



Press Release: 19 May 2021

Telco bill increases since COVID19 not enough to get consumers to switch

Home internet has seen a large uptick in use as a result of COVID 19, only one in two consumers have switched providers according to a recent DBM Consultants study.

The DBM 'consumer lifecycle' study looked at the impacts of the pandemic on consumer lifecycles attitudes, expectations and behaviours across the services sector, specifically for telecommunications data and phone use. One of these was the impact of working from home on bill increases and thus switching.

The marked increase in working from home during 2020, likely to be maintained to some extent 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 16 per cent doing so more now than they did before. One flow on effect, for 58 per cent of those surveyed who are working from home, has been the increase in home internet usage.

"Consumers are more sensitive to changes in their telco bills than in some other services categories," said Norrelle Goldring, Executive Director DBM Consultants.

"The top reason to switch mobile providers, for nearly a third of people we talked to, was the desire for a new provider where for internet services nearly a third were looking for a better deal. We saw value for money rank highly for both mobile and internet service providers."

Once onboarded, the average tenure with a consumer for mobile provider is 7 years, and 6 years for internet.

Despite bill increases since the onset of COVID19, 80 per cent of consumers said they were unlikely to switch mobile providers, and 73 per cent of respondents felt the same way about their internet provider.

This consumer inertia is caused by perceived risk of service interruption or fees for breaking a contract if they were to switch.

"While bill-shock is a concern for consumers and providers alike, the majority of consumers don't consider switching after a high bill," continued Goldring.

Where consideration is given to comparing providers, it is far more likely to result in staying with the same provider than switching. 67 and 70 per cent either didn't switch, nor considered switching, from their mobile and internet provider respectively.

Free data that was offered to customers may have helped offset perceptions of any price increases, where premiums and bills increased by 20 per cent to 40 per cent in other service categories.

On average, consumers would need their bill to increase by more than 50 per cent to trigger a search for alternatives.

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