



# Survey of Owner Occupiers on their Reasons for Connecting to Natural Gas

Survey Findings

14 December 2017



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## Executive Summary

The Utility Regulator commissioned Social Market Research (SMR) to undertake a survey of home owners (owner occupiers) on their reasons for connecting to natural gas. The survey also sought to estimate the percentage of owner occupiers who would have connected to the Firmus Energy gas network without any advertising or media awareness. The survey is based on face-to-face interviews with 1002 owner occupiers, with fieldwork undertaken between 28 October and 15 November 2017.

### Key Findings

#### Connecting to Natural Gas

- 80% of owner occupiers had connected to natural gas in the previous 3 years (23% in the last year, 35% between 1-2 years ago and 23% between 2 and 3 years ago). 16% had connected more than 3 years ago, with 4% unable to recall when they had connected;

#### Awareness that Natural Gas Available

- 36% of respondents (*unprompted*) said they became aware that natural gas was available in their area by seeing road works and construction activity associated with the laying of the natural gas network. Approximately one in four (26%) owner occupiers cited 'word of mouth', 25% became aware through friends and family and 22% via neighbours and acquaintances<sup>1</sup>;

#### Reasons for Connecting to Natural Gas

- Convenience (28%), recommendations from family / friends (22%) and a perception that natural gas would be cheaper (20%) and cleaner (19%), were the most common reasons (*unprompted*) why owner occupiers connected to natural gas;
- Again unprompted, owner occupiers most commonly cited convenience (20%), recommendations from friends / family (17%) and a perception that natural gas would be cheaper as the most important reasons why they connected to natural gas;

#### Exposure to Firmus Energy Advertising / Activities Prior to Connecting to Natural Gas

- 70% of owner occupiers reported seeing or hearing at least one aspect of Firmus Energy advertising / activities prior to connecting to natural gas;
- Owner occupiers most commonly reported being exposed to Firmus Energy TV advertising (30%) and mail from Firmus Energy (letters, leaflets or post) [25%];

#### Exposure to Firmus Energy Advertising / Activities and Impact of Decision to Connect

- 60% of owner occupiers exposed to FE advertising or activities, said that exposure to this advertising / activity had influenced their decision to connect to natural gas;
- Among all owner occupiers in the survey, 42% (n=420) reported that Firmus Energy advertising / activity had influenced their decision to connect to natural gas, with a majority (58%) saying their decision to connect had not been influenced by Firmus Energy advertising or activities;

<sup>1</sup> Note that some respondents mentioned more than one source of awareness

### Other Comments

- Owner occupiers were invited to make any further comments on what influenced their decision to connect to natural gas, with those who commented most commonly motivated by convenience, a perception of better value, family and friends and natural gas being cleaner.

## 1. Introduction

In October 2017, Social Market Research (SMR) was commissioned by the Utility Regulator to undertake a survey of private households (owner occupiers) in Northern Ireland on their reasons for connecting to natural gas. The survey outcomes will help the Utility Regulator to better understand the importance of different factors in motivating consumers to connect to natural gas. This report presents the results from this survey.

### 1.1 The Utility Regulator

The Utility Regulator is a government department with responsibility for regulating Northern Ireland's gas, electricity, water and sewerage industries. As part of its regulatory function, the Utility Regulator is also responsible for protecting the interests of gas customers with regard to price and quality of service. The Utility Regulator also has a statutory duty to promote sustainable development and help promote and protect the interests of vulnerable customers in relation to utility services.

### 1.2 Research Requirement

The research requirement arose from a direction issued by the Competition and Markets Authority (CMA) in connection with a gas network price control referred to it for decision by Firmus Energy. In summary the research rationale reflected the following:

- The direction issued by the CMA suggested that a survey could be conducted to understand the reasons why domestic owner occupiers switched to natural gas between 2013 and 2016;
- It was anticipated that the research outcomes will assist the UR in assessing the reasons why customers have connected to the FE network and the role played by advertising and family/ friend recommendations and other factors in influencing customer connection;
- It is anticipated that the research outcomes will further assist the UR in setting an appropriate rate for the percentage of customers which would have connected to the FE gas network without any advertising or media awareness and set appropriate connection allowances and targets within the price control for GD17;
- The UR considered that a survey was the most effective and robust means of collecting the data required;
- The UR sought to target a sample of approximately 7,000 FE customers who connected between 2013 and 2016;
- The required customer data (e.g. customer details including addresses and contact details to facilitate customer contact) was provided by Firmus Energy with clear guidance that data should relate to all owner occupier customers connected between 2013 and 2016;
- All survey aspects and customer data were compliant with Data Protection requirements and regulations; and,
- The target group of customers were located in the following towns and the sample included fieldwork across most of these areas: Antrim, Armagh, Ballyclare, Ballymena, Ballymoney, Banbridge, Bushmills, Coleraine, Craigavon (Including Portadown and Lurgan) Limavady, Derry/Londonderry, Newry, and, Portstewart. Note that the Derry/Londonderry area included the greatest number of customers.

## 2. Methodology

### 2.1 Project Initiation Meeting

On appointment SMR met with representatives of the Utility Regulator to review and agree the overall survey methodology. The objectives of this meeting were to:

- discuss the survey rationale and key drivers;
- discuss the sample;
- discuss and agree the methodology;
- agree roles and responsibilities;
- consider the linkages between survey content and the CMA direction;
- agree the structure, level of detail and deadlines regarding project outputs; and,
- agree the timetable for the project.

### 2.2 Development of the Survey Questionnaire

Following appointment, and following the initial meeting with the Utility Regulator, SMR redrafted the survey questionnaire. The draft questionnaire was also shared with Firmus Energy, with SMR in turn attending meetings with Firmus Energy and the Utility Regulator.

Following discussion around specific questions, a survey questionnaire was agreed for piloting. A pilot survey based on 10 respondents was conducted on 18 October 2017. SMR provided feedback from the pilot to both the Utility Regulator and Firmus Energy. Following further discussions, a final survey questionnaire was agreed (see Appendix).

### 2.3 Sampling

A sample of 7611 Firmus Energy customer records were provided to SMR via the Utility Regulator. SMR reviewed the profile of these records and excluded those areas with relatively small numbers of customers e.g. Ballymoney and Bushmills.

Table 2.1 presents the proportionate breakdown of the sample by area, and the number of achieved interviews in each area. The achieved sample is representative of the overall customer population.

Area	Customer Population (%)	Sample Population (%)	Achieved interviews (n)
Antrim	9.3	9.4	94
Armagh	3.3	1.9	19
Ballyclare	4.6	5.8	58
Ballymena	11.1	10.9	109
Banbridge	2.1	1.5	15
Coleraine	5.3	6.1	61
Craigavon	22.8	21.5	215
Limavady	2.1	0.5	5
Newry	9.3	10.8	108
Portstewart	2.4	0.2	2
Derry / Londonderry	27.7	31.4	316
TOTAL	100	100	1002

Table 2.2 presents an overview of the age and gender characteristics of the sample and shows that 46% of the achieved sample were male, and 54% female. Five percent of the sample were aged under 29, 32% aged 30-49, 33% aged 50-64 and 30% were aged 65+.

		%	n
Sex	Male	46	460
	Female	54	542
Age	16-29	5	50
	30-49	32	320
	50-64	33	326
	65+	30	306

## 2.4 Margin of Error

Based on an achieved sample of 1002 completed interviews the margin of error is + / - 3.1% (at most) at the 95% confidence level.

## 2.5 Fieldwork

Fieldwork was conducted between 28 October and 15 November 2017. All interviewers were briefed in advance. Data was collected using Computer Assisted Personal Interviewing (CAPI). Fieldwork was conducted in accordance with ISO20252 of which SMR is fully accredited.

## 2.6 Data Validation and Coding

Prior to data analysis, the survey data set was subject to a comprehensive set of validation checks including inter and intra variable validation checks. The survey data is in SPSS format with the survey data file fully labelled. Data from open-ended questions were coded.

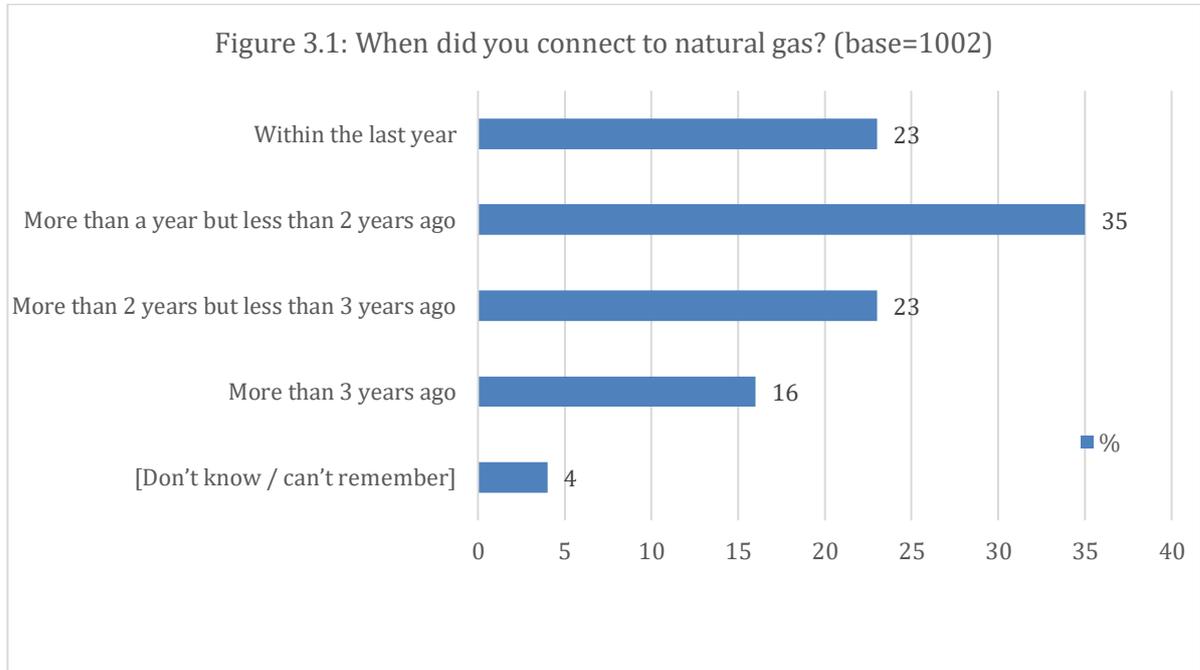
## 2.7 Note on Figures, Tables and Question Structure

Due to rounding row and column totals may not sum to 100 in figures and tables. Also, where differences between respondent subgroups are reported in the text (e.g. by location), these differences are statistically significant at the 95% confidence level. Please also note that both prompted and unprompted questions were used in the survey, with some questions providing respondents with an opportunity to provide more than one response (e.g. q6 on reasons for connecting to natural gas).

### 3. Survey Results

#### 3.1 Connecting to Natural Gas

Respondents were asked when they connected to natural gas. Figure 3.1 shows that 23% said they connected to natural gas within the last year, with 35% connecting between one and two years ago and 23% connecting between two and three years ago. 16% said they had connected to natural gas more than 3 years ago, with 4% unsure when they had connected.



Analysis by location found that respondents in Banbridge were more likely to say they had connected to natural gas in the last year (80%), whereas more than one in three (36%) respondents in Antrim said they had connected to natural gas more than three years ago [Table 3.1].

Table 3.1: When did you connect to natural gas by area? (n=1002)

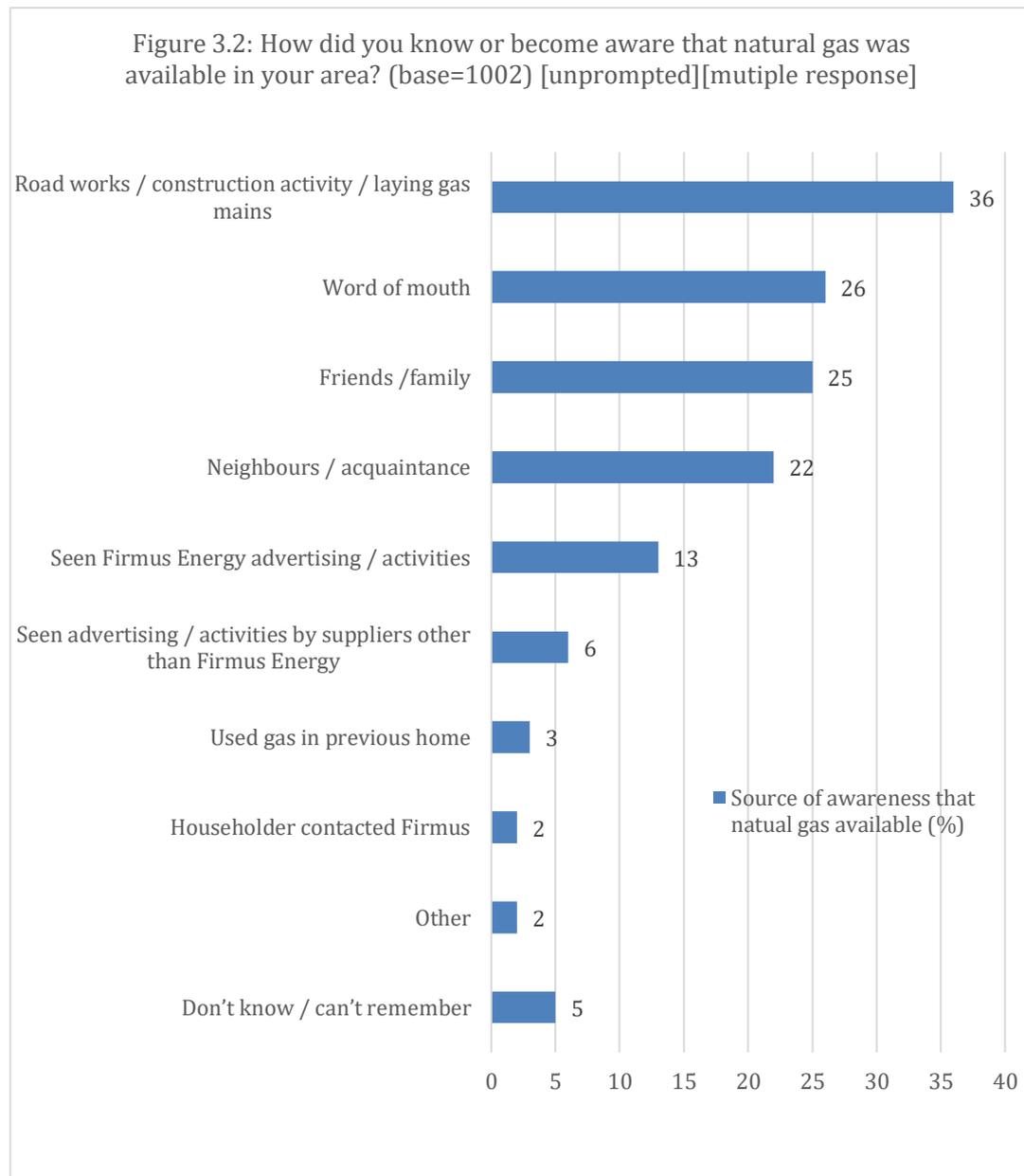
Area	< 1 yr	1-2 yrs ago	2-3 yrs ago	>3yrs ago	Don't know	n
Antrim	9	30	23	36	2	94
Armagh	26	26	26	21	-	19
Ballyclare	19	41	26	12	2	58
Ballymena	17	35	29	19	-	109
Banbridge	80	13	7	-	-	15
Coleraine	39	33	16	12	-	61
Craigavon	26	44	14	7	9	215
Limavady	20	-	80	-	-	5
Newry	31	27	18	10	15	108
Portstewart	-	100	-	-	-	2
Derry / Londonderry	18	34	29	18	1	316
<b>Overall Percentage</b>	<b>23</b>	<b>35</b>	<b>23</b>	<b>16</b>	<b>4</b>	<b>1002</b>

### 3.2 Awareness that Natural Gas was Available (Unprompted)

Respondents were asked (*unprompted*) how they became aware that natural gas was available in their area (*please note that some respondents offered more than one response*).

Figure 3.2 shows that 36% said they became aware that natural gas was available in their area via road works / construction activity / the laying of gas mains etc, with 26% citing 'word of mouth', 25% friends and family and 22% neighbours / acquaintances.

Thirteen percent (13%) said they became aware of the availability of natural gas via Firmus Energy advertising / activities, with a further 2% saying they became aware following contact with Firmus Energy that they had initiated. Two percent of respondents cited 'other'<sup>2</sup> sources of awareness.

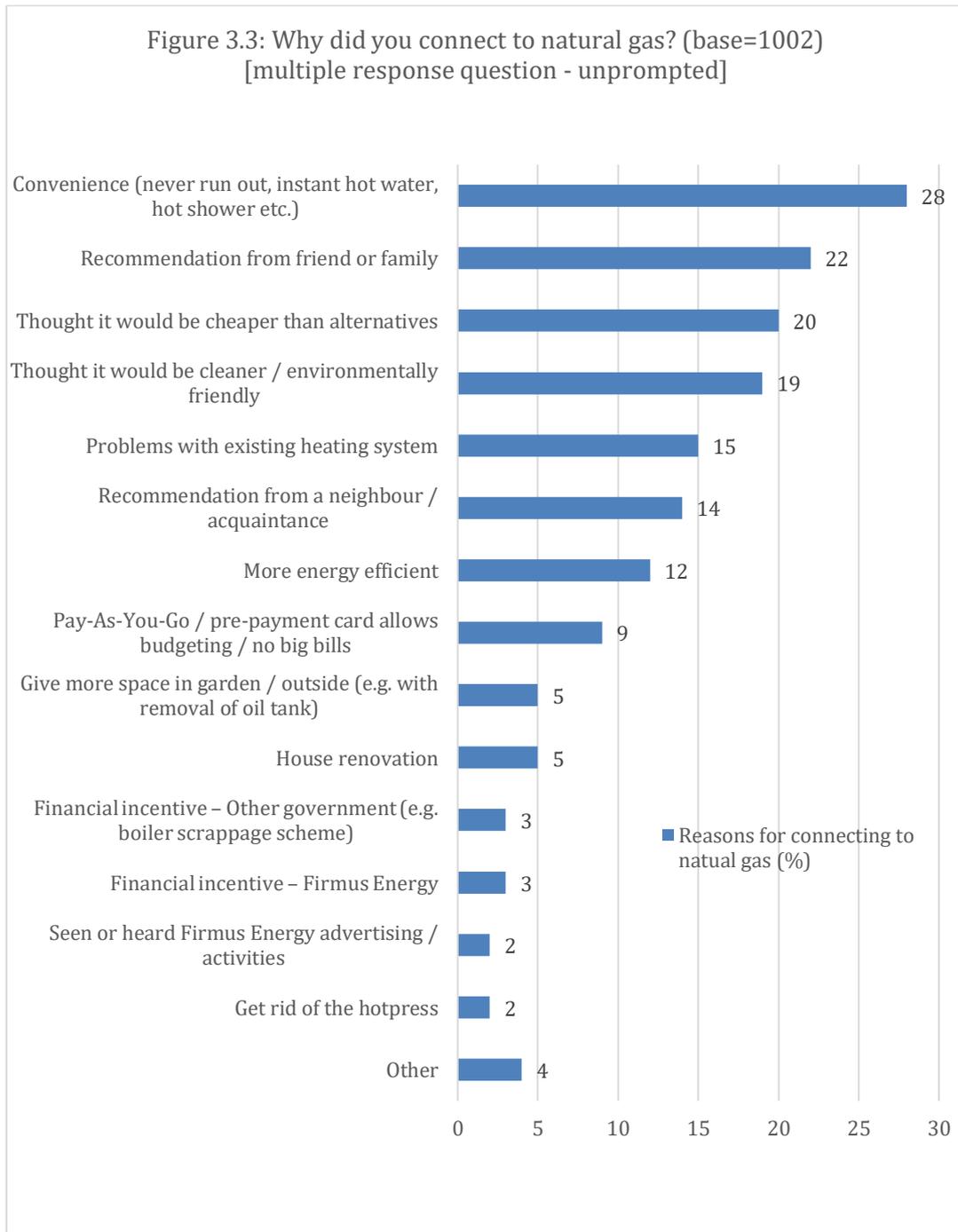


<sup>2</sup> Includes: when offered a boiler grant / received a grant [n=4]; previous owners [n=1]; newspapers / media [n=5]; social media [n=1]; Warm Homes Scheme / home heating scheme [n=4]; when changing existing boiler [n=3]; and, via local council [n=1].

### 3.3 Reasons for Connecting to Natural Gas (Unprompted)

Respondents were invited to say (*unprompted*) why they had connected to natural gas.

Figure 3.3 shows the most common reasons for connecting to natural gas included: convenience (28%); a recommendation from friends or family (22%); thinking it would be cheaper than alternatives (20%); and, thinking it would be cleaner / environmentally friendly (19%). Four percent of respondents cited 'other'<sup>3</sup> reasons (*please note that some respondents offered more than one reason for connecting to natural gas*).

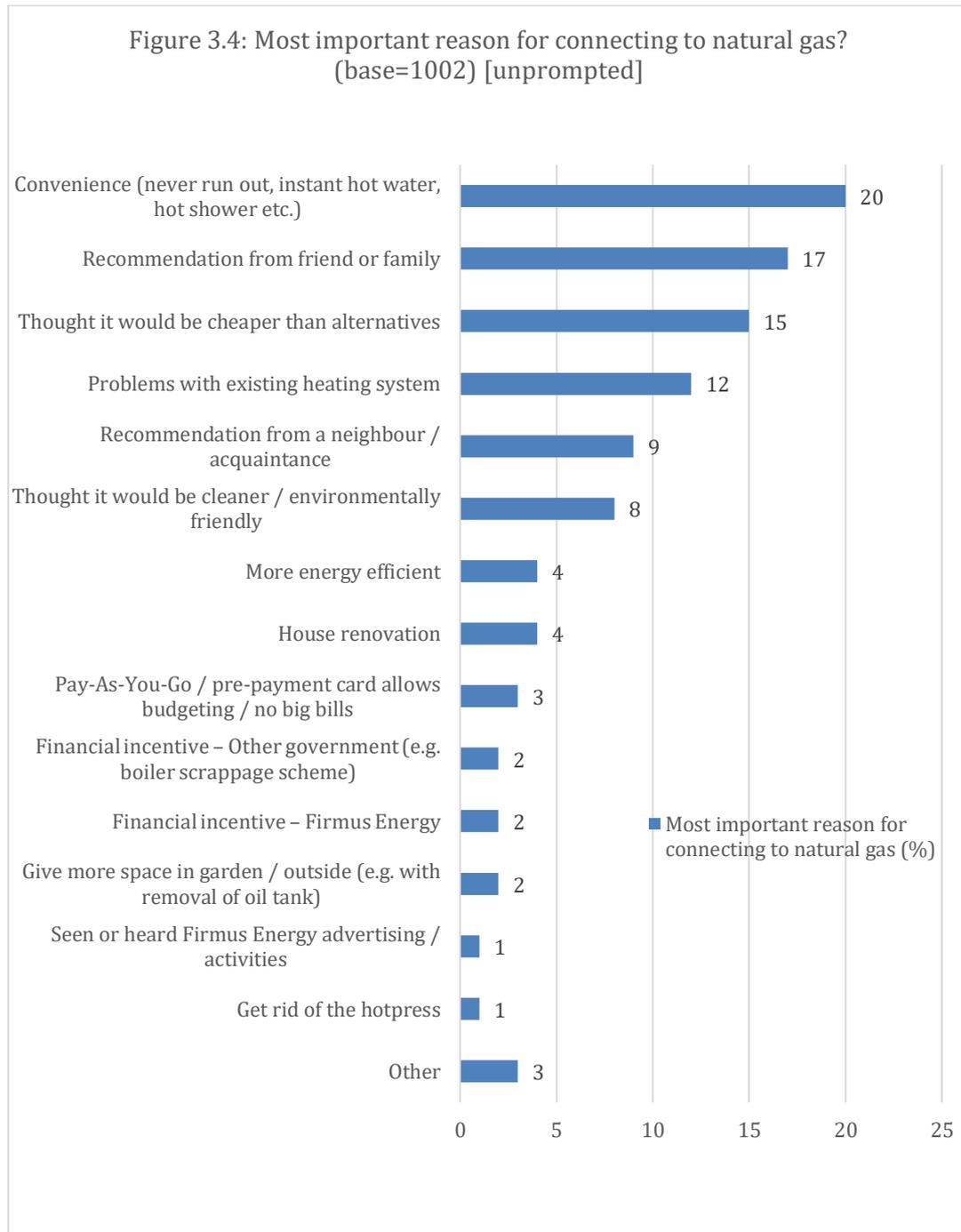


<sup>3</sup> Includes: heard gas was better than oil [n=12]; would be warmer / heat lasting longer [n=7]; won a competition [n=2]; no noise from heating [n=1]; only option available [n=1]; can steal oil but not gas [n=1]; health reasons [n=2]; may rent house out [n=1]; had coal fire [n=3]; gas in previous home [n=6]; facebook [n=1]; wanted gas to cook [n=1]; wife wanted gas [n=1]; a gift [n=1]; and, don't know [n=5].

### 3.4 Most Important Reason for Connecting to Natural Gas (Unprompted)

Having listed their reasons for connecting to natural gas, respondents were then asked (*unprompted*) to identify their most important reason for connecting.

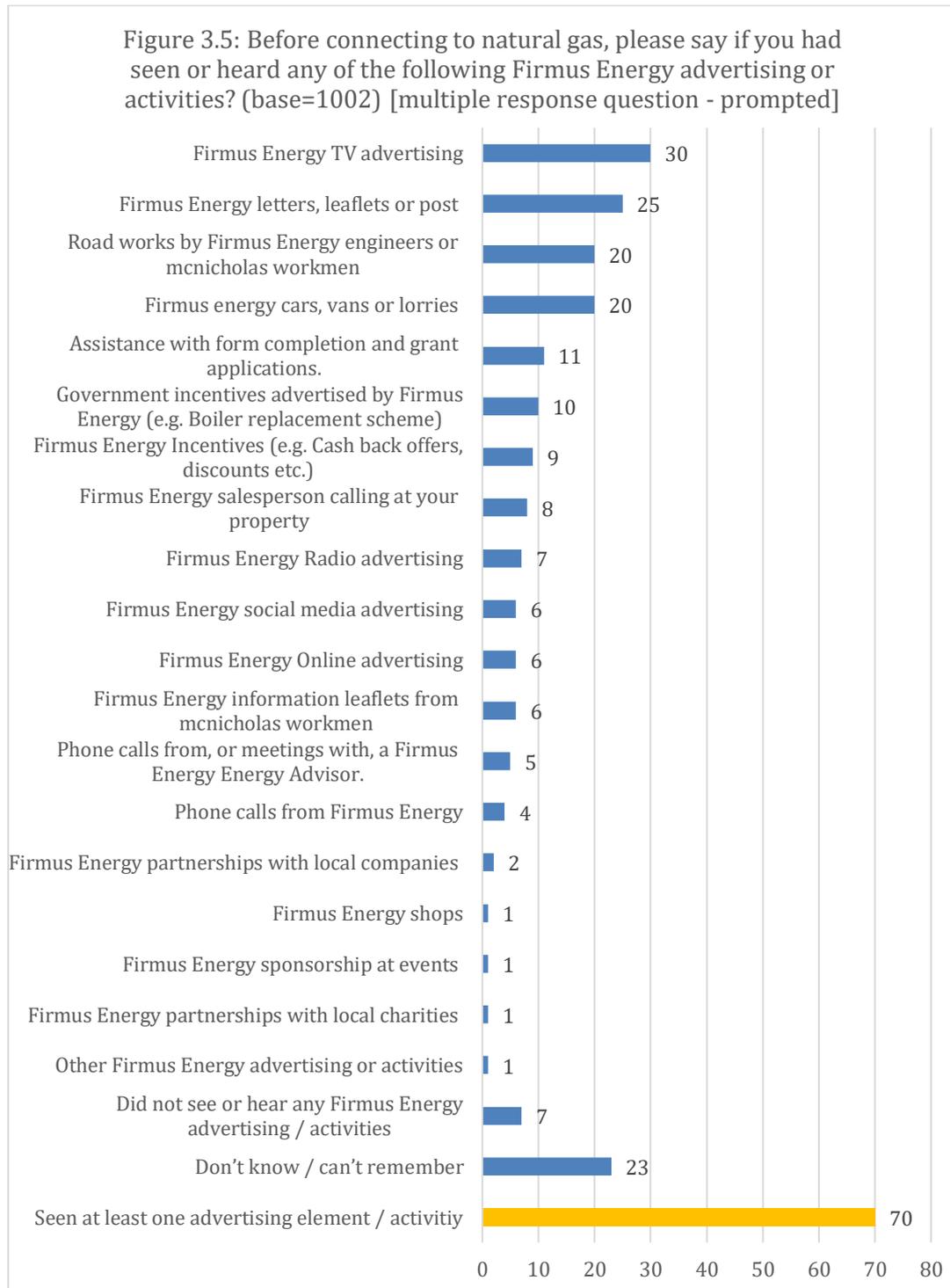
Figure 3.4 shows that 20% cited convenience as the most important reason for connecting to natural gas, with 17% citing a recommendation from a friend or family member and 15% connecting because they thought natural gas would be cheaper than alternatives. Three percent of respondents cited 'other'<sup>4</sup> reasons.



<sup>4</sup> Includes: better / heard gas is better than oil [n=10]; would be warmer / heat lasting longer [n=3]; won a competition [n=2]; no noise from heating [n=1]; may rent house out [n=1]; had coal fire [n=2]; gas in previous home [n=2]; facebook [n=1]; a gift [n=1]; and, don't know [n=5].

### 3.5 Exposure to Firmus Energy Advertising / Activities Prior to Connecting to Natural Gas

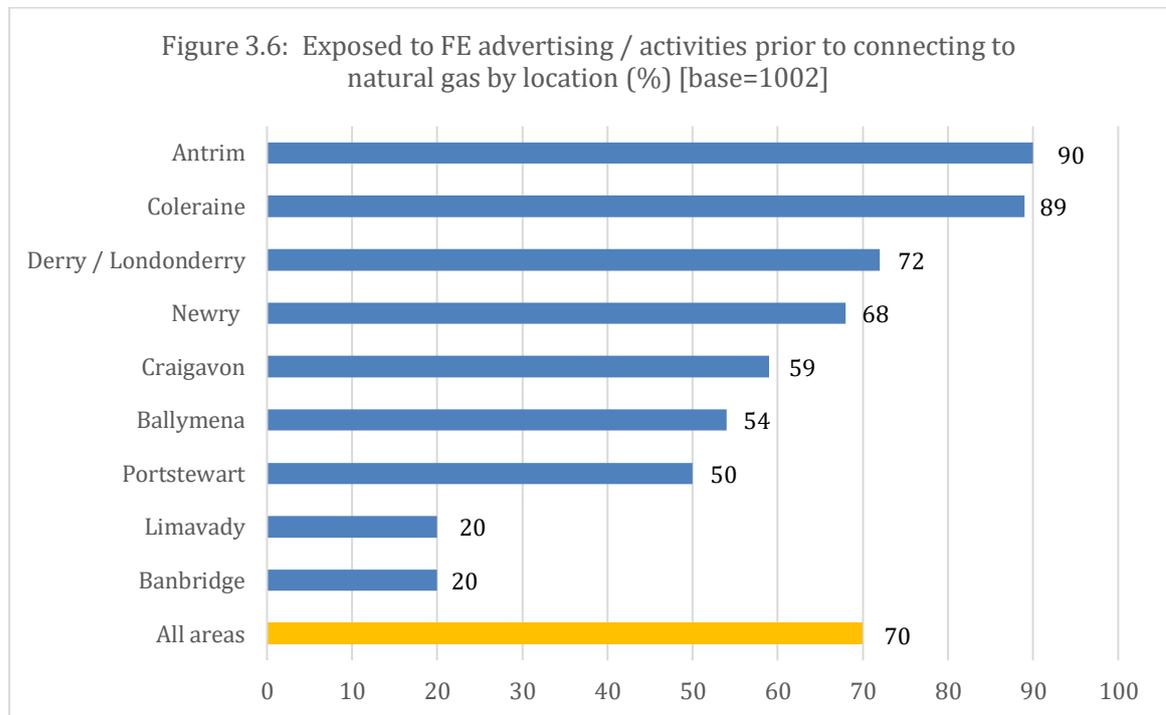
Respondents were asked [*prompted*] if prior to connecting to natural gas they had seen or heard any Firmus Energy advertising or activities (*please note that respondents could select more than one response*). Figure 3.5 shows that most commonly respondents reported having seen Firmus Energy TV advertising (30%) prior to connecting, with 25% seeing Firmus Energy letters, leaflets or post. Note that 1% of respondents noted seeing or hearing other<sup>5</sup> Firmus Energy advertising or activities. Overall, 70% of respondents reported seeing at least one element of Firmus advertising / activities.



<sup>5</sup> Includes: billboards [n=3]; grant [n=1]; working in respondent's area [n=2]; and, via a workshop [n=1].

### 3.5.1 Exposure to FE Advertising / Activities by Location

Analysis by location (Figure 3.6), found that significantly higher proportions of respondents reported being exposed to Firmus Energy advertising / activities in Antrim (90%) and Coleraine (89%), with lower levels of exposure reported in Limavady (20%) and Banbridge (20%).



### 3.6 Impact of Exposure to FE Advertising / Activities on Decision to Connect to Natural Gas

Respondents (n=705) who indicated seeing or hearing Firmus Energy advertising or activities, were then invited to say if being exposed to Firmus Energy advertising or activities had in any way influenced their decision to connect to natural gas.

Figure 3.7 shows that of the 70% (n=705) of respondents saying they were exposed to FE advertising or activities, 60% (n=420) said that this exposure had influenced their decision to connect to natural gas, with 30% saying it had not, and 10% unable to recall.

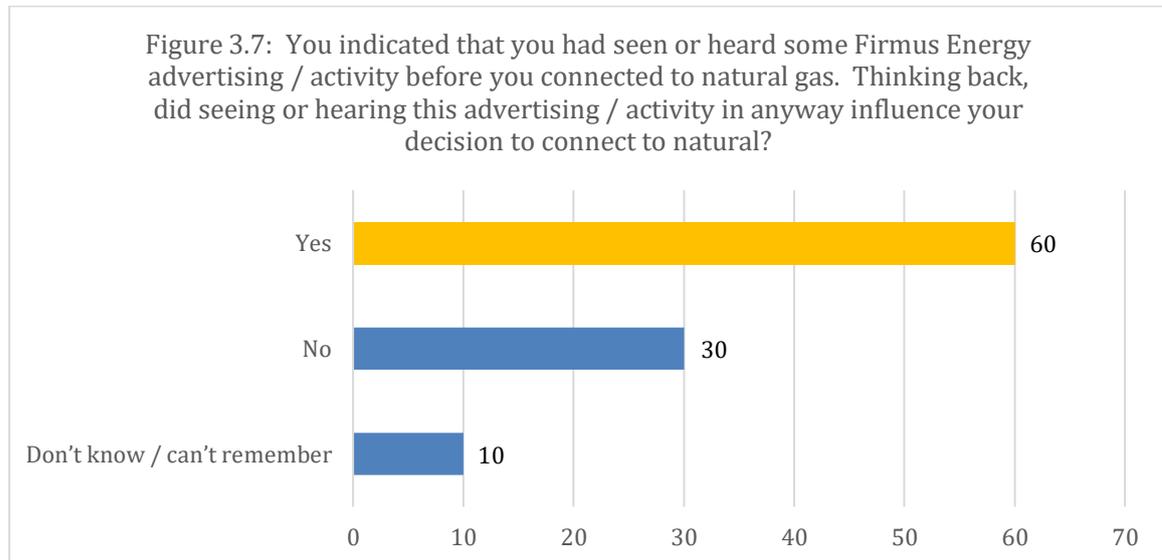
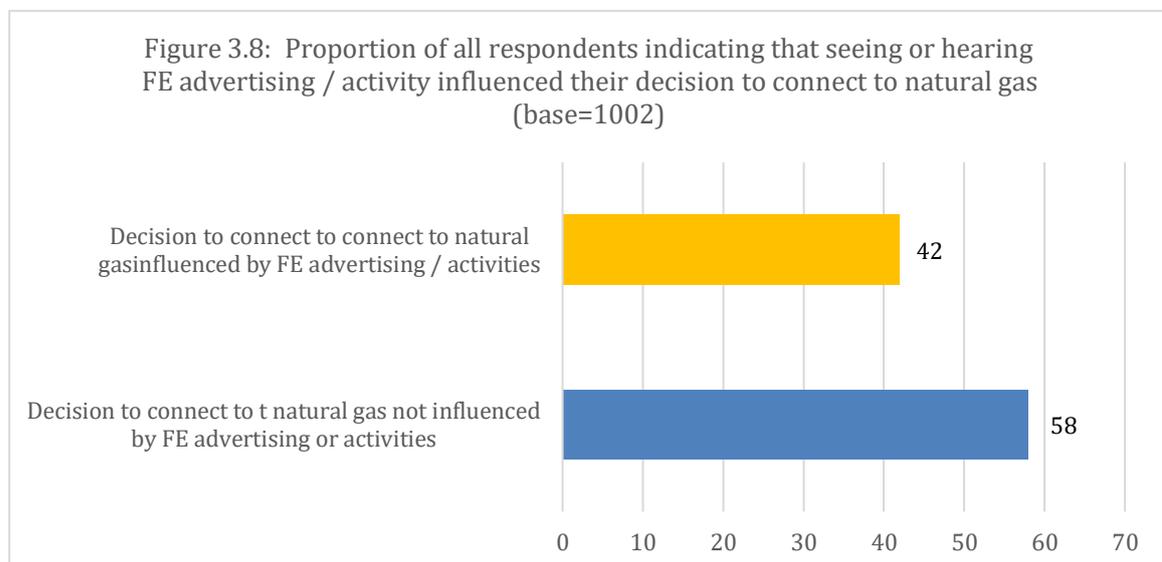
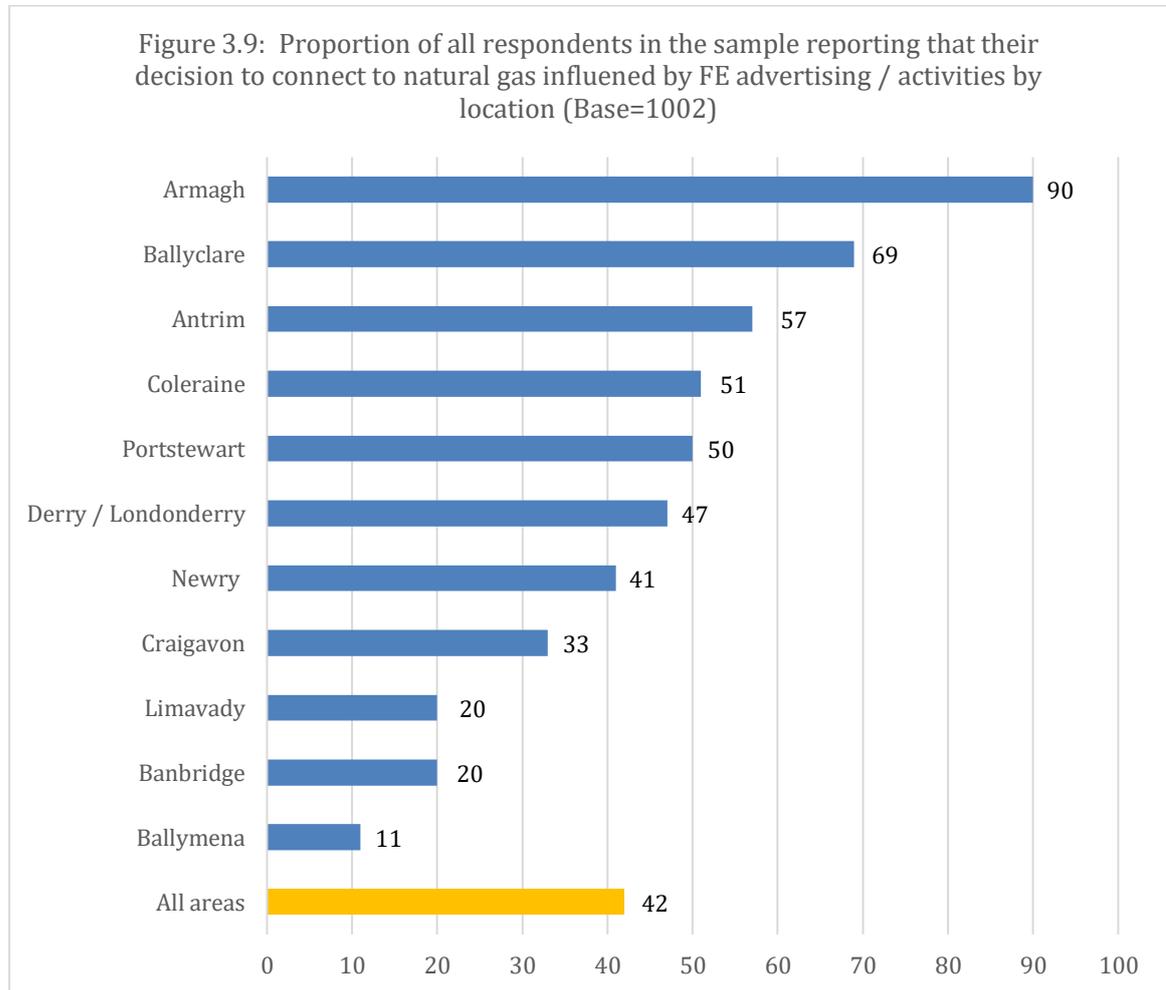


Figure 3.8 shows that of the whole sample (n=1002), 42% (n=420) of respondents said their decision to connect to natural gas was influenced by Firmus Energy advertising or activities, with a majority (58%) not influenced by Firmus Energy advertising or activities.



Among those exposed to Firmus Energy advertising / activities, respondents in Armagh (90%) were most likely to say that their decision to connect to natural gas had been influenced by Firmus Energy advertising or activities, with those in Ballymena (11%) least likely to say that this was the case (Figure 3.9) [please note that sample sizes differ by location which may explain the variation by area e.g. the Armagh sample is based on 19 cases and Limavady 5 cases].



### 3.7 Other Comments on Decision to Connect to Natural Gas

Respondents were invited to make any further comments on what influenced their decision to connect to natural gas.

Most respondents made no further comment (70%) or answered 'don't know' (11%). Among those who did comment, the most common feedback was that decisions to connect to natural gas had been influenced by convenience (4%) and price / better value (4%) [Table 3.2].

	%	n
No comment	70.3	704
Convenience / handier / easier	3.8	38
Price / better value than oil / cheaper	3.7	37
Family / friend recommendation	1.9	19
Cleaner / environmentally friendly	1.8	18
Firmus advertising / activity	1.6	16
Better than oil / other fuels / heard it was better than oil / fed up with oil	1.5	15
Needed new boiler / problems with oil	1.0	10
Warmer / water / heat lasts longer than oil	0.9	9
Had gas in previous home / elsewhere	0.8	8
Grant	0.5	5
PAYG	0.5	5
Word of mouth	0.5	5
Shop	0.3	3
Can't steal gas like oil	0.2	2
More space / no oil tank	0.2	2
Wanted cook with gas	0.2	2
Had coal fire	0.1	1
Billboards	0.1	1
Cashback	0.1	1
Someone called	0.1	1
Information evening	0.1	1
Enquired	0.1	1
Signage	0.1	1
Open evening	0.1	1
Pop up shop	0.1	1
Roadshow	0.1	1
Don't know	11.0	110

## Appendix (Survey Questionnaire)



**Questionnaire**

**Reasons for Connecting to Natural Gas**

**24 October 2017**

**Version 3**



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## Preamble

Good morning / afternoon, my name is [interviewer name] from Social Market Research and we are undertaking a short survey on behalf of the Utility Regulator which is a government department with responsibility for regulating Northern Ireland's gas, electricity, water and sewerage industries.

The purpose of this research is to find out why consumers in your area connected to natural gas. This information will help the Utility Regulator to better understand the different factors motivating consumers to connect to natural gas.

Your household has been selected for interview because natural gas is available in your area and you may have connected to the natural gas network within the last 3 years. The natural gas network in your area is provided and maintained by Firmus Energy.

I would be grateful if you were able to take part in the survey. The interview will take less than 10 minutes, and your views will be invaluable in supporting the work of the Utility Regulator.

For peace of mind, your responses are anonymous and confidential.

X1. INTERVIEWER: INSERT SAMPLE POINT NUMBER

X2. INTERVIEWER: INSERT SAMPLE NUMBER

**Screening Questions**

Q1. Your household is currently connected to the natural gas network. Were you solely or jointly responsible for making the decision to connect to natural gas? [READ OUT] **Single Code**

Yes	1	→ Go to Q3
Yes, with someone else (e.g. partner)	2	→ Go to Q3
No	3	→ Go to Q2
Moved to this property and natural gas was already connected	4	→ Thank and close

Q2. Can I speak to someone in your household who made or partly made the decision to connect to natural gas? **Single Code**

Yes	1	→ Go to Q3
No	2	→ Thank and close

Q3. Is your home? [READ OUT] **Single Code**

Owned with or without a mortgage	1	→ Go to Q4
Rented from a Housing Association	2	
Rented from a private landlord	3	→ Thank and close
Rented from N Ireland Housing Executive	4	

**Connecting to Natural Gas**

Q4. When did you connect to natural gas? [READ OUT] **Single Code**

Within the last year	1
More than a year but less than 2 years ago	2
More than 2 years but less than 3 years ago	3
More than 3 years ago	4
[Don't know / can't remember]	5

Q5. How did you know or become aware that natural gas was available in your area? **[DO NOT PROMPT – CODE ALL MENTIONED]**

Friends /family	1
Neighbours / acquaintance	2
Road works / construction activity / laying gas mains	3
Used gas in previous home	4
Word of mouth	5
Seen Firmus Energy advertising / activities	6
Seen advertising / activities by suppliers other than Firmus Energy	7
Other (please specify)	8
Don't know / can't remember	9

- Q6. Why did you connect to natural gas?  
**[DO NOT PROMPT – CODE ALL MENTIONED]**

Recommendation from friend or family	1
Recommendation from a neighbour / acquaintance	2
Problems with existing heating system	3
House renovation	4
Give more space in garden / outside (e.g. with removal of oil tank)	5
Get rid of the hotpress	6
Thought it would be cheaper than alternatives	7
Thought it would be cleaner / environmentally friendly	8
Financial incentive – Firmus Energy	9
Financial incentive – Other government (e.g. boiler scrappage scheme)	10
Convenience (never run out, instant hot water, hot shower etc.)	11
Pay-As-You-Go / pre-payment card allows budgeting / no big bills	12
More energy efficient	13
Seen or heard Firmus Energy advertising / activities	14
Other (please specify)	15

- Q7. Of the reason(s) you mentioned for connecting to natural gas, which was the most important? **Single Code**

Recommendation from friend or family	1
Recommendation from a neighbour / acquaintance	2
Problems with existing heating system	3
House renovation	4
Give more space in garden / outside (e.g. with removal of oil tank)	5
Get rid of the hotpress	6
Thought it would be cheaper than alternatives	7
Thought it would be cleaner / environmentally friendly	8
Financial incentive – Firmus Energy	9
Financial incentive – Other government (e.g. boiler scrappage scheme)	10
Convenience (never run out, instant hot water, hot shower etc.)	11
Pay-As-You-Go / pre-payment card allows budgeting / no big bills	12
More energy efficient	13
Seen or heard Firmus Energy advertising / activities	14
Other (please specify)	15

- Q8. Before connecting to natural gas, please say if you had seen or heard any of the following Firmus Energy advertising or activities? [READ OUT – RANDOM ROTATION] **Code all that apply**

Firmus energy cars, vans or lorries	1
Phone calls from, or meetings with, a Firmus Energy Energy Advisor.	2
Assistance with form completion and grant applications.	3
Road works by Firmus Energy engineers or mcnicholas workmen	4
Firmus Energy partnerships with local charities	5
Firmus Energy partnerships with local companies	6
Firmus Energy information leaflets from mcnicholas workmen	7
Firmus Energy letters, leaflets or post	8
Firmus Energy salesperson calling at your property	9
Firmus Energy sponsorship at events	10
Firmus Energy Incentives (e.g. Cash back offers, discounts etc.)	11
Government incentives advertised by Firmus Energy (e.g. Boiler replacement scheme)	12
Firmus Energy TV advertising	13
Firmus Energy Radio advertising	14
Firmus Energy Online advertising	15
Phone calls from Firmus Energy	16
Firmus Energy shops	17
Firmus Energy social media advertising	18
Other Firmus Energy advertising or activities (please specify)	19
Did not see or hear any Firmus Energy advertising / activities	20
Don't know / can't remember	21

**ASK Q9 IF Q6 EQ 9 OR Q6 EQ 14 OR Q8 LE 19 ELSE GO TO Q10**

- Q9. You indicated that you had seen or heard some Firmus Energy advertising / activity before you connected to natural gas. Thinking back, did seeing or hearing this advertising / activity in anyway influence your decision to connect to natural gas? **Single Code**

Yes	1
No	2
Don't know / can't remember	3

- Q10. Do you have any other comments on what influenced your decision to switch to natural gas?

- Q11. **INTERVIEWER Record gender**

Male	1
Female	2

- Q12. What was your age last birthday? **INTERVIEWER RECORD AGE**

**INTERVIEWER READ:** Many thanks for taking part in the survey. If you are interested in the survey results, the Utility Regulator plans to publish the findings on its website in November. The address of the website is: [www.uregni.gov.uk](http://www.uregni.gov.uk)

**If you have any queries about any aspect of the survey, please feel free to contact Paul Harland at the Utility Regulator on 028 9031 1575.** If you have a non-emergency query relating to your gas supply, your supplier (Firmus Energy) can be contacted on 0800 032 4567. The contact number for gas emergencies is 0800 002 001.

**Thank and Close**