

I don't get it, but I like it: Detailed pricing information increases confidence, but decreases quality of decision making

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Abstract

In collaboration with an energy regulator, we tested five versions of a potential Basic Plan Information Documents (BPID) for energy plans in an incentivized online framed field experiment. Respondents were asked to view four hypothetical energy plans, and asked to select the cheapest plan for their family. We find that having detailed pricing information at the top of the document (instead of a price estimate) leads to fewer respondents selecting the cheapest plan for them. We also find that documents that do not include the detailed pricing information see lower confidence in decision making, even though almost 90% of respondents are unable to correctly interpret the detailed pricing information. In addition, 8-11% of respondents chose the plan with the highest discount, despite the plan being one of the most expensive plans overall. The results suggest there is significant scope for regulators to test the format of standardized disclosure documents to ensure they are effective.

JEL Classification: D12; D91

Keywords

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Introduction

A central feature of consumer markets is the provision of detailed information about pricing and features relating to products. This is designed to ensure that consumers are provided with sufficient information to make an efficient choice, improving their welfare and the overall competitiveness of the market. However, previous work has shown that the format in which price information is presented can significantly impact the ability of consumers to select the best option (Lunn and Bohacek, 2017).

In light of these concerns, we collaborated with the Australian Energy Regulator (AER), who initiated a review of the guidelines that provide guidance to energy retailers on the presentation of their standing offer prices and market offer prices. Specifically, energy retailers are required to have a fact sheet for all plans in states and territories covered by the AER's jurisdiction. These fact sheets, or Basic Plan Information Documents (BPIDs) aim to aid consumers compare plans and make purchasing decisions. They are available on the AER's comparison website Energy Made Easy¹ and retailer websites. By specifying the manner and form in which information is presented by retailers, the AER aims to create a clear and consistent form of presenting important information to consumers, giving them confidence in the accuracy and comparability of the information.

In this study, we present the results of an online experiment, designed to test the impact of different formats of the BPID on consumer confidence and decision-making. The research was commissioned by the AER and was conducted prior to the finalization of the design, in order to evaluate the effectiveness of a range of proposed designs. Respondents were randomized to one of five treatments, each corresponding to a different format of BPID. The BPIDs included several features – all BPIDs included a comparison price estimate table, which had average quarterly prices for a small, medium, and large households. All BPIDs also included information on the key features of the plan. Of note, three versions included a detailed pricing table that broke down the specific charges that could apply depending on the time of year and time of day – the other two required the respondents to click on a link to access the detailed pricing table on a separate page.

Respondents were then asked about their household (from which estimated quarterly energy usage was derived) and presented with four hypothetical energy plans, presented in the form of a BPID. They were then incentivized to select the cheapest plan for their household.

Our results showed that the inclusion of the detailed pricing information table led to an increase in self-reported confidence in the document. However, when asked to make a simple calculation using the detailed pricing information, nearly 90% of respondents were unable to do so correctly. Most notably, when the detailed pricing information was at the top

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of the BPID, respondents were less likely to select the best energy plan, with approximately 6.4%-8.2% fewer participants selecting the cheapest plan. This suggests that whilst detailed information is important for confidence, presenting it as the first item that consumers see may lead to poorer outcomes.

Additionally, we find evidence that respondents can be distracted by prominent features of a plan, to the point that they select inferior plans. The hypothetical plans were designed such that one particular option was dominated by at least two other plans – but had the largest discount. Despite this, the inferior plan with the largest discount was chosen by between 8-11% of respondents.

Previous research

Traditionally, consumer markets were regulated via disclosure. The manner and form of the disclosure was often not considered by policymakers, which led to some disclosure documents that became almost useless (Ben-Shahar and Schneider, 2014). However, substantial work has shown that when faced with a large amount of information, consumers do not effectively process all of it. Instead, individuals use a series of mental shortcuts (Gigerenzer and Goldstein, 1996), or “satisfice” by finding an option that is perceived to be sufficient (Simon, 1972). Indeed, in recent years, policymakers have been more focused on the “choice architecture” of their regulatory settings, giving greater consideration to how citizens actually interact with government mandated policies (Thaler and Sunstein, 2009).

This has led to a renewed focus on the way certain markets are regulated, particularly energy markets. Despite being essentially a perfectly homogenous good, energy markets often do not function in an efficient way. Previous work has found low switching rates and many consumers who struggle to find the best deal, with consumers’ ability to capture savings on offer seemingly declining as the number of firms in the market increases (Wilson and Waddams Price, 2005). Laboratory experiments suggest that this may in part be exacerbated by inattention on the part of consumers when making decisions (Sitia, Zheng and Zizzo, 2015), and consumers may also be influenced by large discounts (Lunn and Bohacek, 2017).

However, even encouraging consumers to switch may not be a sufficient remedy. Evidence from the UK suggests many consumers are not able to find the cheapest electricity deal when switching, and a substantial number even *select* a worse deal when they do switch (Wilson and Waddams Price, 2010). Hence, designing a system that encourages switching – and switching to the cheapest option – is critical to improving consumers outcomes.

In the Australian context, some work had explored alternatives to the previous disclosure documents and found that consumers report higher confidence and greater satisfaction with simplified fact sheets (Behavioural Economics Team of the Australian Government, 2018). Notably, however, this work did not explore the impacts of different designs on consumer decision making. We build on this literature to show

how the design of a disclosure document can impact on decision making, as well as further supporting the evidence that shows discounts can distort consumer decisions.

Study design

2,289 respondents were recruited into the study via an online panel provider. They were screened to ensure that they were residents of Australia that were covered by the AER’s jurisdiction (for full instructions, see Appendix A). They were then asked demographic and household questions to generate an estimate of their household size and energy usage. Respondents were classified into either small, medium or large households. This classification into household size and corresponding energy usage profile was based on existing government energy usage data.

They were then randomized to one of five conditions, corresponding to a variation of the BPID. There were three key features:

- **Comparison estimate table:** this included average quarterly prices for a small, medium, and large household (both discounted and undiscounted). It also included a notional guide on how a consumer could decide which category they fell into.
- **Key plan features:** this covered information on the key features of the plan, such as the nature of any conditional discounts and key fees.
- **Detailed pricing table:** this broke down the specific charges that could apply depending on the time of year and time of day. Specifically, prices were different during summer and other parts of the year, and different prices could apply during peak, shoulder and off-peak hours. It also flagged any other charges, such as daily supply charges.

The inclusion and presentation of these features was altered across the five treatments, as noted in Table 1 below (full versions of the treatments are available at Appendix B).

The first four treatments had been designed by the AER, prior to the study. In addition, we developed the fifth treatment arm, focused on radical simplification. The aim of this trial arm was to draw on literature that argued the importance of simplifying complex information to enable better choices by consumers (see, for example, Bettinger et al, 2012; Hastings and Weinstein, 2008; Sunstein, 2013), particularly in the energy space (Frederiks et al, 2015).

After the screening and demographic questions, respondents were provided with the main task. This task was framed as a scenario where the respondents had been thinking about switching energy plans, and had already done some research (this could be through a comparison site or going to websites of retailers). Through their research, they had identified four plans, for which they had obtained information documents (i.e., the BPIDs).

Treatment name	Description
Price table bottom (control)	The estimate table appears at the top of the page, with the pricing table at the bottom of the page. This is a single-page document.
Price table top	Same information as control, but the pricing table appears first and the estimate table appears at the bottom. This is a single-page document.
Price table 2nd page	Same as control, but the information is spread across two pages, with the pricing table appearing on the second page.
No price table	Same information as control, but the pricing table is removed. There is a link to the contract summary, which includes the detailed pricing information. Clicking on the link is optional.
Simplified no price table	Estimate table at the top of the page, with limited information on features and benefits - all other information is linked via the contract summary (including detailed pricing information). Clicking the link is optional.

Table 1. Treatments used in the experiment (see Appendix B for full versions)

The four plans were all designed such that they had broadly similar quarterly prices (but with variation such that over a year, the difference between them could amount to over \$100). One plan featured a 20% discount, two plans featured a 15% discount, and the final plan had no discount and flat pricing. In addition, the plans were designed such that each household size had a different plan which was the cheapest, based on average usage data provided by AER. Note that because we had access to AER data, we were able to develop reasonably accurate estimates of usage based on the demographic questions we asked. Importantly, even if a respondent's energy usage varied moderately from the average, the overall assessment of which plan would be the cheapest would remain consistent. The only exception would be if the variation was so great that they fell into a different category altogether, however AER data indicated that this was rare, and as such we would expect minimal impacts on our results (they would be both rare, and not likely to appear in a systematic way that would bias one treatment condition over another). Notably, the task also accurately reflected the nature of the decision that consumers would face in the real world. At the time, energy retailers and comparison sites would in many cases be using the demographic information we collected to provide consumers with these price comparison sheets, and consumers would be expected to decide on this basis.

The (discounted) comparison amounts for the four plans are provided in Table 2 below. Notably, one plan ("Star") was designed such that it was *always* inferior to at least one other plan, and based on average usage data was in fact inferior to multiple plans. However, it was deliberately designed such that it had the highest discount overall. These features were included as discounts for on-time payments are a common feature of Australian energy plan.

Respondents were brought to a landing page where they could access the information document for four different providers. Clicking on one of the provider icons on the land-

ing page opened the corresponding information document in a separate tab. In treatments 4 and 5 (no pricing table and simplified no price table), respondents had the option to access additional information within the document which opens as a pop-up. Respondents could spend as long on this page as they want.

When ready, they chose either one of the four providers, or to stick with their current provider in a hypothetical task (i.e., this elicitation was not incentivized). This was done to gauge general willingness to switch providers, as this was of interest to regulators.

Respondents then faced an incentivized task, similar to the hypothetical task. They were asked to choose the provider that they thought would be cheapest for their household, and were told to assume that they would be eligible for all discounts. According to their answers to the screening questions, we were able to identify which of the presented options worked out to be the cheapest for the individual respondent. Respondents were told that they could earn an additional financial reward (AUD1.50, or approximately USD1.15 based exchange rates at the time) for choosing the cheapest option from the set.

The optimal strategy was for a respondent to use the discounted comparison price that corresponded to their household size. Notably, in almost all cases, simply using the number of people in the household as a proxy for household size (i.e., 1-2 = small, 3 = medium, 4+ = large) would lead to respondents choosing the cheapest option.

After the incentivized choice activity, respondents were asked a series of additional questions. This included three items that measured confidence, which participants responded on a 0-10 scale to describe how confident they felt:

- "There is enough information on these documents for me to take up a new energy plan, if I wanted to."
- "My ability to compare and choose a plan using the information provided in these documents."

Provider & key features	Comparison estimate by household size		
	Small	Medium	Large
Sun (15% discount)	\$345.29	\$637.45	<i>\$756.62</i>
Star (20% discount)	\$352.05	\$653.13	\$782.32
Bolt (15% discount)	\$339.09	\$626.72	\$757.68
Moon (no discount, flat pricing)	<i>\$329.40</i>	\$635.40	\$788.40

The cheapest option for each household size is italicized. Note that the “Star” plan is either the worst or second worst for all household sizes.

Table 2. Comparison estimates provided to respondents

- “How worried are you that one of the other brands was offering a better deal than the one you chose?” Scores on these three items were averaged to arrive at a single confidence figure.

Respondents were then provided with a detailed pricing table (with figures that were for another hypothetical plan, provided by the AER), and asked to make a simple calculation about the amount that a hypothetical person would pay for a day’s usage. Respondents were told the day, time, and amount of usage, and able to select an answer from a set of options.

Finally, respondents were asked various demographic questions and went through four questions that measured their basic numeracy.

Results

Choice of plan

When analysing decision-making, we found that most, but not all participants viewed all four plans before making a decision. Across all treatments, we found approximately 84 per cent viewed all four plans – removing those who do not view all four plans improved the proportion choosing the correct option (suggesting that those not viewing all four plans may have substantially poorer performance). Prior to the experiment, we had pre-specified a series of analyses (prepared for internal use, but not registered externally), but had not pre-specified analyzing just those who had viewed all four plans. Hence for transparency we provide results for all participants, as well as those viewing all four plans. Table 3 shows the results from the main incentivized task, for participants who viewed all four plans. In general, when asked to use the BPIDs to compare plans and select the cheapest, most of the treatments performed similarly to each other. However, the version of the BPID with the price table at the top led to consistently worse outcomes. That is, consumers were less able to select the cheapest option when this format is used. When looking at all participants, those in this condition were 8.2 percentage points less likely to choose the cheapest plan despite being incentivised to do so, and this difference was statistically significant at conventional levels. This persisted when controls are added (though the difference drops to 7.3%). When fo-

cusings just on those viewing all four plans, participants in this condition were 8.1% less likely to choose the correct answer (also significant). However, when we included controls for participants who viewed all four plans, the difference in performance drops to 6.4% and was no longer significant at conventional levels, though it was still suggestive ($p=0.068$). Table 3 below provides the regression output from both an unadjusted OLS regression, and an OLS regression with controls for demographics (age, education, gender, income bracket), household size, and numeracy.

We were also able to see the proportion across all treatments that select individual plans. As noted above, whilst three individual plans were designed such that they were optimal for a specific household type, the “Star” plan was specifically designed to be a sub-optimal choice for all household types, regardless of usage profile. The only potentially attractive feature is the fact that it included the largest upfront discount - therefore, participants that selected the “Star” plan were likely doing so in order to access the larger discount. Indeed, the experiment included a free text response that allowed participants to explain why they selected their chosen plan – respondents that selected the “Star” option often mentioned the large discount (sample comments included “20% discount! What could be better?” and “20% discount for paying on time is a great incentive”). In total, we found that approximately 11.1% of respondents – or 1 in 9 – select the “Star” plan. However, when restricting our sample to participants who have viewed all four plans, we found that that the proportion decreases to 8.3% - still reflecting nearly 1 in 12 participants seeking out a plan specifically based on the discount, despite the full price being higher (and this being explicitly clear on the documents).

In addition to the plan selection task, we also asked all participants to use the detailed price information to conduct a simple calculation (see Figure 1). Specifically, they were asked “Alex uses 5kWh of electricity on Friday 10 April between 10am and 4pm, and uses no other electricity on that day. How much will he pay for electricity on Friday, according to the table above?” The answers were a simple multiple choice consisting of a series of possible amounts. The correct response required the participant to identify the correct set

	All participants		Participants viewing all four plans	
	Unadjusted OLS	With controls	Unadjusted OLS	With controls
Price table bottom (control)	54.6% *** (2.3%)	8.90% (10.3%)	59.2%*** (2.5%)	4.1% (20.0%)
Price table top	-8.2% * (3.2%)	-7.3% * (3.2%)	-8.1%* (3.5%)	-6.4% (3.5%)
Price table 2nd page	-0.2% (3.3%)	0.90% (3.2%)	0.5% (3.5%)	2.2% (3.5%)
No price table	-2.3% (3.3%)	-2.70% (3.2%)	-0.9% (3.6%)	-0.6% (3.5%)
Simplified no price table	-1.0% (3.3%)	-0.50% (3.2%)	-1.1% (3.6%)	0.2% (3.5%)
N	2,289	2,289		

Notes: Controls include demographics, size of household and numeracy. * $p < .05$, ** $p < .01$, *** $p < .001$ (two-tailed test). Standard Deviations appear in the parentheses below the means.

Table 3. Proportion choosing the cheapest option, by treatment
Dependent variable is a binary variable indicating whether the respondent chose the cheapest option

	Summer: 1 Dec – 28 Feb		Other: 1 March – 30 Nov	
Off Peak	10pm-7am Mon-Fri Sat Sun	21.34 cents per kWh	10pm-7am Mon-Fri Sat Sun	21.34 cents per kWh
Semi-peak	9am-5pm Mon-Fri 8pm-10pm Mon-Fri	37.147 cents per kWh	9am-5pm Mon-Fri 8pm-10pm Mon-Fri	33.24 cents per kWh
Peak	7am-9am Mon-Fri 5pm-8pm Mon-Fri	38.588 cents per kWh	7am-9am Mon-Fri 5pm-8pm Mon-Fri	35.147 cents per kWh
Separate meter 1	8pm-8am - 16.61 cents per kWh		8pm-8am - 16.1 cents per kWh	
Separate meter 2	11pm-5am - 22.572 cents per kWh		11pm-5am - 23.572 cents per kWh	
Supply charge	84 cents per day		84 cents per day	

Figure 1. Detailed price table for calculation task

of prices to use, and include the supply charge. In total, just 10.9% per cent across all treatments were able to answer this correctly.

Confidence

As with the plan selection task, we conducted a simple OLS regression (see Table 4 below) on the average response to the three questions about confidence. When analyzing the treatments that included the prices table (i.e., Price table bottom, Price table top and Price Table 2nd page vs No Price table and Simple no Price table), we found a statistically significant increase in the average reported confidence in favor of the treatments that included the prices table. This suggests that consumers prefer to have this information on the document itself, and are more confident in their decisions if it is there.

Discussion and conclusion

Based on these results, we theorize that providing the pricing table at the top of the BPID encourages consumers to use the detailed pricing information table, rather than the comparison price estimates, to compare plans. Given they clearly have difficulty in correctly interpreting the information, increasing consumers' focus on the detailed table then results in poorer decisions overall, as evidenced by the Price table top condition performing the worst. However, completely removing the information on prices (and instead requiring a further click to access it) leads to lower levels of confidence on the part of consumers.

In addition, we find that for some consumers, the driving factor in their choices seems to be the size of discount on offer, regardless of the underlying price of the plan. That is, the addition of discounts distorts consumer decision making,

	Unadjusted OLS	With controls
Price table bottom (control)	6.3 *** (0.1)	5.4 *** (0.5)
Price table top	-0.2 (0.1)	-0.1 (0.1)
Price table 2nd page	0.0 (0.1)	0.0 (0.1)
No price table	-0.5 *** (0.1)	-0.4 *** (0.1)
Simplified no price table	-0.5 *** (0.1)	-0.5 *** (0.1)
N	2,289	2,289

Notes: Controls include demographics, size of household and numeracy. * $p < .05$, ** $p < .01$, *** $p < .001$ (two-tailed test). Standard Deviations appear in the parentheses below the means.

Table 4. Average reported confidence (out of 10) (OLS)

leading them to make sub-optimal decisions overall. This supports the findings of previous work in other countries, suggesting the phenomenon of energy retailers using discounts may be a deliberate strategy of confusion (Lunn and Bohacek, 2017).

As such, the experiment suggests a balance needs to be struck for detailed information if regulators wish to maximize both quality of decision making and confidence. On the one hand, the traditional view of reducing information overload and simplifying documents would suggest removing it entirely, but doing so leads to lower confidence. However, having the information as the first thing consumers see on the document leads to poorer decision making. The best approach is to include the information on disclosure and comparison documentation, but to de-prioritize it (by either having it lower on the page, or on a separate page) – and providing other cues to guide consumer choice. Further, it suggests that steps should be taken to either de-prioritize discounts, or standardize them such that consumers making comparisons based on the discount are not disadvantaged. We note that subsequent to this study being conducted, regulators in Australia have moved to standardize the use and presentation of discounts.

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- \$55,000 to \$59,999
- \$60,000 to \$64,999
- \$65,000 to \$69,999
- \$70,000 to \$74,999
- \$75,000 to \$79,999
- \$80,000 to \$84,999
- \$85,000 to \$89,999
- \$90,000 to \$94,999
- \$95,000 to \$99,999
- \$100,000 to \$124,999
- \$125,000 to \$149,999
- \$150,000 to \$174,999
- \$175,000 to \$199,999
- \$200,000 to \$249,999
- \$250,000 and above
- Prefer not to answer → Exclude

Appendix A. Full participant instructions

Pre-survey screening questions

- In which state or territory do you live?
 - Australian Capital Territory
 - Christmas Island → Exclude
 - Cocos (Keeling) Islands → Exclude
 - Heard Island and McDonald Islands → Exclude
 - New South Wales
 - Norfolk Island → Exclude
 - Northern Territory → Exclude
 - Queensland
 - South Australia
 - Tasmania
 - Victoria
 - Western Australia → Exclude
- What is your postcode?
 - [text box with post code format checker]
- What is your current annual household income before taxes?
 - Less than \$14,999
 - \$15,000 to \$19,999
 - \$20,000 to \$24,999
 - \$25,000 to \$29,999
 - \$30,000 to \$34,999
 - \$35,000 to \$39,999
 - \$40,000 to \$44,999
 - \$45,000 to \$49,999
 - \$50,000 to \$54,999

- What is your age?
 - [text box with number checker]
- What is your gender?
 - Male
 - Female

Introduction

Welcome and thanks for participating in this survey.

Task: Imagine that you're looking to switch energy plans. In this survey you'll go through various questions to map out your energy usage and then you'll be given some offers from energy providers. We'll ask you to choose a provider that you think would be best fit for you. There will also be some follow-up questions about the content of the offers.

Payment: For some parts of the survey you can earn some extra money (up to A\$1.50).

These earnings are in addition to what you get from completing the survey. You will receive your payment (or point equivalent) through your panel website shortly after completing the survey.

Duration: The survey should take about 10 minutes to complete and requires your attention, so please only participate if you can dedicate this time!

Screening questions to personalise information document

- What is your postcode? [text box entry, restricted to valid postcodes]
- How many people live in your house (including yourself)?
 - 1
 - 2
 - 3
 - 4
 - 5 or more people
- Do you have a swimming pool?
 - Yes
 - No
- Do you have mains gas connected?
 - Yes
 - No

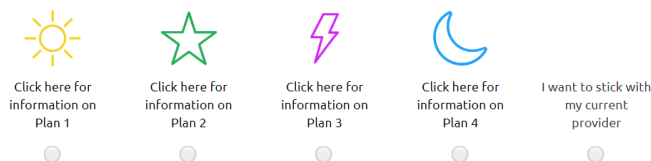
Main task

Explanation

Imagine you have found four plans for electricity from different providers. You have information documents for each of them, which are available on the next screen. We'd like you to look at these, and make a decision between the different providers. Note that the information documents will open in a new tab on your browser.

Hypothetical task

Below are four plans for electricity from different providers. Click on the text below the logo to open up the information document (this will open in a new tab). When you're ready, choose between the different providers, or stick with your current provider.



Many thanks for your response.

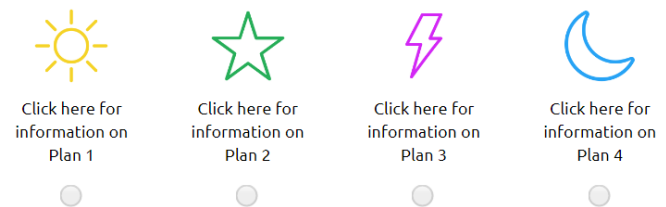
Incentivised task

On the next screen, you'll be presented with the same plans you saw previously. This time, please choose the plan that you think will be cheapest for your household based on the information provided. You can assume that you qualify for all the discounts available (that is, assume you would always pay on time and get the pay-on-time discounts).

If you choose the cheapest plan for your household, you will earn an additional A\$1.50.

[new screen]

Please choose the plan that you think will be cheapest for your household based on the information provided. You can assume that you qualify for all the discounts available (that is, assume you would always pay on time and get the pay-on-time discounts).



Free text

Earlier, you made a choice about what energy provider you would choose.

- Please tell us why you chose the way you did in the first scenario (where you chose between one of the new providers or your current provider). [FREE TEXT BOX]
- Please tell us why you chose the way you did in the second scenario (where you picked the provider that would be cheapest for your household). [FREE TEXT BOX]

Thank you for reviewing this information. We will now ask you a few questions about details of the energy plans that you just saw and how you feel about them.

Confidence

General

How confident do you feel in the following:

- There is enough information on these document for me to take up a new energy plan, if I wanted to. (0 = not confident at all, 10 = very confident)

- My ability to compare and choose a plan using the information provided in these documents (0 = not confident at all, 10 = very confident)
- How likely do you think it is that one of other brands was offering a better deal than the one you chose? (0 = not at all likely, 10 = very likely)
- How worried are you that one of the other brands was offering a better deal than the one you chose? (0 = not at all worried, 10 = very worried)

Comparison table confidence

Thinking specifically about this table that you saw on the documents:

My household is most like:

		kWh/day	Estimated quarterly bill			
			Base price	With all discounts		
	1 to 2 people	1 to 2 bedrooms	Weekly washing, little heating and cooling	9 kWh/day	\$350	\$290
	3 people	3 bedrooms	Washing a few times a week, regular heating and cooling	19 kWh/day	\$640	\$520
	4 to 5+ people	4+ bedrooms	Daily washing, heating and cooling	26 kWh/day	\$820	\$660

Bill estimates are GST inclusive and exclude solar payments, concessions and bonuses and are based on an average household. Your household's usage may vary.

- How much do you trust that the different brands used the same assumptions when coming up with these figures? (0 = not at all, 10 = very much so)
- The information in this table is:
 - Tailored specifically to my usage.
 - Based on similar households to mine in my suburb.
 - An estimate based on average households.
- Are there any elements of this table that are confusing or unclear to you? [free text box]

Pricing table confidence

Thinking specifically about this table that you saw on the documents:

Prices (GST exclusive so that you can compare with your bill)

	Summer: 1 Dec - 28 Feb	Other: 1 March - 30 Nov
Off Peak	10pm-7am Mon-Fri Sat Sun 21.34 cents per kWh	10pm-7am Mon-Fri Sat Sun 21.34 cents per kWh
Semi-peak	9am-5pm Mon-Fri 8pm-10pm Mon-Fri 37.147 cents per kWh	9am-5pm Mon-Fri 8pm-10pm Mon-Fri 33.24 cents per kWh
Peak	7am-9am Mon-Fri 5pm-8pm Mon-Fri 38.588 cents per kWh	7am-9am Mon-Fri 5pm-8pm Mon-Fri 35.147 cents per kWh
Separate meter 1	8pm-8am - 16.61 cents per kWh	8pm-8am - 16.1 cents per kWh
Separate meter 2	11pm-5am - 22.572 cents per kWh	11pm-5am - 23.572 cents per kWh
Supply charge	84 cents per day	84 cents per day

- How confident to do you feel in your ability to use the information in this table to compare this plan with your current plan? (0 = not confident at all, 10 = very confident)
- Alex uses 5kWh of electricity on Friday 10 April between 10am and 4pm, and uses no other electricity on that day. How much will he pay for electricity on Friday, according to the table above?
 - 185.735
 - 269.735 cents
 - 250.2 cents
 - 166.2 cents
 - Some other amount

Thank you for your input. We're nearly there. Next you'll be asked several demographic questions and then four short scenario questions before you reach the end of the survey.

Demographic questions

- How long have you been with your current energy provider?
 - Less than 1 year
 - Between 1 and 2 years
 - Between 2 - 4 years
 - More than 4 years
 - Don't know
- Since you've been with your current provider, have you ever switched plans with them?
 - Yes
 - No
 - Don't know
- What is the highest level of education that you have completed?
 - 3rd Grade or less
 - Middle School - Grades 4 - 8
 - Completed some high school
 - High school graduate
 - Other post high school vocational training
 - Completed some college, but no degree
 - Associate Degree
 - College Degree (such as B.A., B.S.)
 - Completed some graduate, but no degree
 - Masters degree
 - Doctorate degree

Financial literacy/basic numeracy questions

- Susie is paid \$9.00 per hour. She works four and a half hours each day. How much does Susie earn each day?
 - \$36.00
 - \$38.00
 - \$40.50
 - \$49.50
 - None of these
- Susie is paid \$9.00 per hour. She gets a 5% pay increase. What is her new pay per hour?
 - \$9.45
 - \$9.25k
 - \$9.50
 - \$9.05
 - None of these
- Suppose you put \$100 into a savings account with a guaranteed interest rate of 2% per year. You don't make any further payments into this account and you don't withdraw any money. How much would be in the account at the end of the first year, once the interest payment is made? [Free text entry; correct answers is 102]
- Susie buys a laptop costing NZD144 from a company in New Zealand, at an exchange rate of AU\$1 = NZD1.20. What is the cost in Australian dollars?
 - \$172.80
 - \$128.50
 - \$135.00
 - \$120.00
 - Don't know

Appendix B. Control and treatment materials

Treatment 1 (control): Price table bottom

Basic Plan Information Sunny Day Offer at 1 January 2018

To find out more [click here](#) or contact us on:
Phone: 13 00 00 (you can quote reference number **SUN83837MR**)
Web: www.sunenergy.com.au



My household is most like:

			kWh/day	Estimated quarterly bill			
				Base price	With all discounts		
	1 to 2 people		1 to 2 bedrooms	Weekly washing, little heating and cooling	9 kWh/day	\$350	\$290
	3 people		3 bedrooms	Washing a few times a week, regular heating and cooling	19 kWh/day	\$640	\$520
	4 to 5+ people		4+ bedrooms	Daily washing, heating and cooling	26 kWh/day	\$820	\$660

Bill estimates are GST inclusive and exclude solar payments, concessions and bonuses and are based on an average household. Your household's usage may vary.

Key facts about this plan

	Need to know	
Contract	<ul style="list-style-type: none"> Ongoing contract with 12 month benefit period Flexible billing available 10 day cooling off period 	<ul style="list-style-type: none"> Discount rates only apply during the benefit period Eligibility criteria apply
Discounts and bonuses	<ul style="list-style-type: none"> Up to 19% discount off usage charges One-off \$50 credit on your first bill 	<ul style="list-style-type: none"> Discount only applies IF you: <ul style="list-style-type: none"> pay on time (16%) pay by direct debit (2%) use e-Billing (1%)
Fees	<ul style="list-style-type: none"> Early exit fee: nil Late payment fee: \$12 	<ul style="list-style-type: none"> Credit card payment fee and paper bill fee apply

Key features

Prices can change	✓ We will advise you of price changes	Solar feed-in tariff	✓ 9 cents per kWh FIT
Off peak savings	✓ Cheaper at night and on weekends	Green power	✓ Up to 100% green energy option available. Fees apply

Prices (GST exclusive so that you can compare with your bill)

	Summer: 1 Dec – 28 Feb		Other: 1 March – 30 Nov	
Off Peak	10pm-7am Mon-Fri Sat Sun	21.34 cents per kWh	10pm-7am Mon-Fri Sat Sun	21.34 cents per kWh
Semi-peak	9am-5pm Mon-Fri 8pm-10pm Mon-Fri	37.147 cents per kWh	9am-5pm Mon-Fri 8pm-10pm Mon-Fri	33.24 cents per kWh
Peak	7am-9am Mon-Fri 5pm-8pm Mon-Fri	38.588 cents per kWh	7am-9am Mon-Fri 5pm-8pm Mon-Fri	35.147 cents per kWh
Separate meter 1	8pm-8am - 16.61 cents per kWh		8pm-8am - 16.1 cents per kWh	
Separate meter 2	11pm-5am - 22.572 cents per kWh		11pm-5am - 23.572 cents per kWh	
Supply charge	84 cents per day		84 cents per day	

To compare plans from all energy providers visit the Australian Energy Regulator's independent website www.energymadeeasy.gov.au or call 1300 585 165

Treatment 2: Price table top

Basic Plan Information Sunny Day Offer at 1 January 2018

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Phone: 13 00 00 (you can quote reference number SUN83837MR)
Web: www.sunenergy.com.au



Prices (GST exclusive so that you can compare with your bill)

	Summer: 1 Dec – 28 Feb		Other: 1 March – 30 Nov	
Off Peak	10pm-7am Mon-Fri Sat Sun	21.34 cents per kWh	10pm-7am Mon-Fri Sat Sun	21.34 cents per kWh
Semi-peak	9am-5pm Mon-Fri 8pm-10pm Mon-Fri	37.147 cents per kWh	9am-5pm Mon-Fri 8pm-10pm Mon-Fri	33.24 cents per kWh
Peak	7am-9am Mon-Fri 5pm-8pm Mon-Fri	38.588 cents per kWh	7am-9am Mon-Fri 5pm-8pm Mon-Fri	35.147 cents per kWh
Separate meter 1	8pm-8am - 16.61 cents per kWh		8pm-8am - 16.1 cents per kWh	
Separate meter 2	11pm-5am - 22.572 cents per kWh		11pm-5am - 23.572 cents per kWh	
Supply charge	84 cents per day		84 cents per day	

Key facts about this plan

	Need to know	
Contract	<ul style="list-style-type: none"> Ongoing contract with 12 month benefit period Flexible billing available 10 day cooling off period 	<ul style="list-style-type: none"> Discount rates only apply during the benefit period Eligibility criteria apply
Discounts and bonuses	<ul style="list-style-type: none"> Up to 19% discount off usage charges One-off \$50 credit on your first bill 	<ul style="list-style-type: none"> Discount only applies IF you: <ul style="list-style-type: none"> – pay on time (16%) – pay by direct debit (2%) – use e-Billing (1%)
Fees	<ul style="list-style-type: none"> Early exit fee: nil Late payment fee: \$12 	<ul style="list-style-type: none"> Credit card payment fee and paper bill fee apply

Key features

Prices can change	✓ We will advise you of price changes	Solar feed-in tariff	✓ 9 cents per kWh FIT
Off peak savings	✓ Cheaper at night and on weekends	Green power	✓ Up to 100% green energy option available. Fees apply

My household is most like:

			kWh/day	Estimated quarterly bill				
				Base price	With all discounts			
	1 to 2 people		1 to 2 bedrooms		Weekly washing, little heating and cooling	9 kWh/day	\$350	\$290
	3 people		3 bedrooms		Washing a few times a week, regular heating and cooling	19 kWh/day	\$640	\$520
	4 to 5+ people		4+ bedrooms		Daily washing, heating and cooling	26 kWh/day	\$820	\$660

Bill estimates are GST inclusive and exclude solar payments, concessions and bonuses and are based on an average household. Your household's usage may vary.

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Treatment 3: Price table 2nd page

Basic Plan Information Sunny Day Offer at 1 January 2018

To find out more [click here](#) or contact us on:
Phone: 13 00 00 (you can quote reference number **SUN83837MR**)
Web: www.sunenergy.com.au



My household is most like:

				kWh/day	Estimated quarterly bill		
					Base price	With all discounts	
	1 to 2 people		1 to 2 bedrooms	Weekly washing, little heating and cooling	9 kWh/day	\$350	\$290
	3 people		3 bedrooms	Washing a few times a week, regular heating and cooling	19 kWh/day	\$640	\$520
	4 to 5+ people		4+ bedrooms	Daily washing, heating and cooling	26 kWh/day	\$820	\$660

Bill estimates are GST inclusive and exclude solar payments, concessions and bonuses and are based on an average household. Your household's usage may vary.



Key facts about this plan

		Need to know
Contract	<ul style="list-style-type: none"> Ongoing contract with 12 month benefit period Flexible billing available 10 day cooling off period 	<ul style="list-style-type: none"> Discount rates only apply during the benefit period Eligibility criteria apply
Discounts and bonuses	<ul style="list-style-type: none"> Up to 19% discount off usage charges One-off \$50 credit on your first bill 	<ul style="list-style-type: none"> Discount only applies IF you: <ul style="list-style-type: none"> – pay on time (16%) – pay by direct debit (2%) – use e-Billing (1%)
Fees	<ul style="list-style-type: none"> Early exit fee: nil Late payment fee: \$12 	<ul style="list-style-type: none"> Credit card payment fee and paper bill fee apply



Key features

Prices can change	✓ We will advise you of price changes	Solar feed-in tariff	✓ 9 cents per kWh FIT
Off peak savings	✓ Cheaper at night and on weekends	Green power	✓ Up to 100% green energy option available. Fees apply

Basic Plan Information Sunny Day Offer at 1 January 2018

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Web: www.sunenergy.com.au



Prices [GST exclusive so that you can compare with your bill]

	Summer: 1 Dec – 28 Feb		Other: 1 March – 30 Nov	
Off Peak	10pm-7am Mon-Fri Sat Sun	21.34 cents per kWh	10pm-7am Mon-Fri Sat Sun	21.34 cents per kWh
Semi-peak	9am-5pm Mon-Fri 8pm-10pm Mon-Fri	37.147 cents per kWh	9am-5pm Mon-Fri 8pm-10pm Mon-Fri	33.24 cents per kWh
Peak	7am-9am Mon-Fri 5pm-8pm Mon-Fri	38.588 cents per kWh	7am-9am Mon-Fri 5pm-8pm Mon-Fri	35.147 cents per kWh
Separate meter 1	8pm-8am - 16.61 cents per kWh		8pm-8am - 16.1 cents per kWh	
Separate meter 2	11pm-5am - 22.572 cents per kWh		11pm-5am - 23.572 cents per kWh	
Supply charge	84 cents per day		84 cents per day	

To compare plans from all energy providers
 visit the Australian Energy Regulator's independent website www.energymadeeasy.gov.au or call 1300 585 165

Treatment 4: No price table

Basic Plan Information Sunny Day Offer at 1 January 2018

To find out more click [here](#) or contact us on:
Phone: 13 00 00 (you can quote reference number SUN83837MR)
Web: www.sunenergy.com.au



My household is most like:

				kWh/day	Estimated quarterly bill		
					Base price	With all discounts	
	1 to 2 people		1 to 2 bedrooms	Weekly washing, little heating and cooling	9 kWh/day	\$350	\$290
	3 people		3 bedrooms	Washing a few times a week, regular heating and cooling	19 kWh/day	\$640	\$520
	4 to 5+ people		4+ bedrooms	Daily washing, heating and cooling	26 kWh/day	\$820	\$660

Bill estimates are GST inclusive and exclude solar payments, concessions and bonuses and are based on an average household. Your household's usage may vary.



Key facts about this plan

		Need to know
Contract	<ul style="list-style-type: none"> Ongoing contract with 12 month benefit period Flexible billing available 10 day cooling off period 	<ul style="list-style-type: none"> Discount rates only apply during the benefit period Eligibility criteria apply
Discounts and bonuses	<ul style="list-style-type: none"> Up to 19% discount off usage charges One-off \$50 credit on your first bill 	<ul style="list-style-type: none"> Discount only applies IF you: <ul style="list-style-type: none"> – pay on time (16%) – pay by direct debit (2%) – use e-Billing (1%)
Fees	<ul style="list-style-type: none"> Early exit fee: nil Late payment fee: \$12 	<ul style="list-style-type: none"> Credit card payment fee and paper bill fee apply



Key features

Prices can change	✓ We will advise you of price changes	Solar feed-in tariff	✓ 9 cents per kWh FIT
Off peak savings	✓ Cheaper at night and on weekends	Green power	✓ Up to 100% green energy option available. Fees apply



Click here to see prices on the Contract Summary

Link: www.energymadeeasy.gov.au/offer/83837/contract-summary/html

To compare plans from all energy providers visit the Australian Energy Regulator's independent website www.energymadeeasy.gov.au or call 1300 585 165

Treatment 5: Extreme simplification

Basic Plan Information Sunny Day Offer at 1 January 2018

To find out more [click here](#) or contact us on:
Phone: 13 00 00 (you can quote reference number SUN83837MR)
Web: www.sunenergy.com.au



Your estimated quarterly bill

Choose the household most like yours.



Key features of this plan

- ✓ One-off \$50 credit on your first bill
- ✓ 19% discount for 12 months if you pay on time, pay by direct debit, and use e-Billing
- ✓ No early next fee

To see prices and full details of fees on the contract summary click [here](#).