Third Party Intermediaries: Only the Strongest will Survive

Description: In an environment of rapidly increasing Third Party Intermediary (TPI) take-up, TPIs / Energy brokers managed simply to increase volume by convincing buyers to use their service instead of having a direct relationship with their supplier. Now that buyers appetites for using TPIs have stagnated, if not declined, TPIs will be competing against each other to increase or hold their market shares.

Scope

- Market shares of the UKs top TPIs, with satisfaction levels from both SME and Major Energy buyers who use TPIs
- Insight into how TPIs view the relative service performance of the UK power and gas suppliers they interact with
- Information on the percentage of buyers from each supplier contract using a TPI, and how this has changed over time
- How TPIs view market developments, and how suppliers can provide them with an increased level of service

Highlights of this title

TPIs need to be conscious of their market position, as there is strong competition and the market is stagnant

Both suppliers and buyers need to be careful about which TPIs they work with, considering the possible structural changes that will affect the TPI environment

TPIs are looking for both a higher level of interaction with suppliers and a higher degree of flexibility to enhance the product they offer to buyers

Key reasons to purchase this title

- View who the large and dominant Third Parties / Energy brokers are in the United Kingdom who are most likely to survive market consolidation
- Ascertain relative satisfaction levels between buyers who contract direct, and those who use a Third Party Intermediary
- Gain a knowledge of what extra services Third Parties would like suppliers to offer, and how suppliers could improve their current services

Contents:

CATALYST

SUMMARY

ANALYSIS

TPIs need to be conscious of their market position, as there is strong competition and the market is stagnant

Power buyers willingness to engage with TPIs may have peaked, which will lead to a change in strategy for TPIs

The reduction in gas market exposure illustrates that buyers appetite for using TPIs may have peaked

The TPI market is highly disaggregated, with the nine largest companies accounting for just 31% of buyers
Utilyx is the dominant gas TPI, however, the gas market is typified by many small players. Both suppliers and buyers need to be careful about which TPIs they work with, considering the possible structural changes that will affect the TPI environment. E.ON, British Energy and SSE are the power suppliers that provide the best service to TPIs. E.ON and EDF Energy provide the strongest level of service for gas contracts to TPIs. Our customer satisfaction questions cover importance, experience, and experience drivers. SME customers that use a TPI are generally less satisfied than buyers which contract direct, while MEU buyers are more satisfied. BGB and E.ON are reliant on TPIs to help them achieve better SME gas customer satisfaction. Buyers consistently rate TPIs as being more important than their supplier. TPIs are likely to continue to exist, as the service that they provide cannot be matched by suppliers. TPIs are looking for both a higher level of interaction with suppliers and a higher degree of flexibility to enhance the product that they offer to buyers. For TPIs, having access to experienced call center staff is essential for a strong relationship with the supplier. TPIs are demanding more flexibility from suppliers regarding the terms and conditions of contracts. While the Utilities Intermediaries Association is well known in the TPI community, outsiders knowledge is limited. TPIs firmly believe that customers are choosing their services based on service ahead of price.

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