

# Ofgem Consumer First Panel

## Wave 2

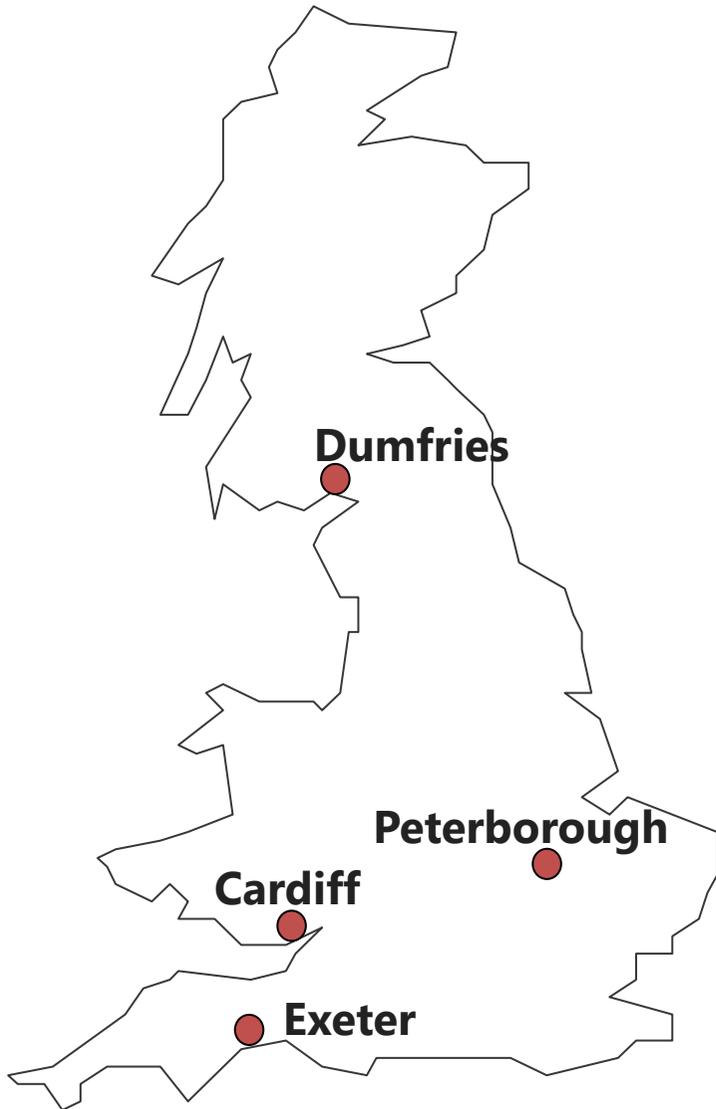
Be An Energy Shopper campaign message testing

18th January 2017



Ipsos MORI

# Introduction



## Ofgem Consumer First Panel

- Now in its 7th year, the Ofgem Consumer First Panel consists of c.100 domestic energy consumers, refreshed every year, who meet several times a year to discuss key policy issues.
- Its aims are to ensure that Ofgem works with a good understanding of the needs and expectations of consumers and uses this understanding to inform policy decisions.
- In April 2015, Ofgem commissioned Ipsos MORI to conduct research with a refreshed Consumer First Panel.
- In the second wave of the 2015/16 Panel, workshops took place in four different locations between 9<sup>th</sup> – 19<sup>th</sup> November 2015, attended by 62 Panellists from different backgrounds.

## Objectives

- To build on current messaging/wording used in the Be An Energy Shopper campaign and understand if key messages impact on different consumer groups and consumers overall.
- To explore reactions to new messages to see if they encourage action, and elicit new ideas, themes and potential creative routes.

# Methodology

Over the course of 45 minutes, Panellists were asked to develop and review campaign messages through the following stages:

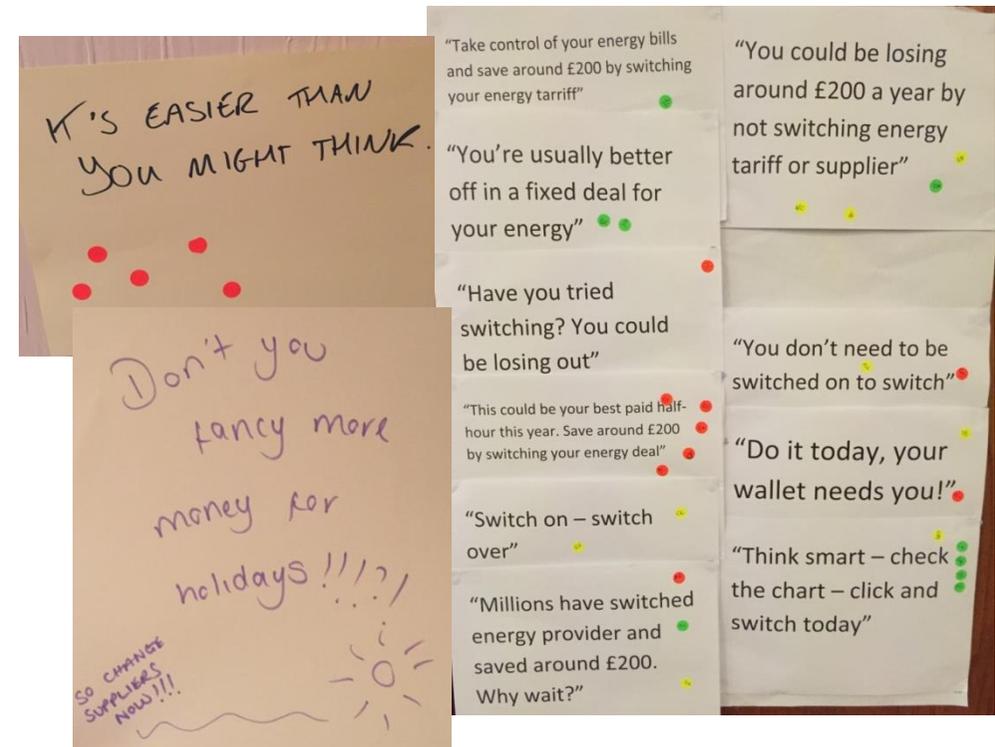
1. Panellists were given a brief to design campaign messages to encourage the 'Tuned In' and 'On Standby' segments to switch their energy tariff or supplier.
2. In pairs they were then asked to design a campaign message for each segment, plus a message that would encourage them personally to switch. These messages were reviewed as a group.
3. Panellists were then presented with five messages that had been provided by Ofgem, plus the best messages from previous workshops. These were rated by assigning dots for the messages Panellists felt worked best for them personally, and for each segment.
4. A final message, on encouraging others to switch, was presented for group discussion.



I keep an eye on the market – comparing tariffs or changing supplier now and then  
I read the my bills and other info that my supplier sends me – but don't always do anything as a result  
I've thought about switching tariff supplier in the last 12 months



I compare tariffs or look at changing supplier very rarely  
I understand a bit more about my tariff  
And might have a quick look at my bills or other info  
I don't feel confident switching tariffs  
I've switched tariff/supplier/but this was a long time

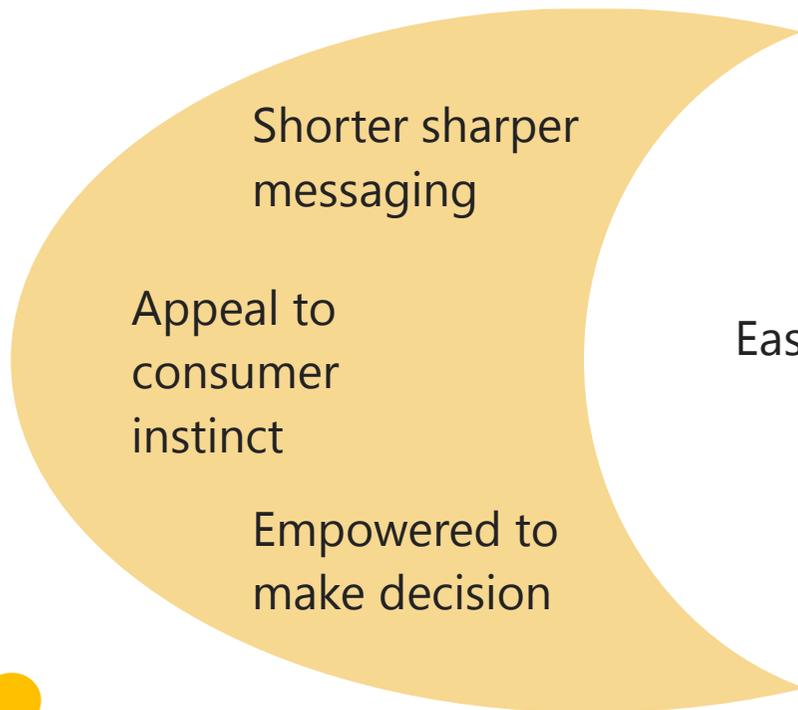


# Overview of campaign messages designed by Panellists

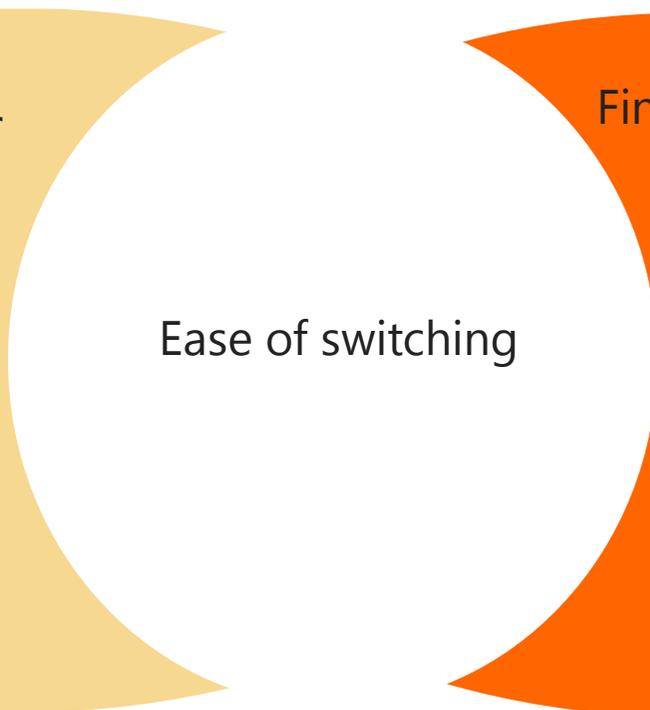


# Communicating 'ease of switching' was the common theme when designing messages

## Tuned In



## Similarities



## On Standby



"['Switch on Switch over'] they are tuned in but they are yet to make the switch, so that is to give them a little bit of a shove"



"It is a little bit of a taunt to them I guess"



"They doubt their capability"



"These people probably don't think that they're able to do it, so just giving them the confidence that actually it's easier than they think, and it's probably a mental barrier"

# 'Switch' and 'Change' were the most frequently used words by Panellists

Word	Number of uses
Switch	21
Change	15
Save	9
Money	7
Energy	6
Time	6
Make	5
Tariff	5
Helping	4
Go	4
Think	4
New	4
Compare	4
Now	3



# Panellist designs focused mainly on empowerment and ease of switching

'Think smart, check the chart, switch and click today'

'Make your choice and switch on #TimeToSwitch'

'Switching made easy. Cheaper energy, fast'

'It takes less time than you think'

'Switched on, I've changed for the better'

'I've got my eye on the tariff, have you?'

'I switched, I saved'

'Don't bin the money, one click will do the trick'

'Have you tried switching? You could be losing out.'

Message	Total	Self	Tuned In	On Standby
Empowering	16	6	4	6
Quick and Easy	11	3	5	3
Collective behaviour	5	2	3	0
Loss aversion	3	0	1	2

# Top self designed messages for Tuned In

**Switch on – switch over**

**Think smart, check the chart. Click and switch today**

Panellists liked this phrase as it appealed to their instincts as consumers. This is similar to the first statement, which is telling consumers to 'switch on'.

The reference to the online possibility of switching, and that it could be done on the same day appealed to respondents.



“It's like, it's more of a challenge, isn't it?”



“And click and switch, you're know that you're going to be able to go online and do it relatively easily, don't you?”

# Top self designed message for On Standby

**You don't need to be switched on to switch**

Panellists felt that the underlying message behind this statement, that you don't need to be an expert in the energy market to switch energy supplier or tariff was a powerful message.

Similarly with the other most popular self-designed messages this is short and snappy. It also doesn't contain any jargon or difficult phrases.

# Reaction to campaign messages designed by Ofgem



# Of the messages designed by Ofgem, 'best paid half-hour' was the clear favourite

Theme	Message	Votes given			
		Total	Self	Tuned In	On Standby
Quick and Easy	This could be your best paid half-hour this year. Save around £200 by switching your energy deal	<b>35</b>	9	13	13
Loss Aversion	You could be losing around £200 a year by not switching tariff or supplier	<b>24</b>	4	8	12
Collective Behaviour	Millions have switched energy provider and saved around £200. Why wait?	<b>24</b>	9	3	12
Empowering	Take control of your energy bills and save around £200 by switching your energy tariff	<b>14</b>	4	6	4
Specific tariff change	You're usually better off in a fixed deal for your energy	<b>4</b>	4	0	0

# 'Value of effort' was key to the most popular Ofgem message

This could be your best paid **half-hour** this year. Save around **£200** by switching your energy deal.

Making the connection between a short period of time and the potential reward was very powerful. People liked it as it combined the financial incentive with the ease of switching message.

Those that didn't like the message were not convinced it would be possible to switch in under half an hour. However, it is likely that moving to 'an hour' would be a less attractive proposition.



it's quite nice to be paid £200 for a half hour's work."

# Loss aversion seen as more relevant to Tuned In segment...

You could be **losing** around **£200 a year** by not switching tariff or supplier

Panellists felt that the message around losing money was useful, particularly for those in the 'Tuned in' group. Some Panellists also liked the specific reference to a time period and financial loss.

Some Panellists felt that a year was too long a time to be taking as a reference point, and that it might not be worth switching for the equivalent of less than £20 a month. Others preferred to be told what the monthly saving was as this linked more directly to their bill.



Well you're waving the stamp in front of them, aren't you? Who doesn't want £200?"

# Adding a time reference to potential savings/loses can add appeal

**Millions have switched** energy provider and saved around **£200**. **Why wait?**

Some Panellists felt that the fact 'millions' of people had done it would give them and other the confidence to change bills (although did not believe the figure)

They also felt that the 'Why wait?' message encouraged them to think that it was easy and quick to do.

Unlike other messages this did not have a stated time period which reduced its appeal to some Panellists.



I quite like the sound of, millions of people switched. And I'm thinking, yeah, I would like to be one of those people.

# In line with their own designs, Panellists were less positive when 'ease' was not emphasised

**Take control** of your energy bills and **save around £200** by switching your energy tariff

Some Panellists were put off by the strong language around this statement

Not seen as having a strong enough message about ease of switching

Does not include reference to a specific time period for the financial incentive

# Ambiguity and confusion about terminology drive low popularity

You're **usually** better off in a **fixed deal** for your energy

Panellists were concerned by the ambiguity in this statement, and were unsure what the 'usual' case was – also no strong call to action

Some Panellists struggled with the term 'fixed deal' and were worried that others (particularly On Standby) would have similar issues



it's not saying, switch your energy supplier



What is a fixed deal?

# Reaction to encouraging others to switch



# Reaction was mixed on call to action to encourage others to switch

## Know how to get a better energy deal? Don't keep it to yourself

### Positive but hesitant

- Some panellists were open to the idea of sharing information with friends and family but would hesitate to do so unless the conversation arose naturally.
- These Panellists were only likely to be open with and listen to trusted friends and family

### No need to be nudged

- Others did not feel that the message was necessary as they are already sharing information proactively amongst friends and family.
- Some of these had already switched on the advice or experience of others – or knew people who had switched because of them

### Unappealing topic

- Some Panellists were reluctant, and felt that talking about energy deals might be a boring conversation to have with friends and family – compared to other contracts such as mobile phones or car deals

### Inappropriate topic

- Others saw talking about financial issues as uncomfortable or inappropriate
- Regardless of how much potential saving could be made, they would avoid such conversations, even amongst close friends and family

# Attitudes were often based on openness to discussing finances more generally



"I do tell them if I'm asked, but I don't broadcast about it"  
*(Positive but hesitant)*



"Most people's eyes glaze over when you tell them about bills"  
*(Unappealing topic)*

**Know how to get a better energy deal?  
Don't keep it to yourself**



"Most families do tend to share these kinds of things, sometimes it can give them the little boost they need to see if they can change"  
*(No need to be nudged)*



"I think because we've got so much else going on that that's the last thing that anybody wants to sit and talk about"  
*(Inappropriate topic)*

**In conclusion...**



# Messages of empowerment, speed and ease were the most well received

## **Quick and easy-**

- Panellist designed messages often focussed on the ease of switching and perceived this to be an important message to both On Standby and Tuned in segments.
- Panellists also often referenced using the internet to switch as a shorthand for speed and ease.
- The Ofgem designed message on this theme was very well received, although some were unsure whether it would take half an hour and how to switch, others confirmed that they had been able to switch online in this time.



“Encouraging somebody to take control of their own power *[is the most important theme for me]* because it’s one of the important things about changing is you’re not going to do it if you feel it’s beyond your control”



“There is probably not a lot stopping them [Tuned In}, it is just a tiny barrier and that could be what gives them a bit of a shove”

## **Empowering-**

- When creating their own messages Panellists used empowering language, suggesting that you don’t need to be an energy expert to switch.
- The Ofgem designed message language was well received by some, but others felt that it may be intimidating rather than empowering.

# Little interest in specific tariff changes – but collective behaviour + loss aversion can work

## Collective behaviour

- Some Panellists had included aspects of collective behaviour in their designed messaging, but this was focused on a personal recommendation from one individual to another.
- The Ofgem designed message split opinion: many felt encouraged that so many had managed to switch; others were unconvinced by the size of the number.

## Specific tariff change

- Panellists did not refer to specific tariffs or deals when designing their own messages.
- The Ofgem message was perceived to lack a financial incentive and a call to action.
- Some were also sometimes confused by the term 'fixed deal', and were unsure whether 'usually' would apply to them.



"It is an unbelievable thing millions. It sounds like every other advert on the TV."

**OR**

"I quite like the sound of millions of people have switched, I would like to be one of those people."

## Loss aversion

- The theme of loss aversion resonated with many Panellists when they saw the Ofgem designed message.
- However, when designing their own messages Panellists often focussed on the what they could gain, rather than what they could be losing out on.



"Instead of saying that you could save £200, it is saying that you could save and go on holiday... Looking at what you can do with your money."

# Top tips for designing future messages

1. **Avoid jargon** that consumers might not understand: especially in relation to specific tariffs.
2. Stress the **ease of switching**, possibly by using a timeframe or pointing customers to the ease of the internet.
3. **Empower customers**, make them feel smart, but avoid language that appears too assertive.
4. Consider using **customer-to-customer** messages that demonstrate the benefits of switching or the potential losses of not doing so.
5. Insert a **monetary figure** that consumers can relate to, and a timeframe that makes it attractive.
6. Ensure that there is a definite **call to action** (to switch) in the message.
7. Use simple **punchy words**: Panellists enjoyed words that rhymed or phrases that caught their attention, for some this was more important than the message content and call to action.
8. Review the **target audience** for messages that encourage others to switch – only a few are receptive and would take action.