Industry guide to consumer switching experiences

Executive summary

How consumers select a retailer depends on the consumer's characteristics, their interest in gathering information on the possibilities of switching, the contracts that retailers offer and the consumer's perceptions of the switching process and their retailer. The Electricity Authority (Authority) has analysed recent survey data on consumer switching experiences to better understand these topics, inform future market facilitation initiatives and improve our understanding of consumer choices in the retail market. As competition necessarily involves consumers making choices, this research contributes to the competition arm of the Authority's statutory objective. The results will contribute to the Authority's *What's My Number* work by providing a more sophisticated view of market segmentation and consumer behaviour. The results are also relevant for the Authority's thinking on long-term retail contracts.

Consumers younger than 45 years remain the active switchers in the retail market relative to all other age groups. These younger consumers switch whether or not they gather information from the consumer information websites, while the consumers who are 45 to 55 years old often stay with their retailers even after consulting the consumer information websites. Consumers who are 65 years and above are more likely to switch when they consult the websites, while those who are between 54 years and 65 years are indifferent about switching or staying when they consult at least one of the consumer information websites.

Consumers aged between 45 years and 55 years either perceive a higher cost of switching, therefore their potential savings may be insufficient to engage in switching to another retailer, or their time availability inhibits their participation in a focused search for possibilities of switching to another retailer. The sample studied offers no insight into these matters; however this could be investigated in future surveys.

The enquiry shows that a number of factors influence a consumer's selection of a retailer. These factors are:

a. the age of the consumer

b. the number of children in the consumer's household

c. the offer of fixed-term contracts by retailers

d. the average monthly electricity consumption and expenditure of the household

e. the occupation of the consumer

f. the consumer's annual household income

g. the switching frequency of the consumer's household

h. retailer-initiated switching in the switching process

i. the consumer's perceptions that their retailer offers value for money

j. the consumer's perceptions of whether their retailer is well-established

k. the consumer's perceptions of whether their retailer is secure and reliable[1].

In future research, it will be worthwhile considering the consumer's price sensitivity in their selection of a retailer.

Introduction

The Authority has a statutory objective to promote competition in, reliable supply by, and the efficient operation of the electricity industry for the long-term benefit of consumers. To assist the Authority with achieving this objective, we conducted a review of consumers' switching experiences. This relates to the competition and efficiency legs of the statutory objective because switching to a better value retail plan causes an increase in economic efficiency. Also, increased switching increases the competitive pressure on retailers to improve their retail offers in the market.

The enquiry focuses on the socioeconomic characteristics of consumers in their selection of a retailer, consumers' engagement in the gathering of information on retailers' offers and retailers' retention strategies - saves[2] and win-backs[3] - in the retail market. Also, lower switching rates among some consumer segments signalled that it is necessary to understand the reasons for consumer inactivity in the retail market.

We observed that some consumers reverse their decision to switch when offered a financial inducement by their existing retailer. The existing retailer makes the offer to the consumer during the switching process, resulting in a 'save'. Previous retailers may also pursue the return of consumers who have switched. In some cases, consumers may return after a very brief stay with another retailer. Usually the previous retailer offers a financial inducement to the consumer in exchange for that consumer's return. This consumer retention strategy of re-acquiring consumers after a brief period with another retailer is a 'win-back'.

Typically, retailers offer their saved consumers a fixed-term contract in addition to the financial incentive. The fixed-term contract locks in the consumer for the length of the contract. The survey results contain no information on the length of the fixed-term contract or the rate, fixed or variable, for energy purchases associated with the contracts. Consumers self-select from among the contracts available in the retail market. Their contract selection shows their differences and their appetite for risk, which is just as varied. As a result, we expect a variety of contract choices to be available to consumers in the retail market.

Further, we acknowledge that consumers' motivations differ when it comes to switching or not switching and we have an interest in understanding the motivations that drive

[1] The survey question used to gather data on perceptions of reliability and security was open as to whether it meant reliable and secure supply, which is an issue for transmission and distribution, or a financially reliable and secure retailer.

[2] A save has occurred if a consumer is in the process of switching from one retailer ('the losing retailer') to another ('the gaining retailer'), and the losing retailer manages to persuade the consumer to cancel the switching process before it is complete.

[3] A win-back has occurred, if a consumer completes a switch from one retailer to another, and the losing retailer later convinces the consumer to switch back.

consumers' decisions in the retail market. The enquiry examines whether consumer and household characteristics, retailers' retention strategies, consumers' attitudes to switching and their perceptions of their retailer influence a consumer's selection of a retailer.

The data

The Authority provided to UMR Research Limited (UMR) a random selection of installation control points (ICPs) for consumers who were identified as either a switcher or potential switcher. A switcher is a consumer who has switched to another retailer at least once in the past two years. A potential switcher is a consumer who considered switching to another retailer in the past two years but decided not to switch.

UMR then selected 600 switchers and 600 potential switchers to obtain a sample of 1,200 ICPs. The sample represents the age distribution of the adult population in New Zealand. Each ICP corresponds to a consumer in the electricity market. UMR conducted the survey by telephone in February 2014.

Less than one per cent of the consumers in the sample refused to provide their annual household income, and for these consumers we used data from Statistics New Zealand (SNZ). Since retail price information was unavailable, the average monthly electricity consumption and expenditure data for members of the sample was used to make some inferences on consumer switching behaviour. We obtained this data from SNZ. Survey respondents provided all of the other demographic and attitudinal information modelled in this enquiry.

Modelling approach

The enquiry uses two types of econometric models, the binary logistic model and multinomial logistic model. The technical details of these models appear in the technical report which provides all estimates from the models. For the binary logistic model, potential switchers are separated from switchers to form two sub-samples and each sub-sample has only two choices available to each consumer. For the multinomial logistic model, the combined sub-samples are used and the sample has four choices available to each member of the sample.

When the sample of potential switchers is modelled, the available choices of the consumers are to stay with a Big 5 retailer or non-Big 5 retailer. For the enquiry, the Big 5 retailers are Contact Energy Limited, Genesis Energy Limited, Meridian Energy Limited, Mercury Energy Limited and Trustpower Limited and their specialty brands. All other retailers form the group of non-Big 5 retailers.

Interpretation of results

The binary logistic model assumes an underlying student *t* distribution for sample sizes smaller than 121 members and approximates a normal distribution for sample sizes larger than 120 members. Since each sub-sample of switchers and potential switchers has 600 consumers, the normal distribution applies. Also, the normal distribution is the underlying distribution of the multinomial logistic model when transformed to its natural logarithmic form. As a result, the normal distribution is used for both models in the determination of a statistical benchmark. That benchmark determines whether a parameter estimate is statistically significant or insignificant when the standard score for the parameter estimate is compared with the standard score for the confidence interval applied to the statistical benchmark. We apply a 95 per cent confidence level as the statistical benchmark in this enquiry. This confidence level is associated with a five per cent level of significance.

The five per cent level of statistical significance is used to determine whether the parameter estimate is statistically significant or insignificant. The equivalent standard score for the selected significance level is 1.96 for a two-tailed test. This standard score is selected for the enquiry. It results in a 2.5 per cent area under the curve of the normal distribution for each tail of the distribution. The aggregation of the area in the tails of the distribution establishes the area of statistical significance.

Any parameter estimate with a standard score equal to or greater than 1.96 is statistically significant and provides strong evidence that the effect is statistically significant. Similarly, a parameter estimate with a standard score that is equal to or less than -1.96 is statistically significant. In contrast, when the standard score for a parameter estimate is less than 1.96 but greater than -1.96, that estimate is statistically insignificant and therefore provides weak evidence of the effect.

All probabilities in this document refer to a specific consumer segment–a subset of the whole sample. For example, in **Figure 1** below, the top bar in the chart refers to consumers 75 or more years of age. The probabilities within the bar are for this market segment—in technical terms they are conditional probabilities.

Summary of results

Our analysis shows the following factors are statistically significant in influencing consumers' selection of a retailer:

a. the age of the consumer
b. the number of children in the consumer's household
c. the household's average monthly electricity consumption or expenditure
d. the consumer's occupation
e. if the consumer's annual household income is at or above $100,000
f. the switching frequency of the consumer
g. the retail contract offered to the consumer
h. retailer-initiated switching as an element of the switching process
i. the consumer's perception of value for money
j. the consumer's perception of whether the retailer is well-established
k. the consumer's perception of whether the retailer is reliable and secure.

Effect of household demographics

The analysis reveals that there is a 48 per cent probability that a consumer will stay with a retailer and a 52 per cent probability that the consumer will switch to another retailer when distinguishing consumer characteristics are excluded from consideration. There is a 41 per cent probability that the switch is from one Big 5 retailer to another Big 5 retailer.

Further, consumers who are younger than 45 years are the most active switchers in the market. Within this age group, the probability of switching to another retailer is 55 per cent and staying with the existing retailer is 45 per cent. Those switching most often select a Big 5 retailer–46 per cent probability, compared with nine per cent probability for a non-Big 5 retailer. Those that do not switch are also most often with a Big 5 retailer–44 percent probability, compared to less than one per cent for a non-Big 5 retailer. At the time of the survey, the non-Big 5 retailers comprised seven per cent of the retail market.

Consumers whose ages occur within the 45 years to 54 years age group have a 43 per cent probability of switching to another retailer and a 57 per cent probability of staying with their existing retailer. Their probability of switching to a Big 5 retailer is 35 per cent while there is a nine per cent chance that consumers in this group will switch to a non-Big 5 retailer. For consumers within this group who stay with the existing retailer, there is a 51 per cent chance that their retailer is a Big 5 retailer and a six per cent chance that a non-Big 5 retailer provides them with retail service.

The group of consumers whose age occurs within the 55 years to 64 years age group has a 45 per cent chance of switching to another retailer and a 55 per cent chance that these consumers will stay with their existing retailer. The probability of selecting another retailer who is a Big 5 retailer is 37 per cent, within this group of consumers, and eight per cent for the non-Big 5 retailer. Among the consumers within this age group who choose to stay with their existing retailer, there is a 49 per cent chance that a Big 5 retailer is selected and a six per cent chance that a non-Big 5 retailer is selected.

Consumers whose age occurs within the 65 years to 74 years age group have a 52 per cent probability of switching to another retailer and a 48 per cent probability of staying with their existing retailer. Among the consumers who choose to switch to another retailer there is a 39 per cent probability that a Big 5 retailer is selected and a 14 per cent probability that a non-Big 5 retailer is selected. In contrast, consumers within this age group who choose to stay with their existing retailer have a 45 per cent chance of selecting a Big 5 retailer and a three per cent chance of selecting a non-Big 5 retailer.

The group of consumers whose age occurs in the 75 years and above age group has a 52 per cent chance of switching to another retailer and a 48 per cent chance of staying with their existing retailer. Their probability of selecting a Big 5 retailer is 32 per cent for those consumers who switch to a Big 5 retailer and 20 per cent for those who switch to a non-Big-5 retailer. Consumers within this group who choose to stay with their existing retailer have a 43 per cent probability of selecting a Big 5 retailer and a five per cent probability selecting a non-Big 5 retailer.

Details on the relevant probabilities appear in **Figure 1**. These results should be interpreted with caution since non-Big 5 retailers are not present in all geographic locations where the Big 5 retailers provide retail service. It is very likely that knowledge of the geographic location of the consumers sampled for this study may show locations where non-Big 5 retailers have a higher probability of being selected by consumers.

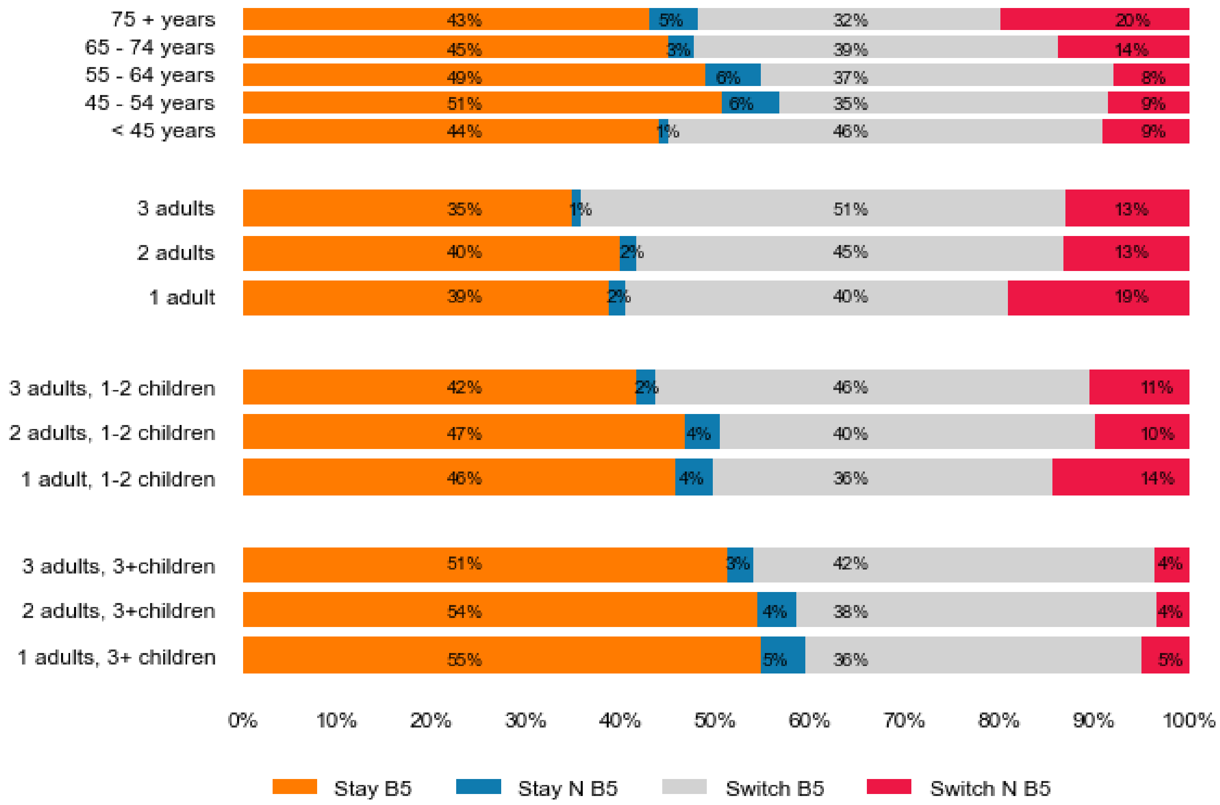

Figure 1. Retailer selection given the consumer's age an household composition

Also, **Figure 1** provides probabilities for the selection of another retailer when the consumer's household composition is considered. Regarding household composition, households with no children have an inclination for switching to another retailer. In contrast, households with one or more children usually stay with the existing retailer, which is often a Big 5 retailer.

Households with one or more adults and no children have a 15 per cent probability that a non-Big 5 retailer is selected and a 47 per cent probability that a Big 5 retailer is selected by those consumers who decide to switch to another retailer. For consumers who choose to stay with their retailer, there is a one per cent probability that a non-Big 5 retailer is selected and a 37 per cent probability that a Big 5 retailer is selected by consumers in this group.

Households with a single adult and no children have a 60 per cent probability of switching to another retailer and a 40 per cent probability of staying with the existing retailer. When there are two adults in the household there is 58 per cent probability that the consumer will select another retailer and a 42 per cent probability that the consumer will stay with the existing retailer. For those households with three adults and no children, there is a 64 per cent probability that the consumer selects another retailer and a 36 per cent probability that the consumer stays with the existing retailer.

When households have one or more adults and one to two children, there is a 53 per cent probability that the consumer selects another retailer and a 47 per cent probability that the consumer stays with the existing retailer. These consumers have a 42 per cent probability of selecting a Big 5 retailer and an eleven per cent probability of selecting a non-Big 5 retailer when they switch. When they stay with their existing retailer, there is a three per cent probability that the retailer is a non-Big 5 retailer and a 44 per cent probability the retailer is a Big 5 retailer.

Households with one adult and one to two children present have a 36 per cent probability of selecting a Big 5 retailer, and a 14 per cent probability of selecting a non-Big 5 retailer when the consumer switches to another retailer. For consumers within this group who choose to stay with their retailer, there is a four per cent probability that the consumer selects a non-Big 5 retailer and a 46 per cent probability that the retailer selected is a Big 5 retailer. As a result, there is an implication that households with one adult and one to two children are indifferent between staying with their retailer and switching to another retailer.

When two adults and one to two children are present in the household, there is a 10 per cent probability that the retailer selected is a non-Big 5 retailer and a 40 per cent probability that a Big 5 retailer is selected when these consumers switch to another retailer. For this group of consumers, there is a 47 per cent probability that these consumers stay with a Big 5 retailer and a four per cent probability they will stay with a non-Big 5 retailer.

Households with three or more adults and one to two children, have a 56 per cent probability of selecting another retailer and a 44 per cent probability of staying with their existing retailer. These households have a 10 per cent probability of selecting a non-Big 5 retailer and a 46 per cent of selecting a Big 5 retailer when they switch. Also, they have a two per cent probability of staying with a non-Big 5 retailer and a 42 per cent probability of staying with a Big 5 retailer.

Often households with three or more children show a greater inclination to stay with their retailer. Households with one or more adults and three or more children have a 57 per cent chance of staying with their existing retailer and a 43 per cent chance of switching to another retailer. These consumers have a 39 per cent probability of selecting a Big 5 retailer and a four per cent probability of selecting a non-Big 5 retailer when they switch. In contrast, they have a 53 per cent probability of staying with a Big 5 retailer and a four per cent probability of staying with a non-Big 5 retailer.

When there is one adult and three or more children in the household, these consumers have a 40 per cent probability of selecting another retailer and a 60 per cent probability of staying with their existing retailer. They also have a five per cent probability of selecting a non-Big 5 retailer, and a 36 per cent probability of selecting a Big 5 retailer when they switch to another retailer. These consumers have a five per cent probability of staying with a non-Big 5 retailer and a 55 per cent probability of staying with a Big 5 retailer.

When the household has two adults and three or more children present, there is a three per cent probability that the consumer selects a non-Big 5 retailer and a 38 per cent probability that a Big 5 retailer is selected when the consumer switches to another retailer. For those consumers who stay there is a four per cent probability that the consumer selects a non-Big 5 retailer and a 54 per cent probability that a Big 5 retailer is selected. This group of households has a 42 per cent probability of selecting another retailer and a 58 per cent probability of staying with their existing retailer.

Households with three or more adults and three or more children present have a 46 per cent probability of switching to another retailer and a 54 per cent probability of staying with their existing retailer. They have a four per cent probability of switching to another retailer who is a non-Big 5 retailer and a 42 per cent probability of selecting a Big 5 retailer. When the consumer chooses to stay with the retailer there is a three per cent probability that the consumer selects a non-Big 5 retailer and a 51 per cent probability that a Big 5 retailer is selected.

Another characteristic examined for the consumers is their annual household income. Consumers with annual household income below $30,000 have a 25 per cent chance of staying with their retailer and a 75 per cent chance of switching to another retailer. For consumers within the $30,000 to $49,999 income band there is also a 75 per cent probability that the consumer switches to another retailer and a 25 per cent probability that the consumer stays with the retailer.

For consumers within the $50,000 to $69,999 income band, there is an 80 per cent chance that the consumer selects another retailer and a 20 per cent chance that the consumer stays with the existing retailer. Where the income band is $70,000 to $99,999, consumers in this income group who select another retailer have a 72 per cent probability while those consumers who choose to stay have a 28 per cent probability.

Consumers within the $100,000 and greater income band have a 72 per cent probability of switching to another retailer and a 28 per cent probability of staying with their existing retailer. Consumers within annual household income bands below $70,000 have a much greater probability (19 to 22 per cent) of selecting a non-Big 5 retailer when they switch to another retailer than in the higher income band where the percentage lies between eight to 12 per cent. Within all the income bands, consumers are more inclined to switch to a Big 5 retailer. Additional details on the retailer selections appear in the technical paper for situations when the consumer’s age, annual household income and, switching frequency are considered. The technical paper accompanies this paper.

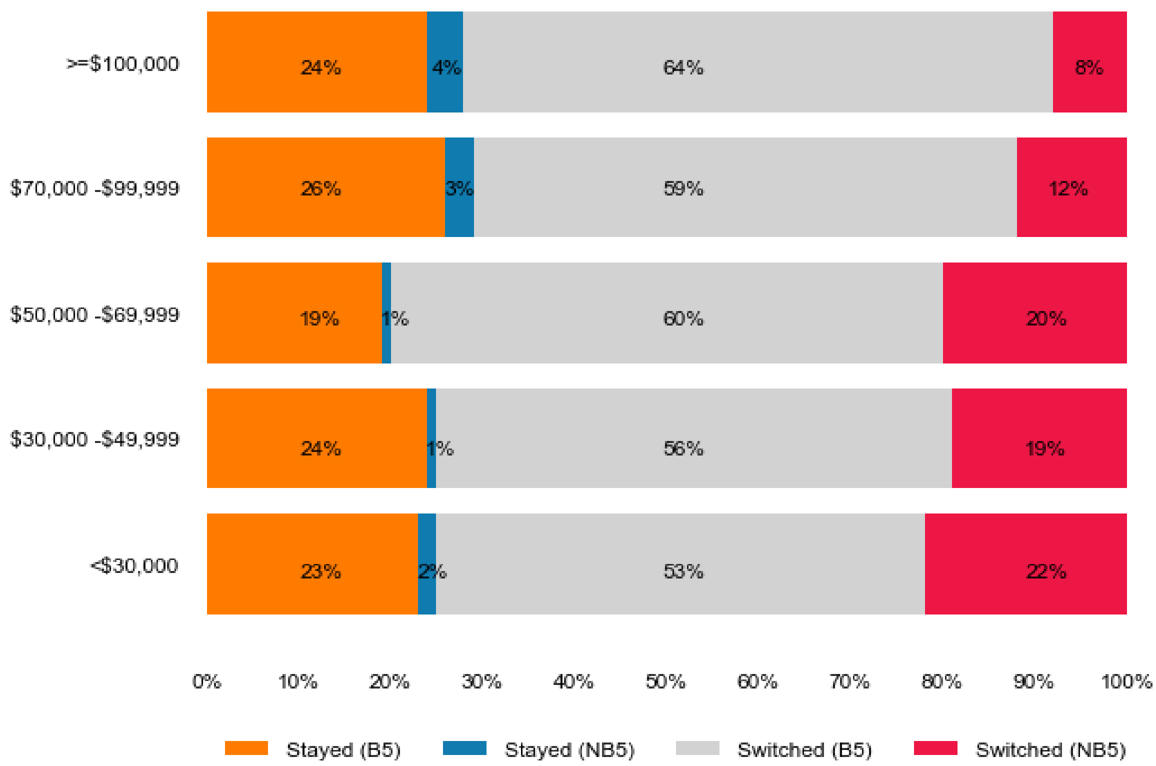

Figure 2. Annual household income and the selection of a retailer

Figure 2 provides a summary of the various probabilities of selecting another retailer when the consumer's annual household income is considered.

Effect of consumer information media

There are several independent sources of consumer information in the electricity retail market, with two most prominent ones being *What's My Number* and *Powerswitch*. Sixty seven per cent of all sampled consumers visited at least one of these two consumer information websites, which means only 33 per cent visited neither website.

The group of consumers who do not consult either consumer information website has a 40 per cent probability of staying with their existing retailer and a 60 per cent probability of switching to another retailer. It is very likely that these consumers who switch without gathering information have made their selection of another retailer based on a competing retailer who had approached them about switching. In contrast, when the consumer consults only *Powerswitch*, there is a 54 per cent chance that the consumer will stay with the retailer and a 46 per cent chance that the consumer will switch to another retailer. When only the *What's My Number* website is consulted, there is a 44 per cent chance that the consumer stays with his or her existing retailer and a 56 per cent probability that the consumer switches to another retailer. For those consumers who consult both consumer information websites, there is a 51 per cent probability that the consumer stays with his or her existing retailer and a 49 per cent probability that the consumer switches to another retailer.

For additional insight about information gathering habits among consumers, we examined the various consumer segments to understand their information gathering behaviour. **Figure 3** provides a summary of the probabilities obtained from the analysis.

Consumers who are younger than 45 years and consulted neither website have a 62 per cent probability of switching to another retailer and a 38 per cent probability of staying with their existing retailer. When this group of consumers consults both websites there is a 52 per cent probability that the consumer will select another retailer and a 48 per cent that the consumer will stay with the existing retailer.

Within the 45 years to 54 years age group, these consumers have a 52 per cent probability of selecting another retailer and a 48 per cent probability of staying with their existing retailer when neither website is consulted. More often than not, this group of consumers selects a non-Big 5 retailer. The probability of their selection is 41 per cent for the non-Big 5 retailer and 11 per cent for the Big 5 retailer. In the case when both websites are consulted, there is a 41 per cent probability that the consumer switches to another retailer and a 59 per cent probability that the consumer stays with his or her existing retailer.

Consumers within the 55 years to 64 years age group who consult neither information website have a 57 per cent probability of selecting another retailer and a 43 per cent probability of staying with their existing retailer. When these consumers consult both websites, there is a 46 per cent probability that they will switch to another retailer and a 54 per cent probability they will stay with their retailer.

There is a 61 per cent probability that consumers whose age occurs between 65 years and 74 years select another retailer and a 39 per cent probability that consumers in this group stay with their existing retailer when neither consumer information website is consulted. In addition, when these consumers consult both websites, they are indifferent between switching to another retailer and staying with their existing retailer.

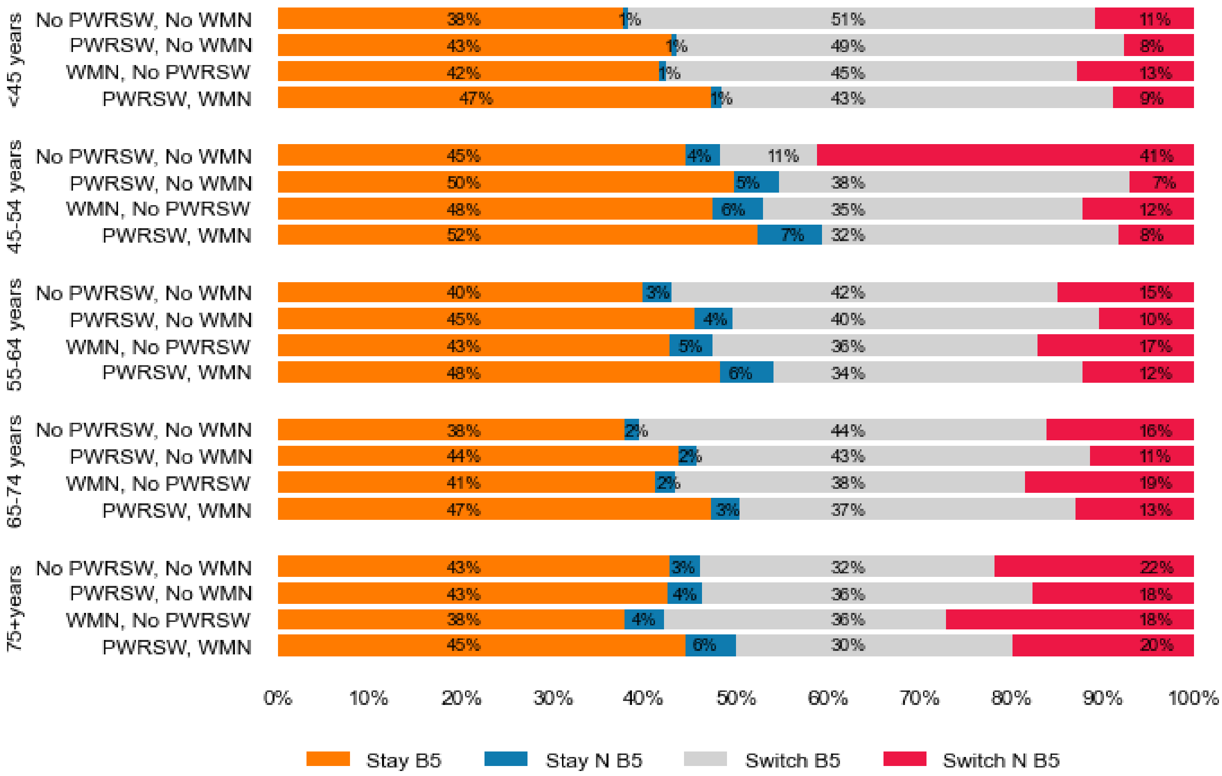

Figure 3. Retailer selection and the consumer's information gathering habits

Consumers aged 75 years and above usually make an effort to gather consumer information from at least one website. When these consumers consult neither website there is a 54 per cent probability that they select another retailer and a 46 per cent probability they stay with their retailer. In contrast, this age group is also indifferent between switching to another retailer and staying with their existing retailer when these consumers consult both websites.

Based on the evidence provided by the sample, it can be concluded that consumers engage in information gathering whether their decision is to stay with their existing retailer or switch to another retailer. More often than not, consumers consult at least the *What's My Number* or *Powerswitch* website prior to switching to another retailer. This indicates that consumers prefer to discover possibilities about switching, rather than solely relying on approaches from retailers.

It is possible that consumers who consult at least one of the consumer information websites but choose not to switch discover that the potential savings from switching to another retailer are insufficient to make the switch. An alternative explanation is that these consumers may have attempted to switch but their existing retailer matched the offer of the competing retailer, which resulted in their continued stay with the existing retailer.

The enquiry also found that based on the responses in the survey, consumers who have switched to another Big 5 retailer are least likely to appreciate being approached subsequently by retailers about switching.

Effect of retailers' consumer retention strategies

The enquiry found that neither saves nor win-backs have a strong influence on consumers' selection of a retailer. While these consumer retention strategies may attract consumers to stay or return to the retailer, the financial incentives offered to the consumers exert a weak influence on consumers' selection of a retailer. It is possible that the incentives provided only temporarily suspend the consumer's decision to switch until the expiration of the contract term. A further possibility is that this result is an artefact of this particular sample because of the high representation of consumers who are exposed to these consumer retention strategies in the retail market. Therefore, these results should be approached with caution as the sample is not stratified to the level necessary to ensure appropriate weighting between consumers who are saved or not saved, or won-back or not won-back.

In contrast, the use of fixed-term contracts by retailers has a strong influence on the consumer's selection of a retailer. Often retailers offer fixed-term contracts to their consumers who seek to switch for the first time, the potential switchers. That is, these consumers have not switched to another retailer in the previous two years. Retailers seldom make this type of offer to consumers who have switched one or more times in the previous two years.

The Authority will monitor whether a problem exists with full information disclosure of contract terms and conditions to ensure that consumers are aware of the terms and conditions of their contracts. Fixed-term contracts with a variable rate for energy purchases require consumers to manage their electricity consumption and total electricity bill particularly when price increases occur that do not match the consumer's appetite for risk. Further, these contracts temporarily deprive consumers of the opportunity to select another retailer whose offer is competitive unless a contract breach fee is paid and the potential savings from switching is greater than the breach fee.

The probabilities for the retailer selection when saves are considered in the analysis are presents in **Figure 4**.

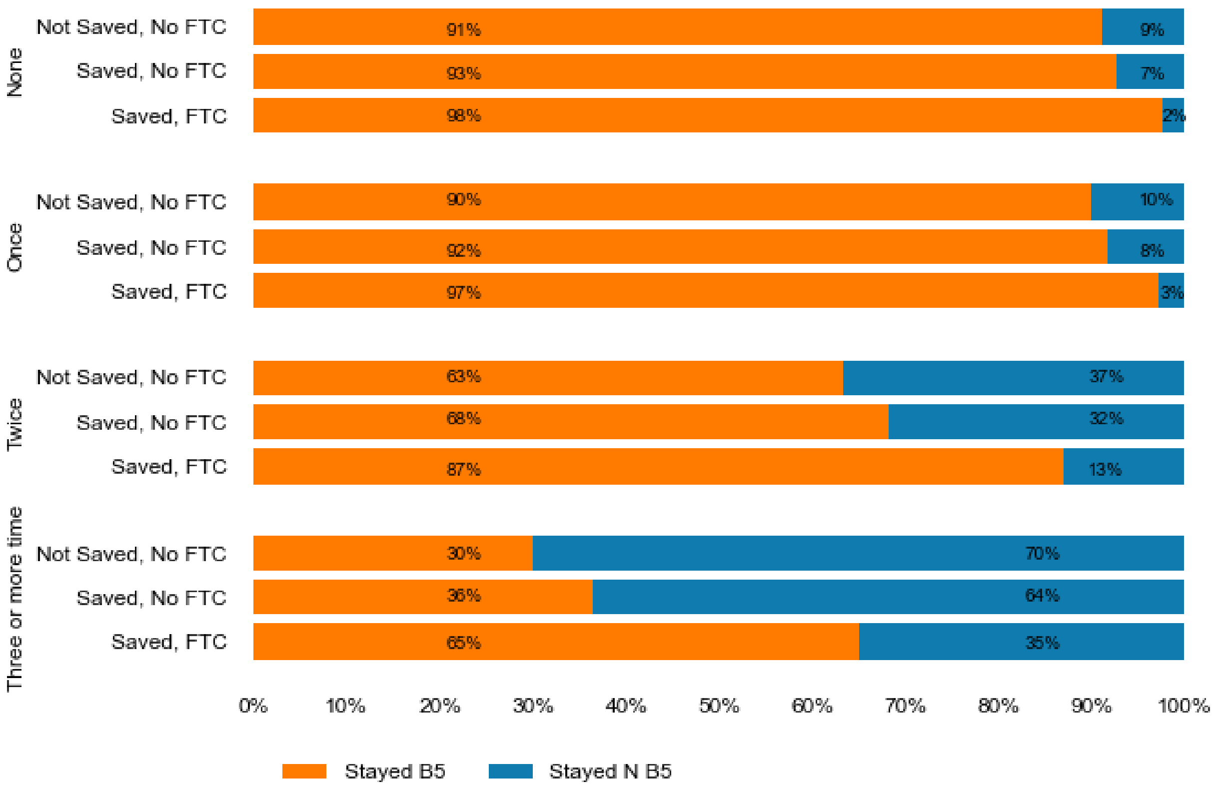

Figure 4. Saves and consumer retention by retailers grouped by the number of times that a consumer has switched in the last two years.

Figure 4 shows that Big 5 retailers tend to try to save customers that have switched less often.

Effect of households' perceptions of retailers

Another dimension to the enquiry is the examination of households' perceptions of their retailers. There were five retailer perception attributes that the enquiry examined. Consumers were asked whether their retailer provides value for money, provides satisfaction, provides quality service, is well-established, is trustworthy, is secure and reliable. The following retailer attributes exhibited strong influence on consumers' selection of a retailer:

a. the retailer's offer of value for money

b. the retailer is well-established

c. the security and reliability of the retailer.

Consumers who switched are most likely to express the opinion that their retailer provides value for money. This outcome signals that switchers are value seekers in the retail market. Consumers who stayed with the Big 5 retailers have expressed the opinion that their retailers' provision of value for money is unlikely to apply. It is possible that these consumers value the relationship with their retailer not in terms of the products and services supplied but in the quality of consumer service and service quality in the delivery of the products and services.

For consumers' perceptions of whether their retailer is well-established, the analysis reveals that consumers who choose to stay with the Big 5 retailers are most likely to express such an opinion. Consumers who switched to Big 5 retailers have a slightly greater probability of expressing that opinion compared to those consumers who stayed with the Big 5 retailers. Further, the sample provides evidence that consumers who switched to a non-Big 5 retailer are not very likely to express such an opinion. This outcome is consistent with the marketing literature that investigates the behaviours of switchers.

This literature presents various reasons why consumers prefer to stay with their existing retailer. In some cases consumers have not reached their tolerance threshold for being dissatisfied or are unwilling to accept perceived diminished service quality from a different supplier. The authors of research on this subject state that consumers who are resistant or reluctant to switch are often reluctant to invest the effort to establish a new business relationship.

For the consumer's perception of whether their retailer is secure and reliable, the enquiry found that consumers who switched to a non-Big 5 retailer are very unlikely to be concerned with the security and reliability of their retailer. In contrast, consumers who stayed with the Big 5 retailers or switched to these retailers are most likely to express the opinion that the attribute applies to their retailer. The reliable and secure perceptions are interesting as the survey question was open as to whether it was referring to reliable and secure supply, which is generally a transmission and distribution issue, or a financially reliable and secure retailer. If consumers are in fact attributing reliable and secure supply to retailers, then the Authority has a role to inform consumers that security of supply doesn't vary between retailers.

The enquiry found that consumers who stayed with the Big 5 retailers and those consumers who switched to the non-Big 5 retailers perceive their retailer as trustworthy. However, consumers who switched to Big 5 retailers are very unlikely to state that this attribute applies to their retailer.

Statistically insignificant evidence of influencing the selection of a retailer

The sample contains statistically insignificant evidence that a number of factors influence the consumer's selection of a retailer. These factors are:

a. gender of the consumer
b. the number of adults in the consumer's household
c. annual household income being below $100,000
d. retailers' consumer retention strategies
e. the residence term of the consumer's household at the address
f. consumer information gathering
g. consumer experience with the ease of switching.

These outcomes are only evidence of weak representation of these factors among members in the sample studied. There is the possibility that strong statistical evidence may exist in another representative sample that is stratified in a way that accounts for the distribution of these factors in the adult population of New Zealand.