



“But are they any good?”

The value of service quality
information in complex markets

Ben Martin Hobbs



Choosing between providers


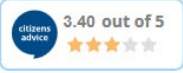

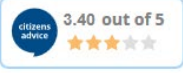


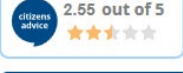

- “Information asymmetry” - George Akerlof - *The Market for Lemons*
- Resolving problems costs consumers \$16.31bn - \$6.26bn for energy, finance, telco, ISP sectors alone
(EY Sweeney – Australian Consumer Survey)
- Edelman Trust Barometer /Roy Morgan surveys indicate falling trust in energy, finance, telco, ISP sectors

Muted competitive forces

- If a search costs are high firms may rely on marketing instead, resulting in *x-inefficiency*
- Absence of comparable information may limit a firm's ability to leverage this competitive advantage
- Government intervention and its consequences



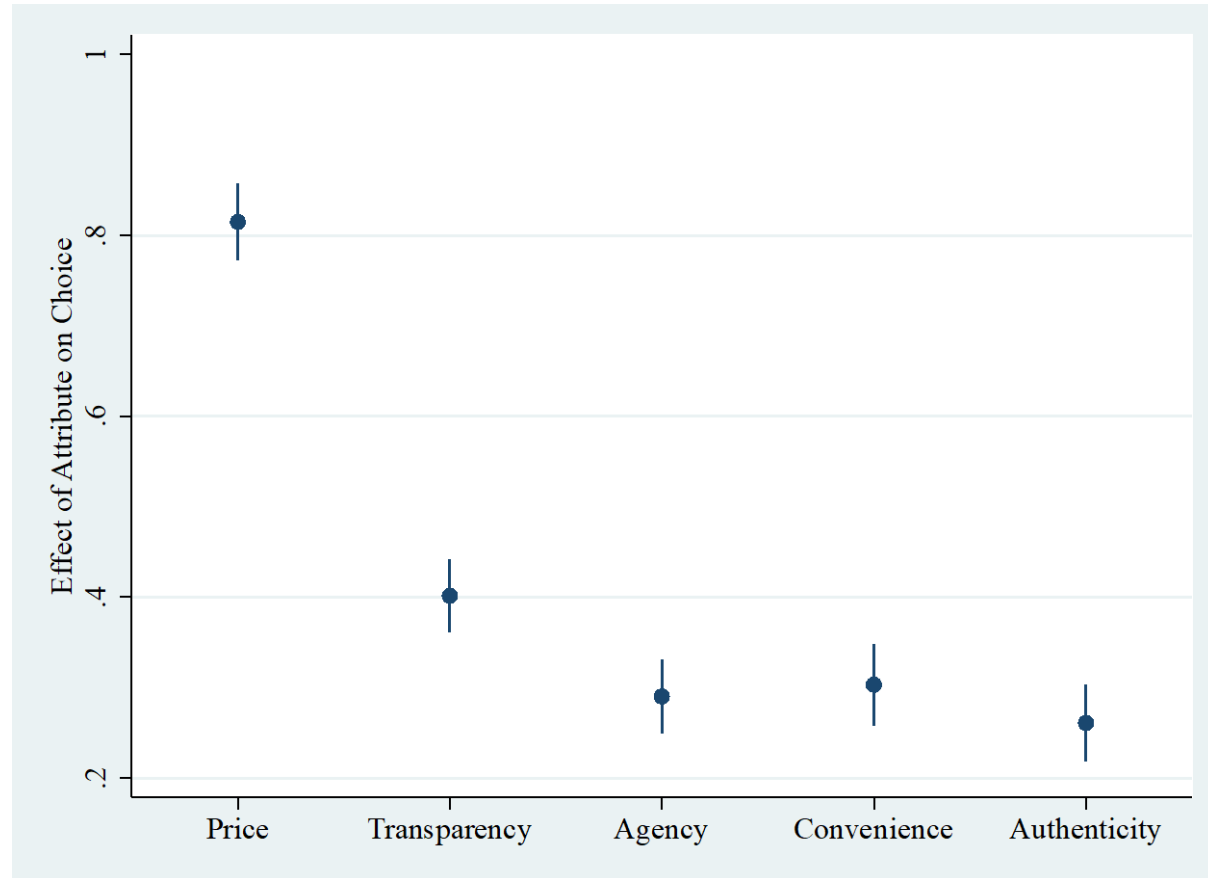
Examples of “sunlight remedies”

	Tariff Name	Billing	Exit Fee	Personal Projection	Payment by	Savings	Customer service rating
Viewing 1 - Nursing	Top Shopper October 2018 Issue 1						
	 Powershop	Paperless Billing	no fee	£441.84 per year	Monthly Variable Direct Debit	You will save £216.93 per year	 3.40 out of 5 ★★★★☆
							Next steps →
HILT HOM	First Year Promise October 2018 Issue 1						
304 H PAND (419):	 Powershop	Paperless Billing	no fee	£546.98 per year	Monthly Variable Direct Debit	You will save £111.79 per year	 3.45 out of 5 ★★★★☆
							Next steps →
Add to	2 Year Price Protect v2						
LIMA							
750 B LIMA, (419):	 ESB	Paperless Billing	£30	£553.36 per year	Monthly Variable Direct Debit	You will save £105.41 per year	No rating
							Next steps →
Add to	Robin Hood Green V2						
MEAL DELI							
800 A DELP (419):	 Robin Hood Energy	Paperless Billing	£30	£556.06 per year	Monthly Variable Direct Debit	You will save £102.72 per year	 2.55 out of 5 ★★★☆☆
							Next steps →
Add to	Your Energy Sussex One Year Fixed (with exit fee) V3						
	 Your Energy Sussex	Paperless Billing	£30	£556.06 per year	Monthly Variable Direct Debit	You will save £102.72 per year	No rating
							Next steps →

Findings thus far

Non-price attributes:

- Transparency
- Agency
- Convenience
- Authenticity



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