

What is the COVID19 Consumer Experience Sector Scorecard?

The COVID19 Consumer Experience Sector Scorecard measures Australian consumers' experience of business conduct across key sectors from May to December 2020. The Scorecard has been developed from a model analysing results from monthly surveys conducted by Roy Morgan on behalf of CPRC (COVID19 Consumer Impacts Survey) measuring the financial impacts and consumer experiences related to COVID-19 across Australian services markets, including:

- Housing (private renting and mortgages)
- Energy (gas and electricity)
- Telecommunications (internet, phones, etc.)
- Credit (credit cards, personal loans, buy now pay later)
- Insurance (vehicle, health, home, travel).

Using the survey results which provided reliable insights into the impact COVID-19 had on Australian consumers' experiences, behaviours and expectations across essential and discretionary products and services markets, Roy Morgan worked closely with CPRC to build a model to provide a Customer Experience Sector Scorecard to identify and compare sector performance and trends on key aspects from the consumer perspective.

Modelling of survey results enabled development of a Scorecard to measure the following aspects (categories) for each sector:

- Did providers in the sector offer assistance and **support** to their customers?
- Did providers in the sector take **negative actions** that left consumers worse off?
- Was the sector **fair and transparent** in its information / contracting?
- Were providers in the sector accessible in terms of **user experience**?
- Were staff considered **helpful** by consumers?

The COVID19 Consumer Experience Sector Scorecard calculates a relative score out of 10 for each sector on supportive and negative provider actions, transparency, user experience and staff helpfulness. Category scores are aggregated to provide an overall score for each sector. The model assesses key sectors on the same metrics using a standard methodology, enabling reliable benchmarking across sectors and trend analysis. Different sectors are assessed through the lens of important subgroups - highly impacted by COVID - as well as across the general population. Subgroups include cohorts such as those vulnerable to disruption, or those facing financial difficulty, for example:

- those experiencing difficulty making payments
- those with insecure employment
- consumers living with disability.

How was the COVID19 Consumer Experience Sector Scorecard Developed?

Roy Morgan analysed consumer results from surveys during May to December 2020 with 11,784 Australians aged 18 years and over to develop the COVID19 Consumer Experience Sector Scorecard model. Scorecard analysis was based on respondents who had engaged with their provider in some capacity, with the final sample applied across sectors of 6,968 respondents. Performance on consumer experience was measured from the consumer's perspective when interacting with their provider, as well as perceptions of their provider's actions.

Development of a model to calculate the scorecard was an iterative process in collaboration with CPRC. Key stages of model development included:

- Analysis of consumer survey questions and results overall and by sector to identify suitable variables to consider for inclusion in the model and scorecard to best reflect positive and negative consumer experiences
- Identification of variables as a positive or negative consumer experience
- Categorisation of variables to analyse and measure performance of key aspects of consumer experience (such as transparency, staff helpfulness, etc.)
- Weighting of variables to ensure those with the greatest positive or negative impact on consumers were weighted accordingly (through considering factors such as the relationship between attributes, importance of measures and trends, incidence, relationships with financial concern, etc.)
- Application of relative scores across categories, sectors and subgroups
- Testing combinations of variables, categorisations and weightings within the agreed structure to address key questions regarding consumer experience.

A summary of the survey variables used to develop each category score and the weighting and direction applied to each of these is summarised in the Appendix.

The overall score developed for each sector is a relative score between sectors. Each of its components is a measure of the performance for all consumers that have engaged with providers in each sector. As such, a low score for a specific sector indicates that consumers reported less support and higher rates of negative experience for that sector compared to the same metrics for other sectors assessed.

Sector scores have been scaled for ease of interpretation, with a score below 5 out of 10 indicating a consumer group that had poor experiences for this sector compared to sectors in general, and scores above 5 out of 10 indicating groups or sectors who had more positive experiences in a sector compared to sectors in general. The relative nature of scores means a low score in one group is balanced by either a high score in another sector, or all other sectors having mediocre scores.

Analysis in this report includes scores for each month of the survey, with relevant months grouped into key periods defined by COVID19 related events, specifically: First COVID-19 wave; Second COVID-19 wave and Opening Up.

How was the COVID Consumer Experience Sector Scorecard Developed? (cont)

The overall score is calculated using the average of five categories detailed below. Each category is weighted, with weights determined using assessment of the likely impact of the underlying experiences. For example, staff being unhelpful is not as heavily weighted as a provider stopping service or engaging a debt collection service. The frequency of events is also factored into the weighting, with relatively rare events more likely to receive a higher weight.

Category Scores

- **Supportive Provider Actions:** This category captured actions by the provider where proactive support was offered or providers relieved financial pressure on consumers. Sectors that reach out to offer customers payment assistance or reduce the cost of service will receive a high score in this category. Some sectors are required by regulation to assist customers in this manner, and therefore most actions have been allocated an average weight. Reducing the cost of service has a high weight, as it correlated with a greater reduction in financial concern for those consumers.
- **Negative Provider Actions:** This category measured reports of negative provider actions that may have left consumers worse off. This type of action would include engaging debt collection services, cancelling services or increasing the service cost. It included a mix of highly weighted and average weighted actions, with debt collection and service being halted weighted highly.
- **Transparency:** This category relates to the likelihood of a consumer reporting a lack of transparency from their provider. It included consumers who felt that information from their provider was misleading and reports of unfair terms and conditions in contracts. This category has a high weighting because the experiences were not reported as widely and could be indicative of non-customer centric actions on the part of the provider.
- **User Experience:** This category measured the difficulty consumers had when trying to engage with their provider. A sector would receive a low score if consumers reported difficulty navigating a website, finding appropriate contact details to engage with their providers, or experiencing long wait times. These experiences have a medium weighting, reflecting the high incidence range and the potentially stronger impact of other provider actions.
- **Staff Assistance:** This category score considers reports of staff behaviour. Sectors where staff are reported as helpful will receive a high score, whereas sectors where consumers report staff are unhelpful will receive a low score. Those that report staff being helpful as well as unhelpful receive a neutral score. The individual experiences have an average weighting, however, due to relatively low incidence this category contributes the lowest weight towards the overall score.

The category scores are limited to answers from respondents that reported some engagement with their provider in the previous 4 weeks.

In addition to the overall score, each sector received a score relating to the action of consumers in **switching** providers and a score relating to the levels of **payment difficulty** reported within the sector. These facets were not included in the sector score as they relate to consumer actions rather than to provider actions. As it is important to understand these aspect within each sector, key findings related to these factors have also been summarised in this report.

What drives the COVID Consumer Experience Sector Scores?

The COVID Consumer Impacts Survey conducted from May to December 2020 provided data on proportions of individual actions. The COVID Consumer Experience Sector Scorecard provides additional information using the same dataset by looking at combinations of actions by a subset of consumers (those who interacted with their providers in some way).

The score is driven by two mechanisms:

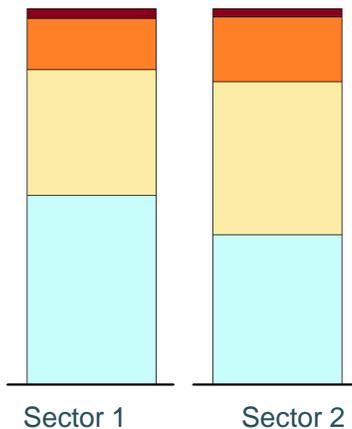
- **Incidence** - the number of consumers reporting components in each category
- **Severity** - how impactful those components would be to the consumer's experience in the each sector / category.
 - An outcome would be considered severe if multiple experiences are reported or if the component is highly weighted. The severity distinguishes between:
 - a consumer who simply reported having difficulty using the website, and
 - a consumer who had difficulty using the website, as well as determining how to contact the provider, and had to wait on the phone for assistance.

In most cases, both incidence and severity would impact a sector's score. The category profile diagram (beside) is an example of how scores may be distributed within a category or sector, while the incidence and severity diagrams below illustrate how those two mechanisms impact the category or sector scores.

Category profile



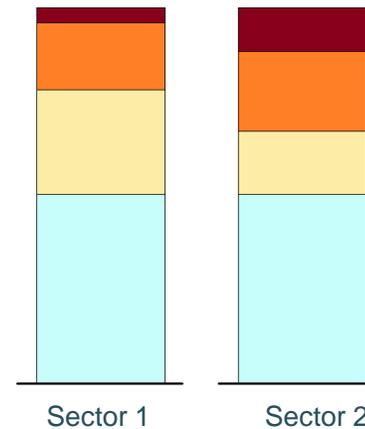
Incidence



A sector would receive a more extreme score if more consumers reported relevant components (yellow, orange or red sections).

As the score is out of 10, outcomes are transformed so that high incidence in negative categories return a low score, while high incidence in positive categories return a high score.

Severity



A sector would receive a more extreme score if more consumers reported severe outcomes (orange and red sections).

As with incidence, outcomes have been transformed so that higher severity in negative categories would result in lower scores, while higher severity in positive categories would return a high score.

Interpreting Scores

Sector scores in the scorecard and report are relative to the average consumer experience across all sectors included. The overall score (out of 10) is the aggregate across the different category scores, and this is an approximation of a bell curve. Consequently, increasing a high score (or decreasing a low score) becomes increasingly difficult at the extremes, with most respondents in the model receiving an average score around 5 out of 10. A score of 1 out of 10 indicates approximately 80% of respondents received a better score, and a score of 9 out of 10 indicates that these respondents have a score in the top 20%.

Category scores are measured relative to the sector-wide average. Consumers within a sector with a score below 5 have reported more adverse (or fewer supportive) experiences than consumers on average. Sample size is critical when determining if a change or difference is within the sample error band (refer Table 1). A summary of sample sizes used for analysis is included in the Appendix. As with the overall score, a lower category score is indicative of poor performance and a higher score indicates good performance. The category scores do not follow a bell curve, however the response is non-linear with a very low score far less likely to occur than a mediocre score.

Sample size	Error
N = 50	±1.4
N = 100	±1.0
N = 500	±0.5
N = 1000	±0.3

The sample size affects the range of error expected for an average score

	Young Melb	AUS
Energy	3.5	5.4
Telcos	1.5	2.8
Rental	4.8	5.7
Mortgage	4.9	6.6
Credit	3.2	4.7
Insurance	3.8	6.2

	Young Melb (n=200)
Sector Score	4.1
Supportive	6.0
Negative	3.5
Transparency	3.2
User experience	3.5
Helpful Staff	4.1

As the scores are relative, they should be interpreted by contrasting either between sectors or between groups. Table 2 lists the scores for User Experience for Young Melbournians and Australians. On average, Young Melbournians reported poorer user experience across the different sectors compared to all Australians, resulting in lower scores across all sectors. The Telco sector has the lowest score for this segment, but it is also notable how much more difficulty this group reported with insurance providers compared to Australians overall.

Table 3 lists the category scores for Young Melbournians in the energy sector. While the sector scored poorly in terms of transparency and user experience, the sector received a more positive score for support (by providers). This indicates that while these respondents found it difficult to navigate contracts and to contact their provider, energy providers were more likely to engage with these young customers and offer support. Unfortunately, the support provided may not have been sufficient, as these consumers are also over-represented among those reporting negative actions.

Appendix - Summary table of score components

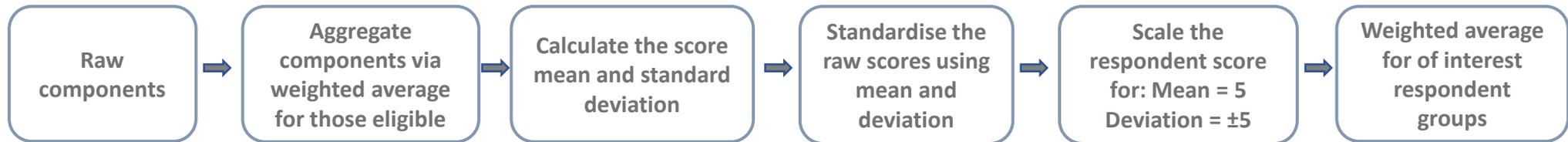
Score	Type	Components	Weight	Sign
Sector Score	Overall	<ul style="list-style-type: none"> Supportive score Negative score Transparency score User experience score Staff score 	Sum of component weights	N/A
Supportive Provider Practices	Category	<ul style="list-style-type: none"> Offered payment assistance Waived fees or late charges Offered assistance to access concessions Reduced cost of service 	<ul style="list-style-type: none"> Medium Medium Medium High 	<ul style="list-style-type: none"> Positive Positive Positive Positive
Negative Provider Practices	Category	<ul style="list-style-type: none"> Increased cost of service Unsolicited pressure-sales Repayment ultimatums Debt collection Halted service / eviction 	<ul style="list-style-type: none"> Medium Medium Medium High High 	<ul style="list-style-type: none"> Negative Negative Negative Negative Negative
Transparency	Category	<ul style="list-style-type: none"> Felt misled by supplier Unfair conditions in agreement 	<ul style="list-style-type: none"> High High 	<ul style="list-style-type: none"> Negative Negative
User Experience	Category	<ul style="list-style-type: none"> Could not understand how to contact provider Could not navigate website or phone system Wait times when contacting were too long Other negative experience 	<ul style="list-style-type: none"> Medium Medium Medium Low 	<ul style="list-style-type: none"> Negative Negative Negative Negative
Helpful Staff	Category	<ul style="list-style-type: none"> Provided helpful information Provider was unhelpful 	<ul style="list-style-type: none"> Medium Medium 	<ul style="list-style-type: none"> Positive Negative
Payment difficulty	Standalone	<ul style="list-style-type: none"> Applied for concessions with provider or government Missed a payment 	<ul style="list-style-type: none"> Medium High 	<ul style="list-style-type: none"> Positive Negative
Switching	Standalone	<ul style="list-style-type: none"> Switched or refinanced with the same provider Switched or refinanced with a different provider Moved home Cancelled a service 	<ul style="list-style-type: none"> Medium Medium Medium Medium 	<ul style="list-style-type: none"> Positive Positive Positive Positive

Appendix - Methods to calculate category scores

Overall Sector Score



Supportive and Negative Provider Practices, Transparency, User Experience and Switching*



Helpful Staff and Payment Difficulty*



*Switching and Payment Difficulty scores are not included as category scores for the Sector Scorecard.

Appendix - Base sizes (n=) for categories, periods and sectors

Base n=	Total	First COVID-19 Wave (May-Jul)	Second COVID-19 Wave (Aug-Oct)	Opening up (Nov-Dec)	May	June	July	August	September	October	November	December
Overall	11,784	4,007	5,534	2,243	1,114	1,430	1,463	2,154	1,106	2,274	1,113	1,130
Energy	3,325	1,146	1,475	704	295	294	557	545	325	605	388	316
Telcos	4,249	1,334	2,199	716	319	527	488	915	313	971	386	330
Private renting	890	330	404	156	75	92	163	149	66	189	81	75
Mortgages	1,139	439	514	186	145	173	121	243	86	185	100	86
Credit	1,964	662	934	368	127	240	295	384	143	407	198	170
Insurance	3,006	952	1,480	574	231	343	378	578	253	649	327	247