World Journal of Advanced Research and Reviews
eISSN: 2581-9615 CODEN (USA): WJARAI
Cross Ref DOI: 10.30574/wjarr
Journal homepage: https://wjarr.com/

(RESEARCH ARTICLE)

Check for updates

An empirical study of customer switching resistance in the UK energy industry: The utility warehouse experience

Fatokun Akinbami Adegoke *

Swansea University, UK.

World Journal of Advanced Research and Reviews, 2026, 30(02), 1478-1484

Publication history: Received on 09 April 2026; revised on 16 May 2026; accepted on 19 May 2026

Article DOI: https://doi.org/10.30574/wjarr.2026.30.2.1388

Abstract

This study examined customer resistance to switching service providers in the UK domestic utility market using Utility Warehouse as a case study. Despite rising government energy price caps, customer switching rates declined in 2022, suggesting the presence of factors discouraging consumers from changing providers. While previous studies have focused mainly on customer satisfaction and loyalty, limited attention has been given to the factors driving switching resistance in the UK energy sector. This study addresses that gap by investigating the key determinants influencing customers to remain with Utility Warehouse. Data were collected through over 300 structured questionnaires administered to electricity and gas customers and analysed using descriptive statistical tools. The findings revealed that switching costs, competitive pricing, service quality, and customer involvement in decision-making significantly reduce customers' intentions to switch providers. The study contributes to existing literature by providing empirical evidence on the major drivers of switching resistance in the UK utility market and offers practical recommendations for improving customer retention through stronger customer relationships and engagement strategies.

Keywords: Utility Warehouse; Market; Price Cap; Consumers; Household; Switching Resistance

1. Introduction

Utility Warehouse (UW) is a UK public limited company that provides a range of household services, including electricity, gas, broadband, mobile, and insurance services. The company operates a multi-service business model that allows customers to manage several household utilities under a single account, helping them reduce costs and simplify billing processes (UW Annual Report, 2022). In recent years, the UK energy industry has experienced significant increases in energy prices, particularly following the COVID-19 pandemic. Several factors contributed to this situation, including rising gas demand, reduced electricity generation from wind energy, fire incidents affecting electricity interconnectors, and the Russia–Ukraine war. These developments resulted in increased pressure on both energy suppliers and consumers across the UK energy market. Despite the continuous rise in energy prices and the availability of alternative suppliers, customer switching rates in the UK energy market declined in 2022 compared to 2021 (Ofgem, 2022). Furthermore, an Ipsos MORI survey reported by Ofgem revealed that about 60% of energy consumers had never switched suppliers. This trend suggests that certain factors discourage customers from changing their service providers despite market competition and rising costs. Previous studies on customer behaviour in the utility sector have focused mainly on customer satisfaction, loyalty, and pricing strategies. However, limited attention has been given to the factors that create resistance to switching among customers in the UK domestic utility market. This study addresses this gap by investigating the factors influencing customer resistance to switching, using Utility Warehouse as a case study.

* Corresponding author: Fatokun Akinbami Adegoke

1.1. Market Analysis

The UK energy market is highly competitive, with major providers such as OVO Energy, Octopus Energy, E.ON, Scottish Power, British Gas, and Utility Warehouse competing for market share. According to Porter's Five Forces framework (Porter, 2008), competition within the industry is intense due to the large number of providers and the use of various pricing and innovation strategies to attract and retain customers. The bargaining power of customers is relatively low because switching costs, service uncertainty, and relationship loss often discourage consumers from changing suppliers. Suppliers, however, possess stronger bargaining power due to market conditions and pricing structures. The industry has also witnessed strategic partnerships and innovations, such as acquisitions and automatic switching services, aimed at improving customer retention and competitiveness. A SWOT analysis further highlights Utility Warehouse's market position. One of the company's major strengths is its ability to offer multiple services under one bill while providing prices below the government energy price cap. The company also benefits from strong word-of-mouth marketing and customer referrals. However, UW has faced challenges relating to customer service inefficiencies, including regulatory penalties imposed by Ofgem in 2021. Despite these weaknesses, opportunities for growth remain strong due to increasing energy demand and market expansion potential. At the same time, intense competition and rising government price caps continue to pose threats to the company's operations.

2. Literature review

Customer switching behaviour in utility markets has been widely examined, with much of the literature emphasising factors such as satisfaction, loyalty, and perceived value. However, research increasingly recognises that switching resistance—the set of psychological, economic, and relational barriers that discourage customers from changing providers—plays a critical role in shaping consumer decisions. A key determinant of switching resistance is switching cost, which includes financial, procedural, and relational components (Burnham et al., 2003). In the energy sector, these costs may involve the perceived effort of comparing tariffs, administrative burdens, and uncertainty about service reliability. Studies in regulated and semi-regulated markets show that customers often overestimate the complexity of switching, leading to inertia even when better alternatives exist (Wilson & Price, 2010).

Service quality also influences switching resistance. High service performance strengthens trust and reduces customers' motivation to explore alternatives (Parasuraman et al., 1988). In the UK energy market, where service failures have historically contributed to customer dissatisfaction, providers that maintain consistent service standards tend to retain customers for longer periods (Ofgem, 2022). Another important factor is pricing strategy. Competitive pricing can reduce customers' intention to switch by reinforcing perceived value (Kim et al., 2004). Utility Warehouse's multi-service bundling model aligns with findings that bundled offerings increase switching resistance by creating convenience and reducing the cognitive load associated with managing multiple providers (Guiltinan, 1987).

Additionally, customer involvement in decision-making has been shown to enhance engagement and strengthen relational bonds between customers and service providers (Yi & Gong, 2013). When customers feel empowered and informed, they are less likely to switch, even in highly competitive markets. Despite extensive research on satisfaction and loyalty, fewer studies have focused specifically on switching resistance in the UK domestic energy sector. Existing work highlights persistent consumer inertia, with a significant proportion of households never switching suppliers despite potential savings (Ipsos MORI, 2021). This gap underscores the need for empirical studies. such as the present research, to explore the interplay of switching costs, service quality, pricing, and customer engagement in shaping customer retention.

3. Methodology

Methodology in the context of research refers to the approach adopted by a researcher for conducting a research especially geared towards solving a research problem. (Saunders, et, al., 2012). To this background, the phase of this study examines the study' research design, target population, sample and sampling technique, method of data collection and analysis. Other items examined in the phase of this study include; validity and reliability of the research instrument.

3.1. Research Design

Asika, (1991) posited that a research design deals with the appropriate planning of a scientific inquiry. It is often regarded as the blue print or plan by which a research will be conducted. To this effect, this study adopts a casual/ survey design and a quantitative research strategy for achieving it sets objectives. However, the research design helps in establishing casuality and the usage of questionnaire (Batchman, 2007).

3.2. Population and sample

The population for this study is the entire electricity consumers in the UK domestic utility market. According to Ofgem, (2020), over one million electricity consumers in the Uk domestic utility market with most of the consumers switching from one energy provided to the other. Based on this population size, YAMENE'S formula suggested the sample size should be 399 which is approximately 400 sample by using the formula state below

$$n = N$$

$$1 + N\ (e)^2$$

Where; N = Population Size = 1,000,000, e = Significant level of error (0.05) and n = Sample size = 400.

3.3. Sampling technique

A sampling technique refers to the strategy used for selecting the study' samples such that selected samples will be an appropriate representation of the targeted population. To this effect, this study used a purposive sampling technique to select its respondents. The rationale for using this form of sampling technique is that, the technique enables the researcher to select specific customers that are constantly purchasing electricity and gas at UW. However, due to time constraint, only 300 respondents were able to fill the online questionnaire appropriately. This outcome represents over 70% response rate (Saunders et al., 2012).

3.4. Data collection and research instrument

The study used both primary and secondary sources of data collection. The primary data used for this study was collected via field survey through the administration of questionnaire to the targeted respondents. Similarly, the secondary data was extracted from relevant publications such as; company' report, journals, newspapers, etc.

On the other hand, a structured questionnaire was used to elicit information from the respondents. This instrument has two sections: Section A measures respondents demographic features while section B emphasizes factors affecting customers resistance to switch.

In the same vein, the instrument questions for section A was scaled using an interval scale while section B was scaled using 5- point Likert Scale ranging from Strongly Disagree (SD-1), Disagree (D-2), Neutral (N-3), Agree (A-4) and Strongly Agree (SA-5).

Meanwhile, the questionnaire items were obtained by adopting and adapting questions from existing questionnaires. For instance, the independent variable (customers resistance to switch) consist of four constructs :switching cost, customer switching intention, service quality and customer involvement in decision making. Four questions were adopted from Brady and Cronin (2001) model for measuring service quality. Similarly, three questions were adapted from Anto´n, et. al., (2007) to measure fair price while four questions were adopted from Beerli et. al.,(2004) and Anto´n, et. al., (2007) to measure customers' involvement indecision making. In the same vein, four questions were adapted from Beerli et. al., (2004), Anto´n, et. al., (2007), Colgate et. al., (2007), and Jones et. al., (2007) four measuring switching cost.

3.5. Data analysis

Data obtained from the field survey was analyzed with frequency tables, graphs, pie chart, mean and standard deviation. Meanwhile, IBM Statistics SPSS (25.0) and Microsoft excel were used to perform the analytical operations

4. Results and findings

This part of the study helps in providing answers to the earlier stated research questions using mean score and standard deviation of the questionnaire items. Mean score less than 3 is implies disagreement.

4.1. Research Question one; Do switching cost influence customers resistance to switch in the domestic utility market?

Table 1 Respondents' opinions on the influence of switching cost on customers resistance to switching

	N	Minimum	Maximum	Mean	Std. Deviation
It might result into a higher cost	300	1.00	5.00	4.4000	1.16490
It might lead to effort and time wastage when searching for other energy providers	300	1.00	5.00	3.9917	1.21141
Might lead to financial and personal relationships loss	300	1.00	5.00	3.2417	1.54068
Valid N (listwise)	300				

Based on the outcome in table 1, all mean scores are greater than three. This implies most of the respondents agree to the fact switching cost can result into : higher cost, waste of time and effort financial and personal relationships loss. To this effect, it can be infer that switching cost serve as resistance to customers switching in the energy market.

4.2. Research Question Two; Do price offer affect customers resistance to switch in the domestic utility market?

Table 2 Respondents' opinions on the influence price offer on customers resistance to switching

	N	Minimum	Maximum	Mean	Std. Deviation
Fair price offer by my energy service provider might prevent me from switching	300	1.00	5.00	4.1000	1.20846
The saving rate based on price offer will deter my switching	300	1.00	5.00	3.8513	1.21141
The standard variable tariff offer is an hindrance to my switching	300	1.00	5.00	4.2419	1.54068
Valid N (listwise)	300				

Table 2 shows that fair price offer, standard variable tariff and saving rate derived from price offer can serve as a resistance to customers switching service provider, since all the mean scores are greater than three. Based on this outcome, it can be concluded that price offer influences customers resistance to switching.

4.3. Research Question Three; Is there any relationship between service quality and customers resistance to switch in the domestic utility market?

Table 3 Respondents' opinions on the influence of service quality on customers resistance to switch

	N	Minimum	Maximum	Mean	Std. Deviation
Provision of on - time service delivery will prevent me from switching	300	1.00	5.00	3.5380	1.10846
Rapid and efficient respond to my problem deters switching	300	1.00	5.00	3.7514	0.91141
Understanding of my specific needs prevent me from switching	300	1.00	5.00	3.4173	1.01325
Valid N (listwise)	300				

Table 3 reveals that all the mean scores were greater 3. This means that most of the respondents agree to the fact that: on - time service delivery, good understanding of customers need and rapid and efficient respond to customers problem can prevent customers from switching energy provider

4.4. Research Question four; Do customers involvement in decision making has any effect on their resistance to switch in the domestic utility market?

Table 4 Respondents' opinions on the influence of customers involvement in decision making on customers resistance to switch

	N	Minimum	Maximum	Mean	Std. Deviation
Parents determines the level of utility consumption	300	1.00	5.00	4.2370	0.80845
My previous comparison of my current energy provider with other energy provider influences my switching	300	1.00	5.00	3.1594	1.57024
Awareness of energy scanning and auto switching services can prompt me to switch	300	1.00	5.00	2.9158	1.61583
Valid N (listwise)	300				

Table 4 shows that most of the respondents agree to the fact that, most of the respondents make comparison with other service provider before switching and parents are the most determining factor regarding utility consumption. However, some of the respondents disagreed with the fact that, awareness of energy scanning and auto switching services can prompt them to switch.

5. Conclusion

This study concluded that most of the respondents (customers) interviewed were males who earned a bachelor's degree and are within the age category of 26- 39years. In addition to this, most of the respondents are average income earners (earn between £50,000- £80,000 per annum). However, the market analysis shows that a stiff competition exist between rivals in the UK energy industry wherein rivals engaged in various strategies which include: aggressive marketing (that provided customers with low service price), firms taking over each other, strategic alliance, enhanced innovation, just to mention a few. In addition to this, the increase in the numbers of competitors and incessant increase in the Government price cap serve as a major threat to the firm survival.

Furthermore, this study concluded that switching cost serves as an impediment to customers switching their current service provider due to the perception of a resultant: high cost, financial and relationship that is attributed to switching service provider (Utility warehouse (UW). Similarly, the study also concluded that price offer affect customers resistance to switch at Utility warehouse (UW). This traceable to the fact that, UW offer prices below the government price cap and this provided opportunity for customers to have a saving advantage and invariably reduce switch.

In the same vein, this study established the fact that a significant relationship exist between service quality and customers resistance to switch at Utility warehouse. This conclusion is derived from the fact that, the firm offers on time service delivery, understand her customers need and responds swiftly to salvage the situations. Finally, the study also concluded that customers' involvement in decision making affect their resistance to switch at Utility warehouse.

Recommendations

This study shows that the Uk's energy market is a highly competitive market in which rivals are daily implementing innovative competitive strategies to outwits their competitors. In view of this fact, customers are restricted from switching as a result of perceived innovation. To this effect, this study recommends that the management of UW improve their operational efficiency towards producing more of old products like smart meters, automatic switching devices and new products and services like creating apps that will help customers manage their energy consumption, installing an effective energy measures . Other innovative products and services can also include: smart thermostats, provision of access to green innovations like: energy storage device, Solar PV, heat pumps , EVs etc

Further still, since switching cost is a major constraints to consumers switching their home services away from UW, the study recommends that UW take advantage of the switching cost as a high customer retention strategy by engaging

more in an incessant analysis of how switching cost can be used to amass and retain more customers in the Uk' energy market. By extension, UW management needs to build a more superb customer relationship that would help in discouraging customers from switching their home services from the organization.

Similarly, the study identified fair price offer, standard variable tariff, increase government price cap and customers saving rate as barrier to customers switching at UW. Based on this outcome, the onus lies on the management of UW to adopt a more customer attracting pricing strategy which will help the firm to maintain its variable cost without running bankrupt while still attracting customers. Conversely, it was forecasted customers might eventually reduce the amount of energy consumption which might have serious effect on the profit margin of UW (UW Annual report, 2022). In this regard, it pertinent that the management of UW divest more into other segment of alternative sources of electricity and gas.

Furthermore, this study affirmed the fact that service quality significantly determines whether customers will switch or not. To this effect, this study recommends that UW intensify more effort to enhance the level of their service quality. By extension, there is need for UW to invest more in digital facilities which will further improve customers self service capabilities. In addition to this, customer service can be further improved by utilizing customer engagement strategy like creating awareness about climatic changes coupled with environmental issues relating to rate of their energy consumption.

Synonymous to this, it is also highly essential that UW continuously train her employees so as to effectively discharge their duties while at the same time keeping them abreast of the current industry changes relating to energy procurement by customers. Conversely, to maintain a check on employee performance and avert reputational risk based on the level of employee commitment, there is a need for UW to put in a place a feedback mechanism on the part of their customers that will inform the organization about the performance of their staff. Finally, this study established the fact that, customer involvement in decision making affect customers switching at UW. This shows there is a need for UW to craft a more formidable customer relationship management strategy to improve the level of customer involvement.

References

[1] Anton, C., Camarero, C. & Carrero, M. (2007). Analysing firms' failures as determinants of consumer switching intentions. *European Journal of Marketing*, 41,(2), 135-158.

[2] Asika, N. (1991). *Research Methodology in the Behavioral Sciences* (2nd ed.),Lagos:Longman Nigerian Plc

[3] Baksia, A. K, & Parida, B. B. (2011) Service quality and switching behavior of customers, *Management Science Letters,* 405–414

[4] Bendapudi, N. and Berry, L.L. (1997) Customers' Motivations for Maintaining Relationships with Service Providers. *Journal of Retailing*, 73, 15-37

[5] Beerli, A., Josefa, D. M. & Agustin, Q. (2004). A model of customer loyalty in the retail banking market. *European Journal of Marketing*, 38, (1), 315-333.

[6] Brady, M. & Cronin, J. (2001). Some new thoughts on conceptualizing perceived service quality: a hierarchical approach. *Journal of the Academy of Marketing* Science, 65, 34-49.

[7] Burnham, T. A., Frels, J. K. & Mahajan, V. (2003). Consumer switching costs: A topology, Antecedent and Consequences. *Journal of the Academy of Marketing Science*, 32(2), 213-217.

[8] Colgate, M., Tong, V. T.-U., Lee, C. K. C., & Farley, J. U. (2007). Back from the brink: why customers stay. *Journal of Service Research*, 9 (3), 211-228.

[9] Jones, M.A., Reynolds, K.E., Mothersbaugh, D.L. & Beatty, S.E. (2007). The positive and negative effects of switching costs on relational outcomes. *Journal of Service Research,* 9(4), 335-355.

[10] Kalyanaram, G., and Little D.C. (1994), "An Empirical Analysis of Latitude of Price Acceptance in Consumer Package Goods," *Journal of Consumer Research*, 21(3), 408-418.

[11] Keaveney, S. M. (1995). Customer switching behavior in service industries: an exploratory study. *Journal of Marketing*, 59, 71-82

[12] Kotler, P. & Armstrong, G. (2008). *Principles of marketing* (12th ed.). Upper Saddle River, NJ: Prentice Hall.

[13] Krishnamurthi, Lakshman, and Purushottam Papatla (2003), "Accounting for Heterogeneity and Dynamics in the Loyalty–Price Sensitivity Relationship," *Journal of Retailing*, 79(2), 121-135

[14] Ladhari., R., Souiden, N., & Ladhari, I. (2011). Determinants of loyalty and recommendation: the role of perceived service quality emotional satisfaction and image. *Journal of Financial Services Marketing*, 16, 111-124

[15] Murad, M. M.M (2011) Direct and Moderating Factors Affecting Customer Switching Intentions: An Empirical Study on Bank of Palestine and Cairo Amman Bank in Gaza Strip. A published Thesis Submitted in Partial Fulfillment of the Requirements for the Degree of Master in Business Administration, The Islamic University – Gaza. Retrieved from: https://library.iugaza.edu.ps/thesis/95564.pdf

[16] Ofgem, (2020) Ofgem Customer survey 2019 . Tracking data and insight into the future energy solution. Retrieved from: https://www.ofgem.gov.uk ›

[17] Ofgem, (2021) Utility Warehouse has agreed to pay £1.5 million for issues relating to customers in debt. Retrieved from: https://www.ofgem.gov.uk/publications/utility-warehouse-agrees-pay-ps15-million-issues-relating-customers-debt

[18] Porter, M., (2008) - The Five Competitive Forces that shape strategy, Harvard Business Review, January, Issue, 1-36.

[19] Saunders, M. N. K., Lewis, P. and Thornhill, A. (2012) Research Methods for Business Students (6th edn). Harlow: Pearson Education

[20] UW Annual Report (2022) Telecom Plus PLC Final Results for the year ended 31 March 2022. Retrieved from: https://s3-eu-west-1.amazonaws.com/pdf.utilitywarehouse.co.uk/telecom-plus-plc-final-results-announcement-21-june-22-final.pdf

[21] Zeithaml, V.A., Berry, L.L., & Parasuramann, A. (1996). The behavioral consequences of service quality. Journal of *Marketing*, 60, 31-46

[22] Burnham, T. A., Frels, J. K., & Mahajan, V. (2003). Consumer switching costs: A typology, antecedents, and consequences. Journal of the Academy of Marketing Science, 31(2), 109–126.

[23] Guiltinan, J. (1987). The price bundling of services: A normative framework. Journal of Marketing, 51(2), 74–85.

[24] Ipsos MORI. (2021). Consumer attitudes to energy switching. Ofgem Research Publication.

[25] Kim, M., Park, M., & Jeong, D. (2004). The effects of customer satisfaction and switching barrier on customer loyalty in Korean mobile telecommunication services. Telecommunications Policy, 28(2), 145–159.

[26] Ofgem. (2022). Retail energy market indicators. Office of Gas and Electricity Markets.

[27] Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1988). SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality. Journal of Retailing, 64(1), 12–40.

[28] Wilson, C. M., & Price, C. W. (2010). Do consumers switch to the best supplier? Oxford Economic Papers, 62(4), 647–668.

[29] UW. (2022). Utility Warehouse Annual Report. Utility Warehouse PLC.

[30] Yi, Y., & Gong, T. (2013). Customer value co-creation behaviour: Scale development and validation. Journal of Business Research, 66(9), 1279–1284.