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Investigating factors affecting customers' decisions to switch to conservation tariff

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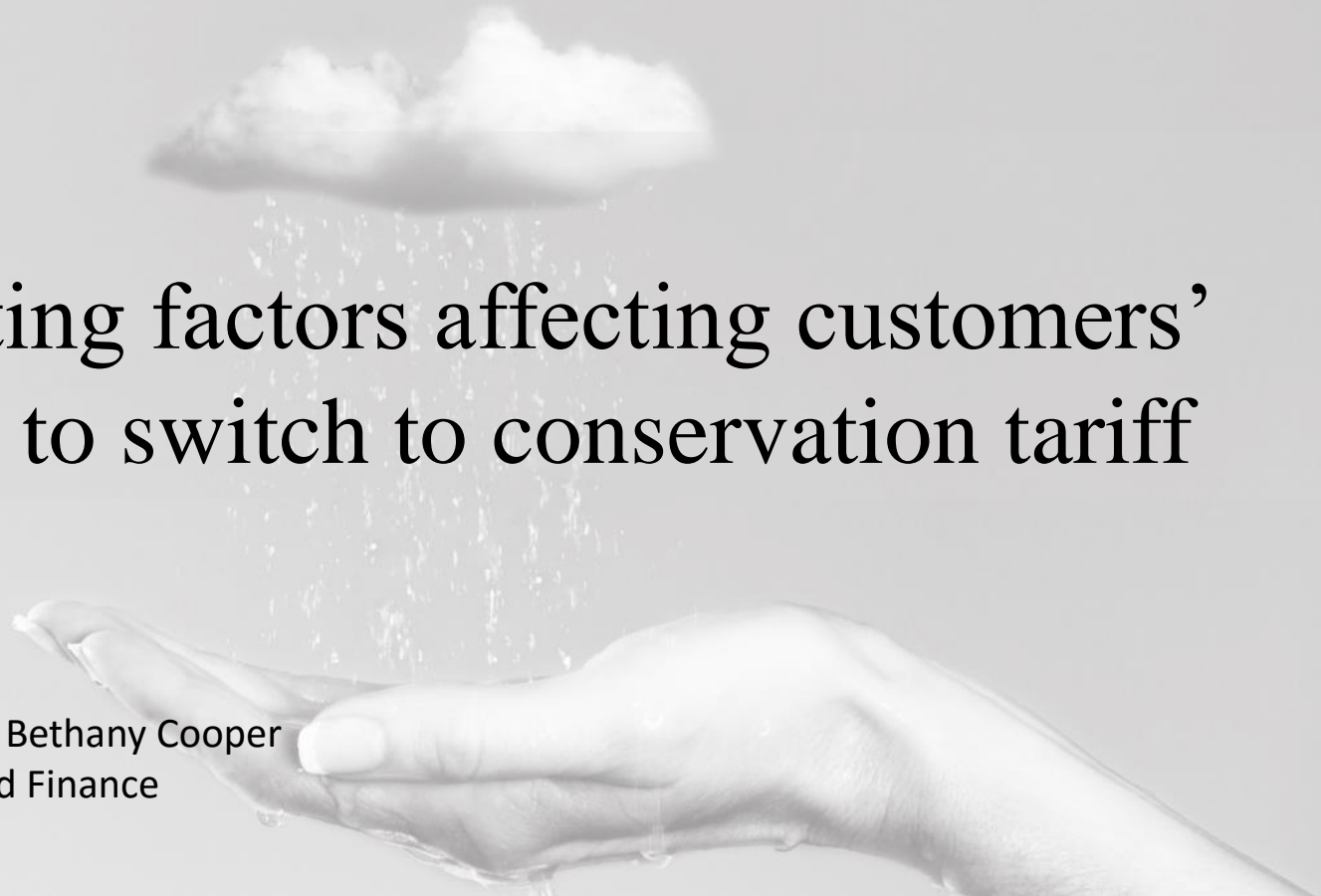
Investigating factors affecting customers' decisions to switch to conservation tariff

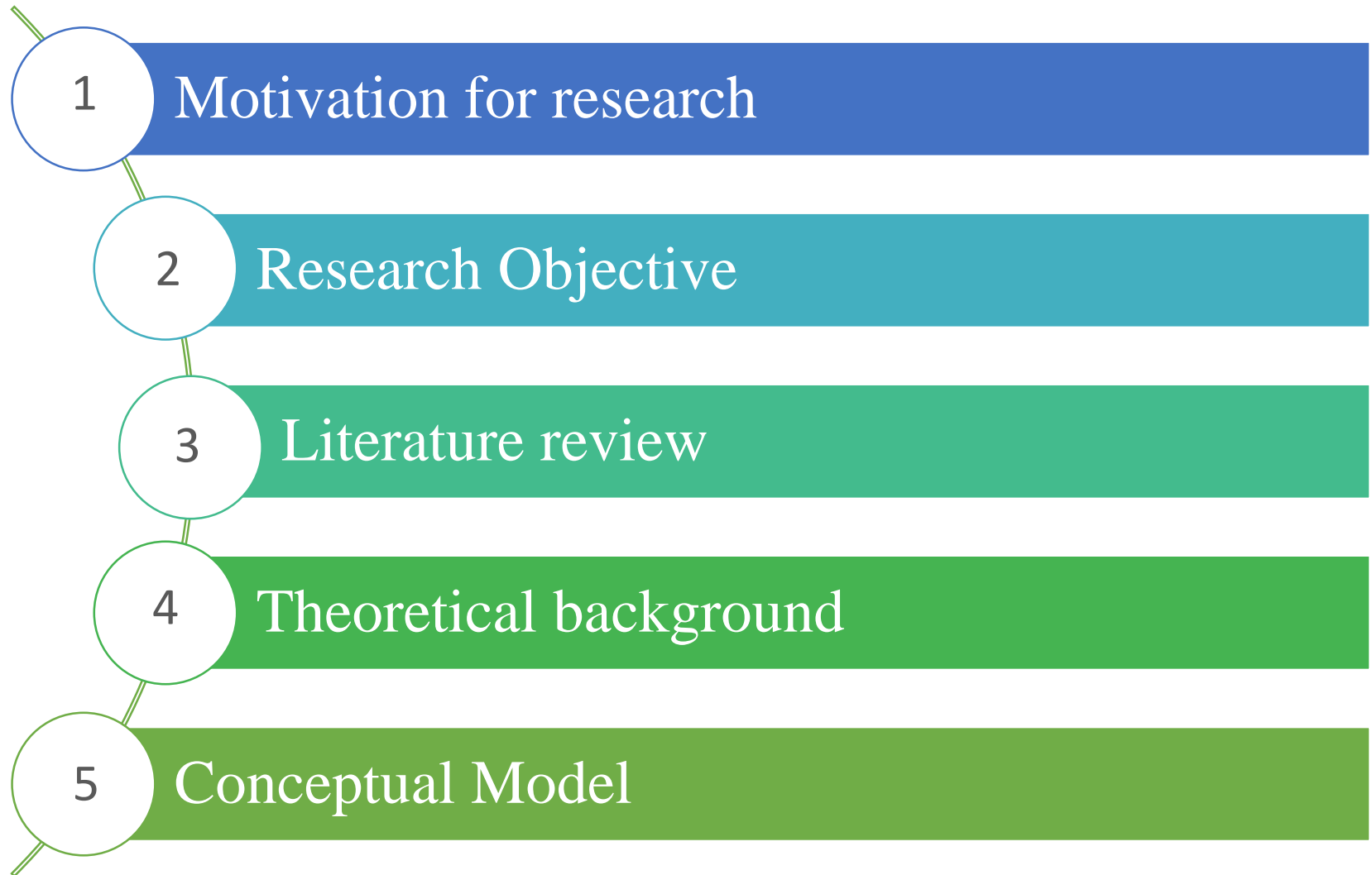
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Supervisor: Prof Lin Crase, Dr Bethany Cooper

Department of Economics and Finance

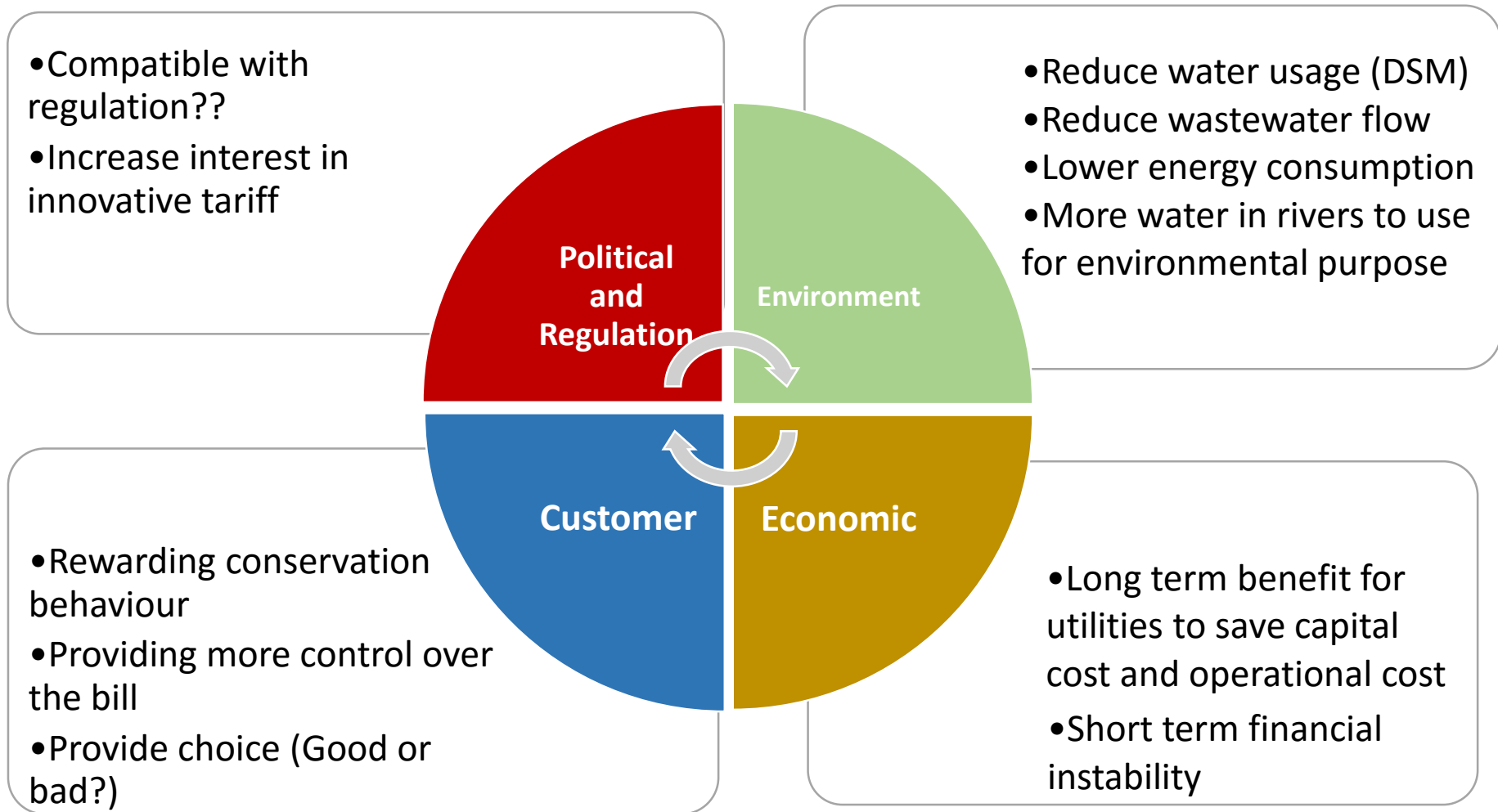
La Trobe University







Does conservation tariff matters?



Where is the conflict?

Result of focus group study , 2015

Choice can be overwhelming and confusing

The water bill is generally a bill that did not present issues to households to pay

The potential to save money was not regarded as a significant driver

The current system was regarded as working well and there was no reason to change it from

Getting customers to participate in volumetric tariff will be challenging

Only those able to see instant financial gains are likely to be interested to take part

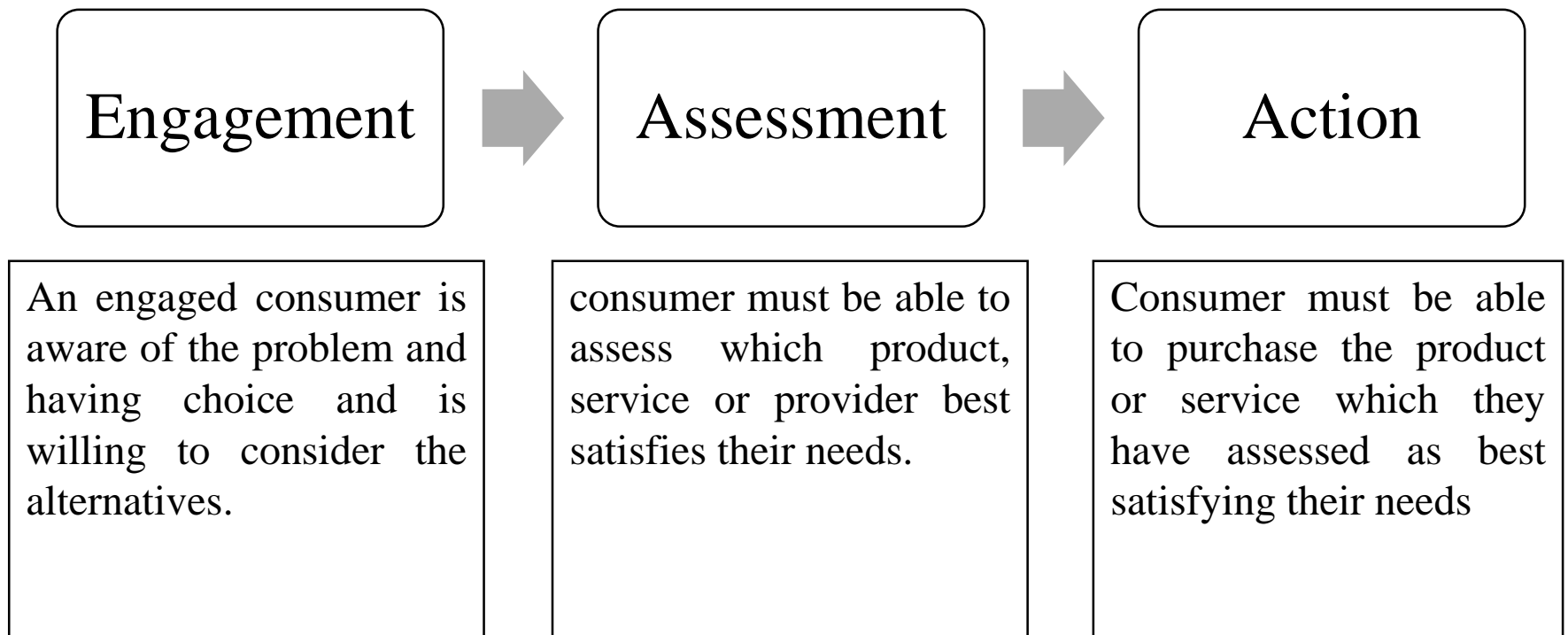
This finding contradict the evidences observed through media regarding customers dissatisfaction of water bill during the drought.

Research Objective

- This research aims to provide explanation of why customers are not willing to switch despite the benefit and saving available
- The intention is to apply human immigration theories to make a comprehensive models of switching drivers and barriers
- This research contribute to literature by:
 - Examining whether psychological impact of drought leads to more conservation behaviour
 - Providing empirical experience of using PPM model in customer behaviour
 - Using Water tariff option as choices, which can fill the gap in water management studies

The Consumers Journey

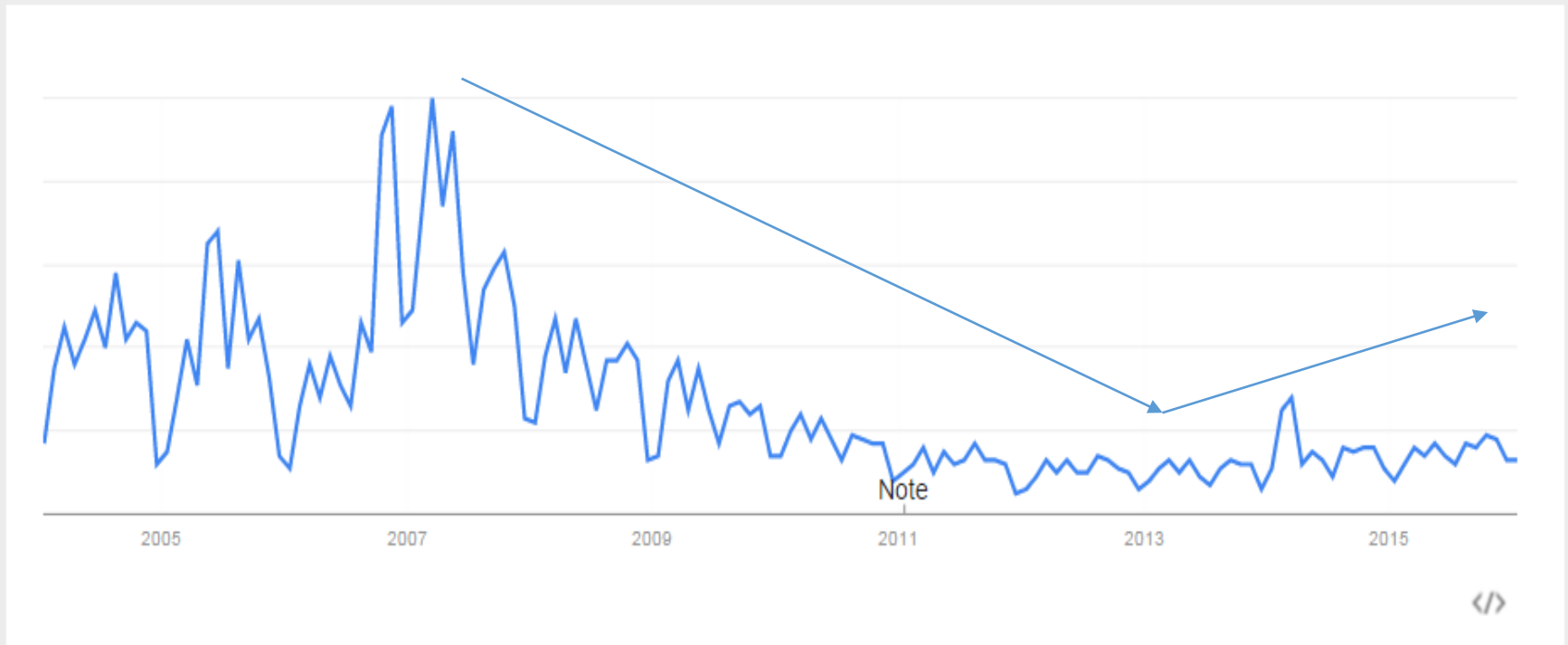
According to the UK regulator network study (2014), Switching process has three main steps including engagement, assessment and action (Batchelor, 2014).



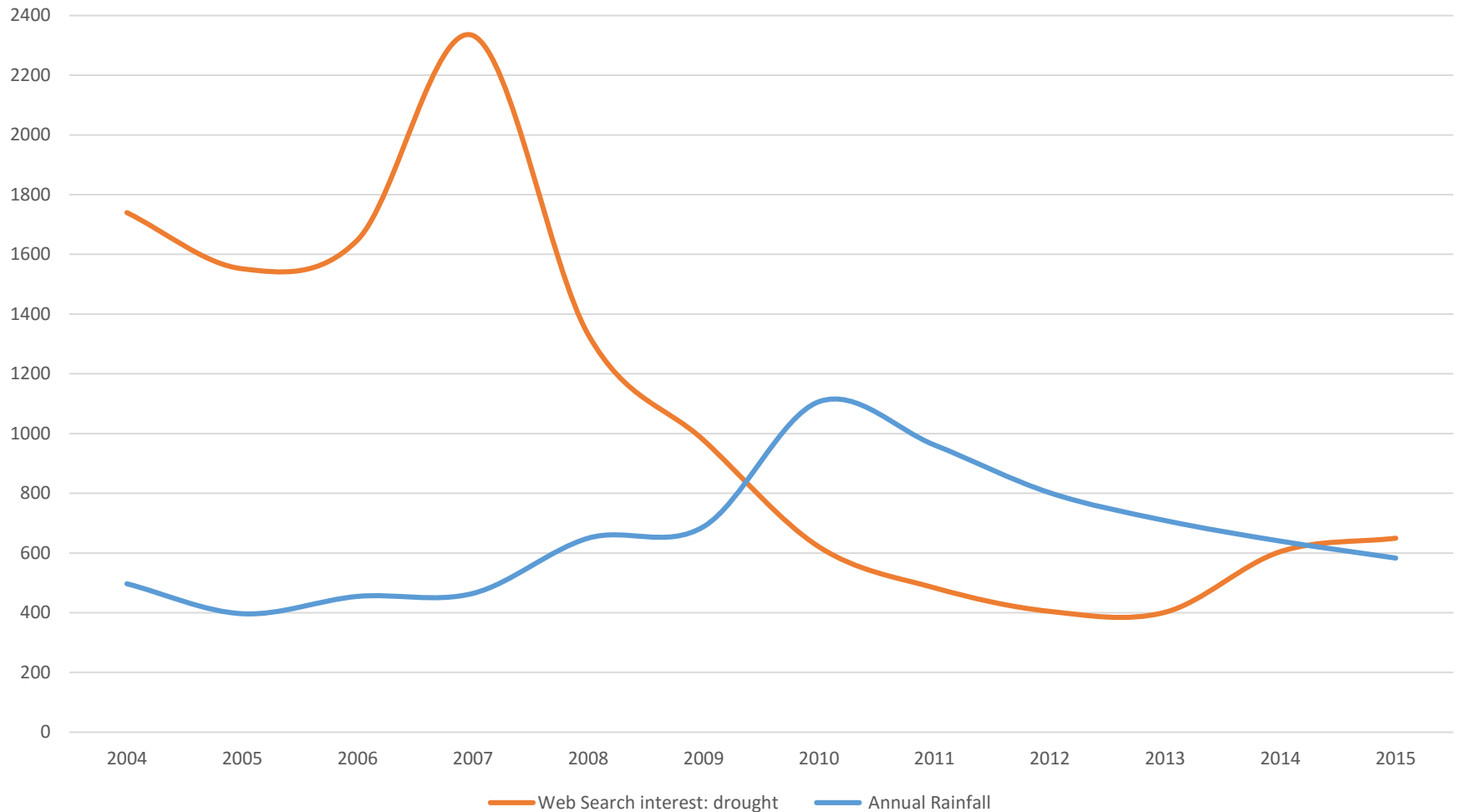
Australian awareness of drought

Interest over time ?

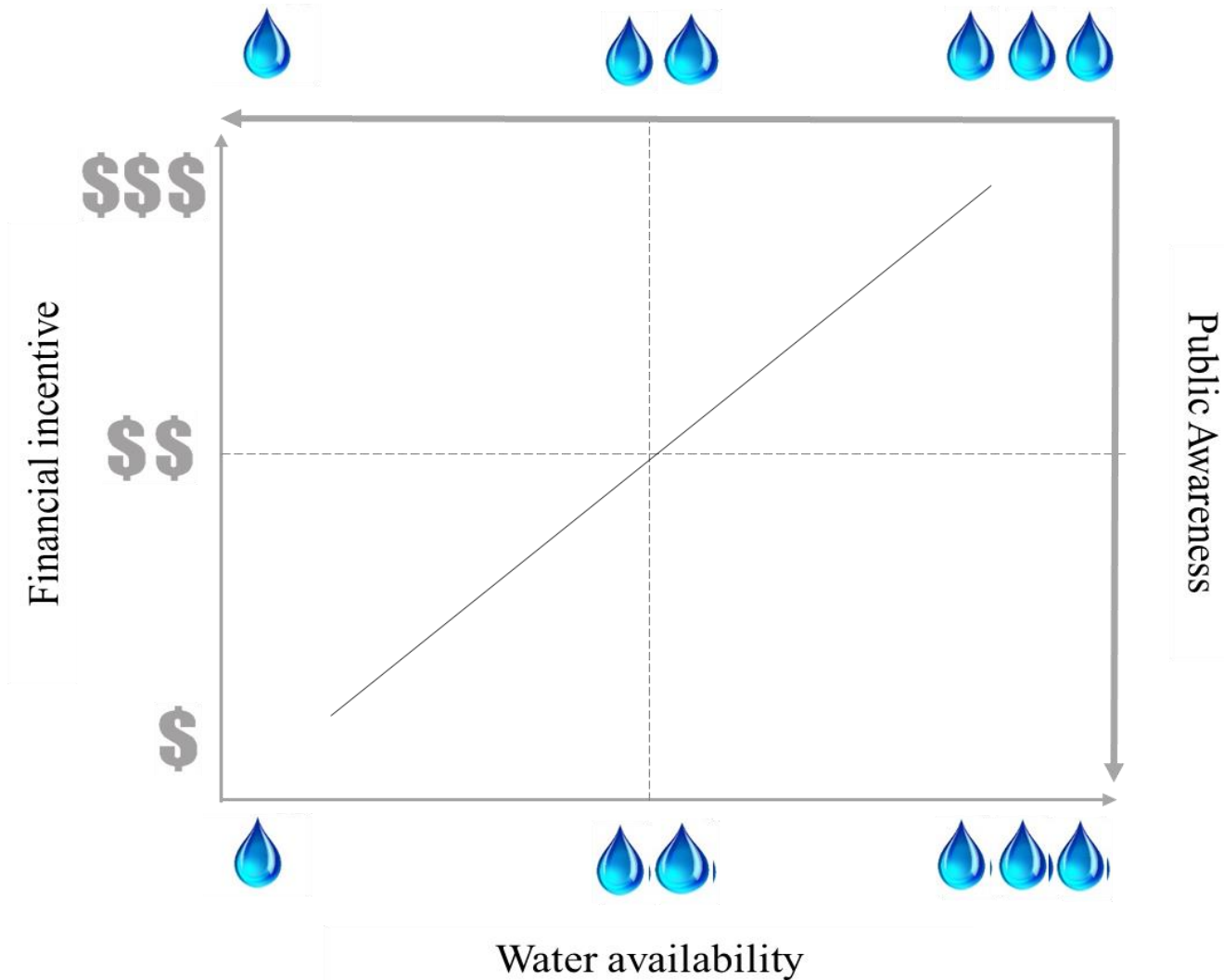
News headlines ? forecast ?



Public awareness & weather condition Australia



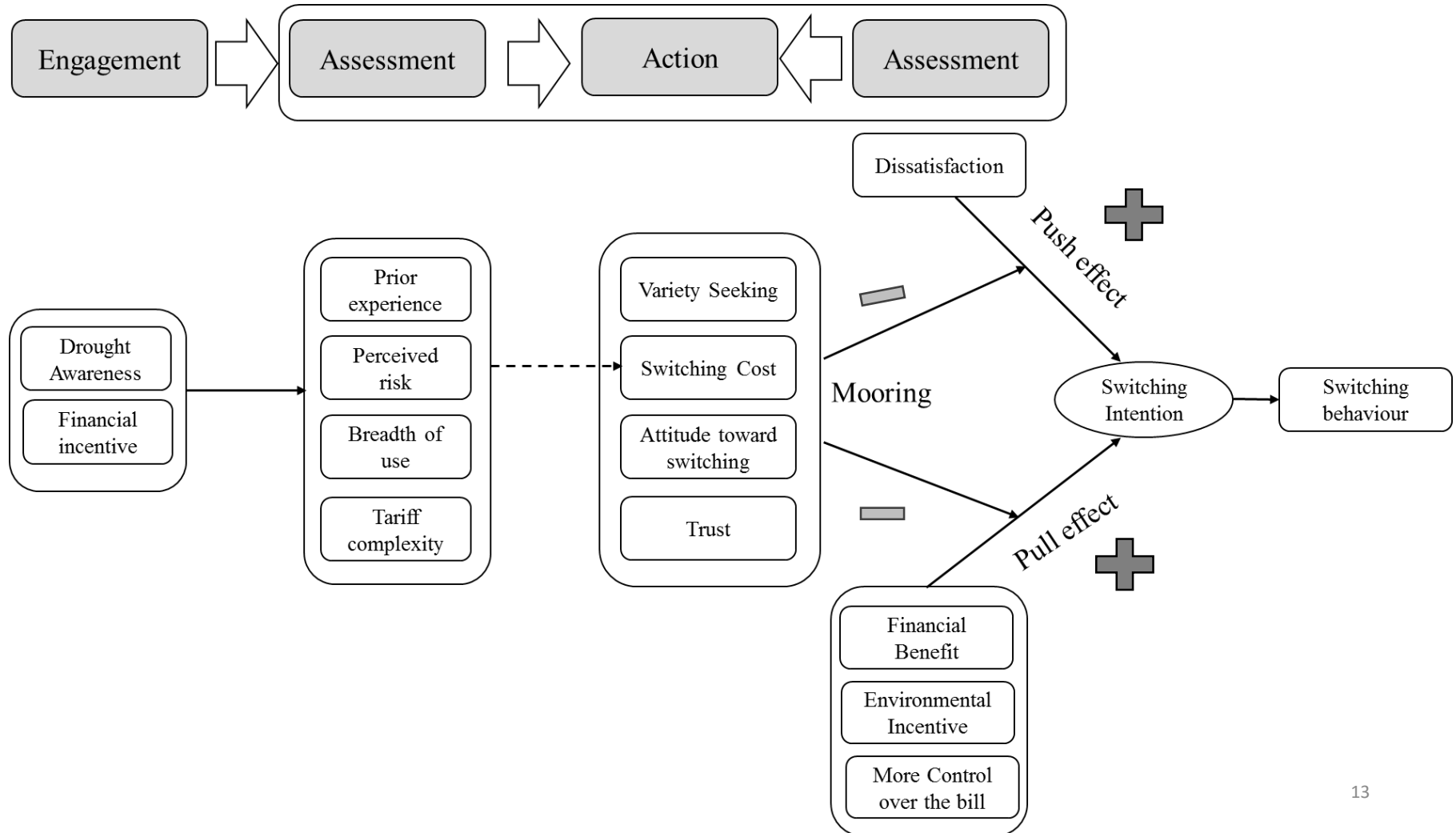
Customer Engagement



Summary of switching barriers and drivers

	Engagement	Assessment	Take an action
External	<ul style="list-style-type: none"> •Weather condition (water Availability) •Demographic characteristic 		
Attitudinal	<ul style="list-style-type: none"> •Perceived financial benefit •Drought Awareness 	<ul style="list-style-type: none"> •Perceived switching cost •Subjective Norms •Perceived Risk •Satisfaction 	<ul style="list-style-type: none"> •Attitude toward switching
Limitation and abilities		<ul style="list-style-type: none"> •Time and effort •evaluation skill 	
behavioural	<ul style="list-style-type: none"> •Trust 		<ul style="list-style-type: none"> •Inertia •Risk threshold

Developed conceptual model



Thanks for your attention

Any questions?

