

Briefing Note

Consumer use and misuse of product information on large appliances

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CPRC

The Consumer Policy Research Centre (CPRC) is an independent, not-for-profit, consumer think tank. CPRC aims to create fairer, safer and inclusive markets by undertaking research and working with leading regulators, policymakers, businesses, academics and community advocates.

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Introduction

As household expenses rise, consumers are seeking reliable, affordable products with transparency around repair options as well as efficiency and environmental claims.

This Briefing Note outlines the key findings of Stage B of a three-stage research study, exploring the experiences, perceptions, and behaviours of Australian consumers in relation to purchasing large household appliances in the context of a cost of living crisis and rising energy bills. We investigated consumer financial constraints and expectations for appliance energy-efficiency, durability, perspectives of repairability, and understanding of consumer rights.

A series of eight 90 minute focus group discussions were conducted between 10-17 October 2024 with 49 renters and homeowners, in Adelaide, Melbourne, Newcastle and Cairns. Participants were diverse in age, gender and financial situations. This Briefing Note showcases the topline thematic analysis of the focus group discussions, as well as analysis of a privately written self-complete activity provided to participants at the start of the group.

Key themes that emerged in the focus groups include the impacts of financial pressures on purchase decisions, differential uses of environmental claims when purchasing a large appliance, scepticism over warranties, extended warranties, and repairability of large appliances, and the desire for more clarity of product durability.

Initial findings suggest benefits of clear and independent product information on durability and energy-efficiency, as well as improved access to affordable repair options. Addressing these gaps would empower Australian consumers to make sustainable, cost-effective decisions with complete and accurate information.

Rising household costs and financial constraints

Household expenses and energy costs

Both renters and homeowners expressed concerns about managing rising living costs, with essentials like groceries, rent, and energy bills frequently cited as significant pressures. Renters, who generally face greater financial limitations, reported cutting back on various expenses, including food and utilities, to manage their budgets.

Bill stress among participants was high, with focus group self-complete activity findings showing that 16 of the 21 renters and 15 of the 28 homeowners had experienced moderate to high bill stress over the past 12 months, with higher bill stress felt in Newcastle (9 of 11) and Adelaide (10 of 13).

“You always have to keep that rainy day money aside just in case.” – Male renter, 25-34 years

Energy bills emerged as a prominent concern, particularly among renters who often lack control over energy-efficient upgrades in their homes.

Many participants reported implementing energy-saving measures to curb their energy costs, such as limiting heating and cooling, running appliances during off-peak hours, and using insulation to retain heat and reduce energy costs.

Renters are particularly feeling the pinch, with many taking drastic steps and enduring tough conditions to minimize energy usage. Measures included sleeping under a wet towel in summer when apartments reach up to 45 degrees, not using heating in the winter for longer than 20 minutes at a time, showering in off peak times and using only the cold wash function on their washing machine. Many had also made ad hoc seals using masking tape around gaps in window seals and holes in walls and roofs.

Queensland participants noted some relief through government rebates, though concerns remain over monopolistic energy suppliers limiting cost-saving options.

Decision-making in appliance purchases

Information sources and purchase process

With around half of participants still connected to gas (51%), consumers' decision-making criteria for purchasing electric appliances are heavily influenced by budget, particularly for renters, who often prioritise affordability over brand or additional features.

"We have low brand loyalty these days as we have to be smart with our money." – Female renter, 25-34 years

Homeowners however, consider brand reputation, durability and long-term value. Energy efficiency is valued, but it competes with other priorities such as reliability and price.

Participants reported using a mix of online and in-store research before purchasing. Homeowners are more likely to seek advice from store staff and refer to brand reputation, while renters are inclined to rely on consumer reviews and store discounts and sales promotions.

"Retail assistants are being paid and they're trained to have so much information." – Female homeowner, 55+

Price sensitivity drives renters to compare multiple sources, often through platforms like Facebook Marketplace or Gumtree, prioritising price over other features.

The role and perception of Energy Ratings

The Energy Rating system serves as a primary reference for energy efficiency. The method of using the Energy Rating is different; people use either the stars or the consumption number (kWh). In general, the stars are used for a quick and easy comparison or check by people who do less research, whereas consumption is used by heavier researchers and price-sensitive buyers.

Self-complete findings showed that 96% of all participants find the Energy Rating very important in a purchase decision of an energy efficient appliance.

"I wait for the stars to tell me that." – Female homeowner, 45-54 years

Few participants expressed scepticism about the rating's accuracy and its relevance in assessing actual cost savings. There were some participants who raised the possibility of "running costs" as beneficial, which the current system does not readily provide.

"They [Energy Ratings] are vague. I want to go ahead and be efficient, but I don't know how to go about it with this labelling." – Male renter, 25-34 years

Green claims and potential for misleading information

Consumers responded positively to "eco" labelling, green colours, and imagery like leaves, interpreting these symbols as indicators of environmental responsibility. However, there is a growing concern that these claims may lack substantiation, potentially misleading consumers who are interested in sustainable choices.

We showed a range of vague green information on display on appliances, including marketing of the star rating, energy consumption comparisons, claims of energy efficiency, energy-smart technology, "respect for the planet", best and most energy-efficient claims, and environmental ventures, e.g. tree planting.

Participants were asked to rate each in terms of their importance in making an energy efficient appliance purchase, and findings showed that 80% of all participants responded positively to at least one type of vague green claim.

Energy comparisons

Many responded positively to the use of specific information, including comparisons to standard models using statistics, real data and scientific evidence. This type of information was felt to be more trustworthy by many due to specificity. Energy comparison information, and marketing using the star rating were perceived as most important, by 63% and 62%, respectively.

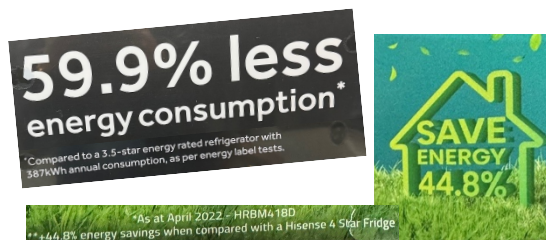


Figure 1. Energy saving comparison information



Figure 2. Energy star marketing

However, some were still sceptical due to the feeling of important information being obfuscated.

"They all sound wonderful but are they backed by any government backed tick?" – Female renter, 25-34 years

Colours and symbols

While some homeowners were sceptical of any marketing materials and used brand loyalty as a driver of purchase, many of the homeowners expressed trust in symbols including leaves, assuming this meant the appliance had a degree of environmental responsibility.

"I pick up on green all the time, I'm so drawn to the green." – Male homeowner, 45-54 years

Renters also echoed these sentiments that green is a useful colour, and leaves and trees useful imagery to signal environmentally friendly appliances.

Words

Participants tended to think that some wording is regulated, but they couldn't agree on which words were or were not underpinned by regulation. Many participants assumed that if a certain word was used then it is true and certified.

"They would have to have some sort of environmental plan to be able to say that." – Male homeowner, 45-54 years

"Eco' is more trustworthy. For example, if there is an Eco Mode, I can see that." – Female homeowner, 25-34 years

"The word 'efficient' is more trusted and regulated than 'eco' and 'environmental'." – Male renter, 25-34 years

There was some scepticism regarding terms like "eco mode" or "smart technology," with consumers questioning whether these features genuinely contribute to efficiency or are simply marketing tactics.

Overall, 55% of participants rated claims of "energy / resource efficiency" as important, and 53% rated claims of "highest" / "most" energy efficient as important in a purchase decision.



Figure 3. 'Efficiency' claims



Figure 4. 'Highest' energy star rated claims

Environmental ventures and investment by companies

Many consumers felt very positively towards the sustainability ventures of manufacturers and did not seem to question them, taking them at face value, e.g. planting trees.

"I look for something tangible, for example, planting trees." – Female homeowner, 35-44 years

"That's why I changed phone network. They plant a tree every time you recharge." – Female renter, 45-54 years

Smart tech claims

There was substantial appeal and embracing of new technology and the use of technical terms among renters, e.g. smart inverter. However, some scepticism was expressed also.

"I would buy something with better tech over something else." – Male renter, 25-34 years

Appliance durability expectations

To most consumers a household appliance is a significant purchase in terms of budget, making them want certainty of knowing the duration of its life. However, despite the level of interest, consumers feel they have limited useful information to understand this important aspect.

“I don’t have a good measure to be honest. I am just a bit naïve, I think. You can read reviews, you can look at star ratings, whatever. At the end of the day there is just a bit of faith. Maybe faith is not the right word. You just put a bit of trust in it and hope you pick the right one.” – Male homeowner, 35-44 years

Many consider word of mouth, reviews, the brand reputation, build quality, information on the manufacturer’s website and what salespeople tell them to determine expected lifetime.

“Brand, you really have longevity because your Kelvinators, Siemens and Westinghouses, those do last.” Female homeowner, 55-64 years

“Word of mouth, reviews, past experience as well” – Male renter, 25-34 years

For others, manufacturer warranties serve as a rough gauge for durability, with many consumers associating longer warranty periods with higher quality. The self-complete activity results showed that 55% of participants value the warranty information in making an appliance purchase.

“The warranty speaks volumes.” – Male renter, 45-54 years

Estimations of household appliance durability

Consumers expect most entry-level household appliances to last around 8-10 years. Ovens and split-system air conditioners generally have a longer expected lifetime, just over 11 years on average. The average lifetime for portable electric heaters was just under 5 years.

Renters were more likely to be sceptical, have lower expectations of the lifetime of their household appliances, especially for devices that they would be more likely to purchase themselves, such as fridges, washing machines, clothes dryers and portable heaters.

	Fridge	Washing Machine	Clothes Dryer	Electric Oven	Air Conditioner	Electric Heater
All Groups	8.8	7.7	7.9	11.1	11.4	4.4
Renter	7.4	6.1	5.2	10.6	11.7	4.0
Homeowner	9.9	8.9	9.9	11.4	11.2	4.8

Table 1: Average lifetime expectancy for entry-level household appliances

Perspectives of technology and durability were divided. Many participants reported wariness of higher tech appliances, feeling that with increasingly complex newer technology may provide more points for failure and breakdown.

“The more gizmos, the more can go wrong.” – Male homeowner, 65-74 years

Consumer understanding of warranties

An appliance’s warranty is generally seen as either the time that a manufacturer expects the appliance to last without faults or issues, and during which the manufacturer will provide repairs or replacement in the case any faults or issues occur. There is little clarity among consumers about how a warranty period is set by manufacturers.

“Whatever is in their pipeline for their next upgrade, I think they take that into account as well.” – Female renter, 35-44 years

“If they know it’s going to be six years that you would have to repair it, they might put like a five-year warranty on it.” – Male renter, 35-44 years

Generally, consumers are aware of the concept of warranties, but there is little understanding of how they are set, or what they are entitled to according to Australian Consumers Law. Some believe it is based on past usage information, quality of materials used, while others believe it would be based on minimum warranty periods set in consumer law.

“Consumer Law dictates a standard amount of time.” – Male homeowner, 45-54 years

“Some parts are government mandated that they have to have certain amount of warranty.” – Male renter, 25-34 years

“Consumer law [for warranty] is 24 months, right?” – Male homeowner, 25-34 years

Mixed opinions on extended warranties

Some consumers expressed frustration with warranty processes, noting that extended warranties often feel necessary due to perceived gaps in standard protections. Opinions on extended warranties varied. Some participants see them as essential for peace of mind, especially for high-value items, while others view them as an unnecessary cost that should be covered by standard consumer guarantees.

Consumers expressed frustration about needing to purchase extended coverage to protect against perceived manufacturer shortcomings. Around a third of participants rated this information as important in an appliance purchase decision.

“That’s what a lot of the extended warranties are, wearing the costs of the repairs.” – Male homeowner, 35-44 years

What do consumers do when an appliance breaks?

There is limited understanding of consumer rights under Australian Consumer Law, leaving many unaware of protections beyond the warranty period.

In case an appliance breaks down after the warranty period, some consumers simply buy a new appliance. Those in regional areas were more likely to replace their appliance. This was more evident in Newcastle, but especially more so in Cairns. Main reasons mentioned for this is that there is less supply in parts and repairs are more expensive or businesses that provide repair services are simply not available or few and far between.

“Buy a new one.” – Male homeowner, 35-44 years

“Everyone’s probably experienced the service guy coming in and going: the part’s gonna cost you \$500, the whole thing is worth \$700, go buy a new one.” – Male homeowner, 55-64 years

Others would try to have their appliance repaired as they might not want to buy new because of the costs or feel it would be a waste to simply discard an appliance that might be used for a few more years with repairs.

“I will find out how much it is going to cost to repair, and then I’ll determine if I think it is worth repairing or not, versus just scrapping it and getting a new one” – Male renter, 35-44 years

Some would contact the store or the manufacturer for this purpose. While some consumers mention Consumer Laws, not many know how to use these to their benefit. Even some of those aware of consumer laws are prone to try and get issues with appliances prevent with extended warranty or might give up on getting an issue resolved when a store or manufacturer is not cooperative.

“Just call up and turn on the waterworks and see how far you get.” – Male homeowner, 25-34 years

“I still contact the manufacturer.” – Female renter, 35-44 years

Repairability challenges

Generally, there is scepticism about appliance repairability in Australia. It is assumed that more reputable, larger brands would provide support and have products that are repairable in Australia, but appliances from smaller and cheaper brands are generally not expected to be as repairable. Some consumers believe that in the past decade(s) some manufacturers have started to use materials and technologies that are cheaper, so appliances only last as long as they need to (e.g. the warranty period).

“I think manufacturers don’t want their products to last.” – Female homeowner, 55-64 years

“[Manufacturers] don’t make money on repairs, someone else does.” – Male homeowner, 45-54 years

There was a broad consensus that repair culture is limited in Australia, with high costs and logistical challenges deterring many consumers from seeking repairs. Renters, in particular, reported difficulties in finding affordable and accessible repair options, often opting for replacement over repair due to cost considerations. Participants also felt that warranties rarely covered repairs after the standard period, pushing them to consider extended warranties or insurance as alternatives.

"It's cheaper to buy a new fridge than to buy a part." – Male renter, 45-54 years

"I feel like for some things you just can't repair it. They just make it unrepairable, so you buy a new one." – Female renter, 25-34 years

The geographic availability of repair services varies, with regional participants in Cairns and Newcastle reporting limited access. Some consumers have turned to self-repairs due to limited options, but most lack the skills or resources to effectively repair their appliances, resulting in a reliance on new purchases or secondhand marketplace buys.

Ultimately, a decision to repair seems to have difficulties that are similar to those noted in an appliance purchase process. Consumers are not always sure how much the costs would be, whether there might be additional costs later, and how much more life the repair is going to get them for the appliance.

"I paid a call-out fee, and then the repair was guaranteed for 12 months after the repairs. And it sure did [break], and they kept coming back." – Female renter, 25-34 years

Those in regional areas were more likely to try to repair appliances themselves, although even in these regions this was not very common, as most people would not have the skills to do so.

"I love repairing my own stuff" – Male renter, 25-34 years

"I did try and have a washing machine repaired, but they didn't have any representatives within the company, but they said they could have a local electrician to come and have a look at it." – Male renter, 35-44 years

"I try to self-repair." – Female renter, 45-54 years

Interest in a durability rating

Overall, the durability and repairability of an appliance are important factors that consumers use to determine the longevity of their purchase, and Australians want to be able to see this information when purchasing large home appliances.

Some believe it might help to create a standard for manufacturers which is something they would find positive. Others think it would help them decide whether it is worth paying more for an appliance as the ratings provide an independent assessment of the likely durability or repairability, and thus its expected lifetime.

“If you’re gonna get 20 years out of 9.5 sorta thing, I would probably pay more to get the 9.5.” – Male homeowner, 35-44 years

When shown an example from the French durability rating using a scale of 1 to 10 accompanied by a colour code, 66% participants felt very positively towards clarity of appliance durability information.



Figure 5. French example of durability rating factoring in reliability + repairability

Many were very engaged with this type of information, showing interest in how such a rating would be calculated, and what input data could be used.

“I kinda wanna know how they are cooking that number up.” – Male homeowner, 25-34 years

“Previous sales, and number of times things have had to be repaired, maybe they could look at the past five years and incidences of repair.” – Female homeowner, 55-64 years

Participants reported they would only trust this information if it was provided by an independent source, in a standardised way that makes comparison easy, including “government”, the ACCC or CHOICE.

“I’d be also interested to know who is making that number up. Is it some company that you can pay to get a better rating?” – Male homeowner, 35-44 years



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