

The Power of Choice

Maryland
Consumer
Shopping
Trends

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The Power of Choice: Consumer Shopping Trends Survey and Insights

Introduction

Today's consumer is rarely content to select the first product they see. As evidence, consider that there are Web browser plug-ins to search for a better price, coupon code aggregators to get every last discount, and abandoned "shopping carts" left across ecommerce sites while customers comparison shop. For their part, online merchants have grown more targeted and sophisticated: personalized banner ads, pop-ups, merchant emails and the like. Not all sales pitches are online, of course. TV and radio advertising, coupon mailers, sales displays in storefront windows – it's a." For consumers, savvy comparison shopping and multiple forms of advertising is increasingly an accepted part of life.

This is just as true when it comes to purchasing electricity and natural gas for a consumer's home. Shopping for energy can involve multiple sales channels, including a direct mail piece from a supplier, an insert with the month's utility bill, a kiosk in a retail store, online ads, radio and television commercials, or a telephone solicitation.

Last year, ACCES commissioned a survey to determine the shopping preferences of consumers who were retail energy customers. The survey questions included in this study identified consumers based on being a current energy choice customer, and compared and contrasted consumer preferences around product offerings, energy innovation, and competition. The sample size for the survey is 206 third-party energy consumers in Maryland. Responses were gathered via online interviews with members of a representative panel of Maryland residents. Demographics were adjusted to reflect the population from which the sample was drawn. The survey was conducted January 28 – 30, 2020 by Harper Polling.

About ACCES

ACCES is an association of competitive electricity and natural gas suppliers committed to helping consumers better understand and then take advantage of the benefits of energy choice and competition in the energy industry.

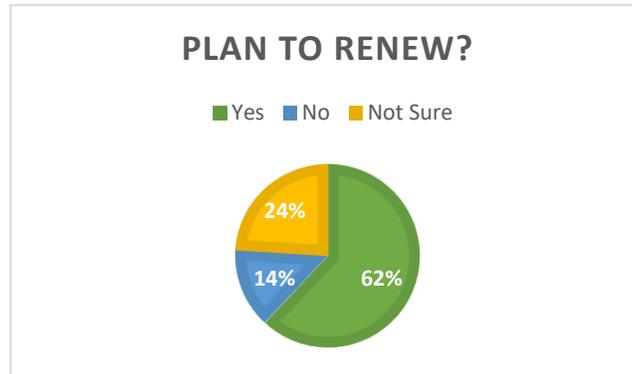
As an organization, ACCES is solely focused on developing and delivering consumer education resources, in partnership with public service commissions, consumer advocates, utilities, and other suppliers. ACCES members are committed to consumer education in every competitive market in the country, as well as providing information and resources to consumers in non-competitive markets, as well as other key stakeholders.

The activities of ACCES are specifically limited to consumer education; the coalition conducts no lobbying, sales, marketing, or promotional activities on behalf of any individual ACCES member.

Findings from the Survey

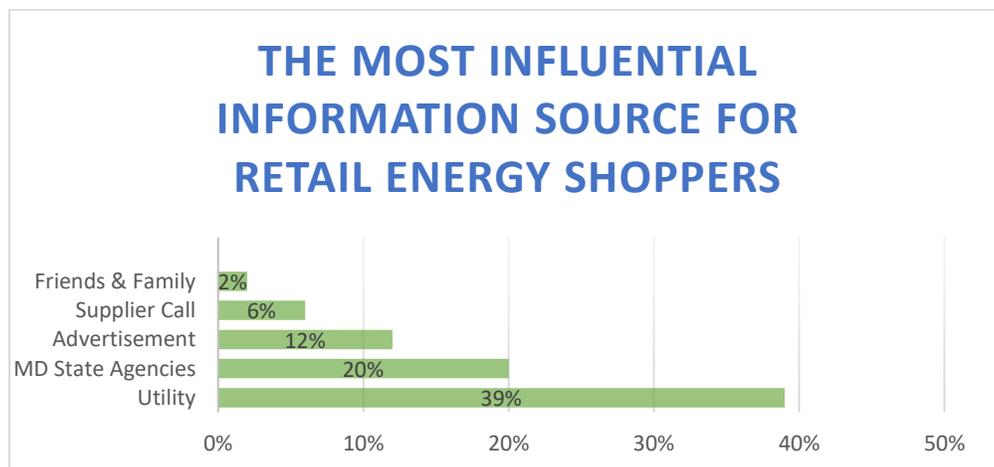
The survey found that 87% of third-party energy customers are satisfied with their supplier, with 62% reporting that they plan to renew their current third-party contracts (please see Table 1), suggesting a strongly positive view of retail suppliers and the value they provide on the part of surveyed customers.

Table 1: Plan to Renew Current Supplier Contract?



A plurality of respondents ranked information from their utility as the top factor influencing them to shop for a third-party supplier (please see Table 2), and responses indicated consumers view utilities as neutral. Information from the Maryland Public Service Commission was ranked as the second- or third-most important influence. This highlights an opportunity to boost the profile of MDPSC as the primary trustworthy and neutral information source.

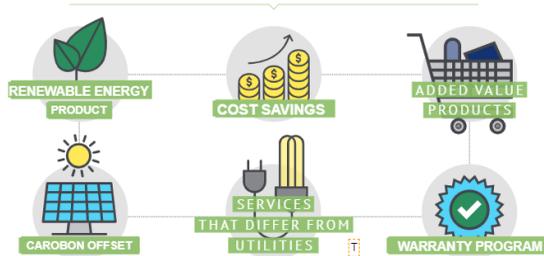
Table 2: Top Factors Influencing Decision to Shop



The survey also revealed key variables that help predict consumer preferences including age, and home-ownership status. Consumers overall valued long-term, fixed-price products, while younger customers especially valued green product offerings.

Table 3: Consumer Shopping Preferences

Factors that Influence Shopping Preferences



The most active, engaged shoppers (those who recently switched suppliers, or who shop frequently) were most likely to be very satisfied with their third-party supplier and most likely to plan to renew – underscoring the importance of fostering customer engagement. Customers who shop only when their contract expires were less likely to be very satisfied.

Results Consistent with Other Research

Over the past several years, ACCES has undertaken various projects to understand the consumer preferences surrounding energy choice. [In our 2017 survey of consumers](#) located in one state that allows energy choice, Ohio, and one state without electricity choice, Florida, we found that overwhelmingly consumers are in favor of choice (77%).

In 2018, ACCES [hosted a focus group](#) to determine the deciding factors of customers electing to use a competitive energy supplier for their energy needs. Participants in the focus group discussed what factors they considered when shopping for a supplier, and why they did (or ultimately, didn't) elect to become a third-party energy supplier. Many of the participants expressed interest in a neutral shopping tool that compared offers.

ACCES believes that the results from this survey continue to provide evidence for the trend we have consistently identified throughout our three-year project into consumer preferences on energy choice: consumers value choice, especially with regards to their homes and products that affect their families. Consumers appreciate the market keeping up with other trends such as enhanced technology, competitive pricing, and environmentally friendly products.

ACCES looks forward to continuing to be a voice in the conversation of how to best make shopping for a third-party energy supplier accessible to every consumer.