



# J.D. POWER



## **Billing & Payment Experiences and Preferences Pulse Survey**

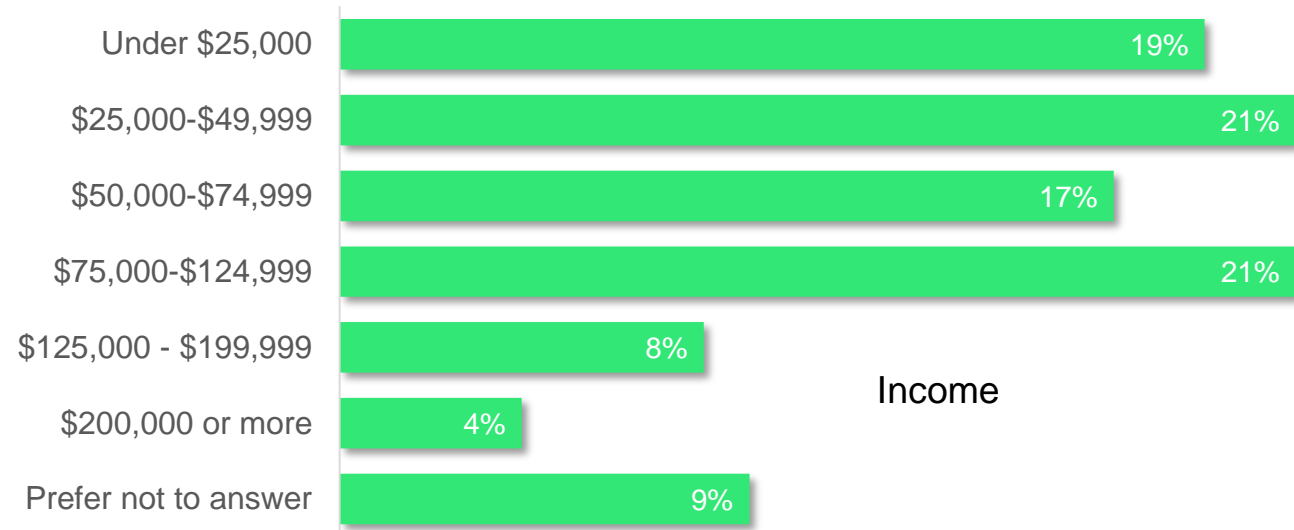
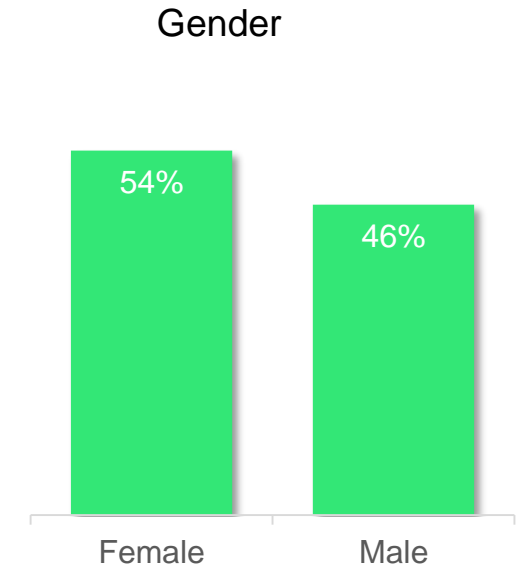
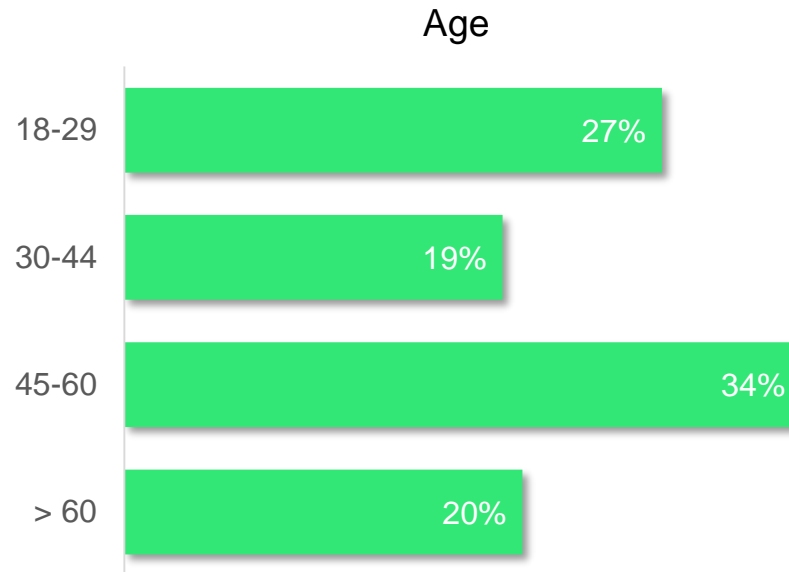
J.D. Power Utilities and TMT  
Global Business Intelligence

June 15, 2020

# Pulse Survey Methodology

Fielded June 11, 2020

2,224 online surveys completed

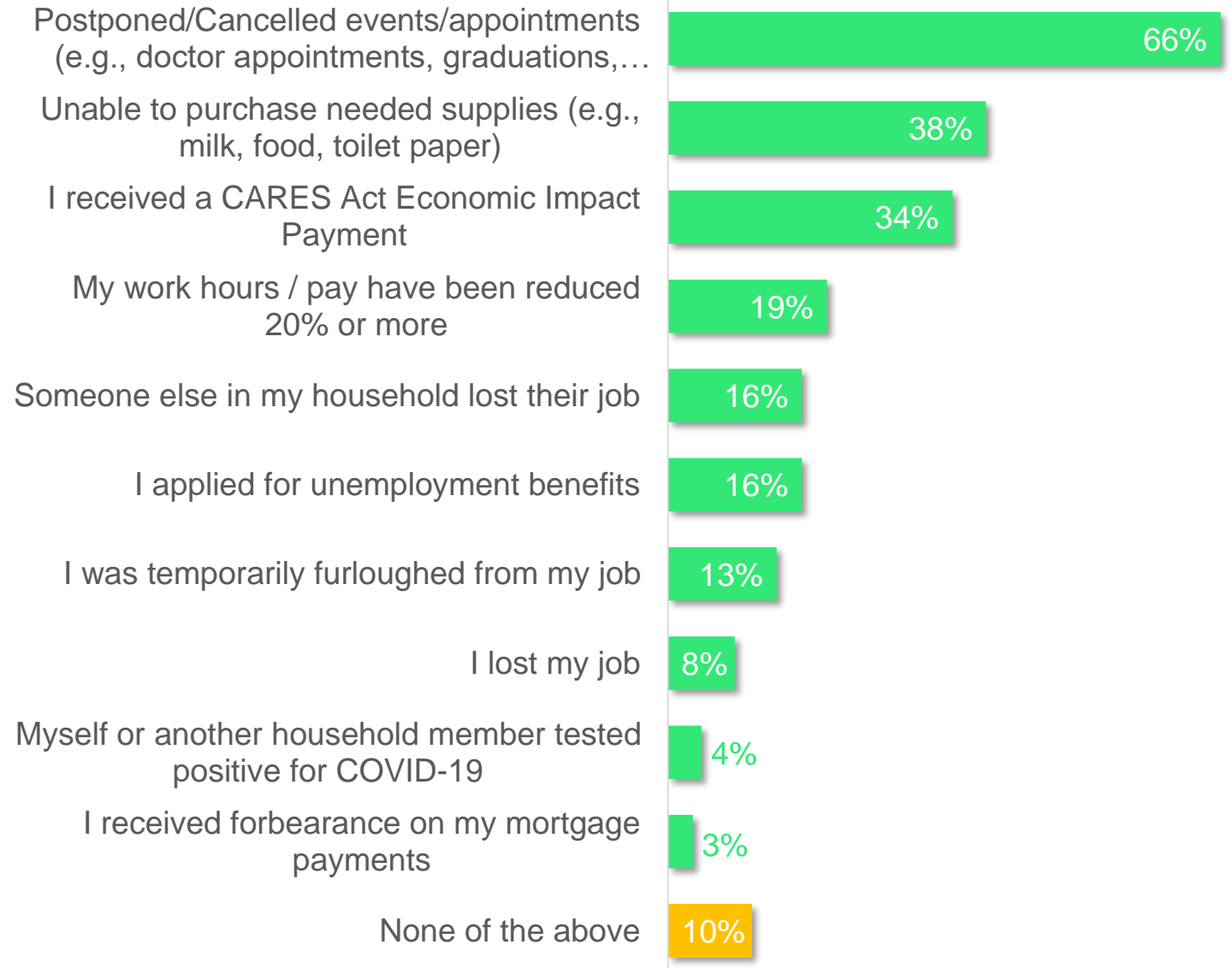


# Nearly everyone has been impacted

*The average household has experienced 2.2 out of these 10 substantial outcomes due to COVID*

*44% of all households have had a jobs-related impact (work hours/pay reduced 20%, lost my job, applied for unemployment, another household member lost their job, or furloughed)*

## Which of the following COVID-19 related outcomes have you experienced?

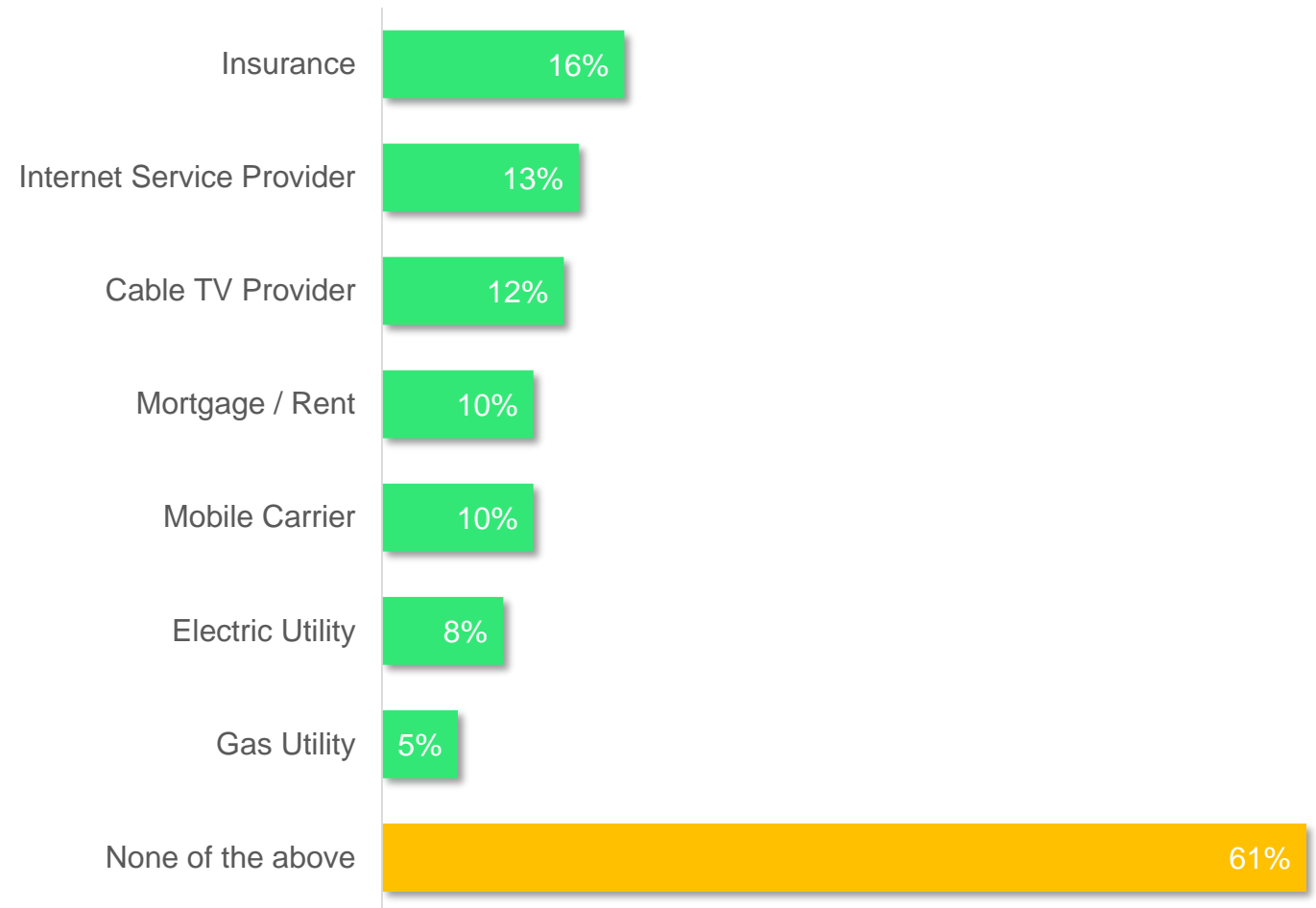


# Many customers (39%) have investigated better prices during COVID

**Insurance coverage is the most commonly investigated price concession**

However, a majority of customers (61%) have not taken any actions to get a better price

**In the past two months have you contacted any of the following providers to get a better price?**

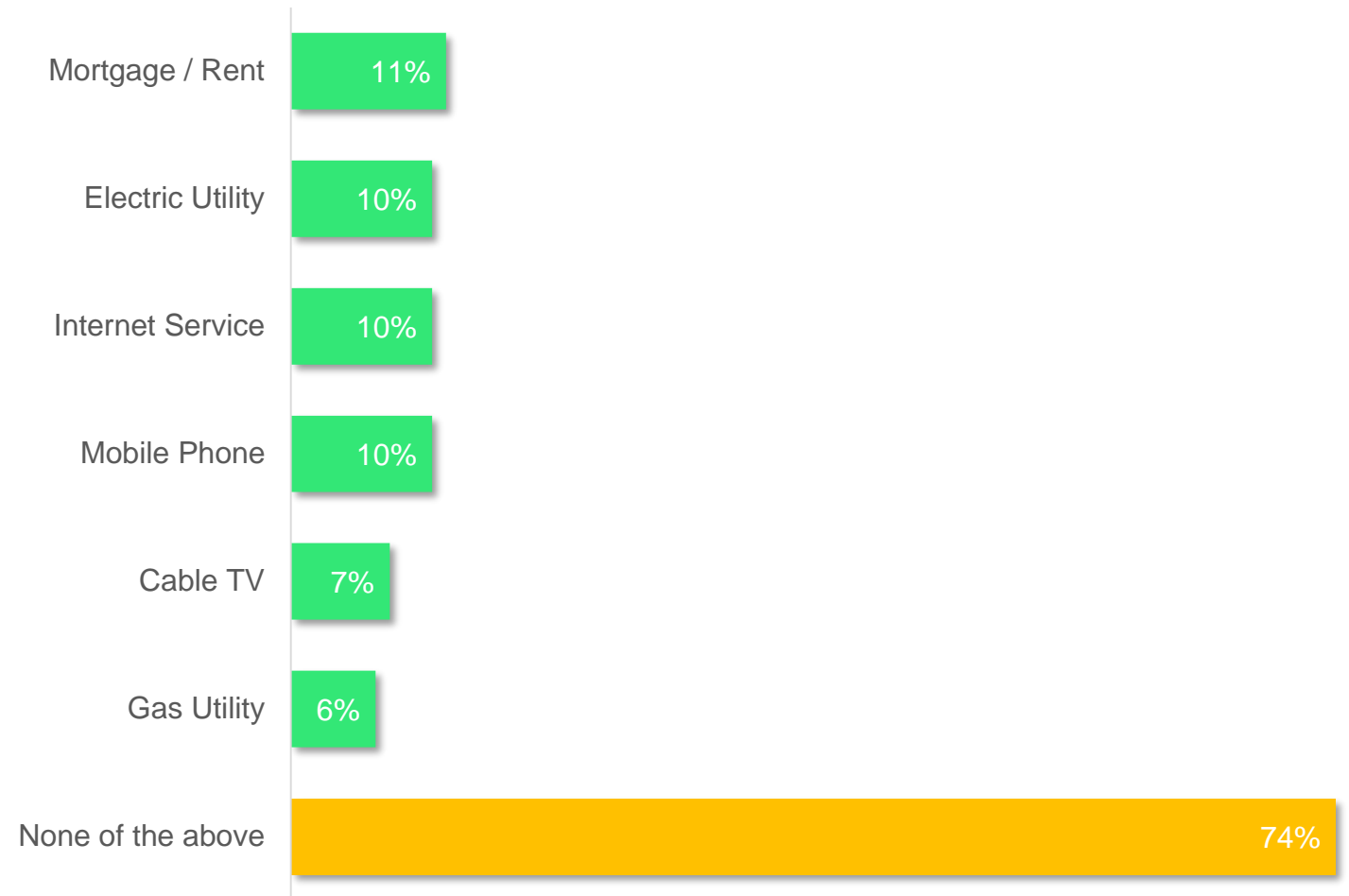


# Most customers are keeping up on monthly payments

However, more than one-quarter of households are behind on paying at least one monthly bill

15% of all households are behind on more than one bill

## Are you currently behind on paying any of the following monthly bills?

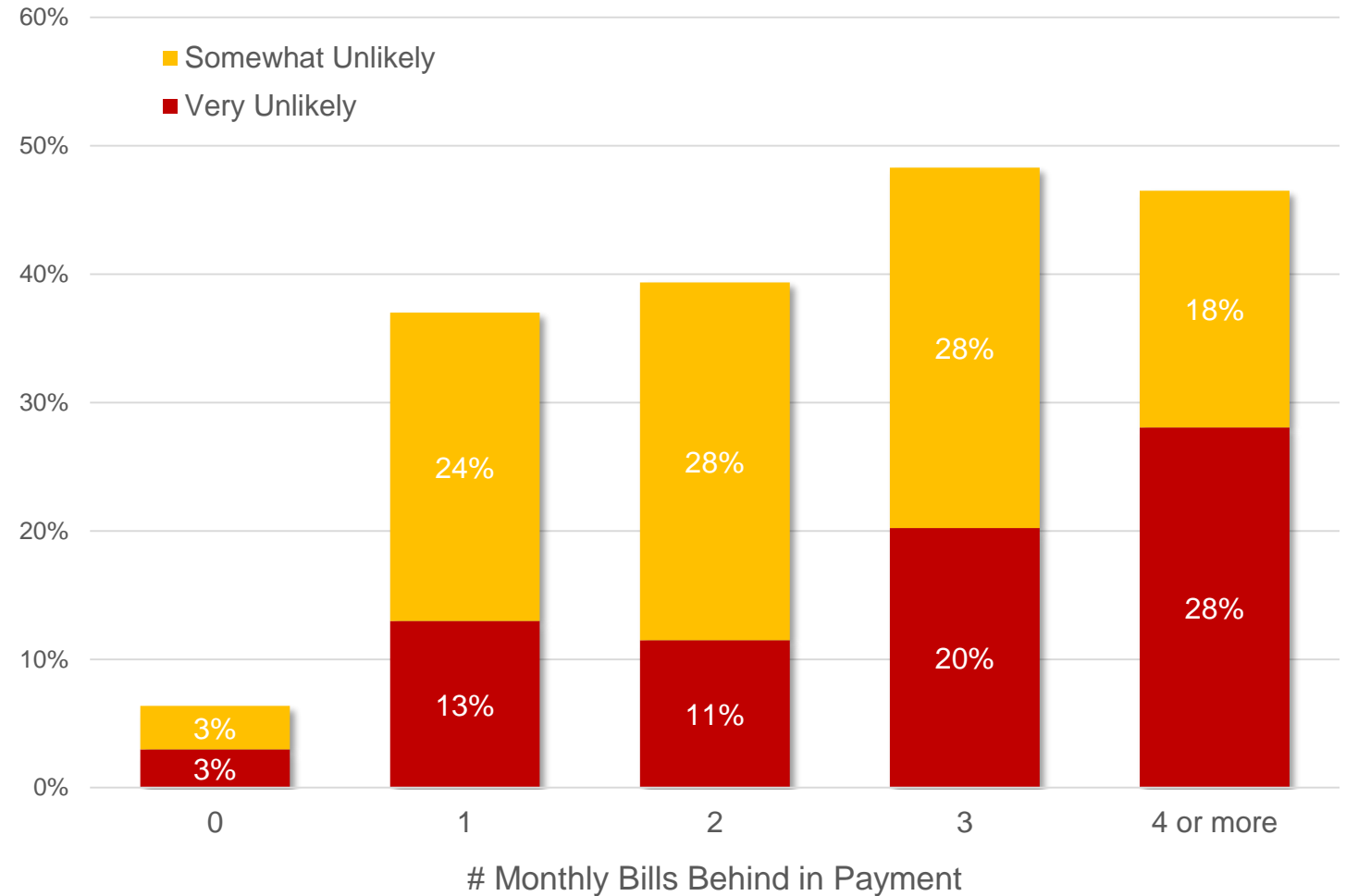


# Falling behind in just one monthly bill is problematic

Customers who are current on monthly payments very likely to remain up-to-date

However, of the 26% of households who are currently behind in payments for one or more monthly bills, 41% will continue to struggle paying future months' bills (somewhat or very unlikely to pay their bills next month)

## How likely are you to be able to pay all your monthly bills next month?

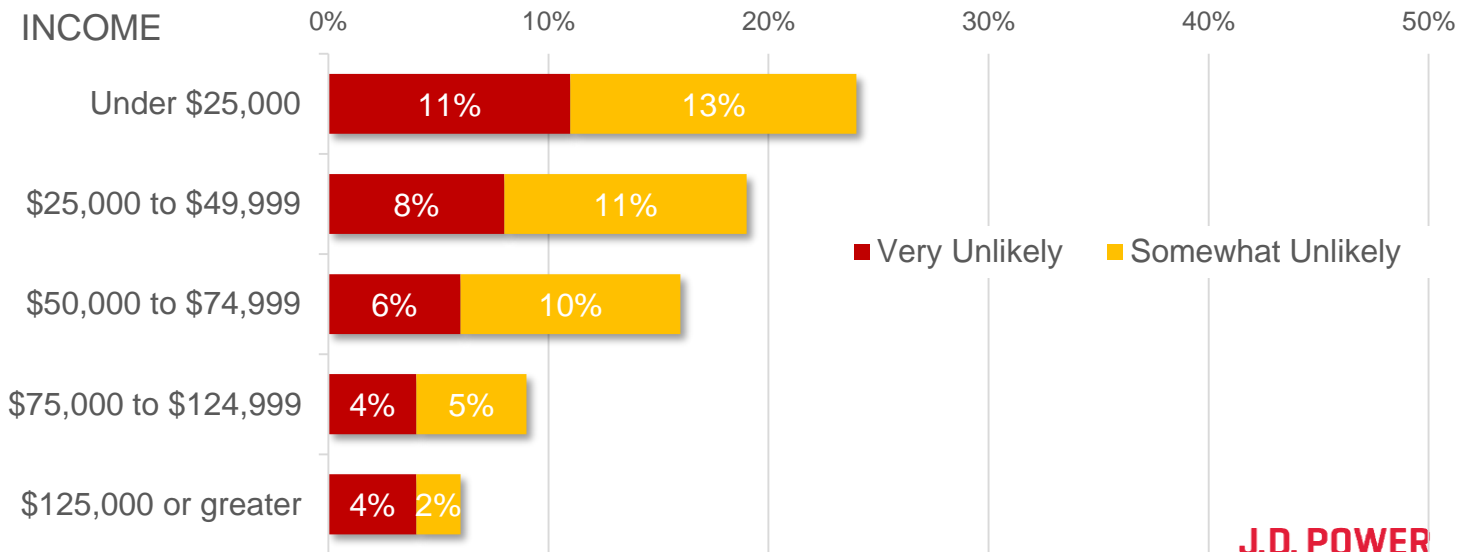
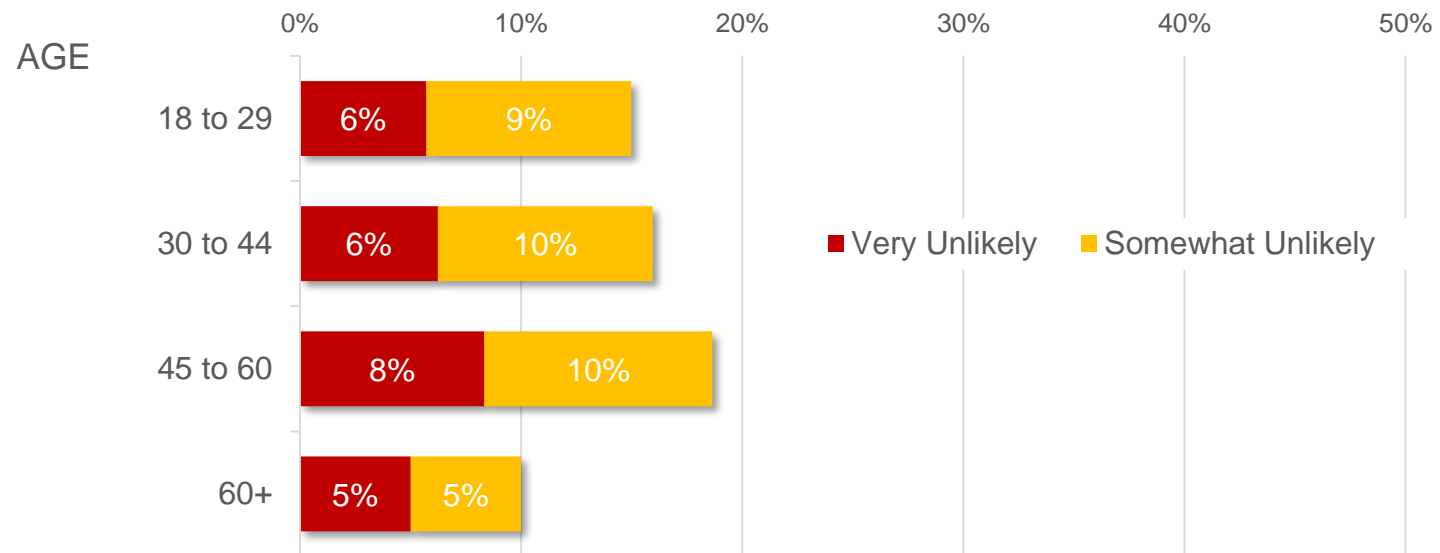


# No surprise low income will struggle more to pay bills next month

*But even some upper income households will be challenged to pay*

Age segments do not show much variation in likelihood to pay bills next month, except 60 years and older look to be in somewhat better financial shape to pay

## How likely are you to be able to pay all your monthly bills next month?



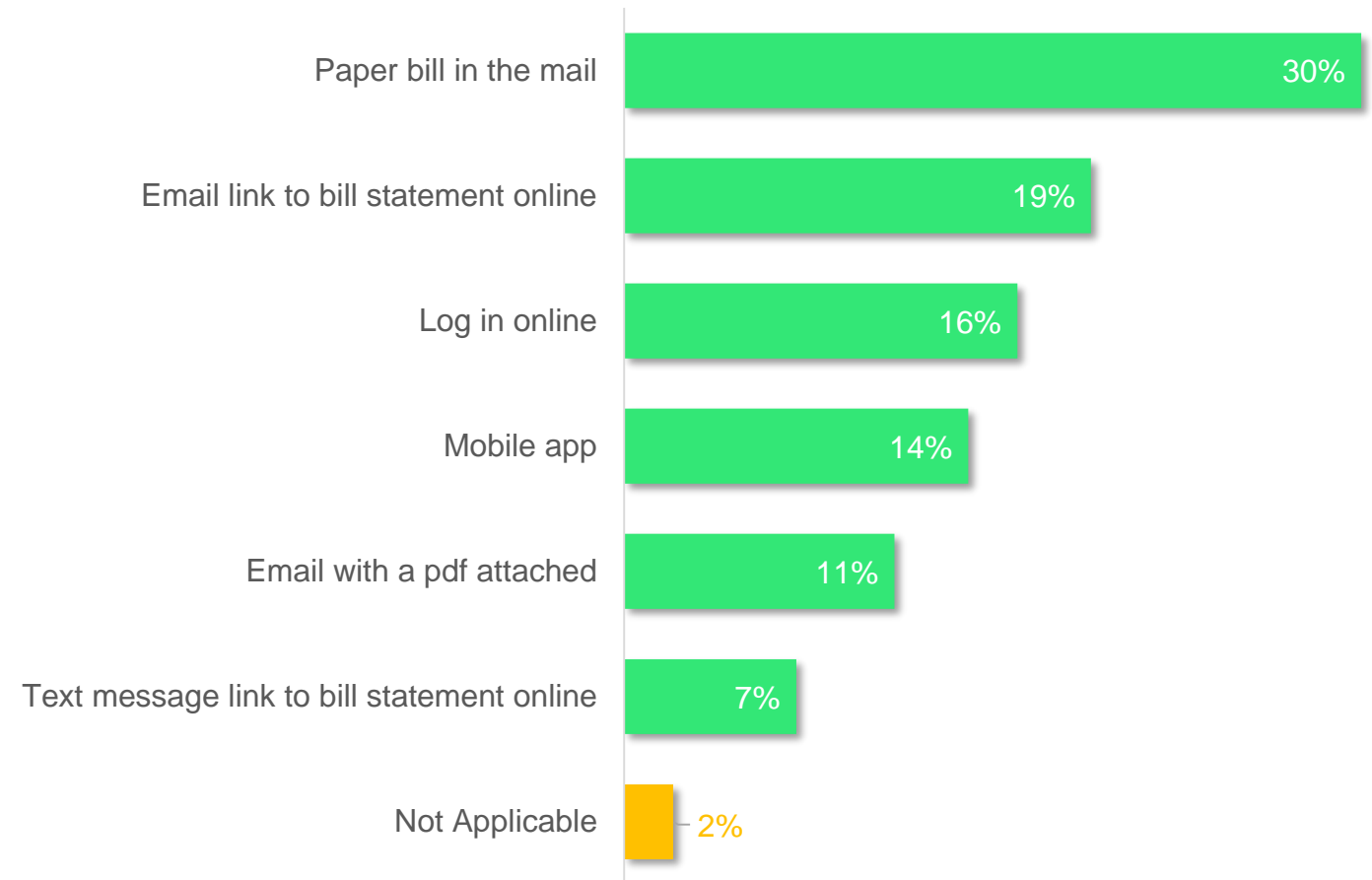
# Two-thirds prefer receiving digital bill statements

Nearly one-third of households still say they want a paper bill

Slightly more than one-third (35%) want to go online to see their bill (either via a link sent by email or logging in directly online)

Mobile apps are also preferred by some (14%) as a way to receive monthly bill statements

## Which is your most preferred way of receiving your monthly utility and telecom (mobile/internet/TV) bill statements?



Some percentages do not add up to 100% due to rounding

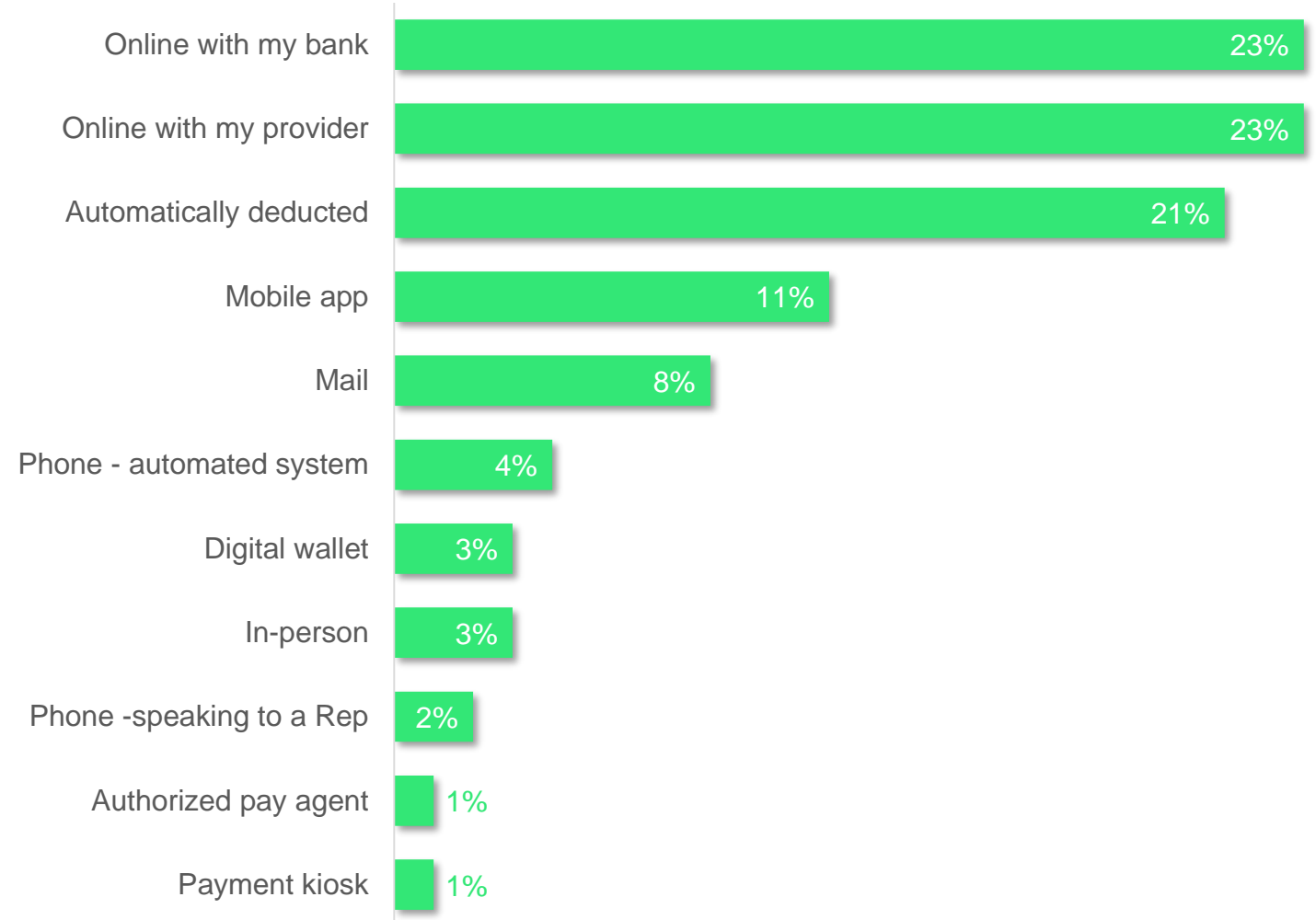


# Online is the most preferred bill payment method

However, it is evenly split between paying online at their bank versus paying online with their provider

Auto deduct also is a popular bill payment method, with Mobile Apps appealing to some as well

## Which is your most preferred way of paying your monthly utility and telecom (mobile/internet/TV) bills?



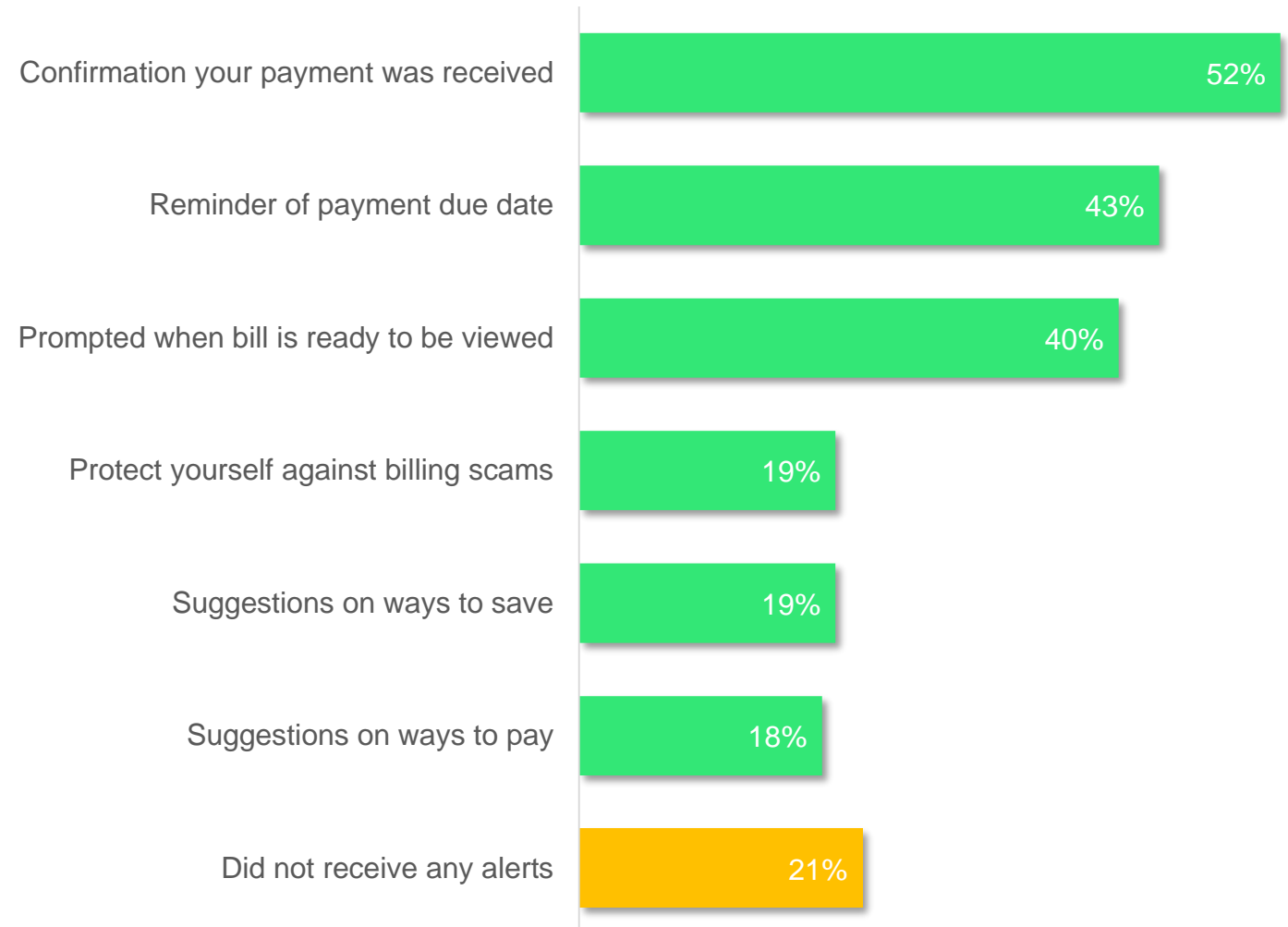
Some percentages do not add up to 100% due to rounding

# Recall of billing & payment communications is high

Only 21% of households do not recall receiving any notifications or alerts from their provider about billing or price topics

Respondents recall receiving an average of 1.9 types of billing and payment alerts and notifications

In the past month have you received any of the following notifications or alerts from your utility or telecom (mobile/internet/TV) providers?



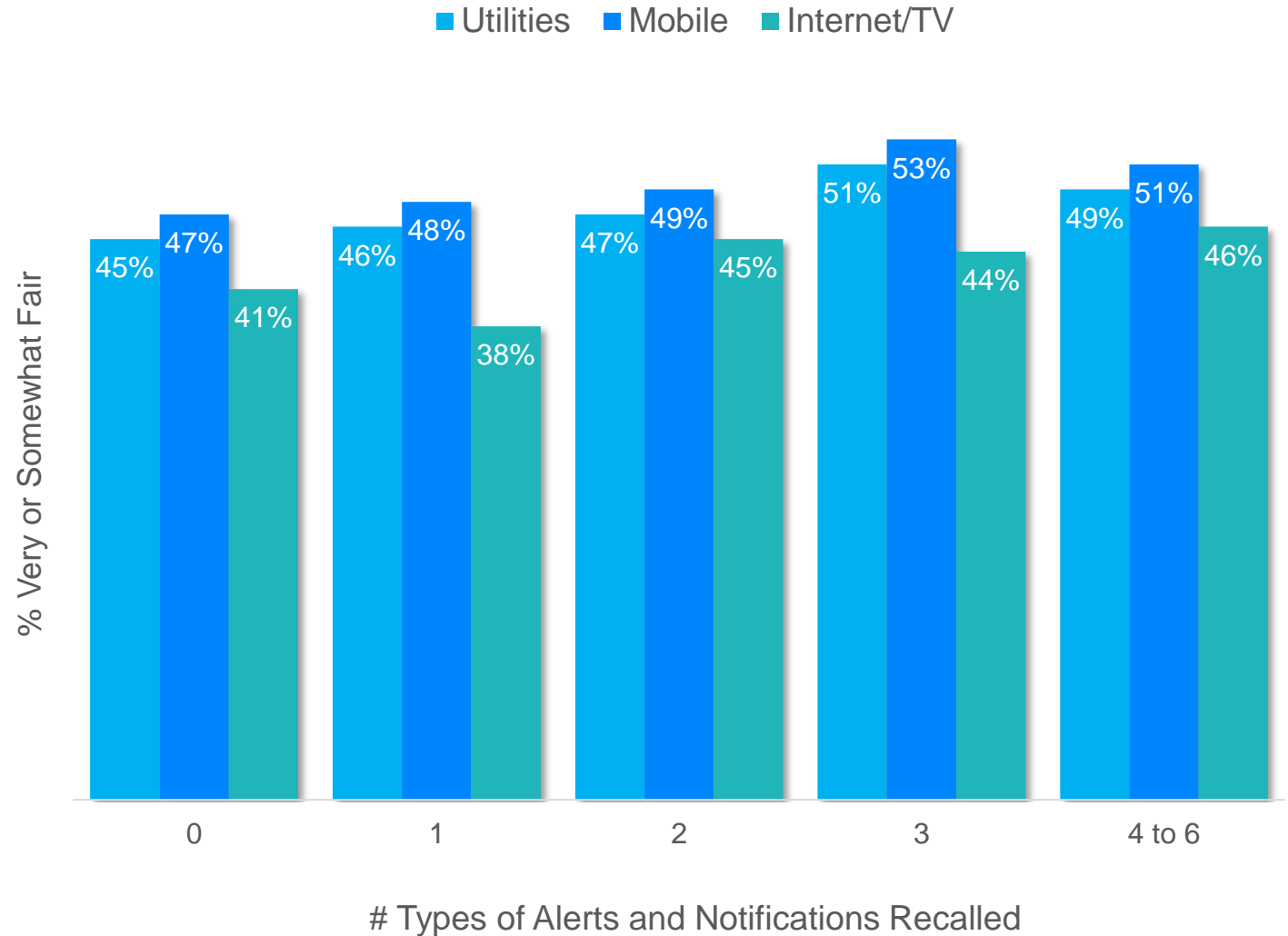
# Recall of Alerts & Notifications lift Fairness ratings only slightly

Receiving 3 alerts & notifications message types in a billing cycle seems to improve perceptions of *Fairness* the most

Utilities and mobile carriers see the biggest lift between zero and three alerts/notifications received and (+6% very or somewhat fair), while ISP/TV providers see a smaller gain (+3%)

- Rating Scale**
1. Very unfair
  2. Somewhat unfair
  3. Neither fair nor unfair
  4. Somewhat fair
  5. Very fair

Overall, how would you rate the fairness of billing and payment by your provider during COVID-19?



# Awareness of optional programs is generally low but varies

**Awareness of Website/mobile tools is the highest (33%) among seven common billing & payment programs**

Awareness of preference centers is not wide (25%), while 23% are aware of the option to make extended payment arrangements

Nearly four out of ten households (37%) of are unaware of any of these programs

Respondents are aware of an average of just 1.3 of these seven common billing and payment programs

## Are you aware of any of the following options your utility or telecom (mobile/internet/TV) providers offer?

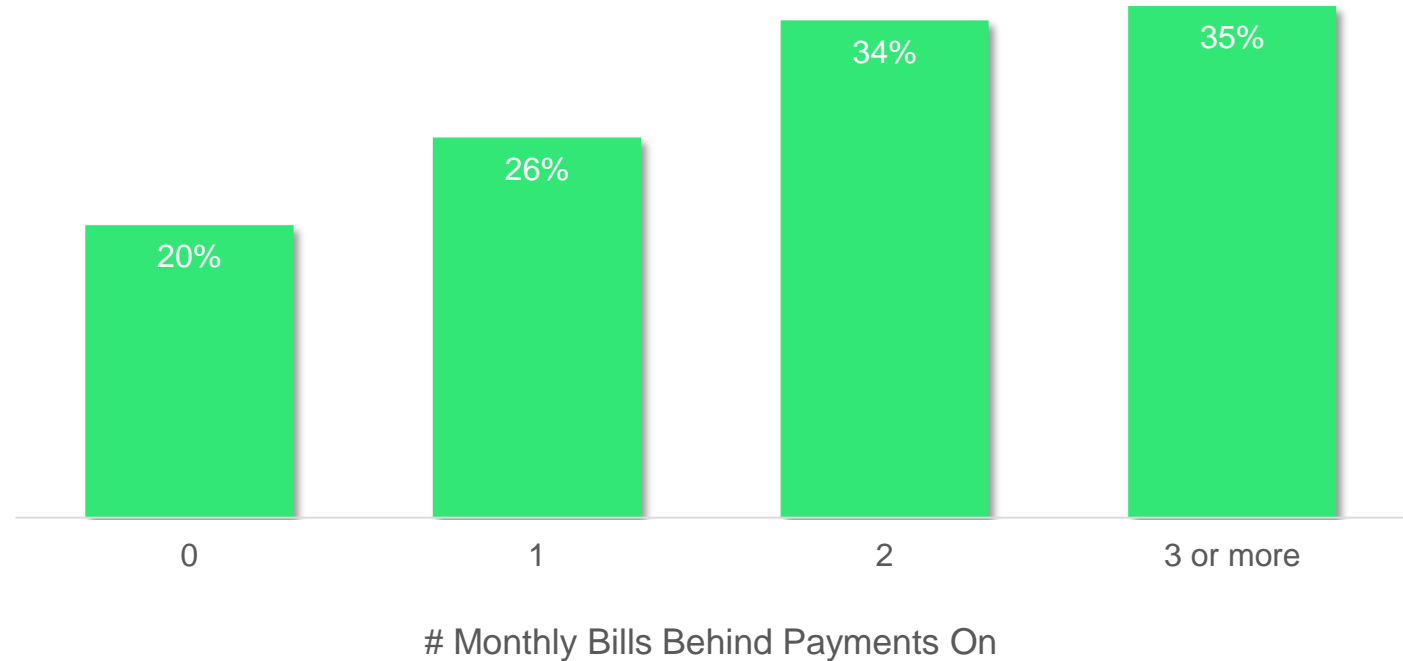


# Few customers know about payment extension plans

More than two-thirds of customers who are behind on paying their bills are unaware of programs to make extended payment arrangements

While customers who are behind on paying their monthly bills are more aware of programs to make extended payment plans than are customers who are current on their bill payments, there is a very large gap in awareness of the mechanisms to help customers pay past-due bills

## Awareness of Provider Program to Make Extended Payment Arrangements



# All providers benefit from maximizing awareness of programs

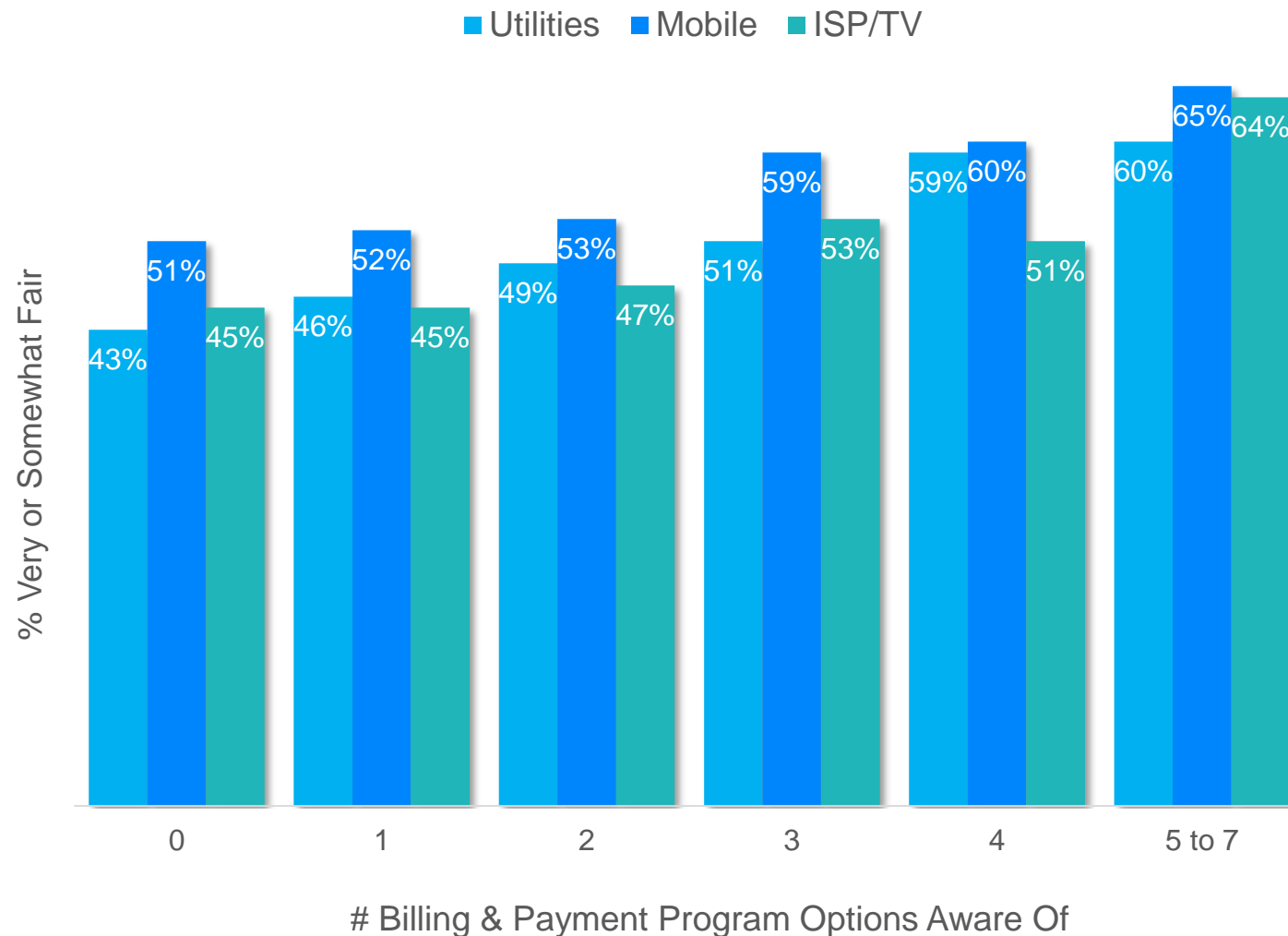
The more billing & payment program options customers are aware of, the higher the *Fairness* ratings

Internet/TV providers gain the most in Fairness ratings with program awareness (+19% from zero to aware of 5-to-7)

### Rating Scale

1. Very unfair
2. Somewhat unfair
3. Neither fair nor unfair
4. Somewhat fair
5. Very fair

## Overall, how would you rate the fairness of billing and payment by your provider during COVID-19?



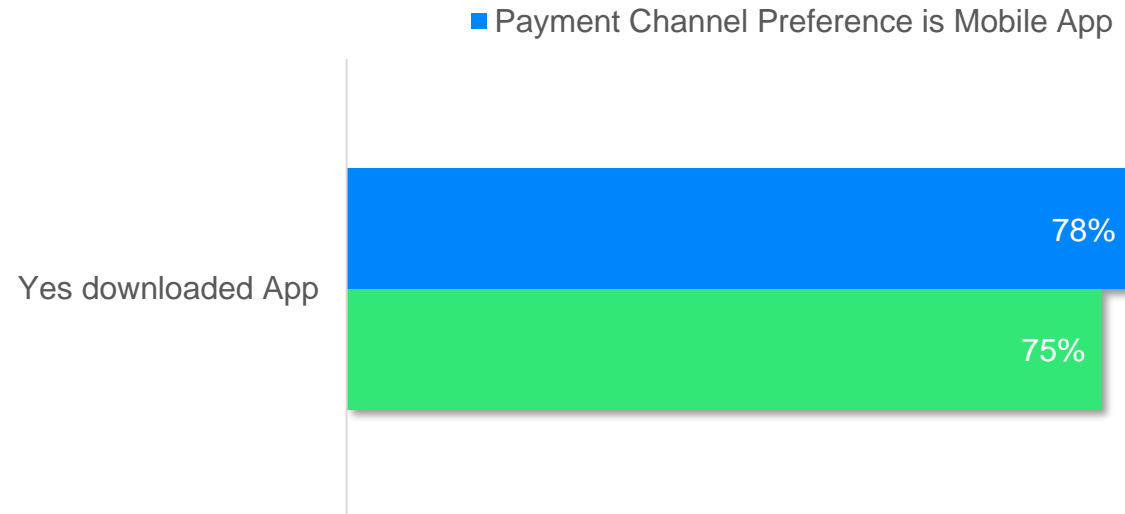
# More than half (53%) have downloaded a provider's mobile app

But not everyone who prefers to look at and pay bills via mobile app has downloaded an App

75% of respondents who said they prefer to receive their monthly bill statements via mobile app have downloaded a mobile app from their provider

78% of respondents who said they prefer to pay their monthly bill statements via mobile app have downloaded a mobile app from their provider

## Have you downloaded mobile apps from any of your utility or telecom (mobile/internet/TV) providers?



# Speaking to a Rep is the preferred way to make payment arrangements

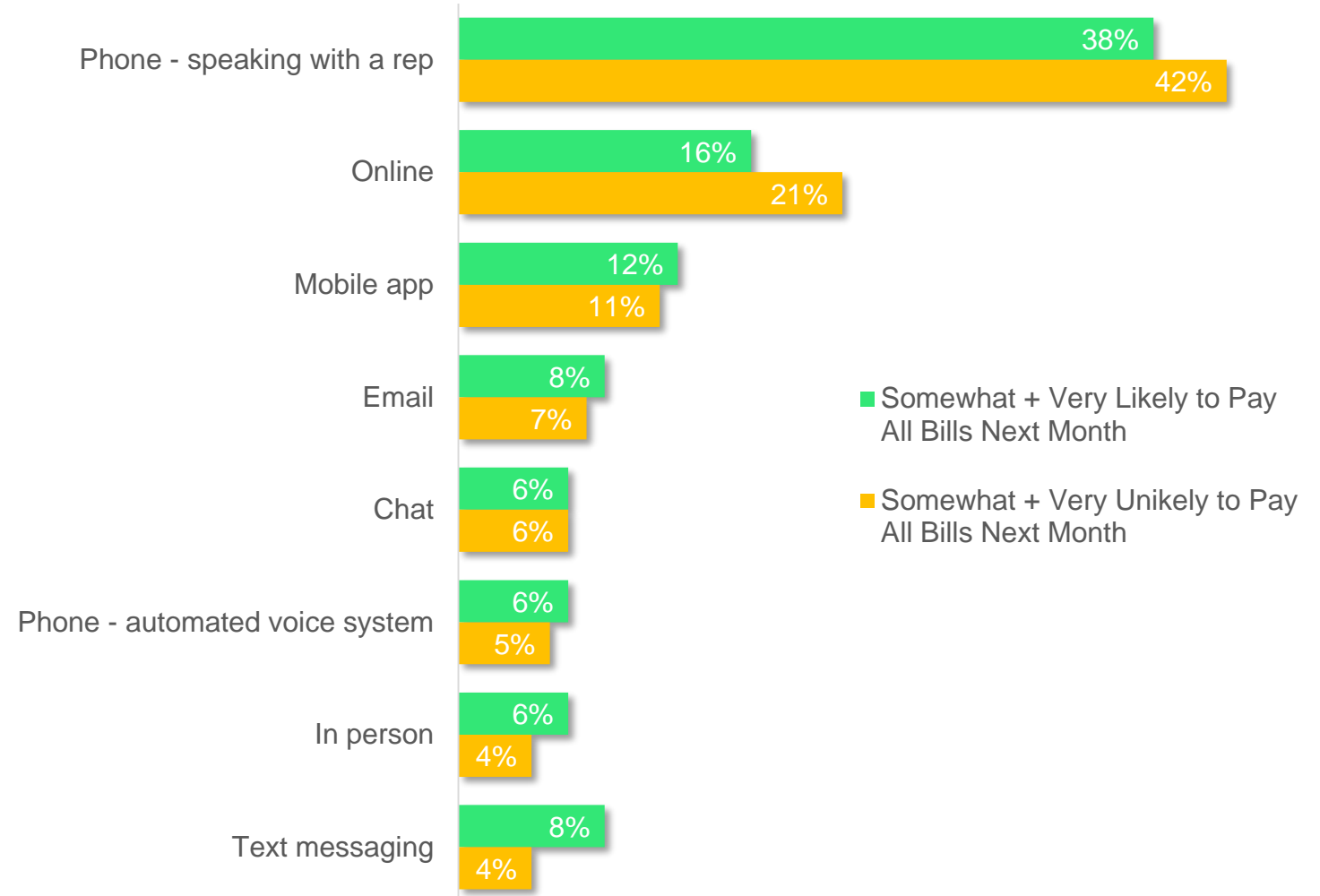
41% of all households would prefer to make extended payment arrangements by speaking with a CSR

Preferences among households who expect to struggle to pay bills next month lean slightly more to *Phone - speaking with rep* (42%) or *Online* (21%)

#### Response Scale

1. Very unlikely
2. Somewhat unlikely
3. Somewhat likely
4. Very likely

If you needed to make extended payment plans with your utility or telecom provider(s), which channel would you choose to make arrangements?



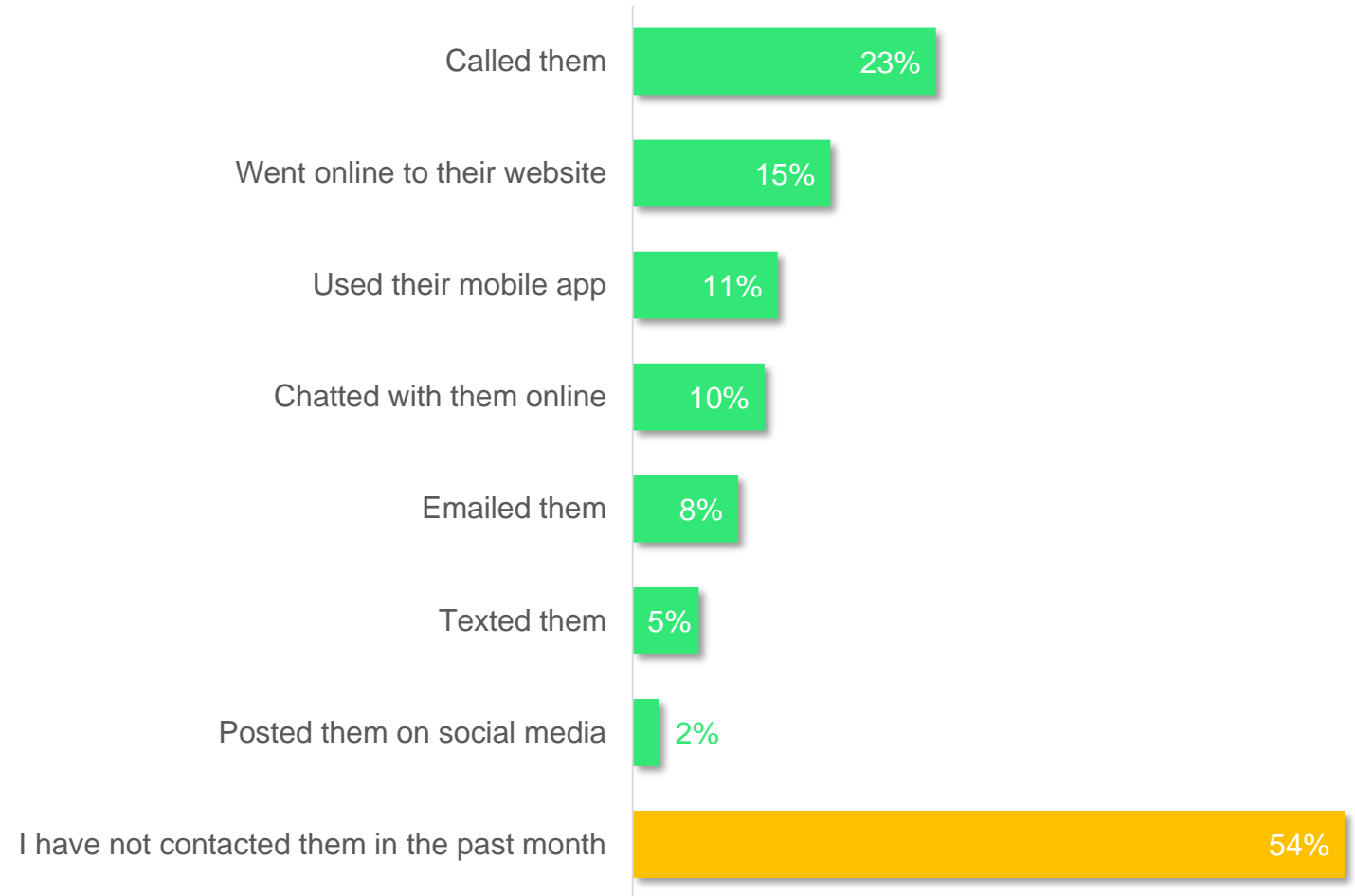


# Nearly half (46%) have contacted providers in the past month

## Calling and Online are the most used channels of contact

17% of all households have contacted providers two or more times in the past month

## Have you contacted your utility or telecom provider(s) for any reason in the past month?



# Contacting providers lowers *Fairness* ratings

## But use of multiple channels recovers *Fairness* ratings

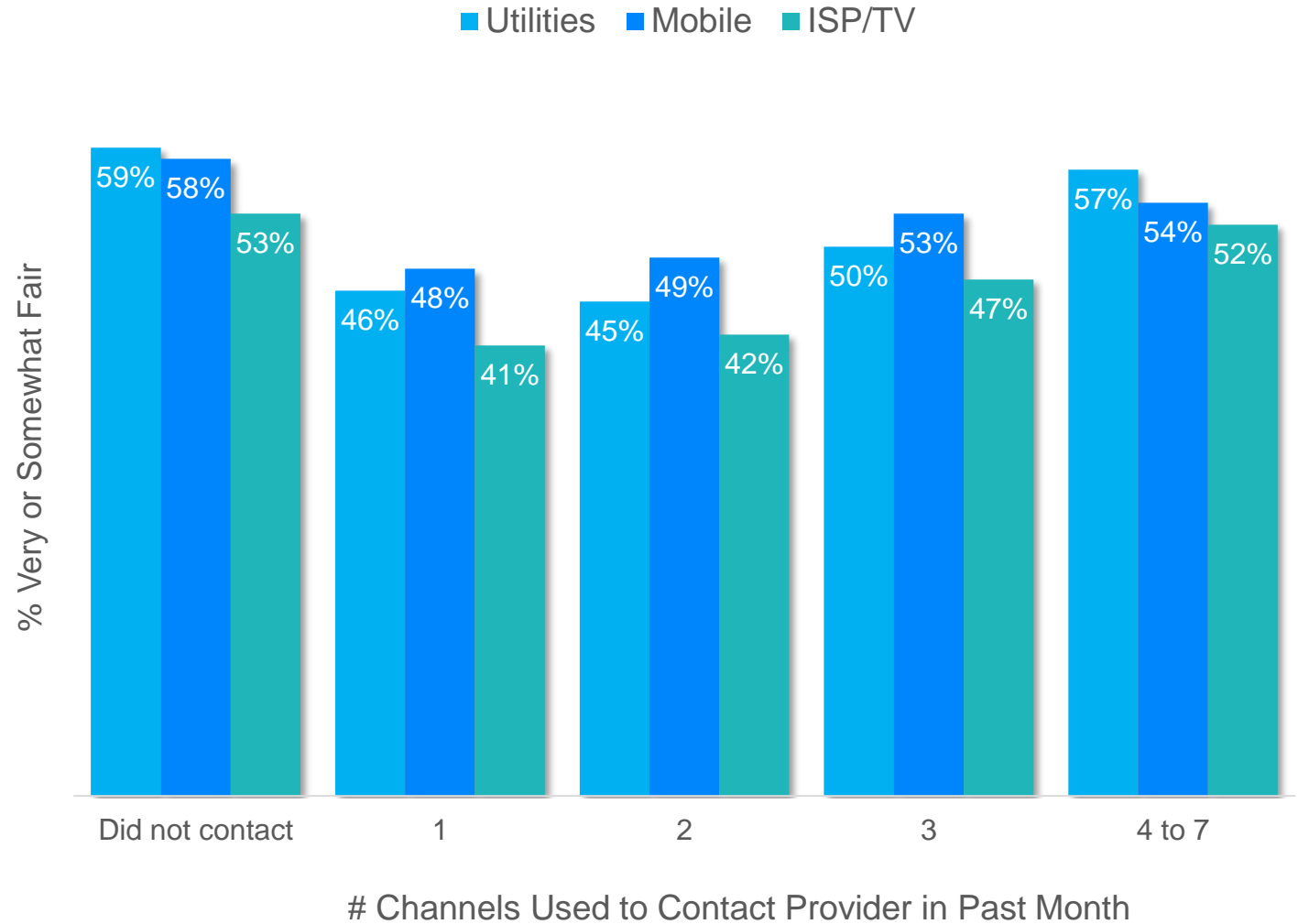
All provider types see a decline in *Fairness* ratings when households contact them

However, when customers use multiple channels (4 to 7) to contact their provider, *Fairness* ratings can recover to nearly equal households who never had to contact their provider

### Rating Scale

1. Very unfair
2. Somewhat unfair
3. Neither fair nor unfair
4. Somewhat fair
5. Very fair

Overall, how would you rate the fairness of billing and payment by your provider during COVID-19?



# Mobile Carriers rate highest in *Fairness*

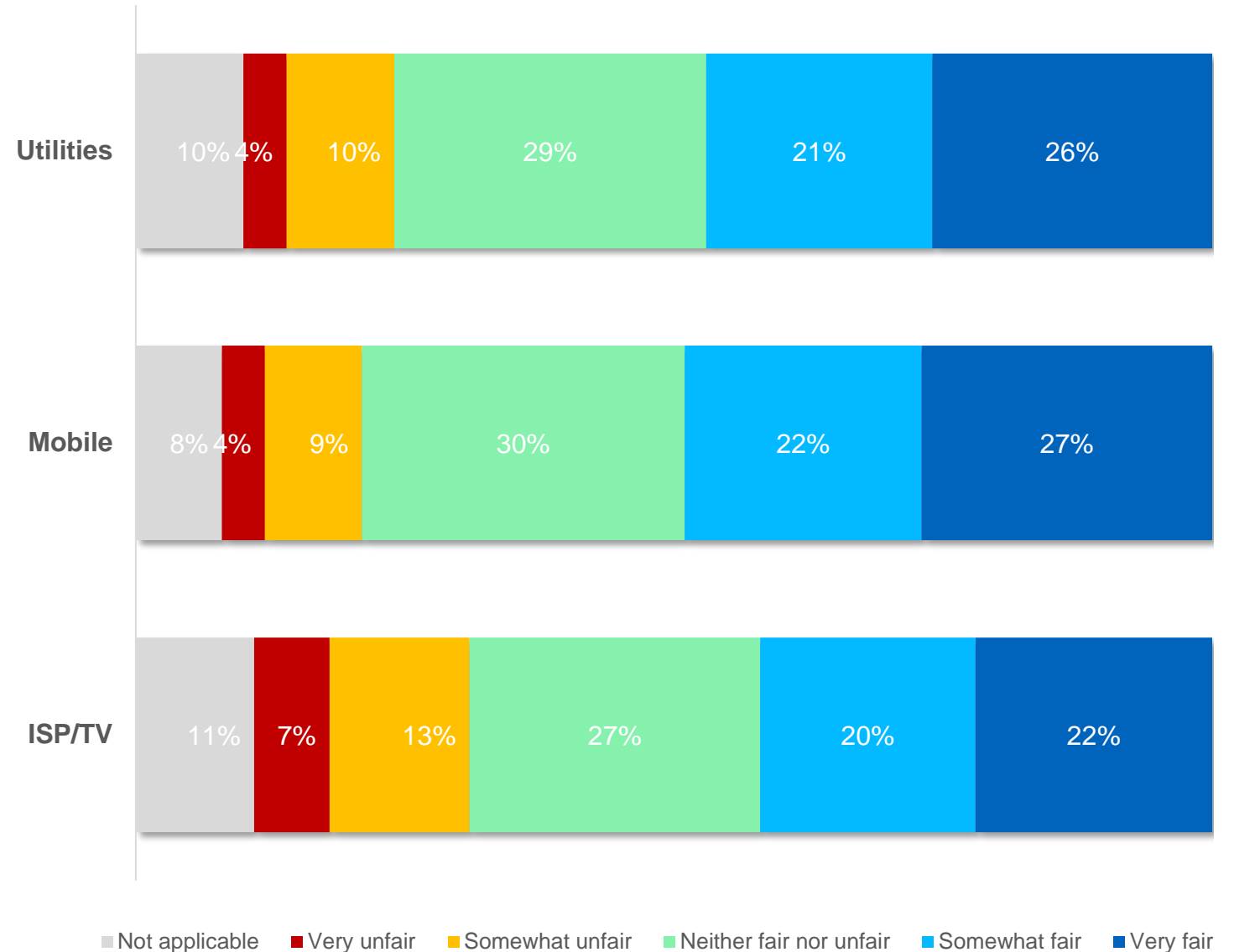
Utilities rate nearly as high as mobile carriers

Mean ratings (scale of 1 to 5)

- 1. Mobile 3.65
- 2. Utilities 3.62
- 3. ISP/TV 3.43

- Rating Scale**
- 1. Very unfair
  - 2. Somewhat unfair
  - 3. Neither fair nor unfair
  - 4. Somewhat fair
  - 5. Very fair
  - 0. Not applicable

Overall, how would you rate the fairness of billing and payment by your provider during COVID-19?



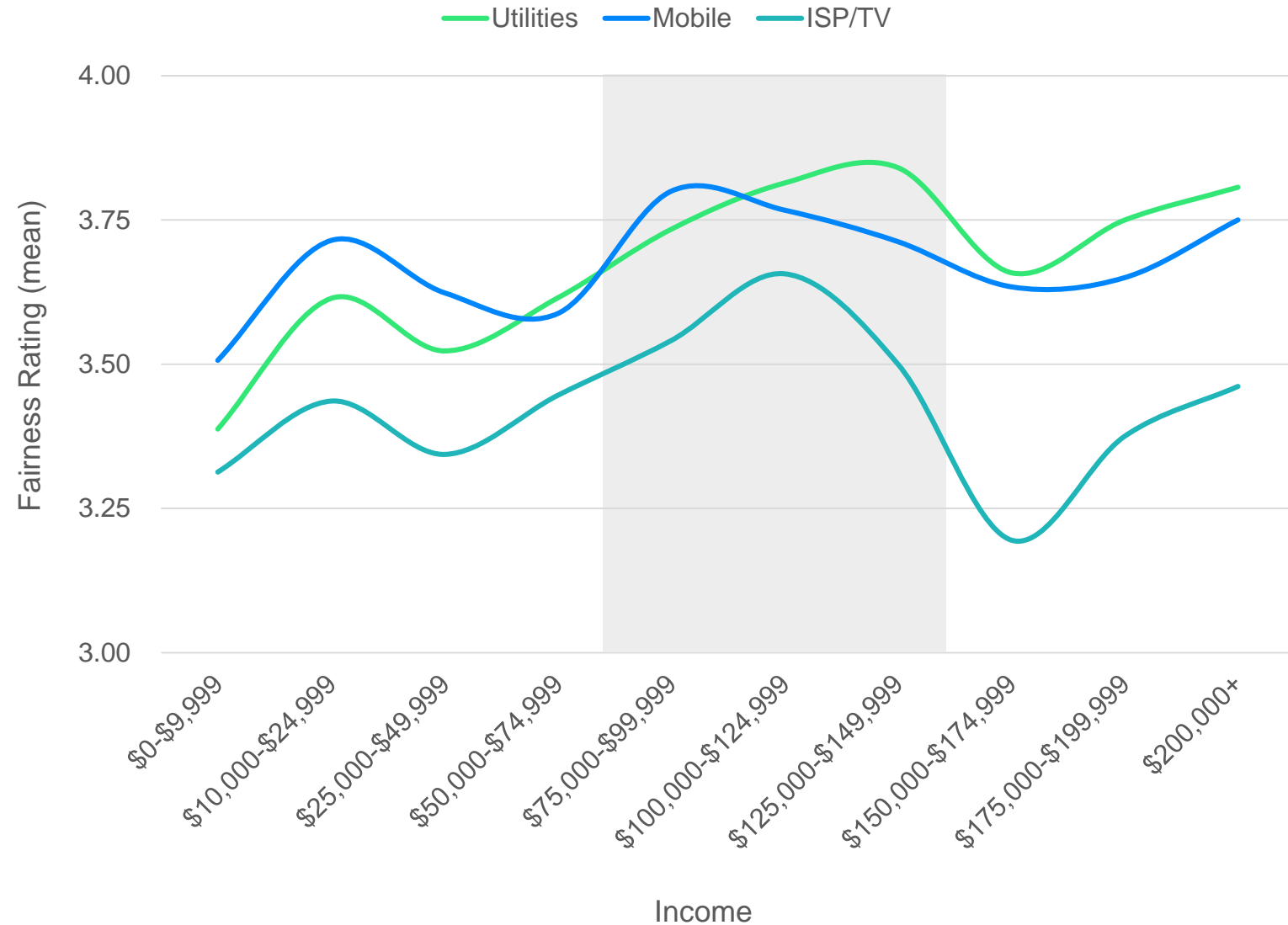
# Incomes below \$75,000 rate *Fairness* lowest

Mid-incomes from \$75,000 to \$149,999 rate *Fairness* higher

Higher incomes (\$150,000+) tend to rate *Fairness* the same or lower than mid-incomes

- Rating Scale**
1. Very unfair
  2. Somewhat unfair
  3. Neither fair nor unfair
  4. Somewhat fair
  5. Very fair

## Fairness Rating by Income





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