

JEMENA PRICE RESET – CUSTOMER PRIORITIES

Research Report

August 2024

Commercial in confidence



Agenda

- 01** Background and Approach
- 02** Summary
- 03** Identifying Different Customer Cohorts
- 04** Customer Comms
- 05** Customer Priorities



Background and Approach

Background



Understand the preferences of Jemena's electricity distribution (ED) customers across key priority areas for the price reset project.

**Jemena Electricity Networks
People's Panel Preliminary
Recommendations:
What we could do**



Approach

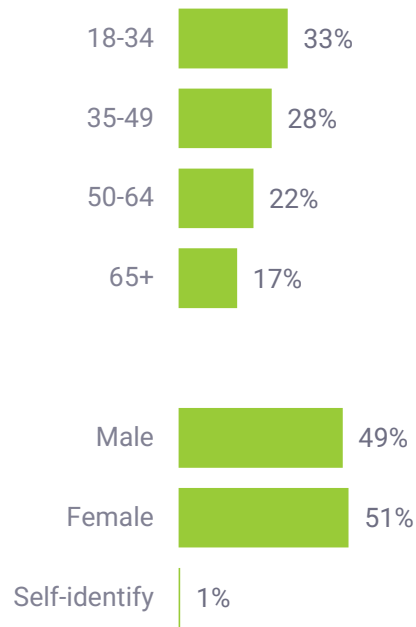
- To address the objectives, a large robust survey was conducted with 1,000 customers within the JEN region in Victoria.
- Two approaches were used to understand customer preferences for the key priority areas:
 - A stated importance, followed by
 - A ranking exercise
- Different customer cohorts were identified in the survey, including those experiencing hardship and CALD customers, to understand variances in preference
- Six priority areas were tested, with customers provided the descriptions as below:

Network Resilience	Network Reliability	Customer Online Portal	Accessible and Efficient Communications	Multi-lingual Communications	Digital Technologies
<p>Network resilience is the ability of the electricity network to withstand and recover from the effects of a natural hazard or disaster, such as floods, storms and bushfires. The impacts of climate change on electricity distribution are already present and increasing.</p> <p>Increasing Jemena’s network resilience means reducing unplanned outages and reducing the length of unplanned outages by future proofing the network.</p>	<p>Network reliability is the ability of the electric network to perform its function adequately for the period of time intended under normal operating conditions.</p> <p>As an electricity distribution business, Jemena want to maintain high levels of reliability for customers and ensure their assets keep the network reliable over a long period of time, and minimise the amount of unplanned outages.</p>	<p>Jemena is exploring a new dedicated customer online portal that could provide tailored information to customers based on their expressed preferences, language, and needs.</p> <p>This could include energy-saving tips, energy-efficient appliances and consumer energy resources such as rooftop solar generation.</p> <p>The portal would also include AI to drive tailored information to empower customers to make decisions about sustainable energy usage.</p>	<p>Jemena would like to enhance customer communications to ensure they are accessible and efficient. They would like to ensure communications are accessible to all customers and to reach customers through a range of channels.</p> <p>This includes upgrading customer systems to allow for near real-time communications with customers using web chat and two-way SMS to meet customer needs better.</p>	<p>Jemena would like to develop simple and accessible customer communications across all platforms and in multiple languages to support customer needs.</p> <p>This includes smart meters, sensors, automation, and other digital network technologies, as well as advanced metering infrastructure and smart grid technologies, to reduce other costs in the electricity supply chain, and network investments, to realise financial savings in the long term.</p>	<p>Jemena would like to implement digital technologies that enable devices across the electricity network to communicate and share data that might be useful for both customers and grid management.</p>

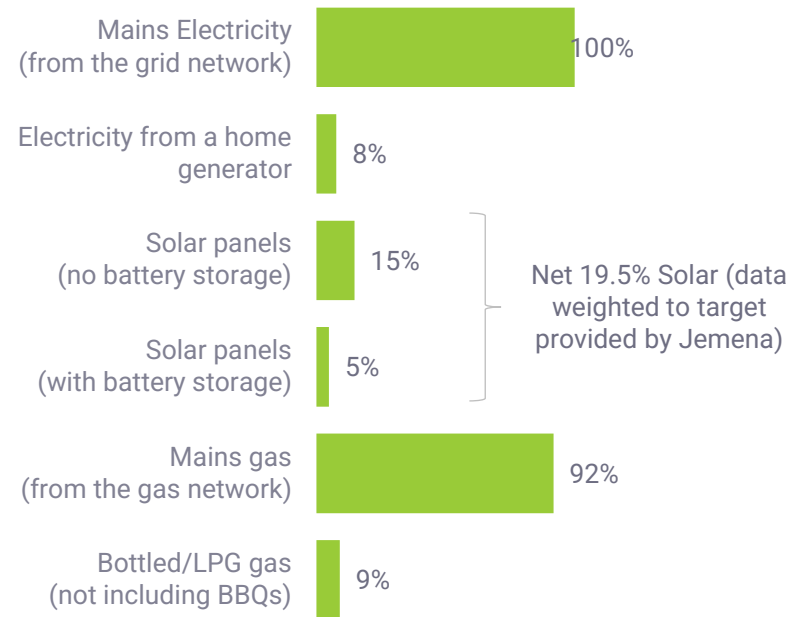
Participants were recruited for the online survey to provide a representative profile of Jemena customers

- Weighting was used to fine tune the profile of the final data to match ABS statistics for age and gender. The solar penetration target of 19.5% was provided by Jemena.
- Participants were also required to be decision makers.

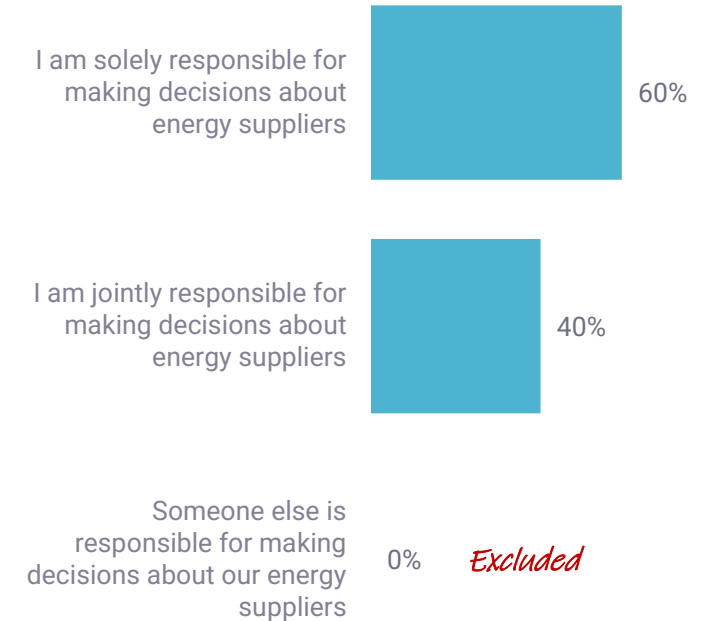
AGE / GENDER



ENERGY SOURCES



RESPONSIBILITIES





Summary

Summary

- **All priority areas carry a high degree of importance to all customers**
 - Highest levels of importance were placed on the core service; network reliability and resilience
 - Comparatively, there is slightly less importance placed on having multi-lingual comms and an online portal
- There are some differences by customer cohort:
 - CALD customers placed more importance than others on multi-lingual comms and the online portal
 - While older customers (65+) placed more importance on network reliability and indicatively less on the online portal
- Across Jemena's JEN customer segments, we see that the Always Active customers rate the importance of digital technologies higher than others
 - Lifestyle Led customers meanwhile put more importance on reliability and resilience, and less on the online portal

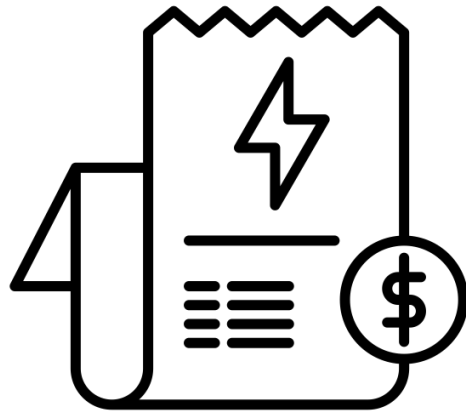


Identifying Different Customer Cohorts

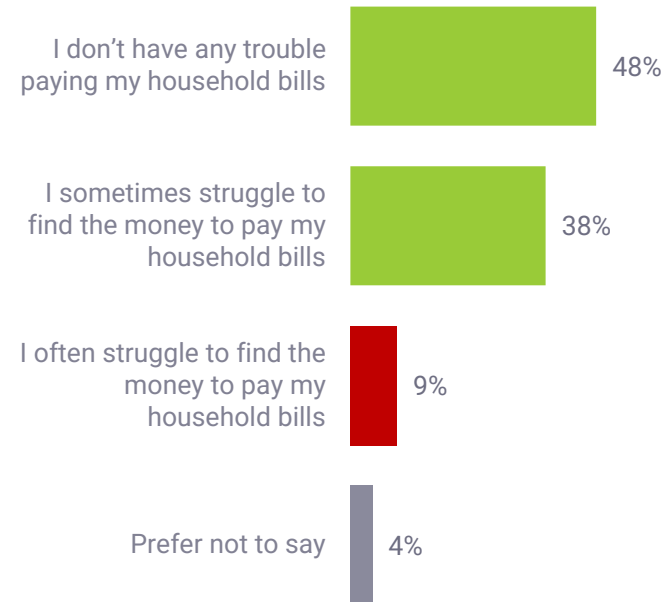
- Those experiencing hardship
- CALD (culturally and Linguistically diverse) customers
- Those having contact with Jemena (inbound & outbound)

Just under 1 in 10 customers are currently experiencing hardship when paying their electricity bill

- This provides a sub-sample size of n=99 for analysis.



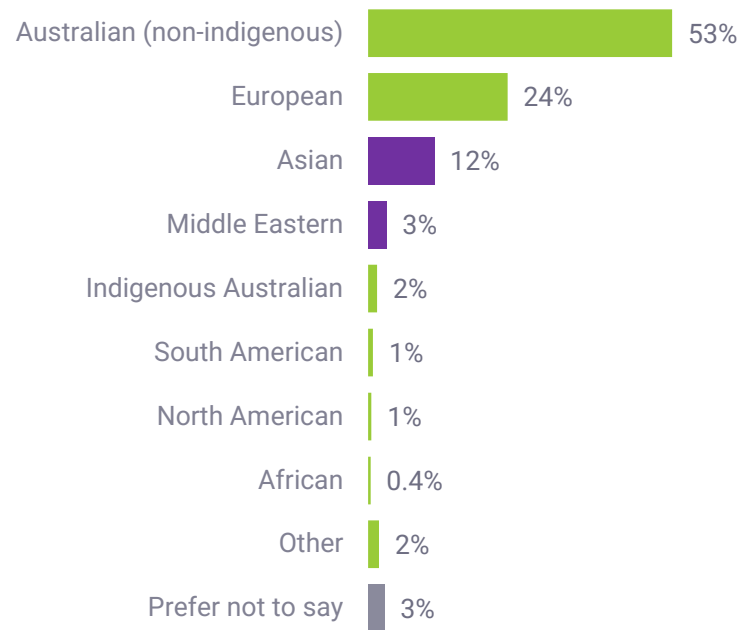
ABILITY TO PAY BILLS



7% of customers were classified as being culturally and linguistically diverse

- This provides a sub-sample size of n=85 for analysis.

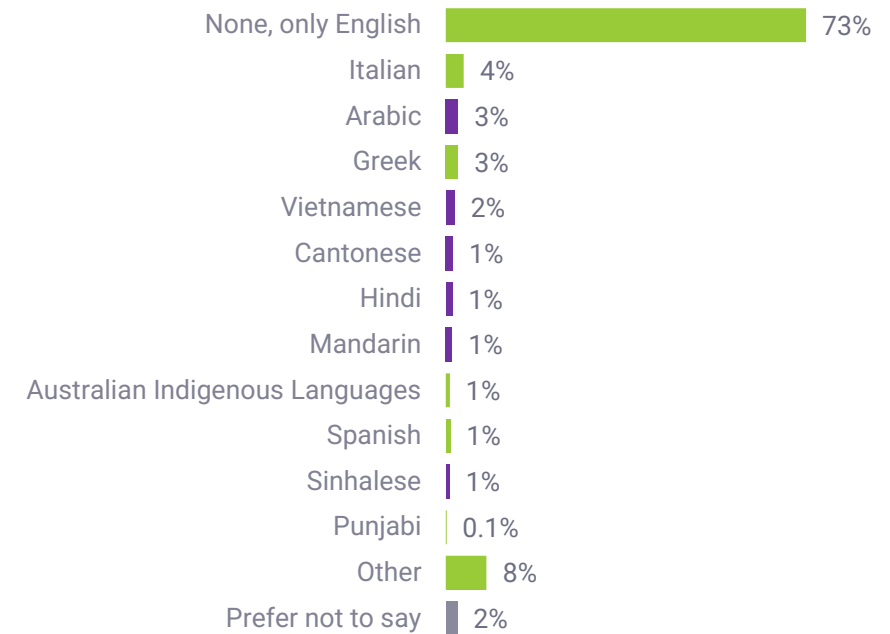
IMMEDIATE ANCESTRY



Net CALD: 7%

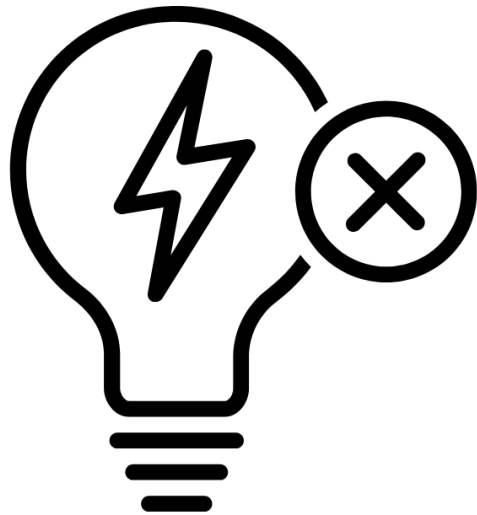
Culturally and Linguistically Diverse, defined as having immediate Asian or Middle Eastern ancestry, AND speaking Hindi, Mandarin, Punjabi, Vietnamese, Cantonese, Arabic or Sinhalese

SECONDARY LANGUAGES SPOKEN

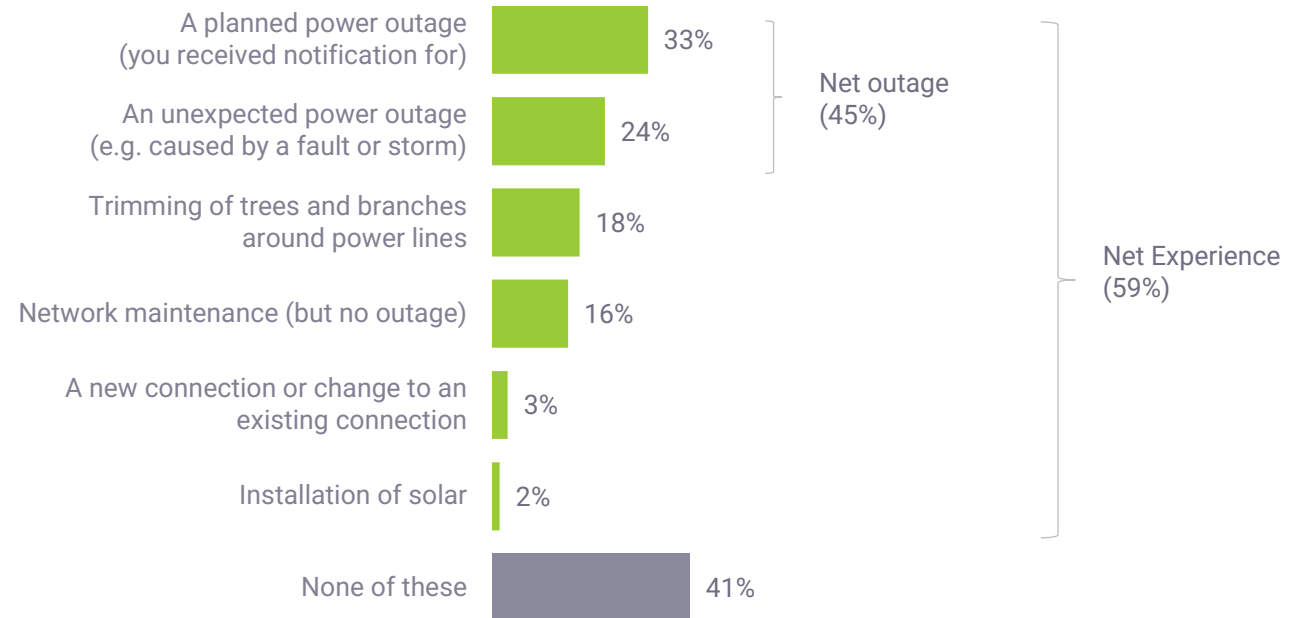


Almost half of customers had experienced an outage, most commonly a planned outage

- Other customers have experienced vegetation management and network maintenance (without an outage).

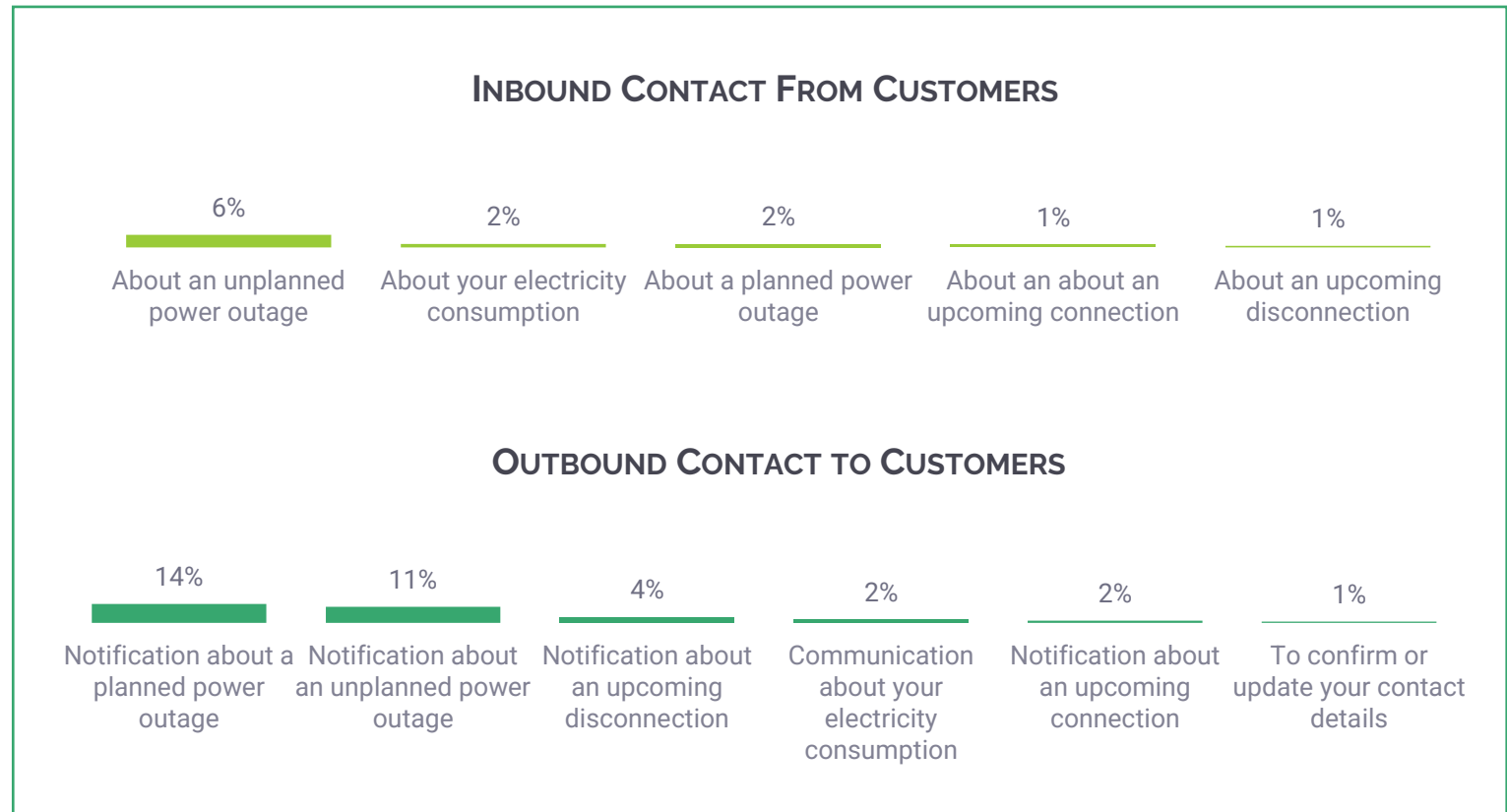
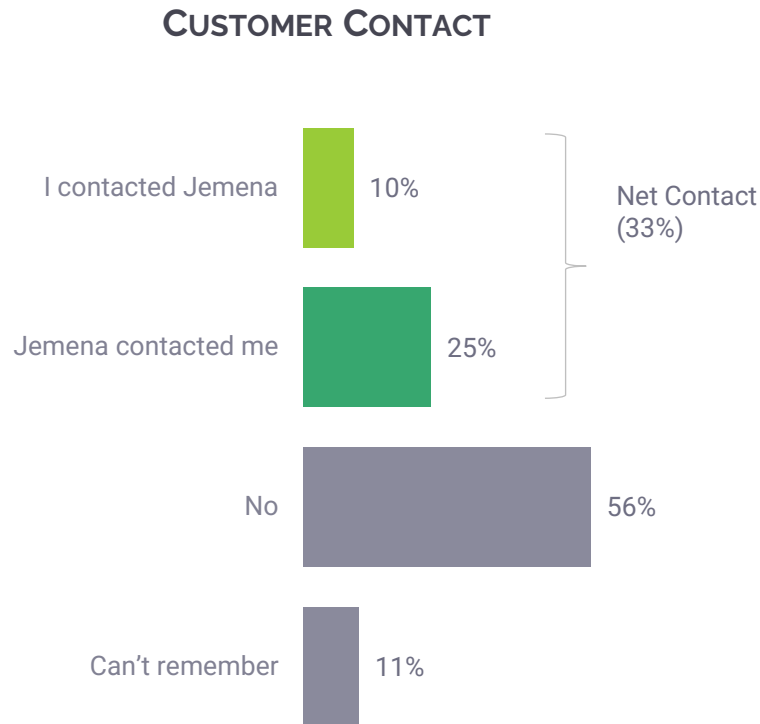


CUSTOMER EXPERIENCES



A third of customers have had some form of contact with Jemena in the last year

- Most often this was contact from Jemena regarding power outages (planned and unplanned).





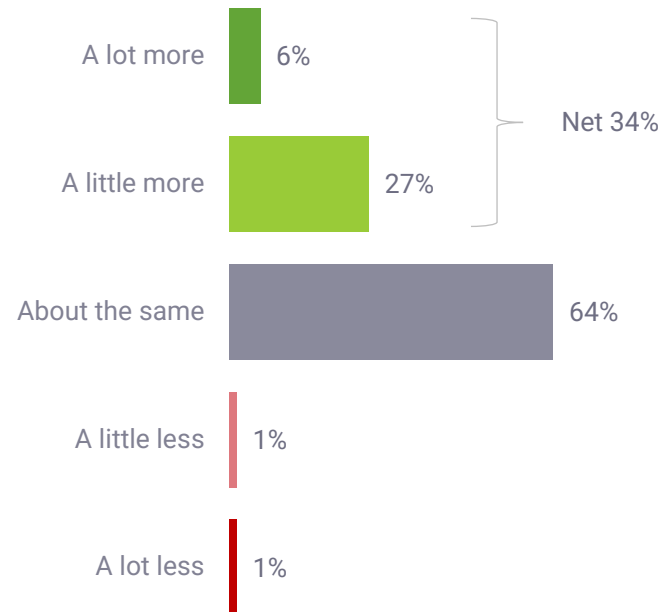
Customer Comms

- Desire for information, including energy saving tips
- Preferred Contact Channels

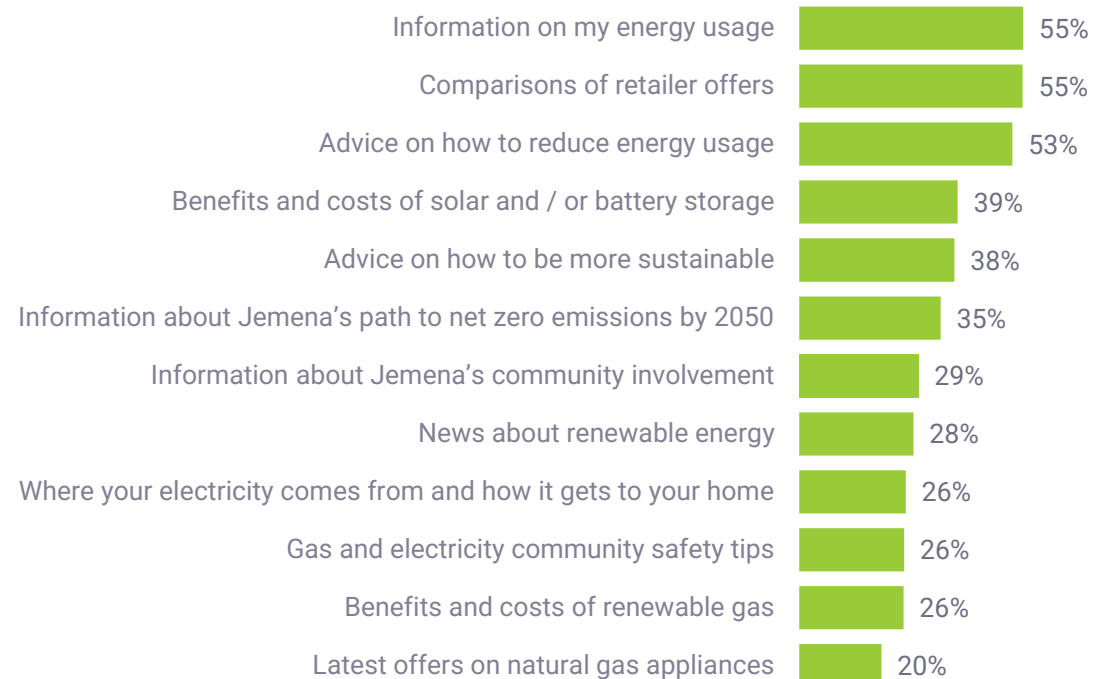
A third of customers would like to receive more communications from Jemena

- Desired comms typically relates to helping customers save money through providing more information and advice on reducing energy usage.

DESIRE FOR MORE OR LESS COMMS



DESIRED COMMS



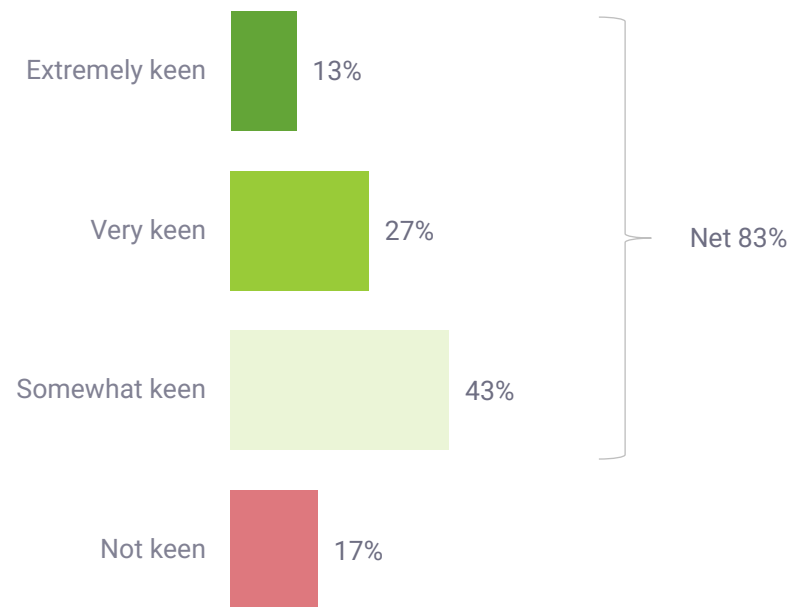
Q29c: Would you like to receive more, less or the same amount of contact and communication from Jemena?

Q29b: What information or advice would you like to receive from Jemena?

Base: All JEN respondents n=1,007; those wanting more comms n=346

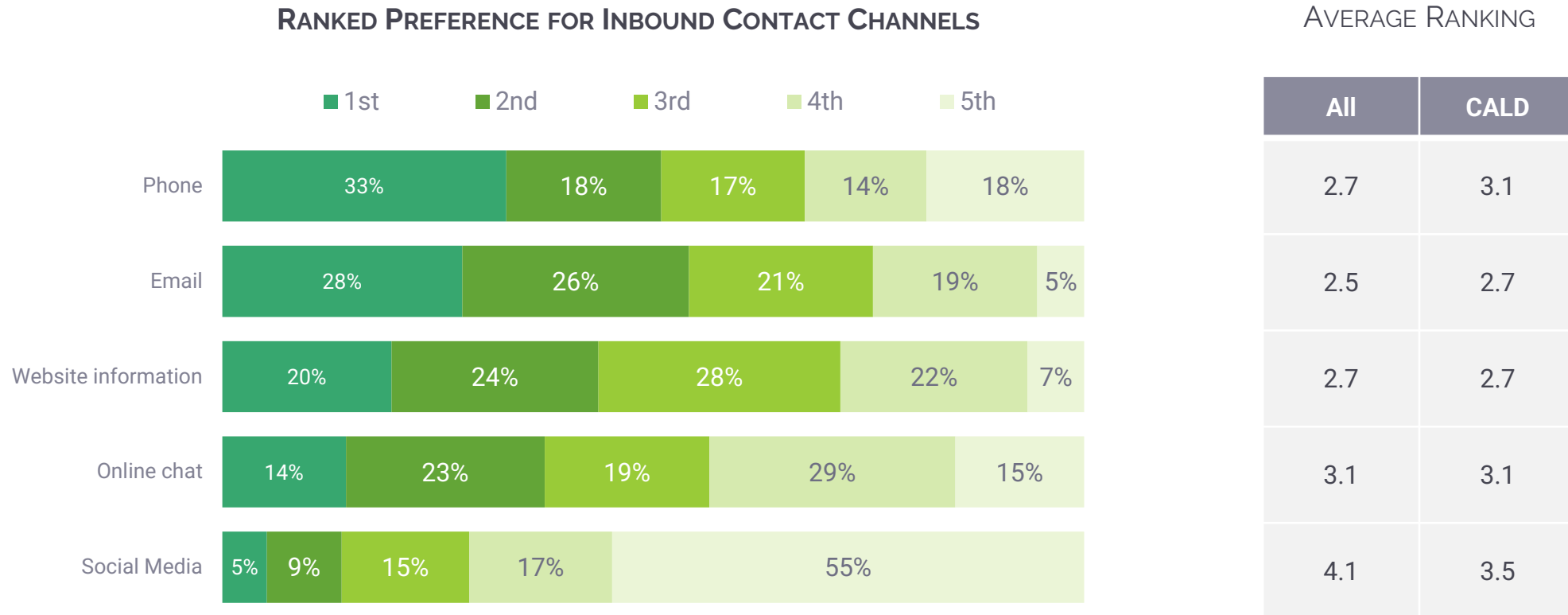
There is a lot of interest amongst customers for education and information on how to save energy

DESIRE FOR EDUCATION AND INFORMATION ON ENERGY-SAVING TIPS, ENERGY-EFFICIENT APPLIANCES AND CONSUMER ENERGY RESOURCES SUCH AS ROOFTOP SOLAR GENERATION



There is a need for an omnichannel experience, with customers having a strong desire for phone, email and web

- CALD customers are indicatively more likely to prefer email and the website over the phone.





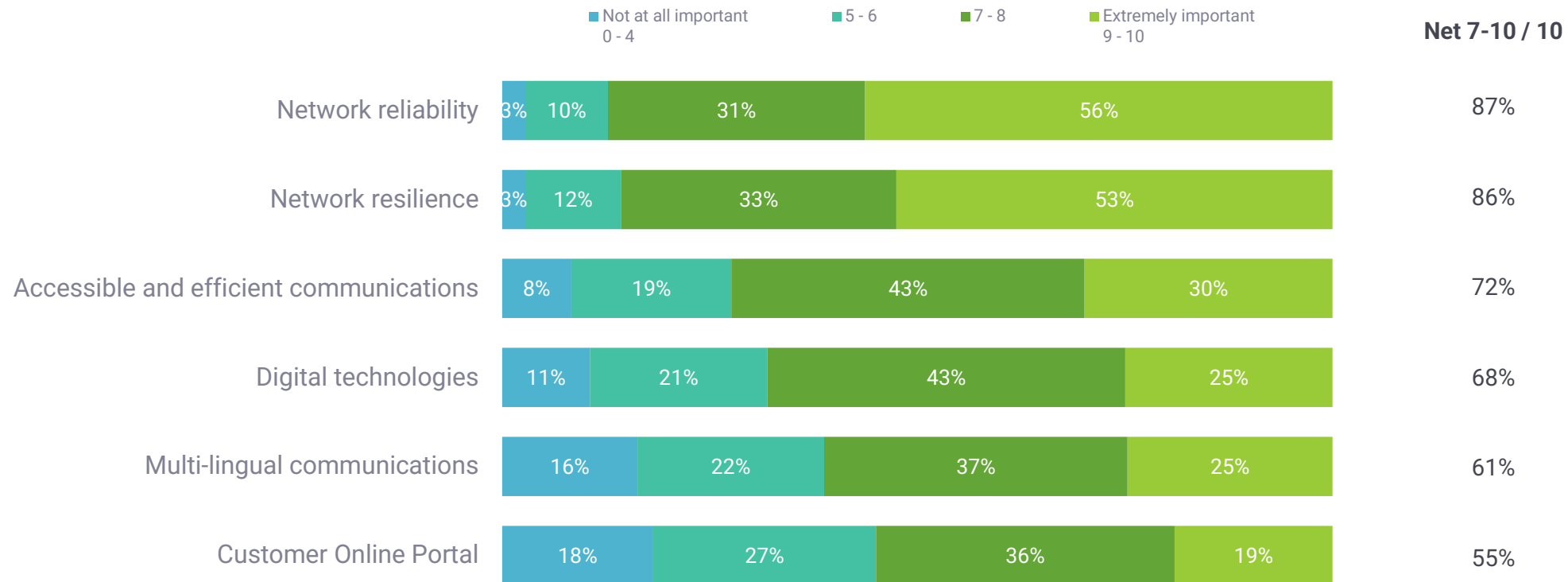
Customer Priorities

- Network reliability
- Network resilience
- Accessible and efficient communications
- Digital technologies
- Multi-lingual communications
- Customer Online Portal

All priority areas carry a high degree of importance to customers, particularly reliability and resilience

IMPORTANCE OF PRIORITY AREAS

(ORDERED BY NET 7-10 / 10)



Older customers place more importance on network reliability than younger customers

- CALD customer place more importance than others on multi-lingual comms and the online portal, which reflect their preferences for contact channels.
- There were no significant differences by those who had been contacted by Jemena, or those who had had different experiences (including outages).

%								Have solar	Use natural gas	Contacted Jemena (last year)
	(7-10 / 10)	TOTAL	18-34	35-49	50-64	65+	Hardship*			
	n=1,007	n=304	n=336	n=208	n=159	n=99	n=85	n=361	n=925	n=116
Network reliability	87	79	90	90	95	83	85	87	87	89
Network resilience	86	81	88	85	92	77	81	87	86	88
Accessible and efficient communications	72	72	75	72	69	75	81	72	73	84
Digital technologies	68	66	70	71	66	66	77	70	68	73
Multi-lingual communications	61	59	63	60	63	66	73	66	62	73
Customer Online Portal	55	56	58	54	48	54	68	55	54	65

red / green Statistical differences (95%)

* Customers experiencing hardship, defined as those who state they "often struggle to pay their bills"

^ Culturally and Linguistically Diverse, defined as had immediate Asian or Middle Eastern ancestry, AND spoke Hindi, Mandarin, Punjabi, Vietnamese, Cantonese, Arabic or Sinhalese

Differences by customer segment show Lifestyle Led customers place more importance on network reliability

- Always Active customers place more importance on digital technologies than other customers.

JEN CUSTOMER SEGMENTS *

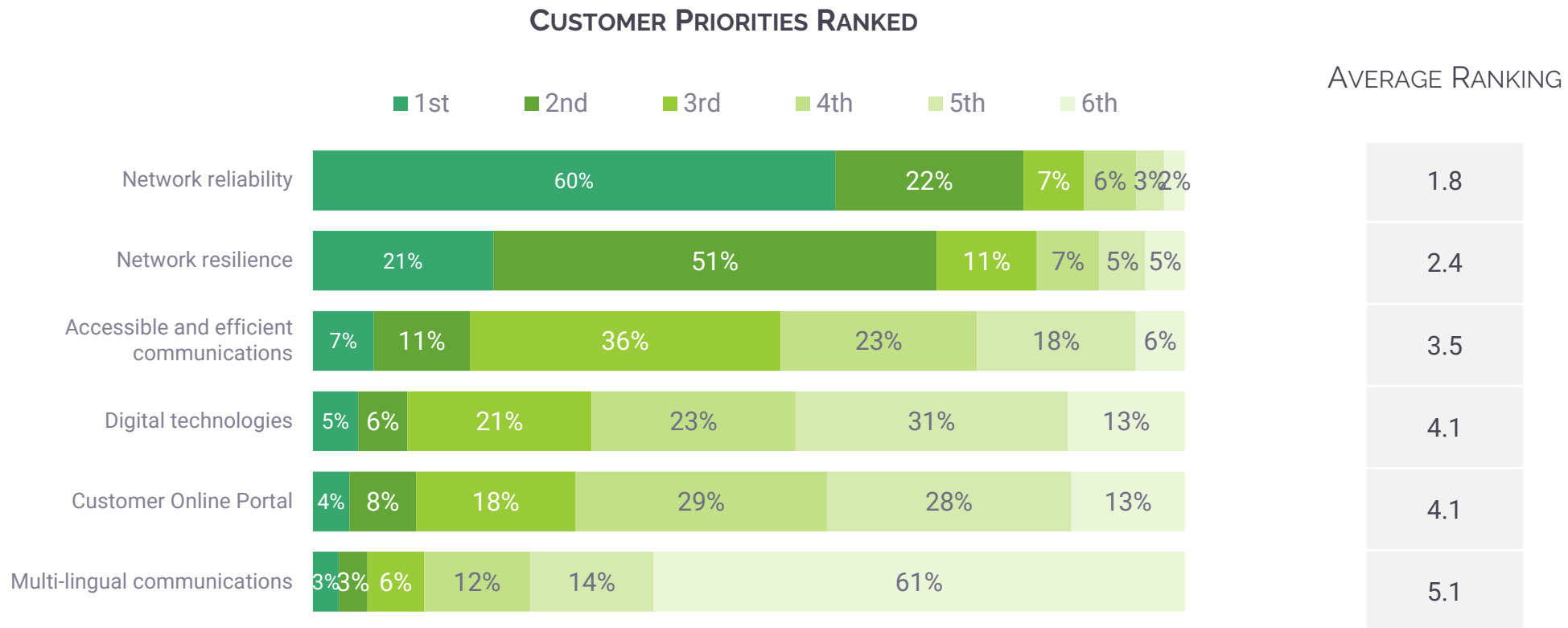
% (7-10 / 10)	JEN CUSTOMER SEGMENTS *					
	TOTAL	Impactful Investors	Wallet Watchers	Always Active	Blissfully Blasé	Lifestyle Leading
	n=1,007	n=137	n=364	n=309	n=113	n=84
Network reliability	87	77	88	91	80	96
Network resilience	86	73	86	90	85	93
Accessible and efficient communications	72	66	74	73	75	68
Digital technologies	68	61	62	76	72	74
Multi-lingual communications	61	59	61	64	69	46
Customer Online Portal	55	55	51	60	65	41

red / green Statistical differences (95%)

* Details of the JEN Segments can be found in the appendix.

When ranked, network reliability comes to the fore, followed by network resilience

- Noting that this does not mean the other priorities are not important, simply that network reliability comes first.



Older customers are again seen to rank network reliability higher

- While still the top rank, those with solar do not rank reliability quite as high, due to their ability to be self-sufficient.
- There were no significant differences by those who had been contacted by Jemena, or those who had had different experiences (including outages).

Av Rank /6	TOTAL	18-34	35-49	50-64	65+	Hardship*	CALD^	Have solar	Use natural gas	Contacted Jemena (last year)
	n=1,007	n=304	n=336	n=208	n=159	n=99	n=85	n=361	n=925	n=116
Network reliability	1.8	2.1	1.7	1.5	1.6	2.1	2.4	2.0	1.8	2.0
Network resilience	2.4	2.7	2.3	2.3	2.2	2.4	2.7	2.5	2.4	2.5
Accessible and efficient communications	3.5	3.4	3.7	3.5	3.5	3.5	3.3	3.6	3.5	3.4
Digital technologies	4.1	4.0	4.0	4.2	4.4	4.2	3.8	4.0	4.1	4.1
Customer Online Portal	4.1	4.1	4.0	4.2	4.1	3.8	4.1	3.9	4.1	4.0
Multi-lingual communications	5.1	4.8	5.2	5.4	5.3	4.9	4.8	5.0	5.2	5.1

red / green Statistical differences (95%)

* Customers experiencing hardship, defined as those who state they "often struggle to pay their bills"

^ Culturally and Linguistically Diverse, defined as had immediate Asian or Middle Eastern ancestry, AND spoke Hindi, Mandarin, Punjabi, Vietnamese, Cantonese, Arabic or Sinhalese

Lifestyle Led customers also rank network reliability and resilience higher than other customers

- While Always Active customers rank digital technologies higher than other customers.

JEN CUSTOMER SEGMENTS *

Av Rank /6	TOTAL	Impactful Investors	Wallet Watchers	Always Active	Blissfully Blasé	Lifestyle Leading
	n=1,007	n=137	n=364	n=309	n=113	n=84
Network reliability	1.8	2.3	1.6	1.7	2.4	1.4
Network resilience	2.4	3.0	2.3	2.2	2.6	2.0
Accessible and efficient communications	3.5	3.5	3.3	3.6	3.9	3.5
Digital technologies	4.1	3.8	4.4	3.9	3.8	4.3
Customer Online Portal	4.1	3.7	4.0	4.4	3.7	4.3
Multi-lingual communications	5.1	4.6	5.4	5.2	4.5	5.5

red / green Statistical differences (95%)

* Details of the JEN Segments can be found in the appendix.

APPENDIX

JEN Customer Segments

5 customer segments identified within Jemena's residential electricity network. These segments differentiate attitudinally on numerous dimensions, most notably their **price sensitivity** and **active management of electricity usage**.

Always Active (30%)

Attitudinally:

- High price sensitivity
- Very high active management of energy usage

Characteristic behaviours:

- Most likely to invest in solar
- Keep a close eye on usage by checking monthly bills, comparing themselves to other households, monitoring on App, checking solar meter
- Actively switch off lights / appliances at the plug, replace old appliances with more energy efficient rated appliances, tumble dryer usage extremely limited / infrequent
- Eager to learn how to increase energy efficiency



Blissfully Blasé (8%)

Attitudinally:

- Low price sensitivity (in part due to low bills)
- Low active management of energy usage

Characteristic behaviours:

- Not aware of energy usage
- Pay no attention to the category
- Have little knowledge about the category and what drives usage
- Still adopt some habitual socialised behaviours, switching off lights, turn off TV, limit unnecessarily AC usage



Leading Lifestyle (32%)

Attitudinally:

- Very low price sensitivity
- Very low management of energy usage

Characteristic behaviours:

- Key priority is to maintain comfort in their homes
- Comfort driven by being time poor or affluent
- No overt motivation to change behaviour, energy prices are not a concern
- Use all appliance when needed, dishwashers, tumble dryers, AC
- Would contribute to environmental causes but only if little / no effort required



Impactful Investors (12%)

Attitudinally:

- Medium price sensitivity
- Low active management of energy usage (largely out of their control due to personal circumstances such as renting)

Characteristic behaviours:

- Believe in solar power (if they don't have it might not be accessible / affordable)
- Define themselves as responsible global citizens, 'green attitude (recycle, support local grocers, etc.)
- Will pay a premium for good and services that are more responsibly sourced, e.g., green power, organic including purchase of energy efficient appliances if required
- Willing to change behaviour to make a difference if it's within their control
- Still adopt some habitual socialised behaviours, switching off lights, turn off the TV, don't run AC unnecessarily



Wallet Watchers (18%)

Attitudinally:

- Very high price sensitivity (in part due to low bills)
- High active management of energy usage

Characteristic behaviours:

- Constantly monitor usage, switch off lights, appliances at the plug
- Avoid using appliances perceived to be high energy consumers
- Likely to have very old white goods (refrigerators, washing machines etc.)
- Eager to learn how to increase energy efficiency
- Willing to change to behaviour if offered financial incentives





Questions? Please get in touch



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