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Utility bills up since COVID19, but consumers aren't switching

Despite increased utility bill costs as a result of working from home, 75 per cent of consumers were unlikely to switch electricity providers, according to a recent DBM Consultants study. 69 per cent were unlikely to switch gas providers.

"Increased charges for utilities since COVID19 are no surprise, given many have upped their usage due to working from home," said Adam Bottle, Client Director. "But, on average, consumers told us that, an electricity bill would have to be 61 per cent higher to prompt them to think about switching providers; and gas bills would require a 53 per cent hike in order to consider switching."

The DBM 'consumer lifecycle' study looked at the impacts of the pandemic on consumer attitudes, expectations and behaviours across the services sector, specifically for utilities (electricity, gas, water). Of particular interest was the impact of working from home on bill increases and thus switching.

The marked increase in working from home during 2020, so far largely being maintained through 2021, has changed the way consumers interact with their service providers. At the time the study was conducted, 46 per cent of consumers were working from home to some extent, with 30 per cent doing so more than they did before.

Among those surveyed who have been working from home more frequently since the pandemic, 50 per cent have used more electricity, 40 per cent have used more gas, and 34 per cent have used more water. Despite this, fewer than one in five consumers have become more vigilant with their utility bills during COVID

"While consumers monitor their utilities usage much more closely than, say, their data usage, interestingly even increased bills haven't encouraged them to look around, with less than 1 in 3 currently considering switching their utility providers," said Bottle.

"Inertia exists because consumers are looking to avoid the hassle of ending a service and signing up with a new provider, are fearful of interruptions in service, and have a generally low care factor for bill shock. This is likely due to a psychological need to stick with the familiar, tried and true, especially in times of uncertainty," commented Bottle.

The average consumer tenure for water providers is 8 years, followed by electricity at 6 years, and gas at 5 years. Price is a major factor in the selection of electricity and gas providers.

Founded in 1992 by Dhruva Gupta, DBM Consultants is one of Australia's leading market research companies and now part of the Illuminera Group. A specialist research and insights consultancy with over 25 years' experience, the agency advises the biggest names in financial services, and works with a number of clients in utilities, telecommunications, education and government.

**Consumer Services Journey Lifecycle December 2021, sample size 2,516.*

For all media inquiries, please contact:
Noha Ahmed, Communications & Content Manager
nahmed@dbmcons.com.au
+61 405383190

