

COVID-19 Customer Vulnerability

Customer Research
Insights Report
Quarter 4, Dec 2020

Research was conducted to understand the degree of customer vulnerability, as well as customers' consumption and sentiment towards energy in the context of the COVID-19 pandemic.



The Energy Charter

Survey conducted October 23rd to November 2nd 2020
N=3019, representative of the age & gender of the Australian population
People refers to respondents of the research

Collaboration across supply chain

This 12 months' research by Deloitte into customer vulnerability through COVID-19 is a collaboration between Energy Charter signatories Jemena, ActewAGL, Energy Queensland, Essential Energy and Powershop Australia, together with Simply Energy.



20% of people have either had their working hours reduced or lost their job due to COVID-19



37% of people have experienced a decrease in household income



47% of people stated that 2020 has been a difficult year for them



37% of people indicated that over the last 3 months, energy bills were the household item where their spending had increased the most

Key themes from the COVID-19 Customer Vulnerability Research

2020 has been a difficult year, but people remain optimistic

47% of people stated that 2020 has been a difficult year for them. Additionally 31% of respondents are feeling burnt out from balancing everything in their life (e.g. work, family). 43% of respondents however believe that their lives will be better a year from now.

People intend to take conscious measures to reduce spend and manage cost

In the next 3 months, roughly a quarter (24%) of people intend to reduce spending on essential items where possible. Over half of all respondents either currently do or intend to undertake conscious behavioural changes such as moving appliance use to off-peak times and monitoring temperature settings for heating/cooling in order to better manage their energy.

Household finance stress will likely worsen as income supplements are paired back

37% of people experienced a drop in overall household income. 18% of respondents have also received JobSeeker or JobKeeper payments in the last 3 months. As these income supplements eventually reduce and cease, customers who rely on these payments for essential spending (e.g. food & rent) may fall further into hardship. It will become increasingly important to track the vulnerability of these customers in subsequent survey waves.

People are clear on *what* they want to hear about and *how* from their energy providers

For people who are currently receiving or may need energy bill support, bill discounts and energy tips communicated on a monthly basis via email was the most preferred communication model.

COVID lockdown has amplified both the priority of and spend on energy bills

37% of people stated that their energy bill spend has increased in the last 3 months, the largest proportion across all household spending items. Additionally, respondents indicated that energy bills were in their top 3 most important household spending items.

Cost outlay is both the biggest driver for and barrier against making energy investments

The most popular energy investments that people are considering/intending to purchase in the next 3 months include solar panels (10%), solar hot water (9%) and battery storage systems (9%). Reducing costs was the main reason for people making energy investments. Similarly, the cost of investments outweighing the benefits was the biggest barrier against people making energy investments.

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