Social Research Call
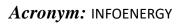
Title:

The provision of information and electricity expenditure: a randomized controlled trial

Acronym: INFOENERGY

Project leader: Ana Rodriguez-Alvarez

Host organisation: University of Oviedo

Main purpose of the project: Our goal is to evaluate the impact of information provision about the electricity market functioning (tariffs available, existing subsidies/discounts for vulnerable collectives) on consumers' power expenditure and the supplier choice. Specifically, we will investigate the comparative effectiveness of presenting choice-relevant information using plain text (letter) versus audiovisual content (video).

Design/methodology/approach: We will recruit a representative sample of consumers using a Randomized Controlled Trial, where one group is informed about the opportunities to optimize their electricity bill and the other does not. We will use difference-in-differences to estimate the impact of information provision on power operator choice and consumption patterns.

Potential results: Most consumers exhibit rational inattention and fail to optimize their consumption. Our work will provide valuable information for policy making about the importance of the channel through which the information is presented (letter versus video). Also, we will investigate heterogeneity in consumers' reaction to information by sociodemographic profile.

Social relevance of the research: The results obtained could be of valuable interest for policy makers as a prior step in the design of social policies designed to educate consumers, particularly the most vulnerable collectives for whom electricity expenditure represents a major percentage of their disposable income.

Originality/value of the project: Evaluating the effectiveness of the channel through which information is presented (plain text in a letter versus audiovisual content in a video) is a novel contribution to the literature. Also, because it is a field experiment using data on actual choices, this project is expected to have strong external validity.