

A Future Energy Vision Consumer Expectations Research

Sharing key learnings and methodology

Household Findings

Today

Introduction and background to the research

Snapshot into the methodology

Key learnings and highlights

Discussion on outcomes so far

Background to the research

Research Objectives



Energy Consumers Australia and Forethought set out to explore consumer' lives and how energy fits into it now, what the future of energy should look like, and what consumers want from the sector. The key question was *what does better look like in their eyes?*

1

Provide an overall **view of the life journey** for users of **energy** and understand how **attitudes and behaviours toward energy**, shift as consumers transition through different life stages and events;

2

Uncover **needs, motivations, pain points as well as questions and attitudes** consumers may have on the use and consumption of energy;

3

Capture any differences **across life-stages and key life moments**, with corresponding implications on needs and attitudes;

4

Explore what the concept of '**better**' in **energy supply, consumption and behaviour looks like** for the future;

5

Identify the **expectations** consumers place on the energy industry and the **role of different stakeholders** in driving a better energy future.

Introduction to the Methodology



In-depth interviews

A mix of face-to-face and over the phone with household consumers in Metro and Regional areas



Focus Groups

Discussions with household consumers, typically with between 6-8 participants



Speaking with a widespread mix of household consumers and adopting a 'life stage' approach for recruitment and conversation

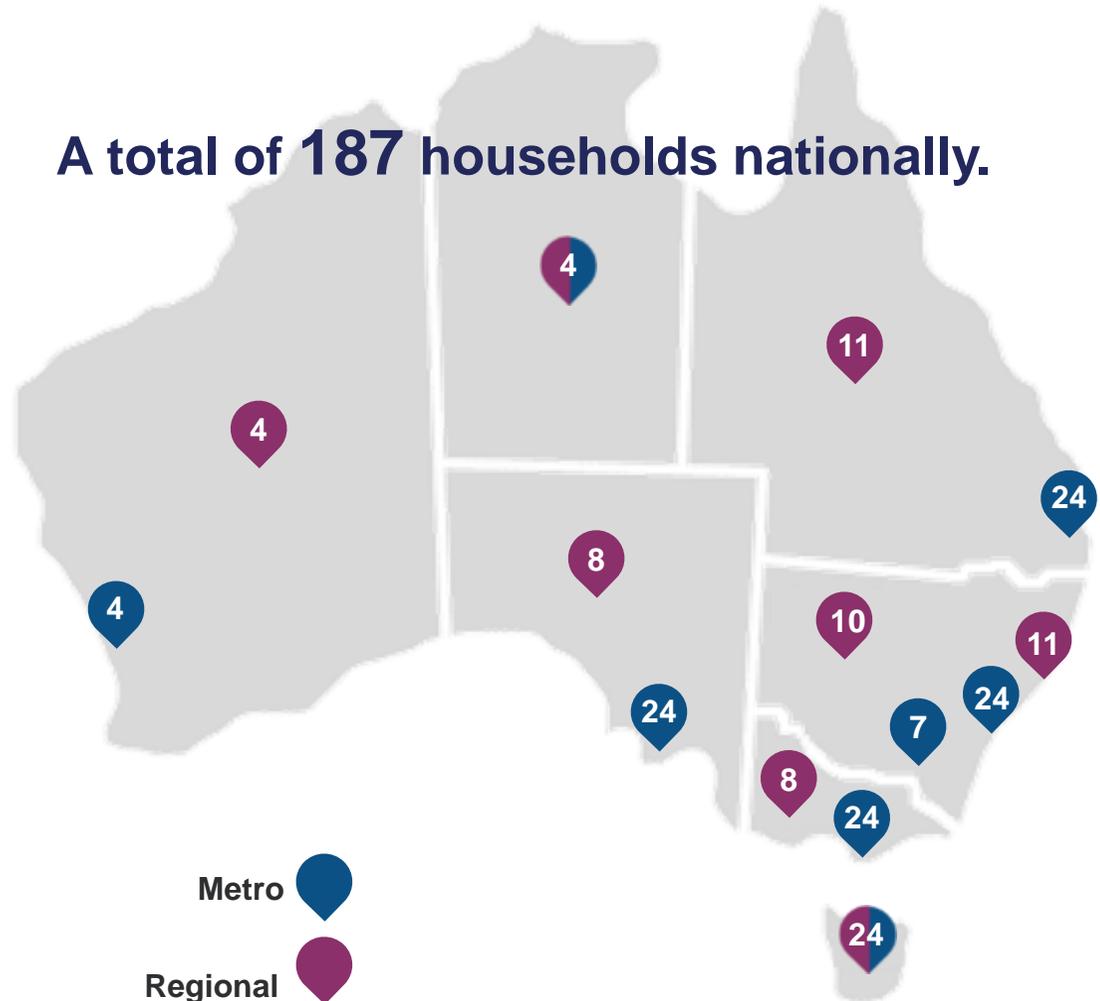
Speaking to households across Australia

Understanding Australians: A widespread and all-inclusive view

We spoke to a mix of:

- Metro and regional
- Age – Ranging from 18 to 80.
- Gender
- Income / Financial situation
- Australian and non-Australian born
- English as first or second language
- Decision makers / influencers on energy
- Renters and home owners

A total of 187 households nationally.



Metro



Regional



Integrating differing levels of financial health

Because of the inherent impact of economic status on consumers' needs and behaviour, it was important to ensure we had conversations with people from a range of financial circumstances.

Based on segments previously identified by ECA, consumers were allocated into one of three different segments: Green, Amber or Red.

Consumers were classified into the following three groupings in recruitment stage:

Green: You do not currently have a payment arrangement in place and you will almost certainly be able to pay your next bill in full and on time.	Amber: You have a payment arrangement in place and will be able to pay your next instalment on time, or you do not have a payment arrangement in place and you might not be able to pay your next bill in full and on time.	Red: Whether or not you have a payment arrangement in place, you will almost certainly not be able to pay your next bill in full and on time.
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We spoke to:

Number of Interviews

50

20

10

Number of Focus Groups

7

7

Life Stages Approach

Household consumers experience common goals and priorities as they move through different stages of life.

Understanding these stages is integral to understanding how energy fits in and how it can be improved in the future.

We spoke to:



Leaving the Nest

- Studying or in first 2 years of professional career
- Living at home with parents or moved out recently
- Under age of 30



Early Adulthood

- Under age of 40
- Define themselves as early or mid-career
- Moved out of home at least 5 years ago
- Children (if any) are under 12



Midlife

- Aged between 35-59
- Define themselves as mid or late career
- Children (if any) are above 12 and living at home



Mature

- Aged 55 or above
- Semi or fully retired or considering retirement in the next 5 years
- Children are out of home (if they had any)

Example of the discussion design

Mapping life stages and significant milestones

Energy within the everyday

Exploration of what better looks like

Discussion, concept testing, other activities and projective techniques

The role of stakeholders in facilitating a better future

Leading highlights

There was a high level of interest when energy was discussed in the context of consumers' lives

We learnt the importance of understanding life challenges, key moments and transitions and the opportunity to connect with consumers through these times

Looking ahead to the future was gloomy, but there was also a shared vision of what better looked like, presenting an opportunity for the sector

Starting with today...

Household consumers are focused on their everyday lives and often had so much happening, that energy was not top of mind.



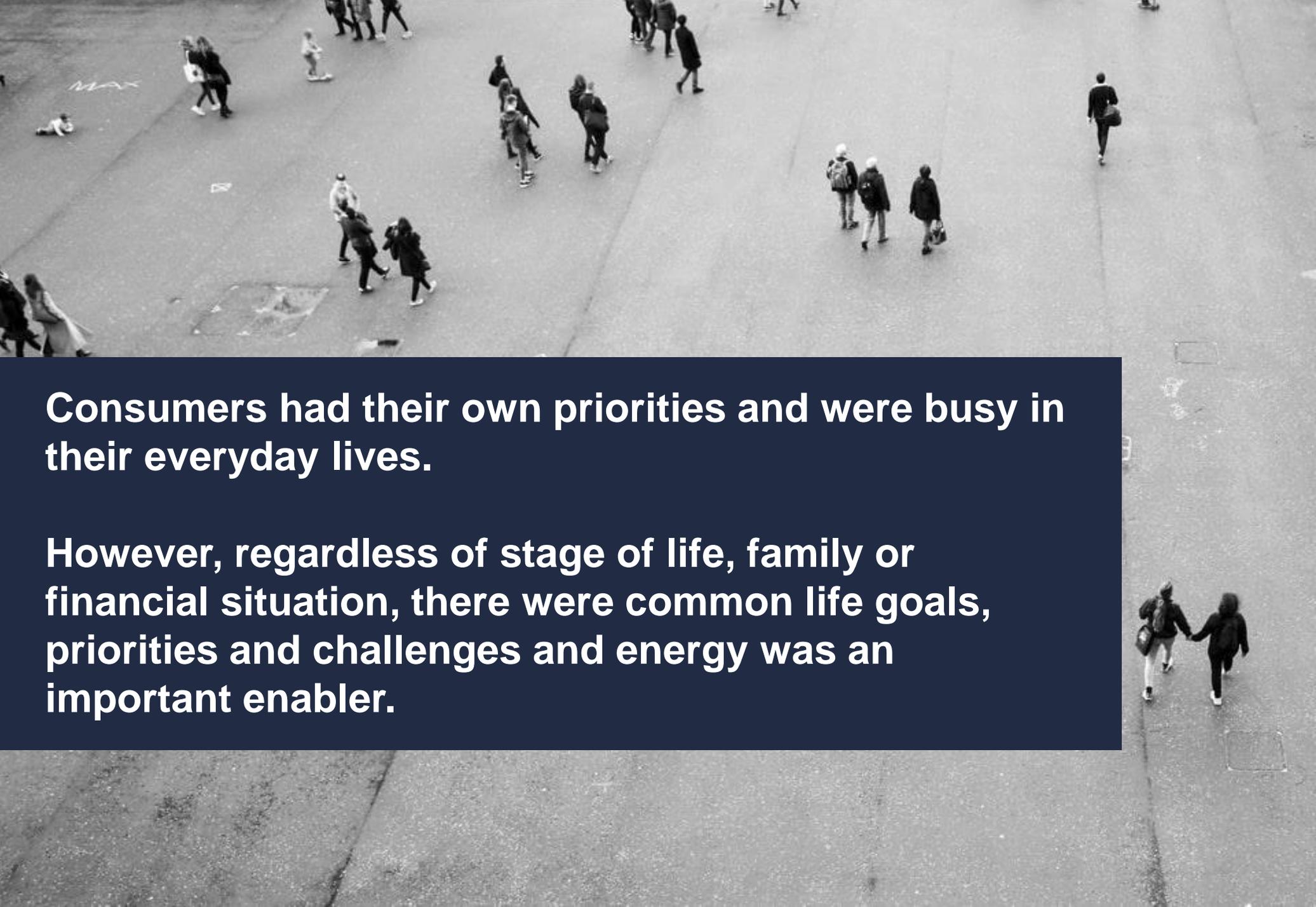
Household consumer interest



Household consumer frustration

“
Since moving in with my partner, I am less careful about energy and don't even think about it that much. I'm too busy now.
- 31, Early Adulthood, QLD”

“
I didn't think about energy at all back when I was living at home. Even now I don't think about energy unless the bill comes in.
- 40, Midlife, ACT”



Consumers had their own priorities and were busy in their everyday lives.

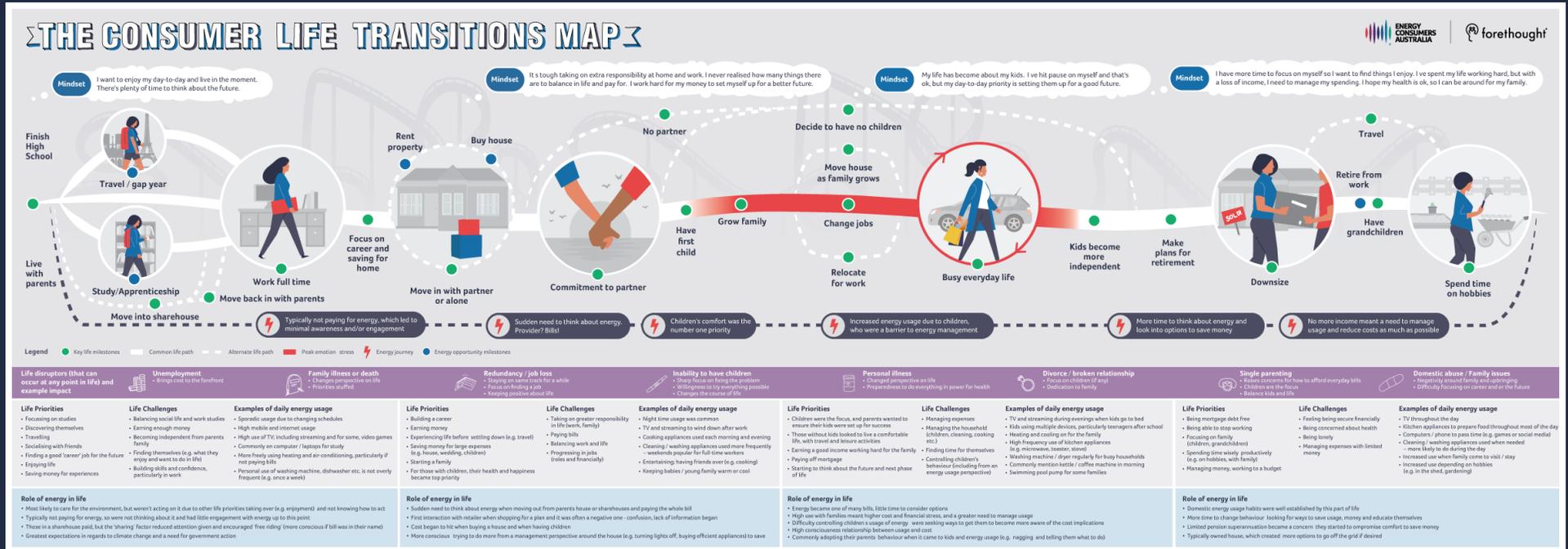
However, regardless of stage of life, family or financial situation, there were common life goals, priorities and challenges and energy was an important enabler.



INTRODUCING THE...

THE CONSUMER LIFE TRANSITIONS MAP

A ZOOMED OUT VIEW:



READING THE MAP...



Key life milestones

Common life path

Alternate life path

Peak emotion / stress



Energy journey



Energy opportunity milestones

Leaving the Nest: Life was about the short-term – studying, socialising, and enjoying life

Common Life Transition #1: Leaving the Nest



Mindset

“I want to enjoy my day-to-day and live in the moment...there’s plenty of time to think about the future.”

Priorities

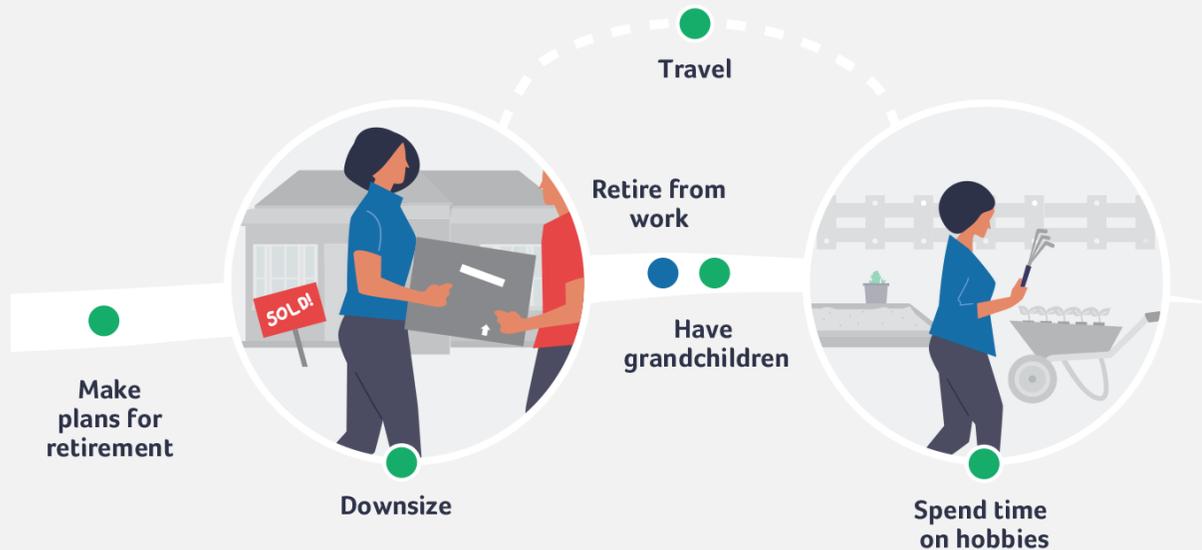
- Studying
- Personal discovery
- Travelling
- Socialising with friends
- Finding a good ‘career’
- Enjoying life.

Challenges

- Balancing social life and work / study
- Earning enough money
- Becoming independent from parent
- Building skills and confidence to apply for jobs.

Mature: Household consumers at this stage had time to think about themselves, and prioritised their health and lifestyle

Common Life Transition #4: Mature



Mindset

“I have more time to focus on myself and want to find things I enjoy. I’ve spent my life working hard, but with an income stopping, I need to manage my spending.”

Priorities

- Being mortgage / debt free
- Being able to stop working
- Enjoying hobbies
- Spending quality time with children and grandchildren
- Managing money and working to a budget.

Challenges

- Being financially secure
- Being concerned about health
- Being lonely
- Managing expenses with limited money.

In the peaks and troughs and chaos of life, energy was seen as a box that had to be ticked. However, there is opportunity to make a change. Household consumers:

1

Did not know how to engage

"I feel like a lot of these conversations have been had, but they're perhaps not so accessible to the average person. I don't know how I fit in..."

2

Did not think it was worth changing behaviour unless there would be a large scale effect

"Changing my own energy consumption at home isn't going to impact anything..."

3

Didn't see a direct benefit to their busy, everyday lives

"Managing our energy consumption is not really a focus of ours... It is not a priority because we have a few other things going on at the moment."

=

These all led to a current mindset of 'what's the point?'



There is opportunity for the sector to help overcome this and together facilitate change with households.

There was an overarching agreement amongst household consumers that energy can and should be better...

INTRODUCING THE...

THE CONSUMER VISION OF THE FUTURE

A ZOOMED OUT VIEW:

THE CONSUMER VISION OF THE FUTURE



Consumers had fear and anxiety about what the future could look like...

Concerns about the way the world was heading highlights the opportunity to engage consumers in change...



What do consumers see happening in the future?

- Increased temperature
- Destroyed forests
- Pollution



- Greater density living
- Smaller houses
- Busy roads and transport
- High cost of living and lack of affordable housing



- Automated everything
- Electric and driverless cars
- Artificial Intelligence
- Less human interaction
- New big businesses

WHAT DOES A BETTER ENERGY FUTURE LOOK LIKE?

The Energy sector can play a significant part in making the consumers' future world better....

The consumer vision of a better energy future consisted of five elements:

1 Affordable

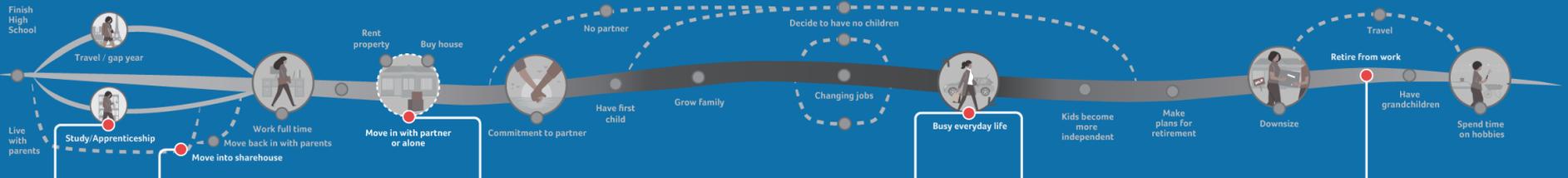
2 Simple

3 Easy to manage

4 Clean

5 Inclusive

These were consistent across life stages and experiences, and provide a universal goal for the energy sector. There are also more specific examples and opportunities to link initiatives to life context...



• Information on and options to participate in energy and climate change initiatives while I am at university / TAFE.

• I want ways to split bills in a share house so it's not all my responsibility when my name is on the bill (e.g. a platform or shared bills).
• I don't want to be limited by inefficient appliances simply because I am a renter.

• To know how efficient a property is when buying and what can be done to improve it (e.g. options for solar, information on appliances).
• It would be helpful to have more information than the energy star rating when shopping for appliances (e.g. what does the energy star rating mean in dollars?).

• I want energy providers to have cheaper plans.
• I want to be able to easily understand by bill and compare plans across companies.
• I want to be able to choose sustainable sources of energy at a cheaper price.

• I wish my kids were more aware of their usage so they wouldn't be as wasteful with how they use energy at home.
• I want to be able to monitor my energy usage in real-time so I know how much I'm spending and can change behaviour before the bill comes.

• I like the idea of technology in my home to automate turning things on and off to save energy and money.
• I want to understand how I can impact my bill by changing how I use energy. For example, by understanding which appliances are driving up cost.

• I want cheaper energy plans – retirees shouldn't have to pay the same as everyone else since we have a limited income.
• I'm not as confident as young kids with technology, so I'd like someone to explain energy to me in simple terms, so I can reduce waste and save money.

What does a better energy future look like across all life stages and circumstances?



Affordable

- Household consumers felt they were being overcharged and were seeking lower prices now and into the future.



Simple

- Energy bills and plans were too confusing.
- Simplified, more accessible information was desired.



Easy to manage

- More apps, real-time information and smart technology.
- Automating energy saving behavior.



Clean

- More sustainable energy sources.
- Eventual transition to Australia-wide renewables.



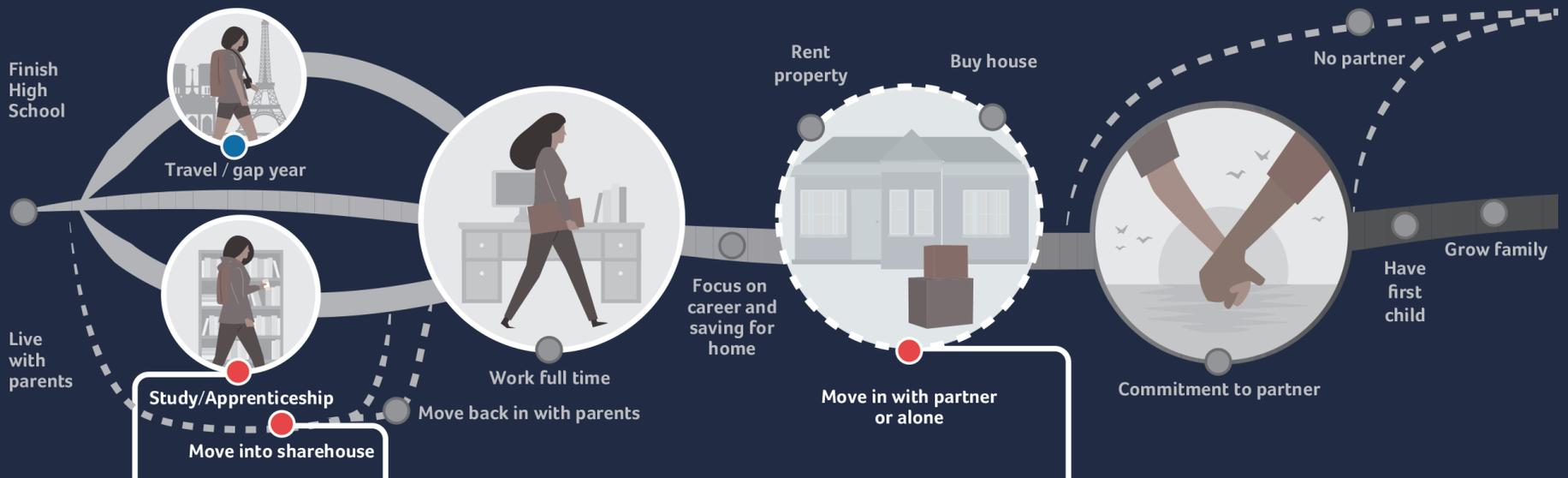
Inclusive

- Household consumers felt powerless due to lack of knowledge.
- Some households wanted a say about the future of energy.
- Households wanted to be empowered.

In line with the five elements of better, household consumers had ideas around what better looked like across different moments and transitions in life...

Energy opportunity milestones and example initiatives:

Common Life Transitions #1 and #2



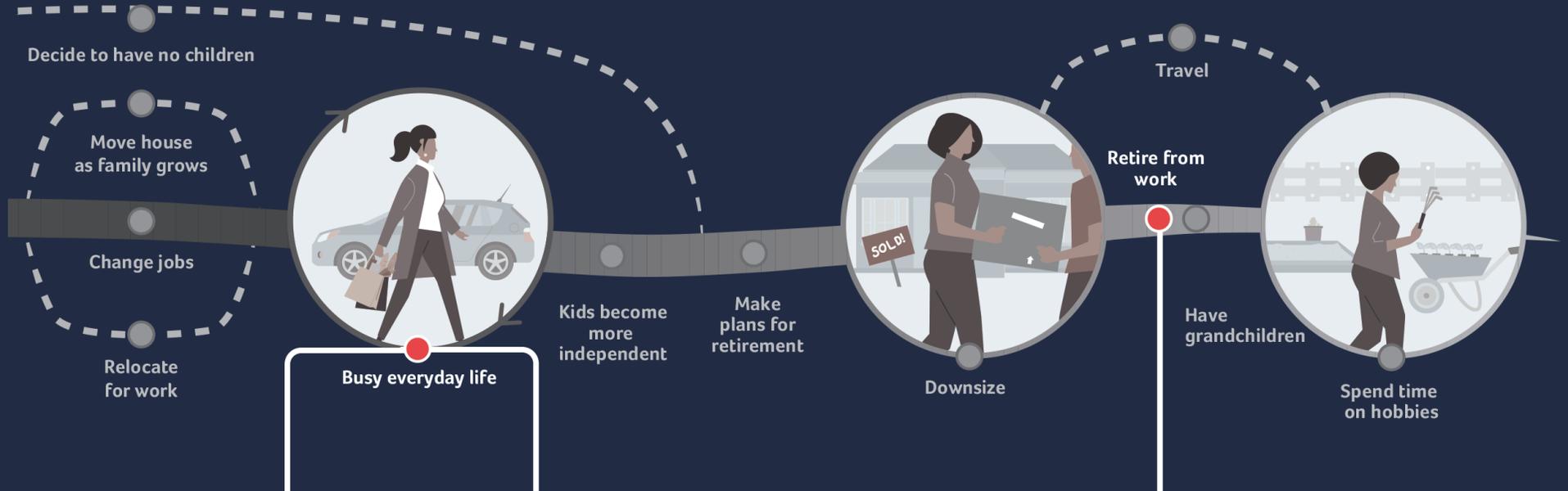
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Energy opportunity milestones and example initiatives:

Common Life Transitions #3 and #4



- I wish my kids were more aware of their usage so they wouldn't be as wasteful with how they use energy at home.
- I want to be able to monitor my energy usage in real-time so I know how much I'm spending and can change behavior before the bill comes.

- I like the idea of technology in my home to automate turning things on and off to save energy and money
- I want to understand how I can impact my bill by changing how I use energy. For example, by understanding which appliances are driving up cost

- I want cheaper energy plans – retirees shouldn't have to pay the same as everyone else since we have a limited income.
- I'm not as confident as young kids with technology, so I'd like someone to explain energy to me in simple terms, so I can reduce waste and save money.

How do households think we get to *better*?

The ideal future was a considerable shift from the current state and household consumers looked to Government as key to enacting tangible change.

Specifically, households were looking to Government for a long-term plan, with action starting immediately.



In their words...

Government

I think government policy plays a very important role and it should be governed by the federal government. I would like to see the same rules and regulations Australia wide, rather than state by state.

- 64, Mature, QLD

Hopefully the government will drive change. Pretty much just forcing the industry to say, "look you know about renewables so you better start using them. We'll give you a tax break or an incentive to go and do that."

- 44, Midlife, SA

The government need to set out a long term sustainable energy plan that we can use and trust. As a government, they need to be looking out for us first: making sure that there is going to be enough electricity moving forward and that there is the means to make electricity in sustainable and renewable ways.

- 31, Early Adulthood, NSW

The government is responsible for making energy better, and it's been part of the conversation from what I recall.

- 52, Midlife, VIC

The federal government is in charge of making a better energy future for Australia because they are in charge of running the country. I expect them to make policy decisions regarding energy that will affect our future. My hope is that they go towards a sustainable energy future for Australia and that they put the policies in place to do that.

- 27, Leaving the Nest, NT

I think that the government have to get behind it. It is whatever they promote and push forward that will decide what everyone else gets behind. As much as we all say we get a vote about energy, I think the buck still stops with the government. They need to be the one to drive a change.

- 27, Early Adulthood, QLD

We all need to do it together, everyone is responsible. I also believe that the government could come together, like a big think tank, in order to get everyone's say so we have alignment. They have the biggest responsibility.

- 34, Early Adulthood, TAS

Household consumers also believed that energy companies had a role to play, particularly regarding more clarity and transparency.

“

A better relationship with [my energy company] would be for them to be competitive with other companies in the market, rather than charging whatever they feel like charging me. I find it very convoluted and it is really hard to understand what the best deal is because they confuse you with usage rates and other things on purpose. They need to be more transparent and do a proper breakdown.

- 54, Midlife, VIC

”

“

Transparency is one of the big things that need to change. When I went to leave my provider, they offered me 60% off, and I wondered why it wasn't offered to me before. I don't think they're very clear about putting out the best deal.

- 28, Early Adulthood, VIC

”



Households did not trust Government and energy companies but expected them to drive change. This highlights a need to restore trust, to achieve a better future.

Government

Households believed that past behaviour demonstrated a short-term focus, despite a longer-term focus desperately being needed.

Energy companies

There was a perception that energy companies were purely revenue driven, leading to a lack of faith in energy companies being able to put consumers first and make significant changes for the better.



Lack of trust

Household consumers did believe they also had a role to play.

There were two common positions that households took in describing their role in the change...

Busy managing life priorities

I've got enough to worry about and one person isn't enough – I am only a drop in the ocean



A group of household consumers **did not currently believe they had a role to play** beyond being 'mindful' and not 'wasteful' of their own energy consumption.

They felt they either didn't know enough to make decisions, or were focused on navigating their busy lives.

“We want a say”



I'm interested in participating in the change, I'm just not sure how to go about it

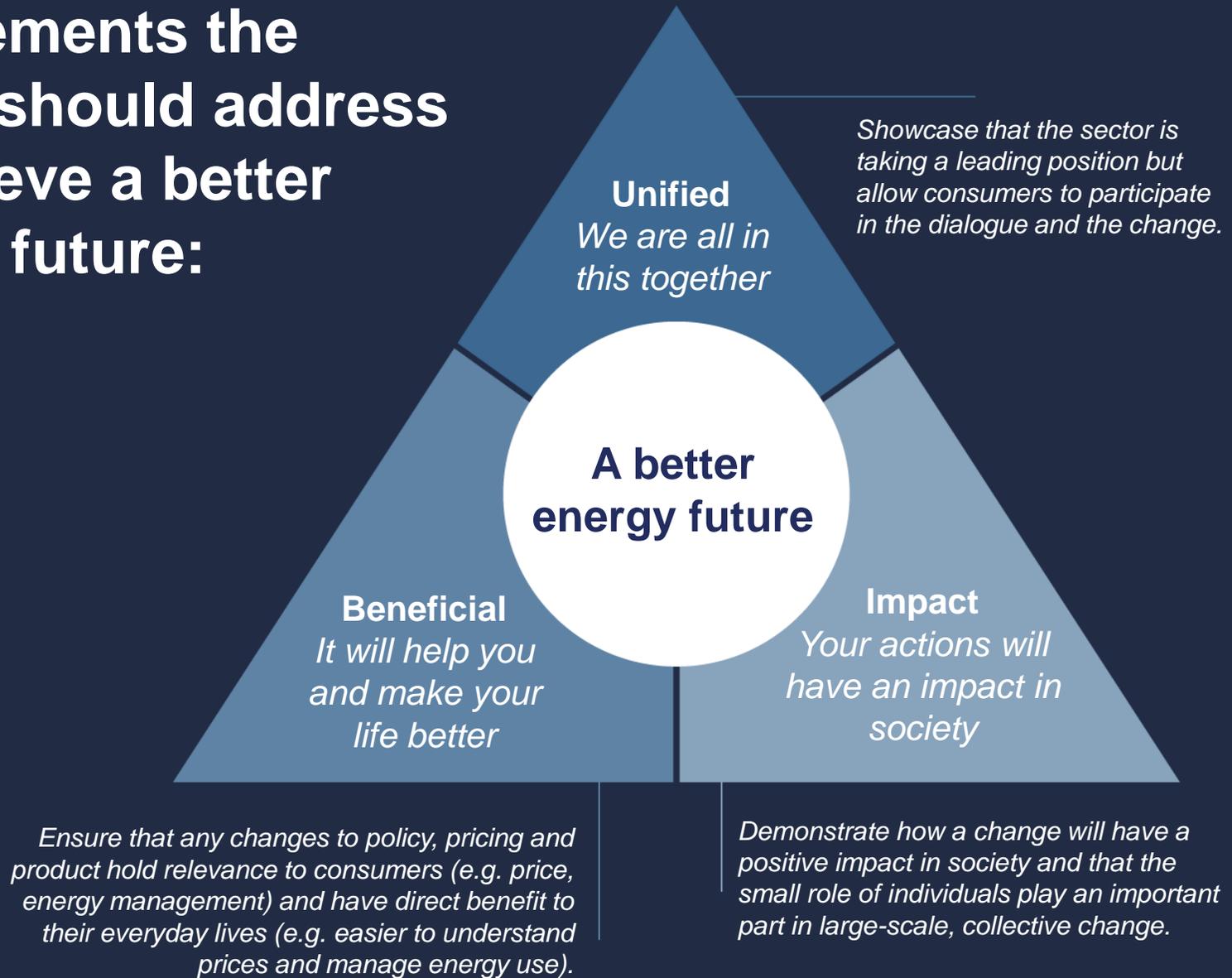
But there was a group who believed that households had a significant role to play. This included voicing their opinions to make policymakers aware of their needs and desires and adapting behaviour themselves. However, most were unsure how to make change happen.

Bringing it together

Implications for the sector

There is opportunity to utilise all of the household thoughts and feedback about their expectations for a better energy future, to develop a framework that the sector can use to inform and guide future decision-making....

Key elements the sector should address to achieve a better energy future:



Discussion point: What happened next

Thank you

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