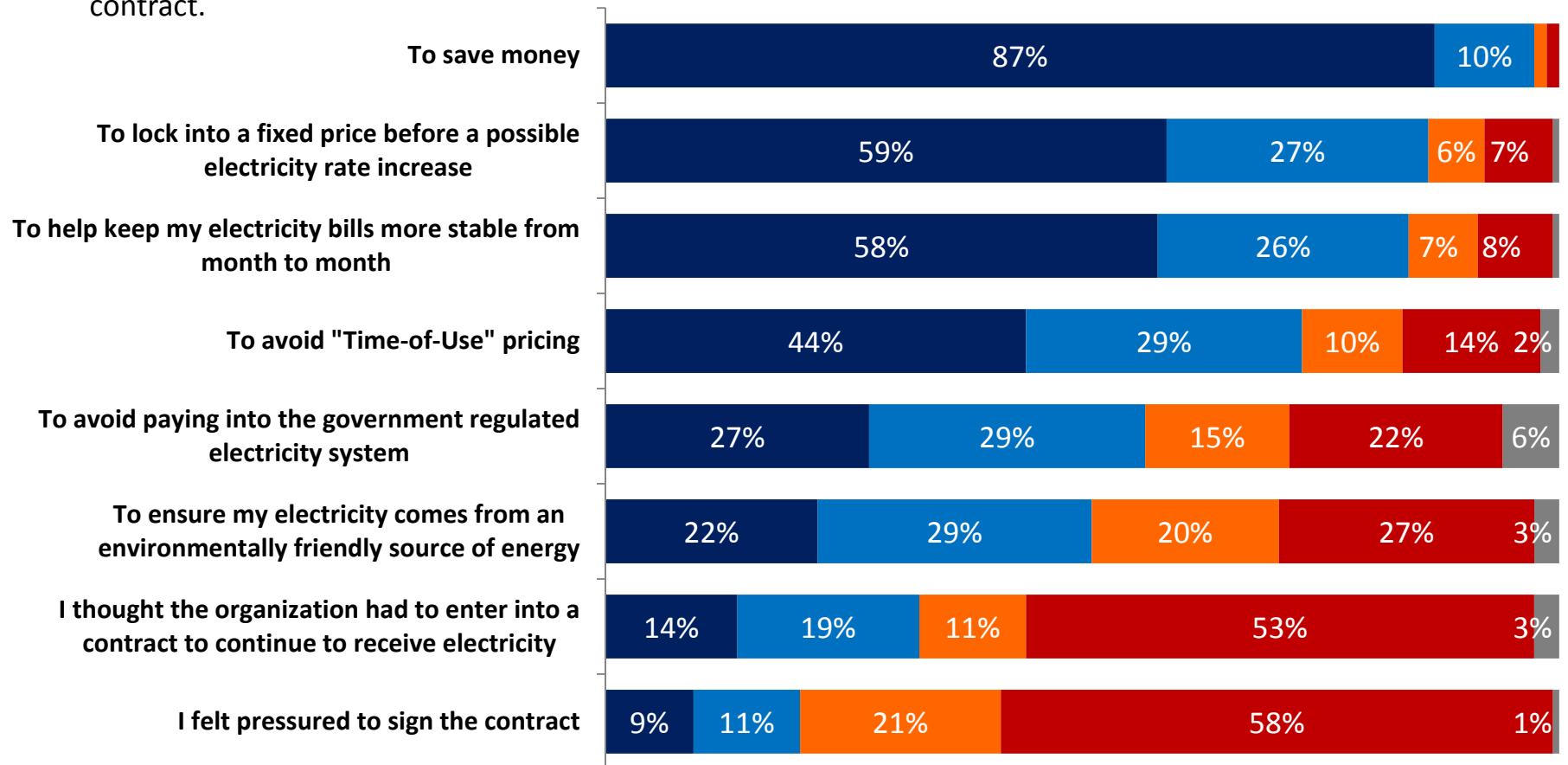
What was the primary reason at your organization for entering into its **current natural gas contract**?



# Most important reasons (electricity): saving money and other pricing reasons are seen as most important



There are a number of reasons why organizations have entered into contracts with **electricity** retailers. For each reason I read you, please indicate if it was a very important reason, a somewhat important reason, not really an important reason, or not an important reason at all when your organization decided to enter into an electricity contract.

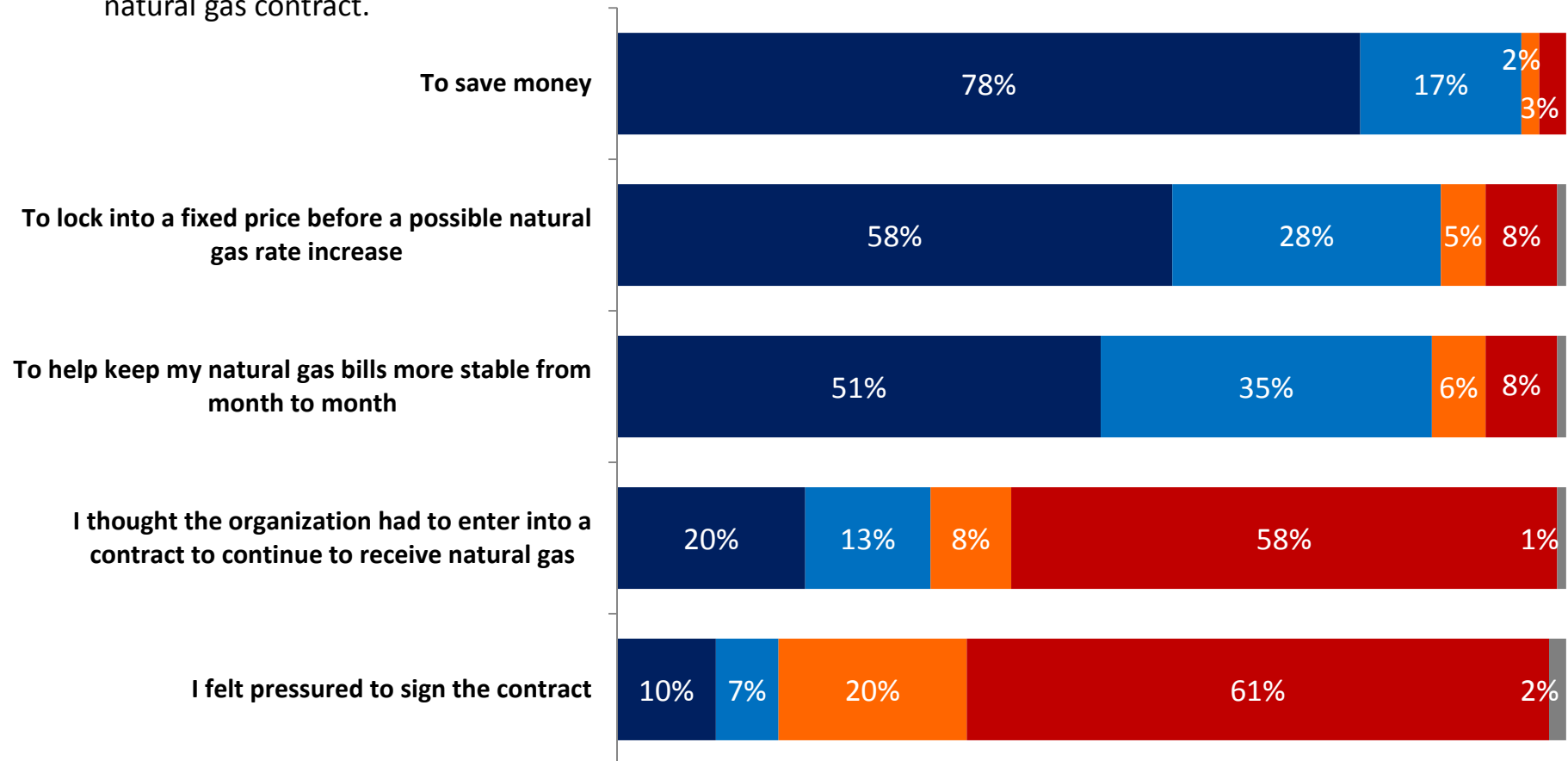


■ Very important reason     
 ■ Somewhat important reason     
 ■ Not really an important reason  
■ Not an important reason at all     
 ■ Don't Know/Refused

# Most important reasons (gas): monetary reasons all rated as<sup>68</sup> the most important



There are a number of reasons why organizations have entered into contracts with **natural gas** retailers. For each reason I read you, please indicate if it was a very important reason, a somewhat important reason, not really an important reason, or not an important reason at all when your organization decided to enter into a natural gas contract.

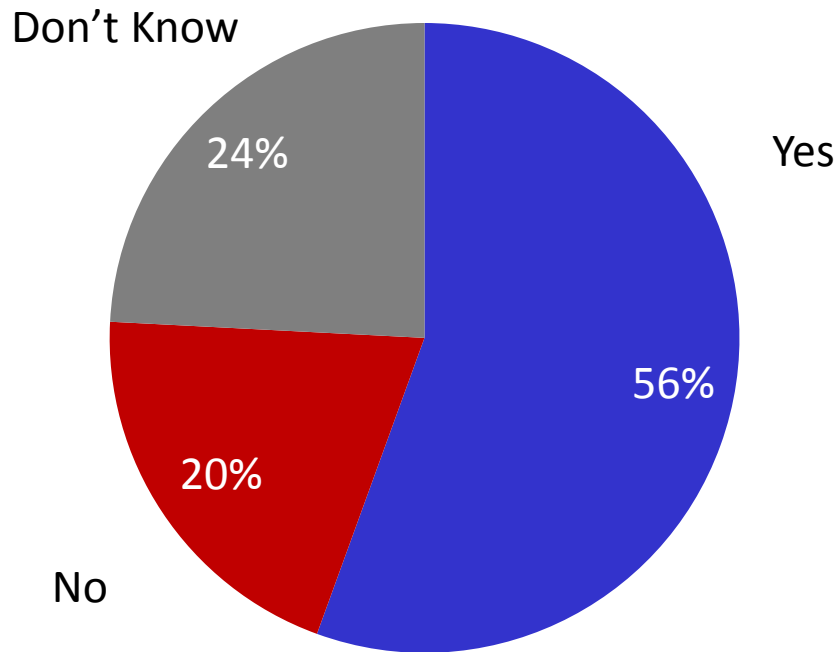


■ Very important reason     
 ■ Somewhat important reason     
 ■ Not really an important reason  
■ Not an important reason at all     
 ■ Don't Know/Refused

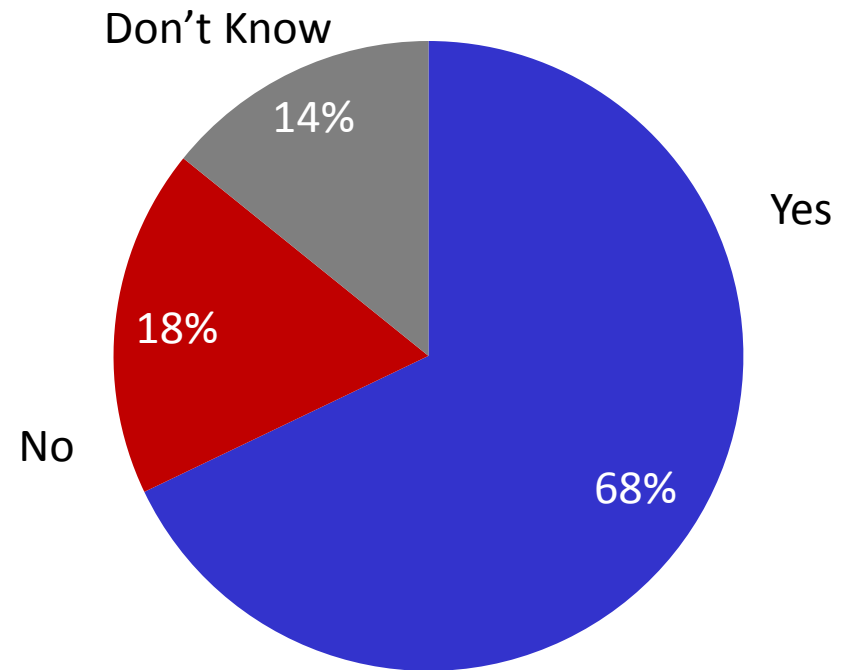
# Saving money: a majority of each type of contract holder believe they are saving money



From what you can tell, is your organization saving money under its **current electricity contract?**



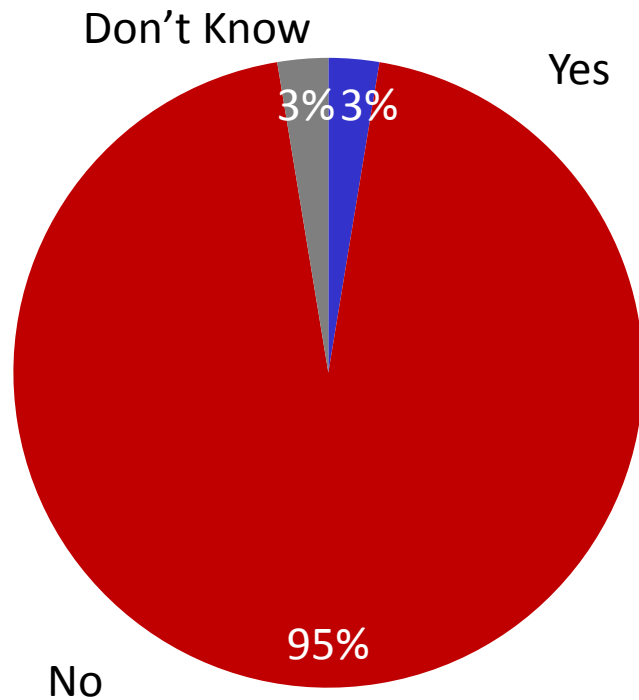
From what you can tell, is your organization saving money under its **current natural gas contract?**



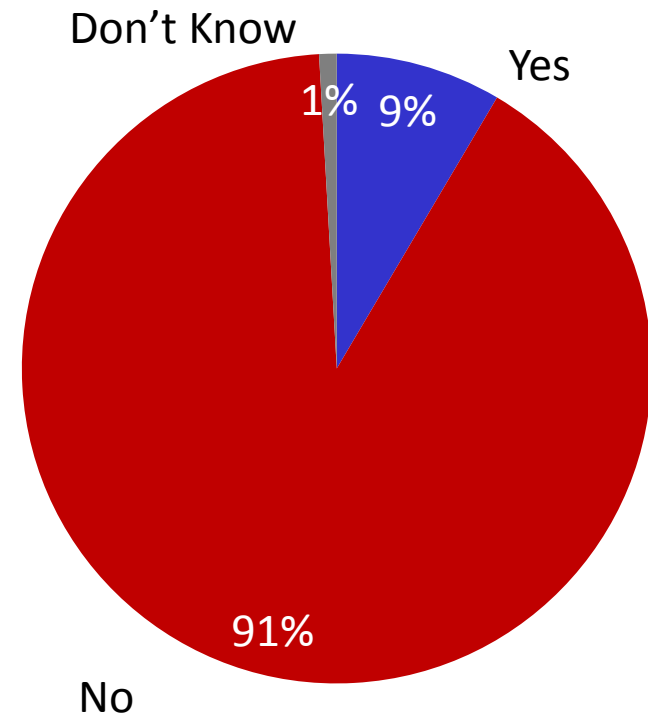
# Bundling: Very few businesses were made bundled offers when they were approached



When your organization entered into its **most recent electricity contract**, did it also include another product or service – either for free or at some cost – such as a thermostat or something else?



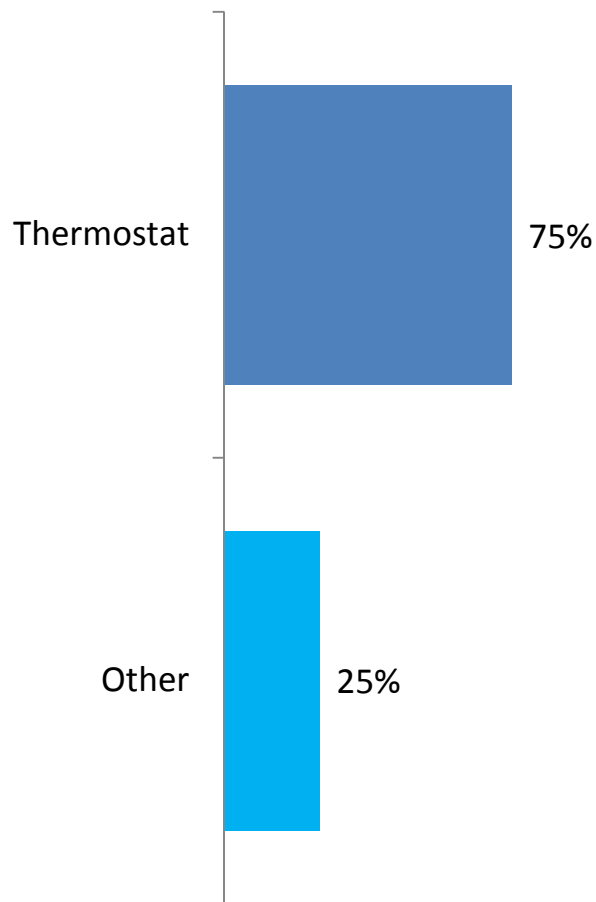
When your organization entered into its **most recent natural gas contract**, did it also include another product or service – either for free or at some cost – such as a water heater or something else?



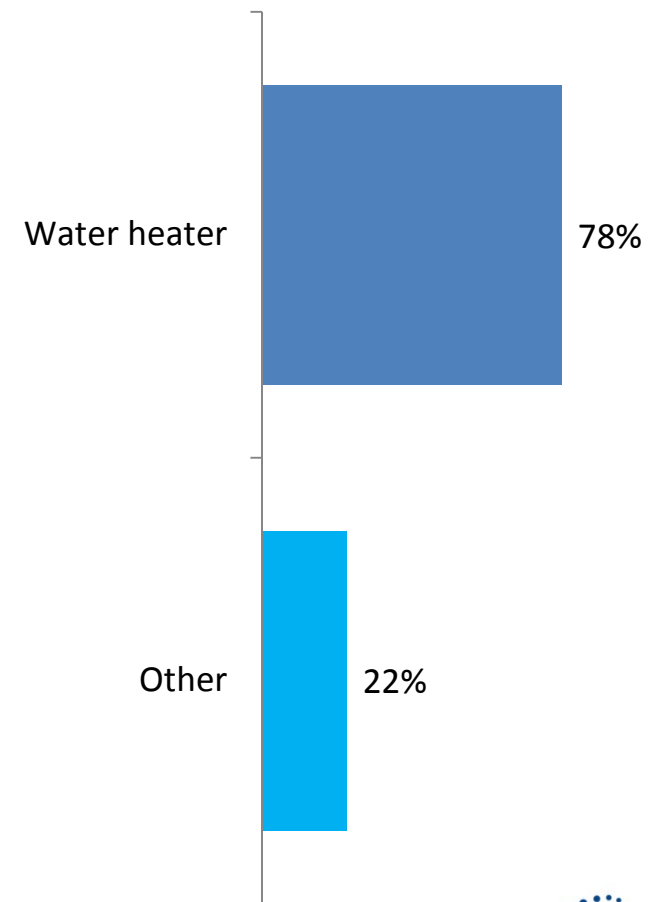
# Bundling: most electricity contracts with a bundled offer included a thermostat, for gas a water heater



Please specify which product or service was included in the contract?



Please specify which product or service was included in the contract?



**Note:** due to the infrequency of bundling in business contracts only 9 electricity contract holders and 4 gas contract holders were asked this question.

# Sales Experience: all segments

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Residential Survey

Non-Residential Survey

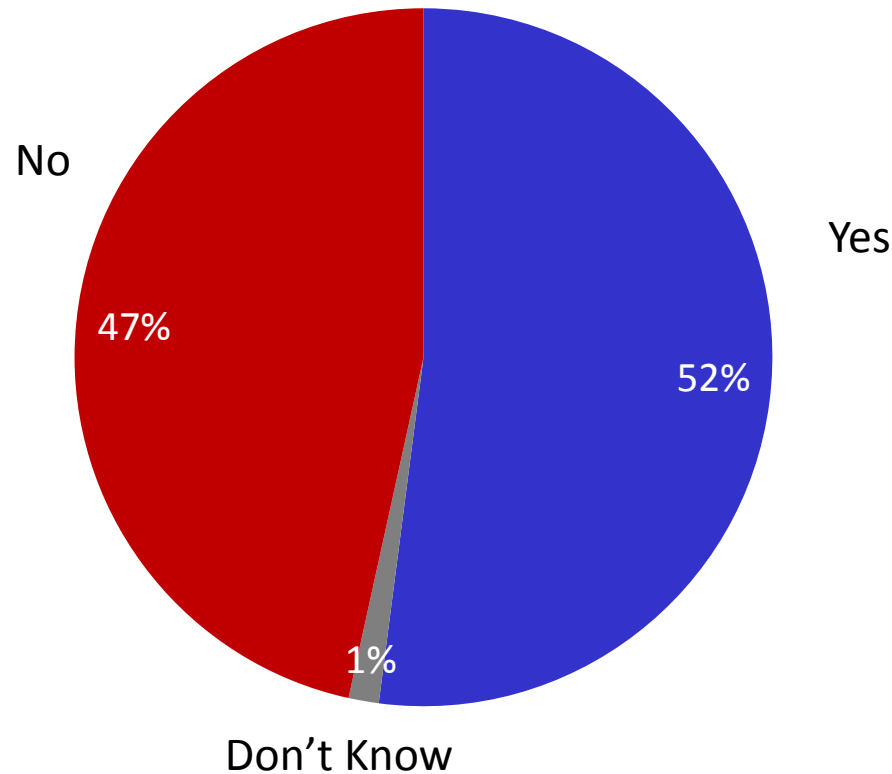


# Sales Experience: half of non-contract holders have been approached or sought out a retailer

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## Non-Contract

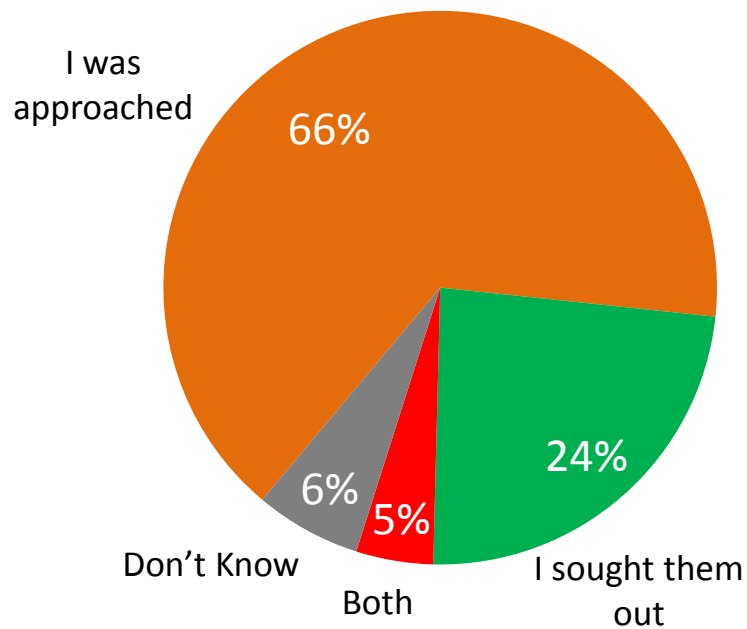
**Q** Have you ever been approached by a retailer selling electricity or natural gas under contract or sought out such a retailer?



# Seek them out: 1-in-4 current contract holders sought out their contract

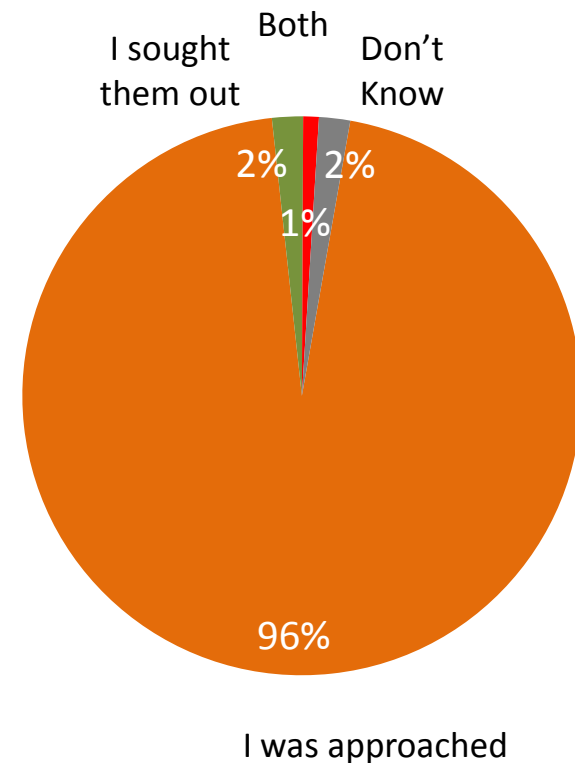
## Current contract holders

**Q** Thinking about the most recent energy retail contract your organization entered into, were you approached by an energy retailer or did you seek out the contract independently?



## Non-contract

**Q** Were you approached or did you seek them out?  
[Asked only of those who have been approached or sought out]

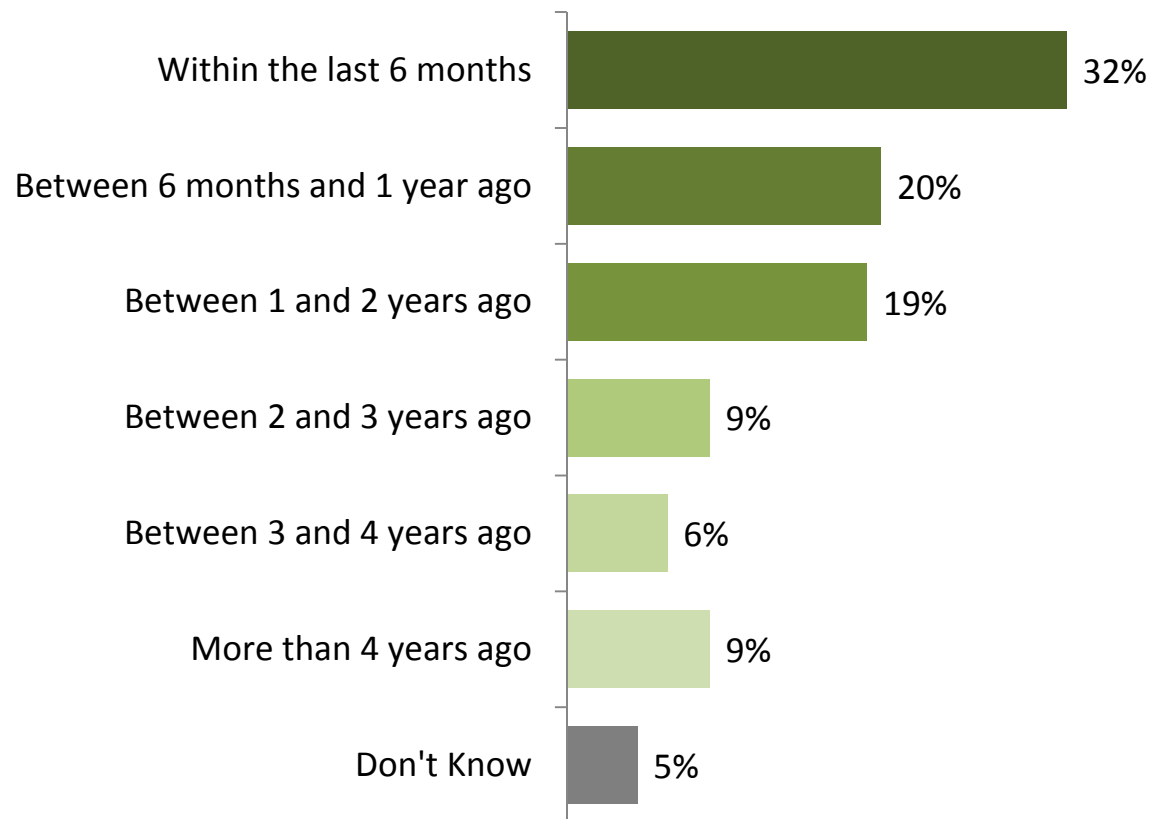


# Sales experience: 52% have been approached in the last year



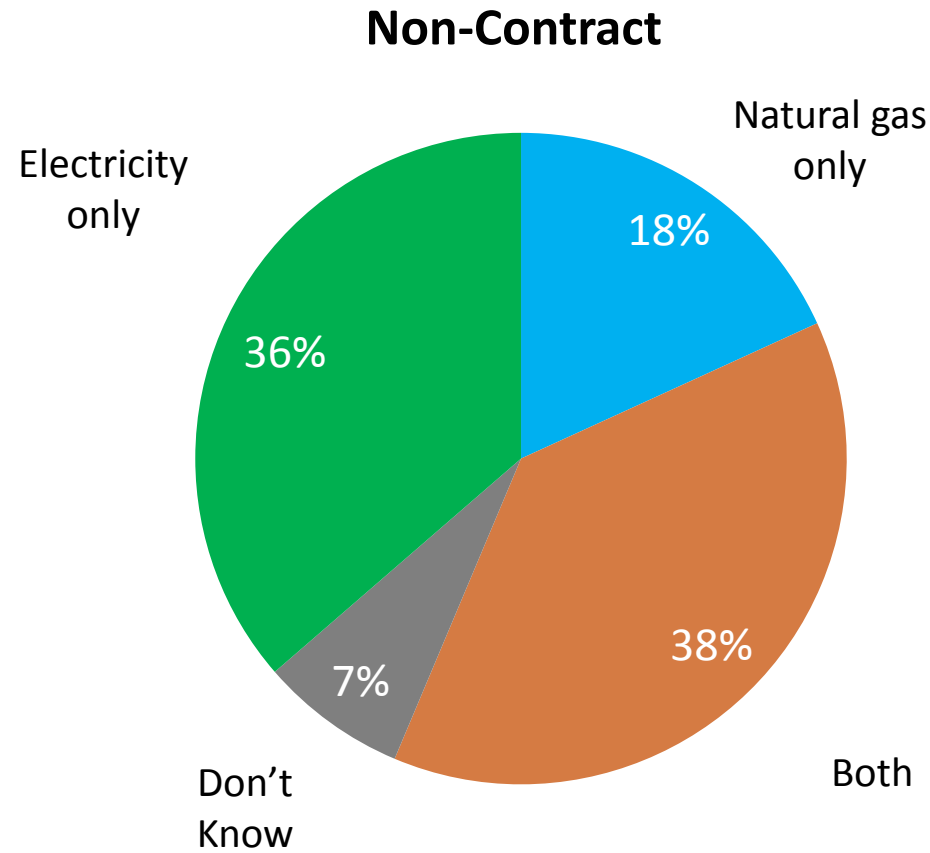
Thinking back when was your organization most recently approached by a natural gas or electricity retailer?  
[Only asked of those who have been approached]

## Non-contract



# Type of contract approach: electricity or both gas and electricity at the same time more common than just gas

**Q** And when your organization was last approached by an energy retailer, was it to sell you natural gas or electricity OR both natural gas AND electricity?  
[Only asked of those who have been approached]



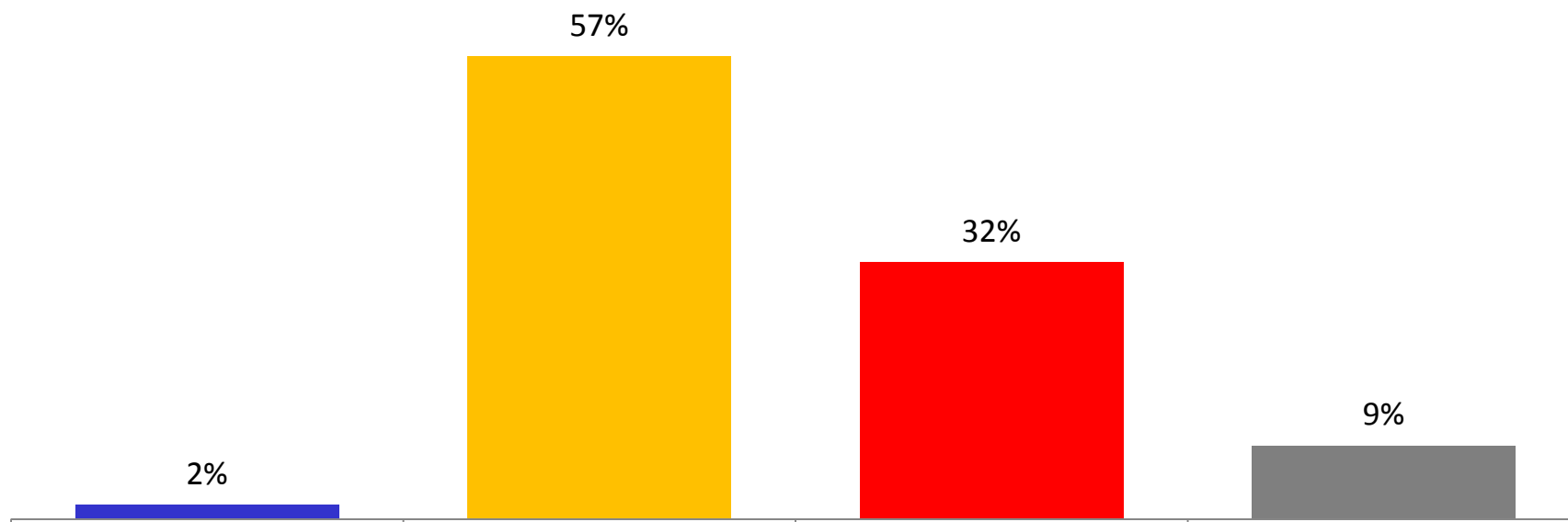
## Approach experience: 1-in-3 non-contract holders say the sales experience was worse than typical



When thinking about your experience with the energy retailer who approached your organization, how did that experience compare with salespeople from other businesses such as cable, telephone, banks and insurance companies?

[Only asked of those who have been approached]

### Non-Contract



- The experience I had with the energy retailer was better than my experience with other salespeople
- The experience I had with the energy retailer was pretty typical than my experience with other salespeople
- The experience I had with the energy retailer was worse than my experience with other salespeople
- Don't Know/Refused

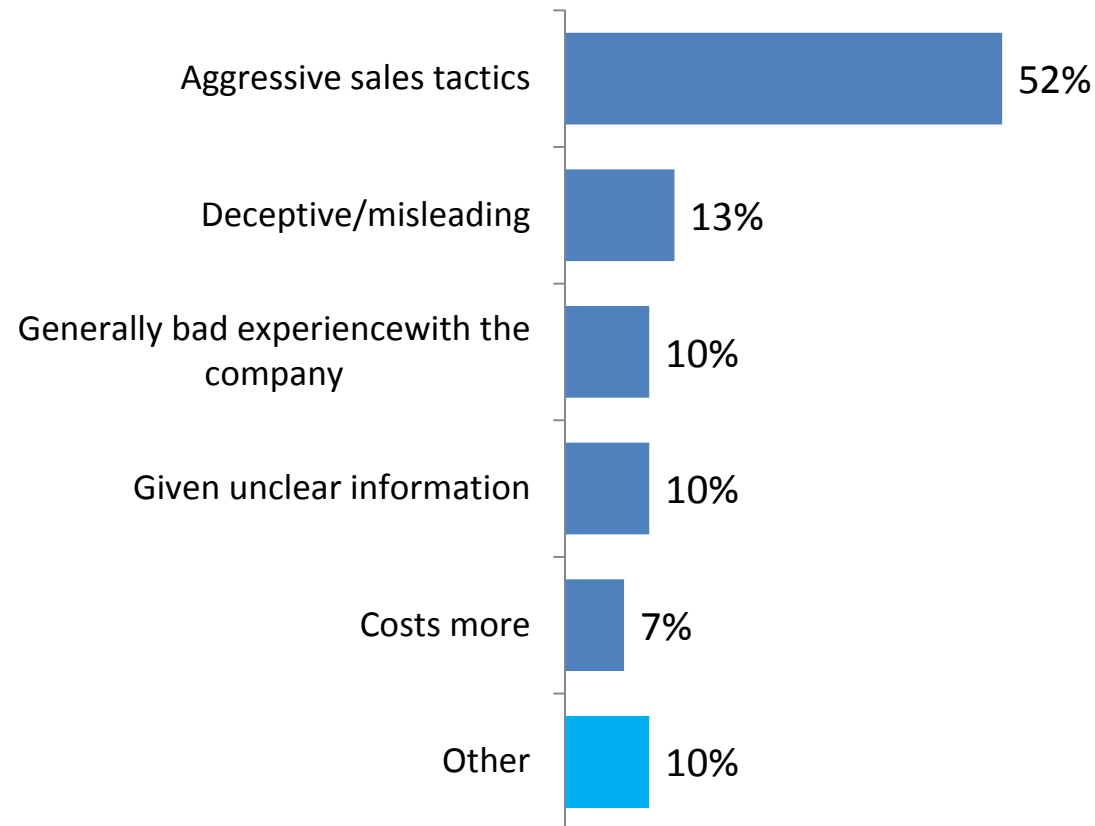
# Why a worse experience: Aggressive sales practices the most common reason given by both segments



And why was your experience with the energy retailer worse?

[Only asked of those who said their experience was worse than with other kinds of salespeople]

## Non-Contract

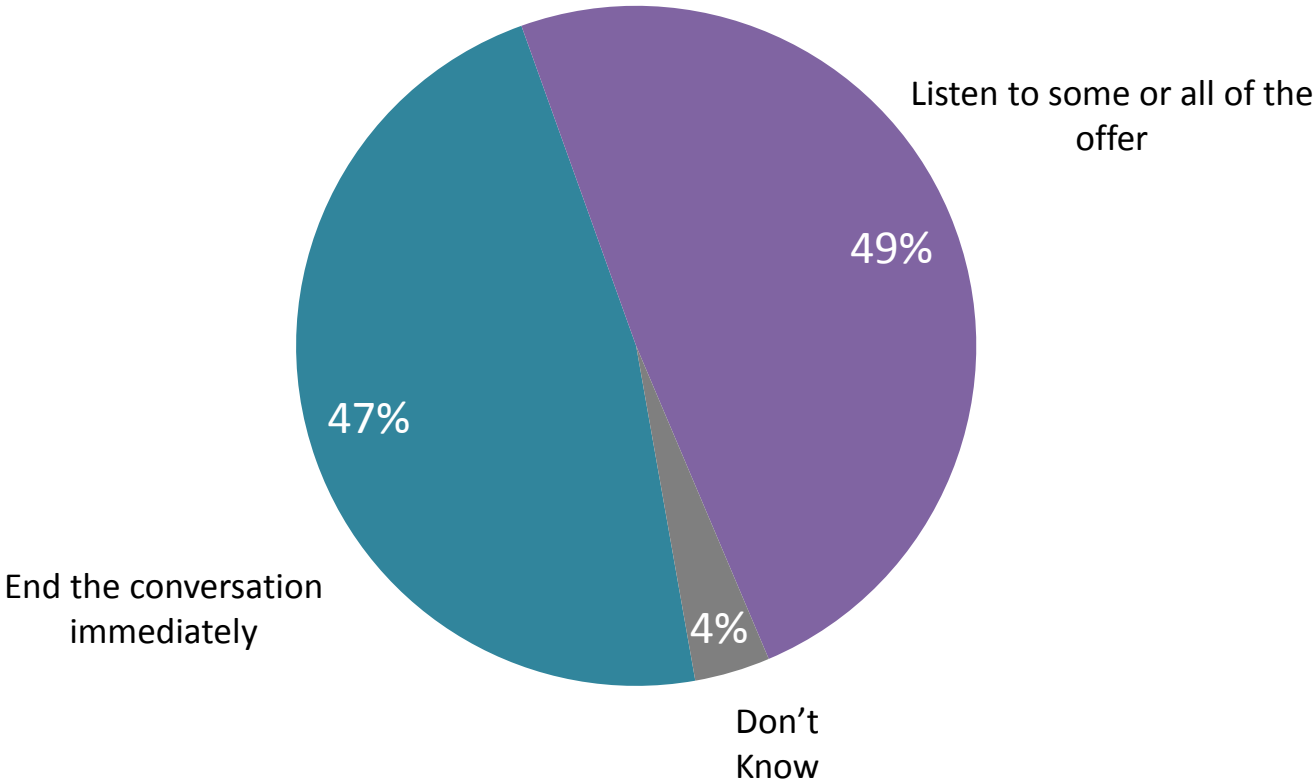


# Sales experience: less than half in each segment say they considered the offer



Which of the following best describes what happened when your organization was approached? Did you...  
[Only asked of those who were approached]

## Non-Contract



**Note:** Those who say they ended the conversation immediately were not asked the remaining questions in this section

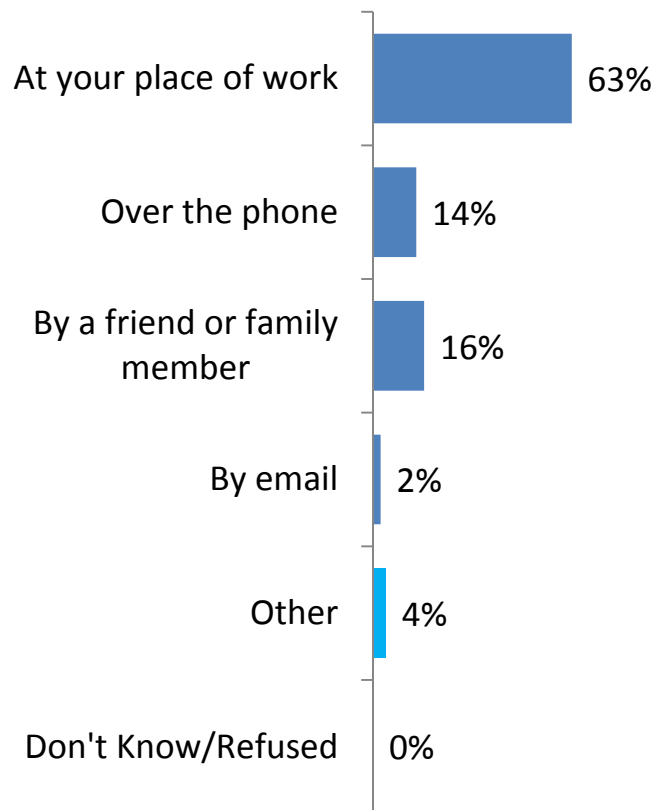


# Sales mode: More than half of the approaches happened at the workplace <sup>80</sup>

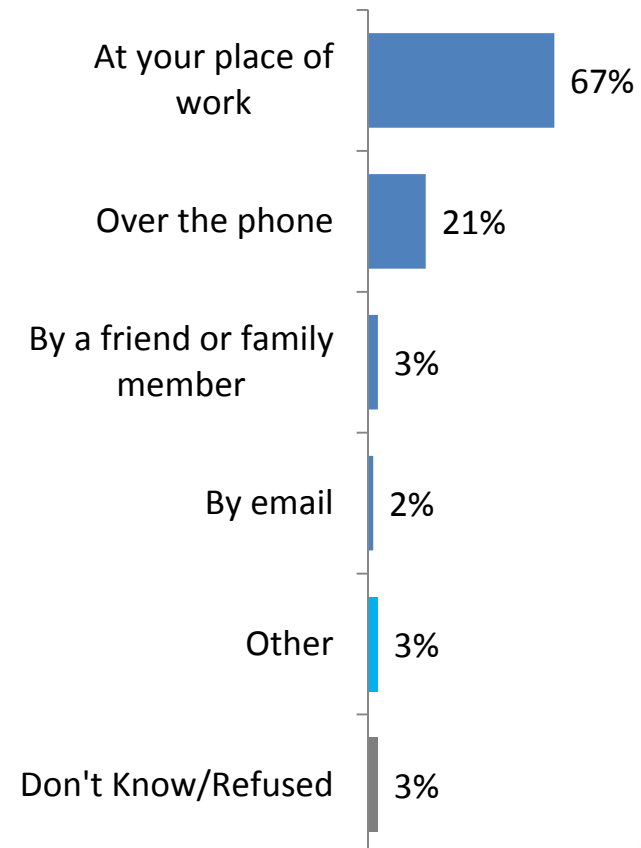


And in what way was your organization approached by an energy retailer?  
[Asked only of those who were approached in each group]

## Current contract holders



## Non-contract

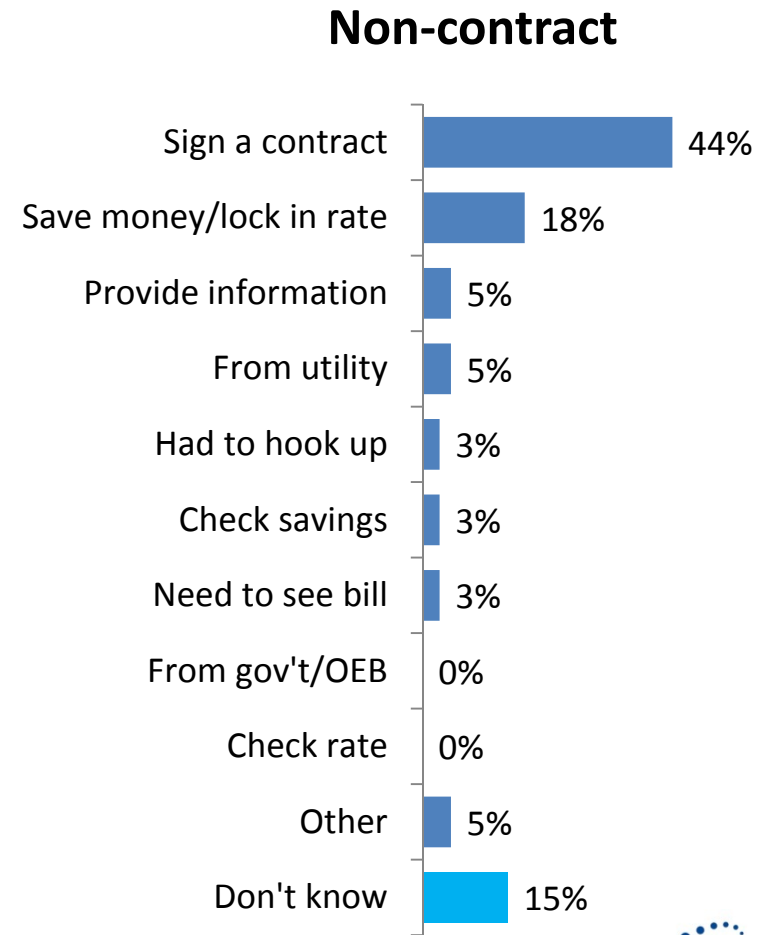
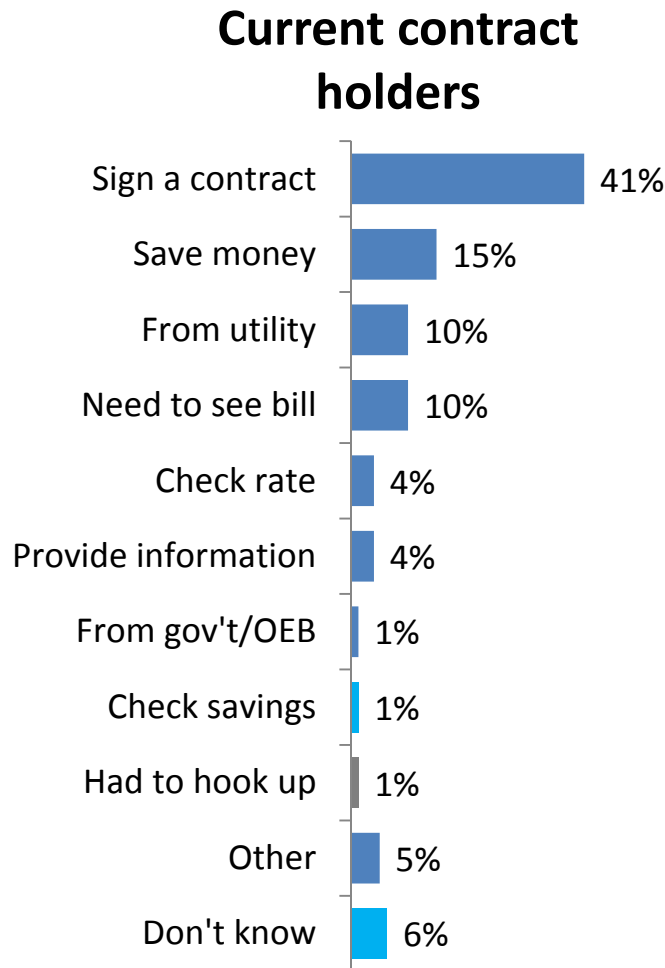




# Sales purpose: About 4-in-10 current and non-contract holders understood the visit was about signing a contract



When you were approached at your place of work, what your understanding of the purpose of the visit?  
[Asked only of those who were approached door-to-door in each group]

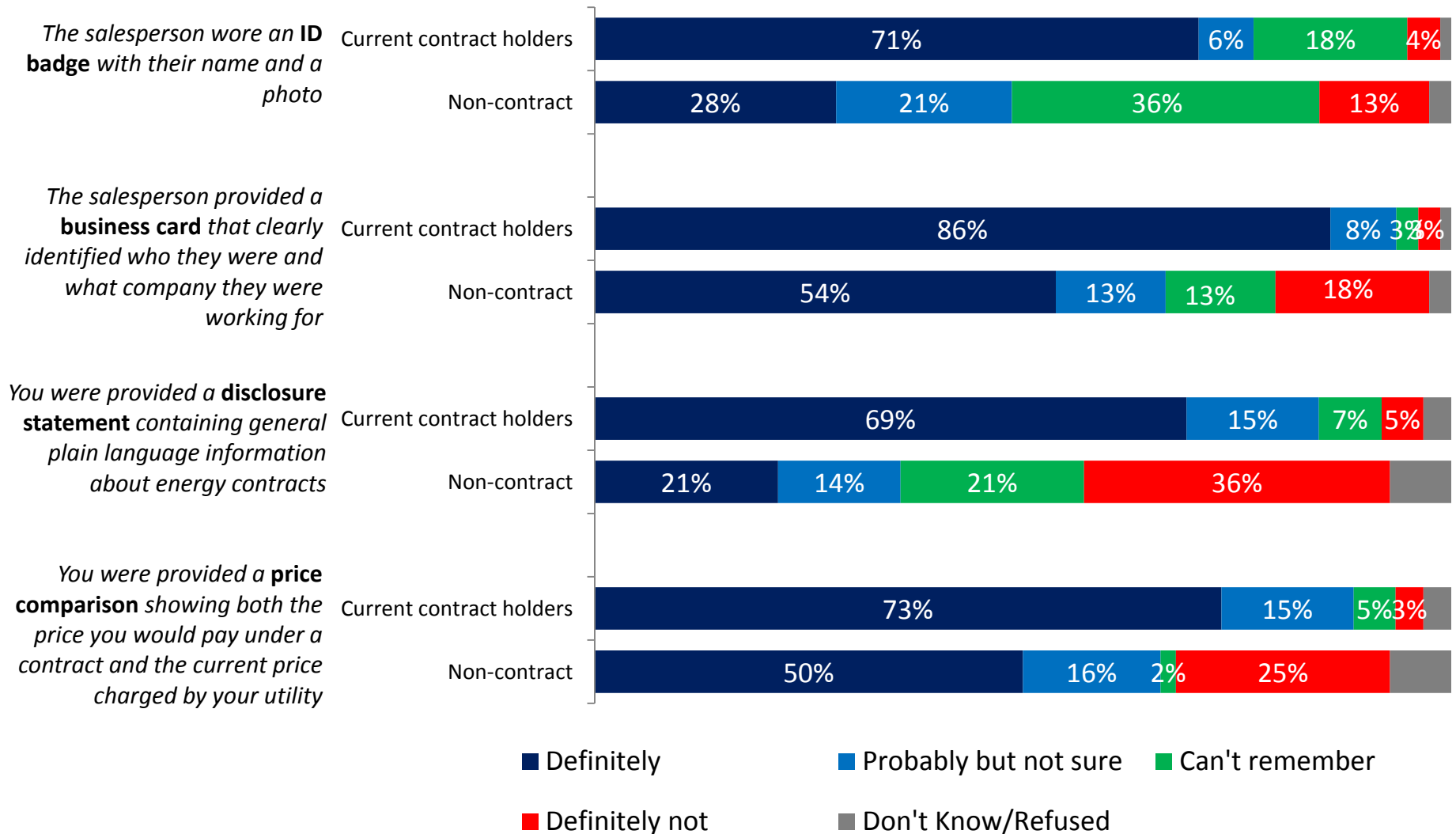


# Sales practices: non-contract holders less likely to recall disclosure statement or price comparison



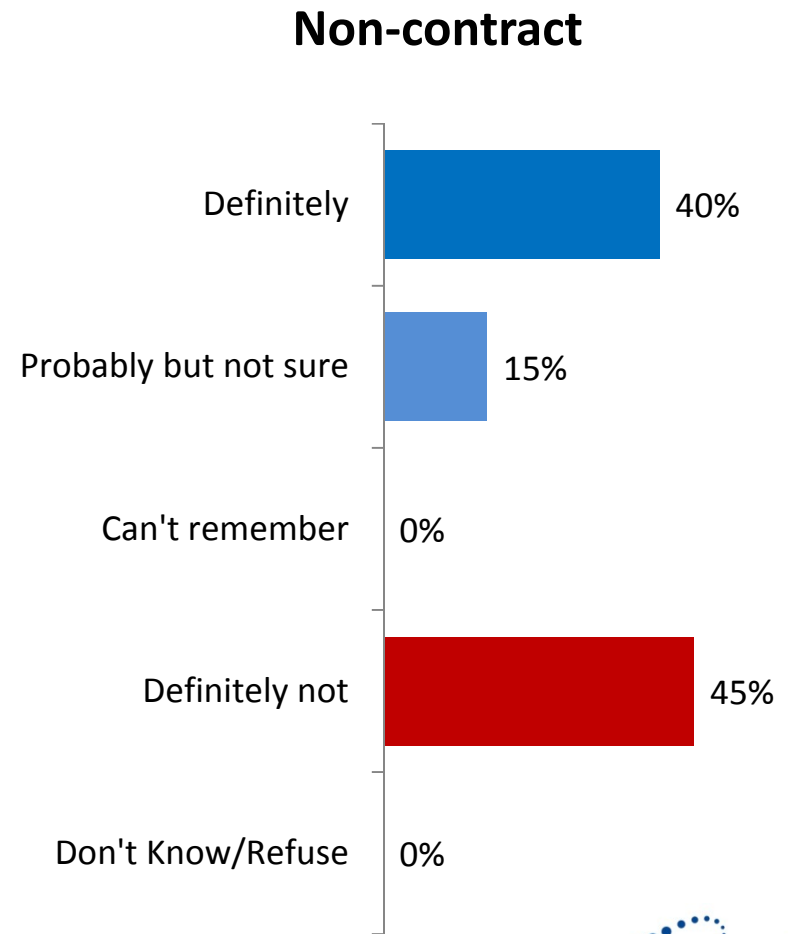
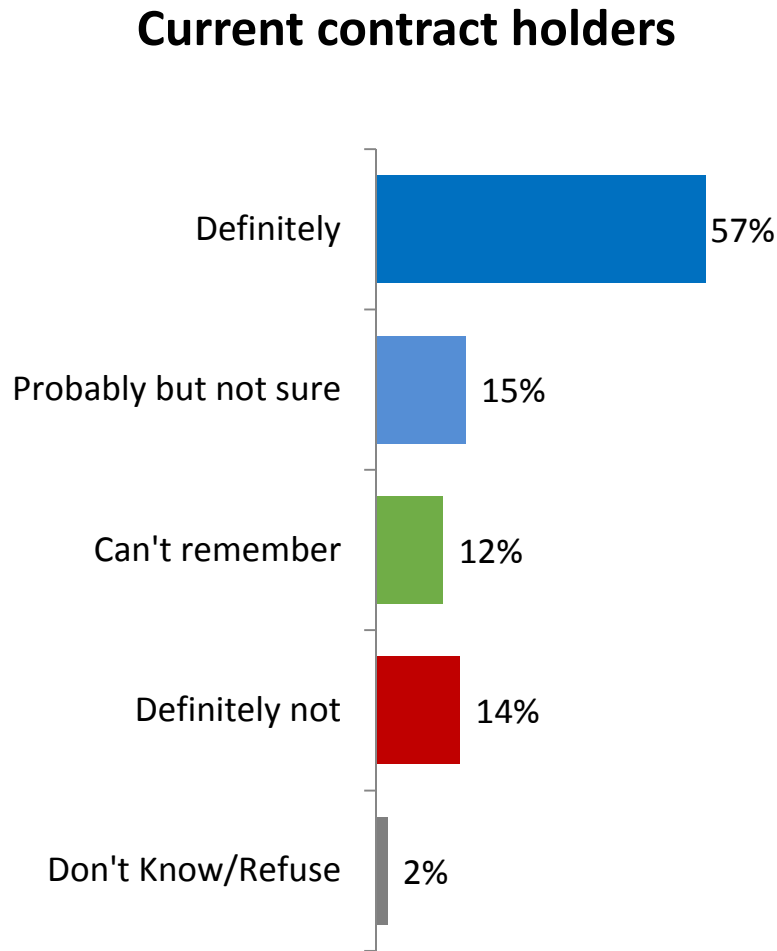
And when your organization was approached, do you recall any of the following?

[Asked only of those who were approached; first two only asked of those approached door-to-door]



# Read disclosure statement: current contract holders more likely to say they read the disclosure statement

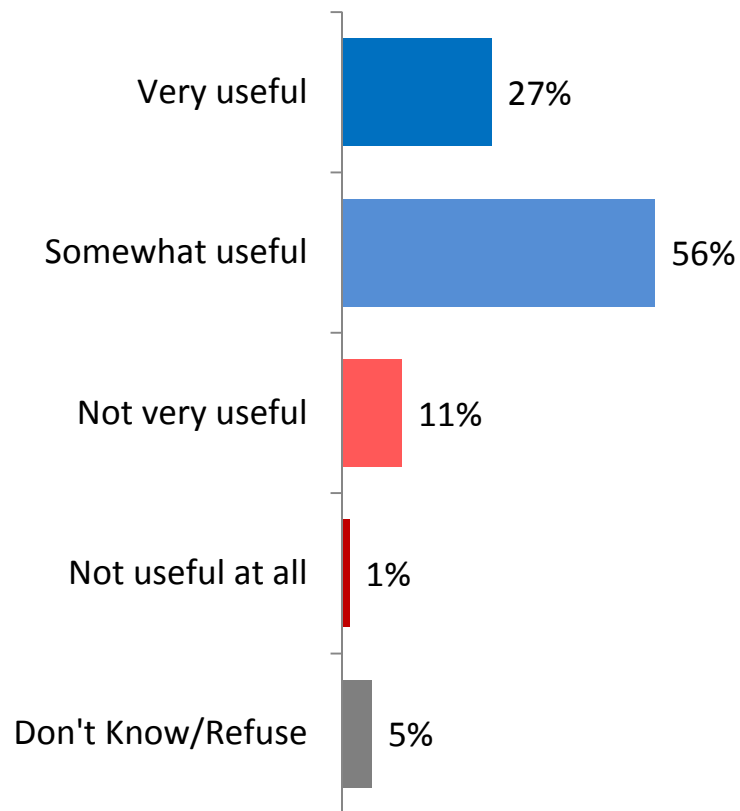
**Q** Did you read the **disclosure statement** that was provided to you?  
[Asked only of those who at least “probably” received one]



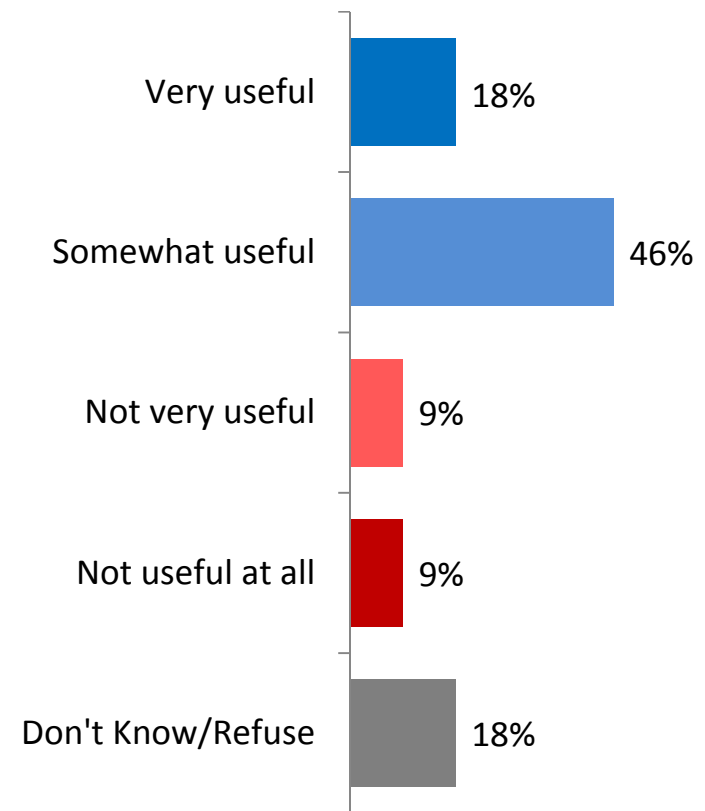
# Disclosure statement useful: current contract holders more likely to say disclosure statement was useful <sup>84</sup>

**Q** And how useful did you find the disclosure statement in helping you make a decision to enter into a contract?  
[Asked only of those who said they at least “probably” read their disclosure statement]

## Current contract holders



## Non-contract

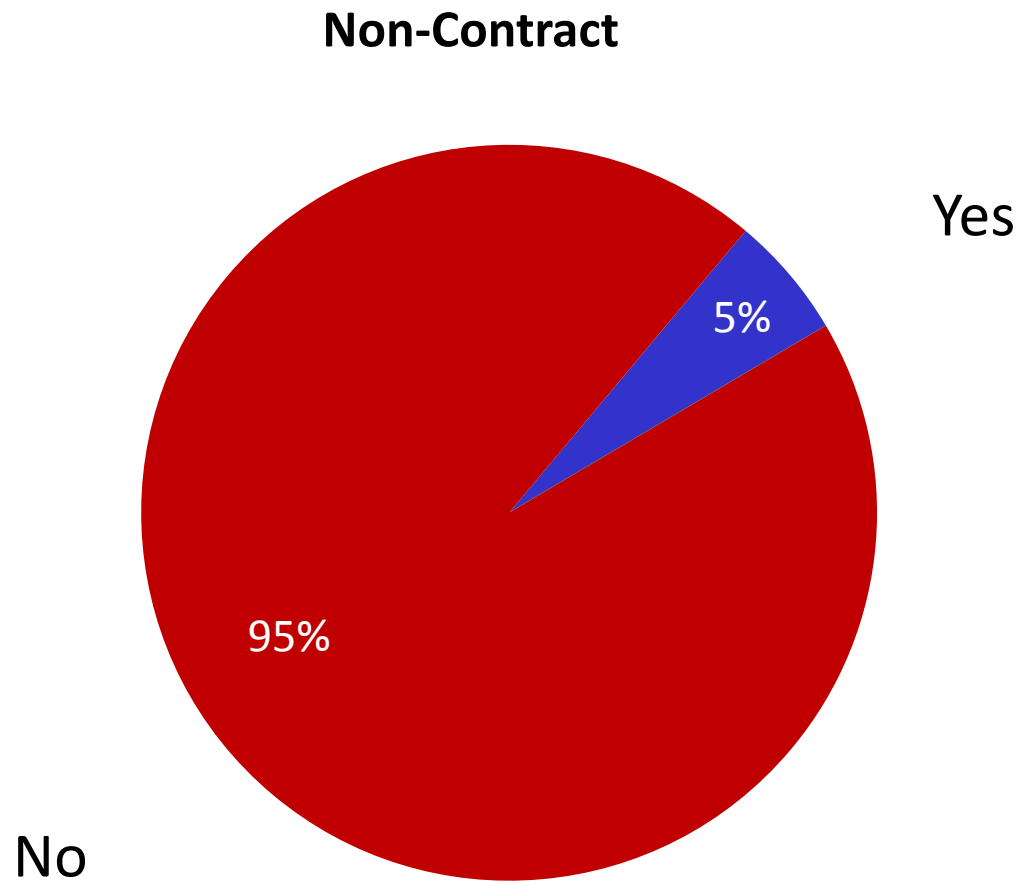


# Signed a contract: Just 5% of non-contract holders signed a contract in the past <sup>85</sup>

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As a result of this approach, did your organization sign a contract for your natural gas or electricity?  
[Only asked of those who were approached]



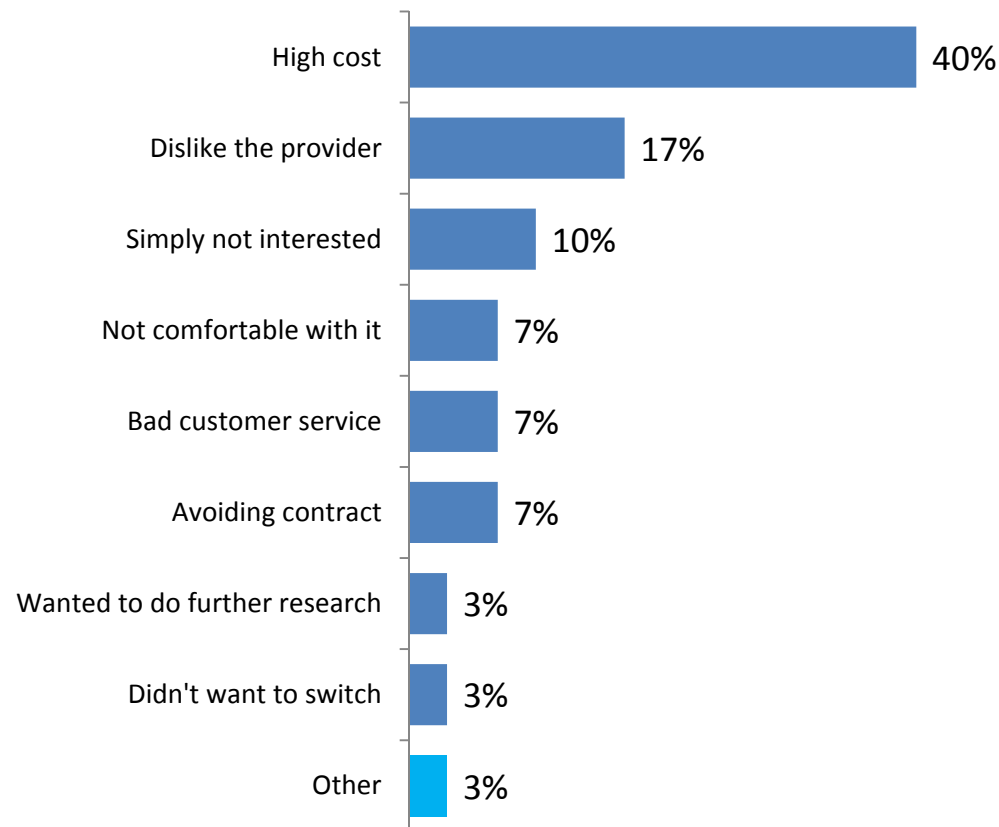
# Why Not: non-contract holders cite cost and general dislike <sup>86</sup> as top reasons for not entering into contract



And why did you decide **not** to enter into the contract

[Only asked of those who were approached and opted not to enter into a contract]

## Non-Contract



# Demographic and Attitudinal Segmentation

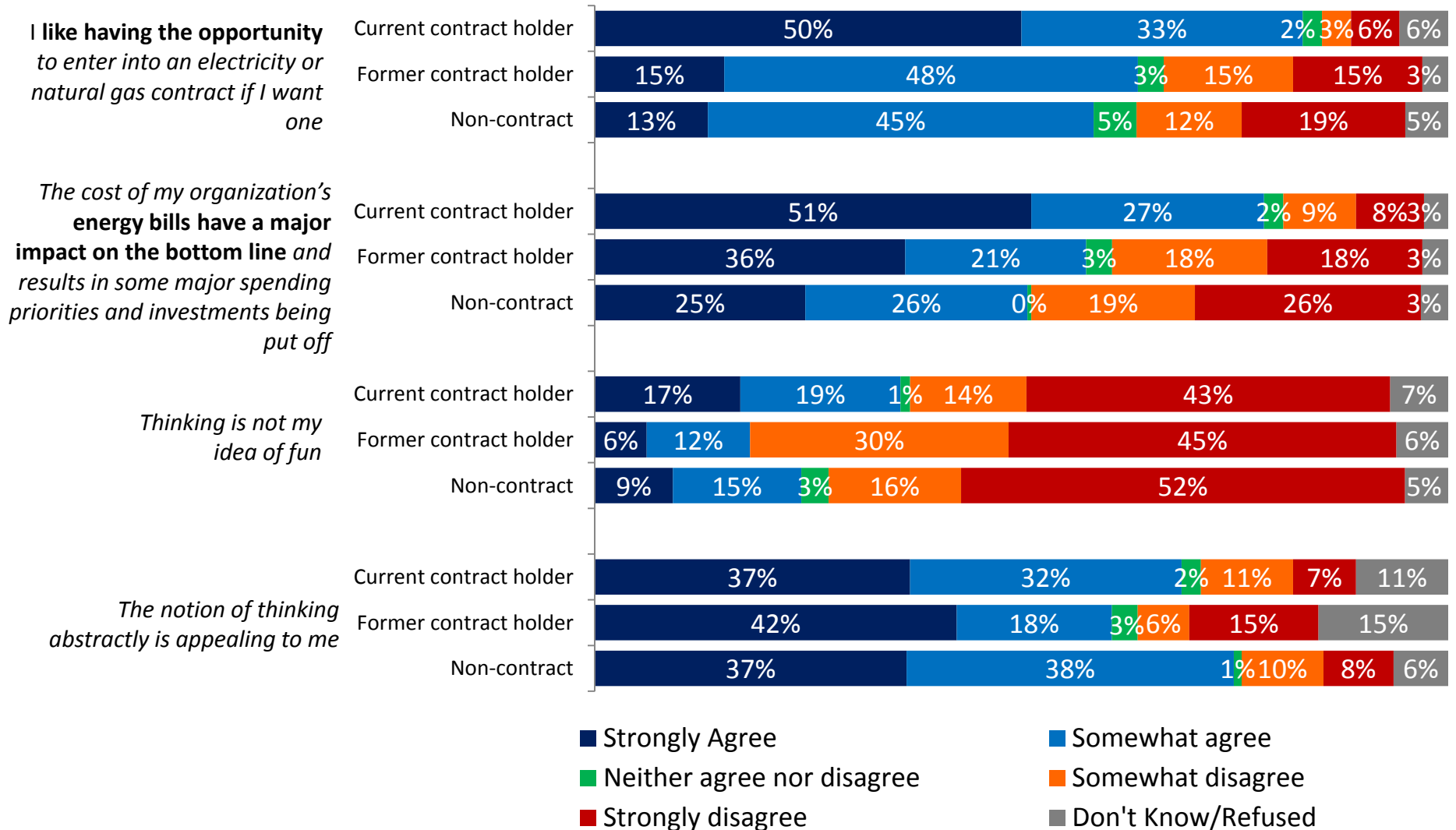
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Residential Survey

Non-Residential Survey

# Attitudinal attributes by segment: Current/former contract segments more likely to say energy bills have major impact <sup>88</sup>

**Q** For each of the following statements please tell me if you strongly agree, somewhat agree, somewhat disagree or strongly disagree?



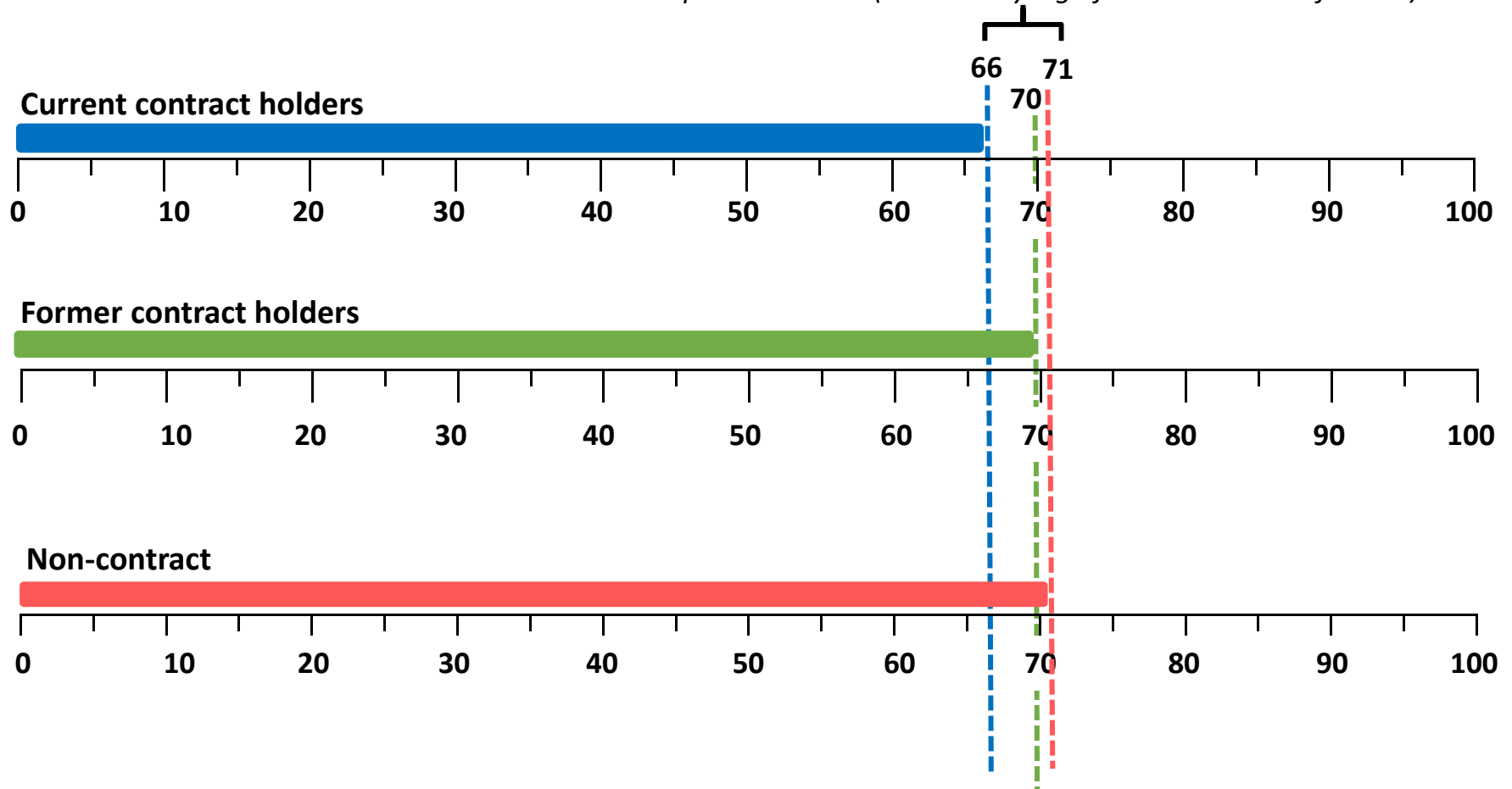


# Cognitive self-assessment index: Non-contract sample ranks higher at a statistically significant level

The previous battery asks two cognitive self-assessment questions: “thinking is not my idea of fun” and “the notion of thinking abstractly is appealing to me”. These are combined into an overall cognitive self-assessment index. The direction of the first statement is reversed so that the higher a respondent scores the greater their self-assessed cognitive ability. The scores are re-scaled from 0 to 100.

## Average Index Scores

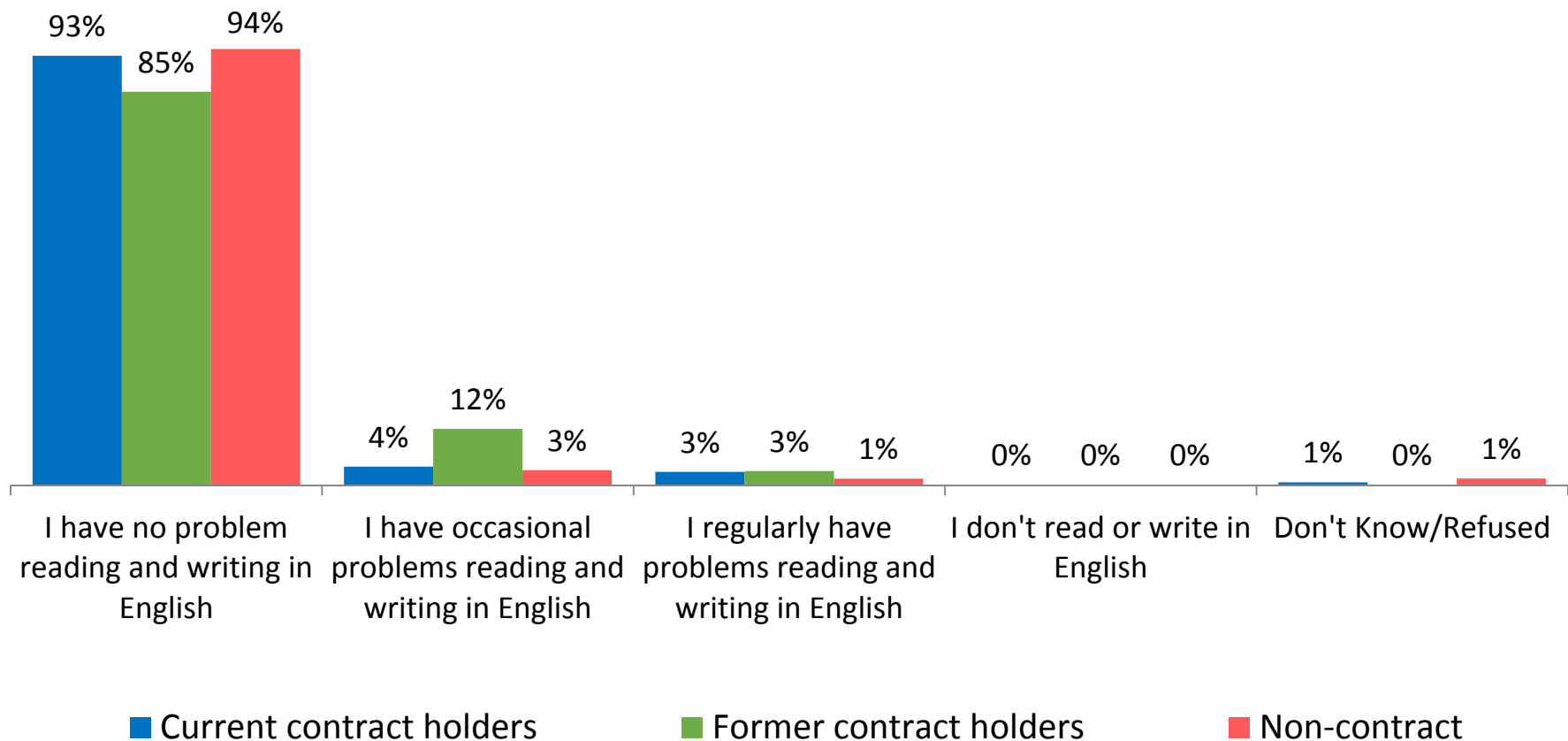
Current contracts – Non-contract = **-6**  
*p-value: 0.036 (statistically significant at 95% confidence)*



# English language comfort by segment:

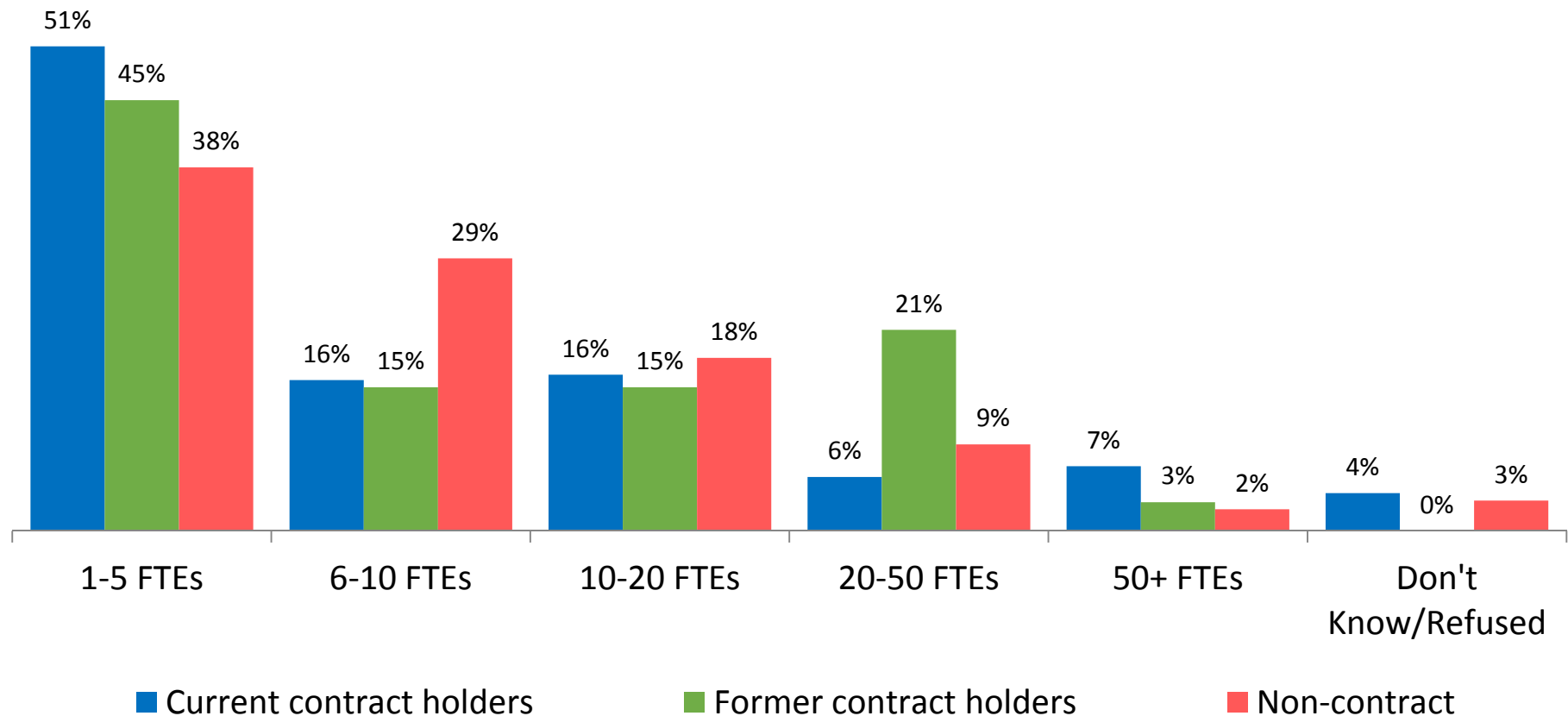
## No segment likely to say they have problems with English

**Q** Experts say for a variety of reasons, 40% of Ontarians have at least some difficult reading and writing in English. Which of the following statement best applies to you...



## Organization Size by Segment

**Q** Finally, how many people are employed at your place of work? ... And how many are full-time employees?  
 Charts shows number of Full-Time Equivalents where a part time employee counts as 0.5 FTE.





# Research-based strategic advice.

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