

Mastio & Company's

Natural Gas Marketer Customer Value & Loyalty Benchmarking Study

19th Edition 2015

Metrics to Manage the "Customer Experience"



OVERVIEW

MASTIO published its 19th Edition Natural Gas Marketer Customer Value & Loyalty Study in November 2015. The 2015 study findings are based on interviews with 963 customers providing approximately 2,200 total observations. There were approximately 200 suppliers rated of which 26 had a sufficient number of ratings to be included in this 2015 report.

The 2015 study also includes 4,700 qualitative responses to five (5) open-ended questions about individual suppliers. The data was collected by telephone interviews with key decision makers during the months of August through November of 2015.

ATTRIBUTES MEASURED IN THE REPORT

- Accuracy of invoices and statements.
- Accurate nominations.
- Builds collaborative relationships.
- Capability of back-office personnel.
- Consistency of account management.
- Ease of contacting back-office personnel.
- Ease of initiating gas purchases.
- Easy to contact the sales rep.
- Fairness of credit negotiations.
- Financial products and services.
- Flexible contracts.
- Frequency of visits by the sales rep.
- Has financial strength to back future commitments.
- Historically dependable in meeting commitments.
- Knowledge of personnel.
- Knowledge of sales team.
- Open communication.
- Personnel empowered to service your needs.
- Price competitiveness.
- Problems resolved in a timely manner.
- Quality of info provided to make energy decisions.
- Reliability of gas supply.
- Responsiveness of sales representative.
- Sales reps who listen well.
- Ease of doing business.
- Speed of contract negotiations.
- Supplier is honest and trustworthy.
- Timely balancing.
- Overall performance rating independent of price
- How likely would you be to recommend each company?
- How likely are you to continue using this company next year?

GAS MARKETERS INCLUDED IN PRINTED REPORT

- Anadarko Petroleum Corp.
- Atmos Energy Marketing
- BG Group
- BP
- CenterPoint Energy Services
- Chevron
- ConocoPhillips
- Constellation
- Continuum Energy
- Direct Energy Marketing Ltd.
- DTE Energy
- EDF Trading
- EQT Energy
- Iberdrola Renewables
- JPMorgan
- Macquarie Cook Energy
- Occidental Energy Marketing
- Range Resources
- Repsol
- SCANA Energy Marketing Management
- Shell Energy North America
- Tenaska Marketing Ventures
- Texican Natural Gas
- Twin Eagle Resource Management
- World Fuel Supply & Trading

WHY A MASTIO STUDY?

Successful organizations collect competitive customer metrics because they understand that it is the customer who has the money, and without customers they don't have a reason to exist! Organizations succeed by offering a "package" that wins more loyal customers than the competition. This is not to say that it does not take great executives, directors and managers to set the tone, articulate the corporate culture, see the vision, and empower employees, foster innovation and integrity, and all of the other things that make good companies successful. But in the end, if you do not have customers who want to do business with you, especially in tough times, you are destined for failure. Possessing competitive customer metrics that approximates the market instead of relying on hunches or just talking to your customers alone allows organizations to align their strategy, processes, structure, people and rewards to deliver maximum value to customers and shareholders.

STUDY ANSWERS

Subscribers to **MASTIO's Natural Gas Marketer Benchmarking Study** learn customer perceptions of Gas Marketer Performance, Value, and Loyalty by a multitude of data segmentations (i.e. geographic, volume purchases, market, etc.) that will specifically answer questions such as,

1. How do buyers make their purchase decisions? What factors are the most important drivers of buyers' perceptions of overall value and loyalty? What key buying factors (attributes) do buyers consider to be the most important when selecting between carriers both from a stated and derived basis? The key buying factors will be classified as a *Baseline Requirement*, *Conscious Differentiator*, *Latent Differentiator* or *Low Impact Factor* to make it easier to understand what is really most important to buyers.
2. How do buyers perceive your overall value and loyalty relative to key competitors? How competitive is your position in the marketplace? Where do you and your competitors fall on a value map - *inferior*, *economy*, *superior*, or *premium position*? Who should be losing or gaining market share? What are the biggest drivers of you and your competitors' position? What is required to change your position?
3. Additionally, how do buyers perceive your performance on the key buying factors? What do buyers perceive as strengths and weaknesses relative to key competitors? Which factors should you target for improvement? Which factors will have the greatest impact on your ability to win and retain more business? What factors should be emphasized in marketing communications that will resonate with buyers?
4. How loyal are my customers? How loyal are my competitor's customers? By analyzing the Net Promoter Score (NPS) you can learn the answers to these key questions.
5. Which competitors are the most vulnerable and which are strongest in their ability to gain and retain customers? How do buyers perceive the performance of competitors on the key buying factors? How do you use this knowledge to have a direct impact on your growth and profits?

By acting on the definitive answers to these types of questions, your company will improve the value of its products and services to customers - winning more business and avoiding investments and expenses that do not produce value. In short, the study will identify improvements and marketing actions that will make customers choose a specific Natural Gas Marketer more than its competitors.

DELIVERABLES

The comprehensive study will come with a printed report, a Microsoft Excel version of the raw data, custom tagging features of the data, and a proprietary segmentation software package that includes tools to conduct your own detailed analysis including a head-to-head comparison with key competitors. The segmentation software also allows subscribers to segment the data by demographics selected by you such as by state, volume, strategic importance, etc. to see where you stand vs. the competition and thus be quickly underway with actions to improve performance.

MASTIO's software also provides clients with a custom tagging feature. The custom tagging is proprietary for each client. This feature allows the grouping of your customers, for example, by the key person responsible for each customer interaction, customer service teams, profitability, strategic importance, volume, etc. These options are virtually unlimited. This powerful feature allows additional in-depth analysis and the customization of the data.

ANALYZE RATINGS ACROSS MULTIPLE SEGMENTS

- **Volume Level** – amount of gas purchased on an annual basis.
- **Supplier Usage** – Does the respondent only buy from one supplier or do they work with multiple suppliers.
- **Respondent's Market** – The data can be sorted by the respondents market (Commercial, LDC, Industrial, etc.)
- **Respondent Role** – Is the respondent a Primary decision maker or does he/she share in the decision process.

EXAMPLES OF OPEN-ENDED QUESTION INCLUDED IN THE STUDY

- What do you feel is the most significant challenge you face when managing your energy needs?
- Describe the greatest experience you have had with your marketer/ suppliers(s) in the last 12 months?
- Besides price, describe the biggest disappointment you've experienced with your marketer/ suppliers(s) in the last 12 months?
- Are there any marketers/suppliers you tend to avoid using? If yes, who and why?

METHODOLOGY

Unlike customer satisfaction, our approach is grounded with empirical evidence of its validity; thus, you are ensured actionable results that can be implemented to win more business profitably. MASTIO utilizes two key methodologies - **Customer Value & Customer Loyalty**. Both methodologies show, on average, a strong correlation between a company's performance i.e. growth rate, market share, profitability, etc. and their respective Customer Value or Loyalty Scores. These two dashboard type of metrics allow managers an easy way to track performance in achieving customer relationship goals just as the use of financial reports allows managers to monitor whether they are meeting their profit goals. For example, empirical evidence shows the Loyalty (Net Promoter) leader has superior growth - averaging more than twice the rate of growth vs. their competition.

BACKGROUND

Mastio & Company is a research-consulting firm that helps its clients maximize business performance by conducting studies that address three critical aspects of managing every business, which are to understand your customer, your competition, and your organization.

Mastio & Company conducts numerous multi-client and proprietary studies on a yearly basis. The majority of our engagements deal with organizational alignment. This concept uses metrics to design an organization that is better aligned with customers than the competition to win more business and increase profits. We also help clients bridge the gaps between analysis, interpretation, actions and successful deployment of a value based strategy.

Mastio & Company is celebrating over 25 years of providing actionable information to its clients. We are headquartered in St. Joseph, Missouri with an additional location in Houston, Texas. Our research is done primarily through telephone interviews from our call centers in the U.S. and the U.K. We also collect data from web-based platforms, mail and focus groups. All research is collected by an industry-experienced staff that adheres to stringent quality-control procedures. Mastio has served over 300 clients and has developed and managed over 300 successful business-to-business industry-focused projects, primarily in commodity driven industries such as but not limited to energy, utilities, transportation, logistics, plastics and chemicals. Our staff has extensive experience guiding successful research projects in North America & Europe.