



What COVID meant, and means, for home upgrades in 2021

A comparison of the 2020 and 2021 COVID-19 Residential Surveys

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Key takeaways

- More US and Canada residential survey respondents plan to make home upgrades in 2021 than in 2020. But they're still delaying upgrades because of COVID-19.
- Some of your customers are ready to make upgrades now. Close to 30% of respondents who reported increased income during the pandemic have already made at least one upgrade during 2021.
- Using Claritas PRIZM Premier customer segments, we found that the Sustaining Families and Striving Singles lifestage groups are still the most likely to report that they plan to complete an upgrade before the end of 2021.
- As the pandemic continues, you can use virtual and hybrid program models to help customers save energy and money. Target your programs to the right segments and make sure your messaging is sensitive to customers who are still struggling.

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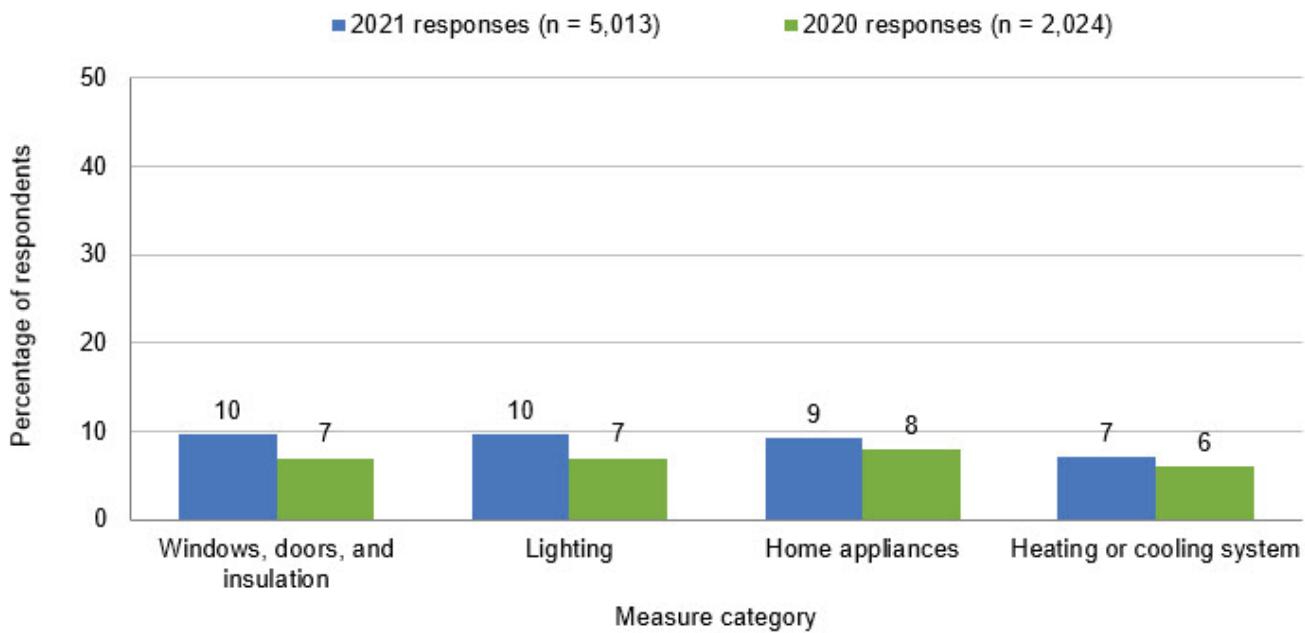
[What we found in our COVID-19 Residential Survey](#)

What you can do to serve customers who are interested in upgrades

In May 2020, people in the US and Canada who responded to the [E Source COVID-19 Residential Survey](#) reported that they were delaying all types of home upgrades due to the pandemic. When we conducted the survey again in February 2021, we found that more respondents are planning to make upgrades in 2021 than 2020 (**figure 1**). But respondents are still delaying projects until later in the year. Customers may be more willing to make upgrades in 2021 as vaccines become more available in the US and authorities lift COVID-19 restrictions.

Figure 1: Which upgrades respondents' planned or plan to complete in 2020 and 2021

For each upgrade, respondents were at least one percentage point more likely to plan to complete an upgrade during 2021 than 2020. Windows, doors, and insulation had the highest increase and could be the best programs for you to focus on for the remainder of 2021.



Base: Respondents from the US and Canada who answered "I have plans to complete this upgrade in 2020 [2021]." (n varies).
Question S5_4: Thinking about upgrades to your primary residence, please select the action or actions that most closely align with your plans for 2020 [2021] for each upgrade. **Note:** We asked the same question in 2020. © E Source (2020 and 2021 COVID-19 Residential Survey)

It's important that you convert those customers who plan to make upgrades into program participants. Our survey found that 25% of respondents still plan to complete at least one upgrade in 2021. We also found that 18% of all respondents have already made an upgrade this year. This may mean that more of your customers are interested in making upgrades now. Engaging each customer segment with the right program strategy will help you increase program participation and hit your energy savings targets.

The methodology behind the 2020 and 2021 E Source COVID-19 Residential Survey

Note that the 2020 and 2021 COVID-19 Residential Survey had different sample sizes and weighting schemes. These differences may factor into the results.

We asked residential utility customers across the US and Canada for their thoughts on how their utilities have responded to the pandemic. We included questions on customer satisfaction, billing and payment, and utility programs.

We first fielded the survey online in May 2020 with 2,024 residential utility customers. We included customers of electric, natural gas, and water utilities. We recruited participants using a purchased sample of US and Canadian residential households from Dynata, a global online market research firm.

We fielded the second iteration of this study in February 2021 with 5,013 residential utility customers. We added a few new questions and response options to the questionnaire but kept the overall survey the same so we can identify trends from study to study.

We set quotas for gender, age, income, and geographic location. We applied a postfieldwork weighting scheme using geographic and demographic data to make sure responses were representative of US and Canadian populations. In general, a sample size of 2,000 completed surveys yields a margin of error of about $\pm 2\%$ at the 95% confidence level. When looking at a subgroup of responses, the margin of error increases.

To help you find these customers and enroll them in your programs, we analyzed survey data and compiled our recommendations.

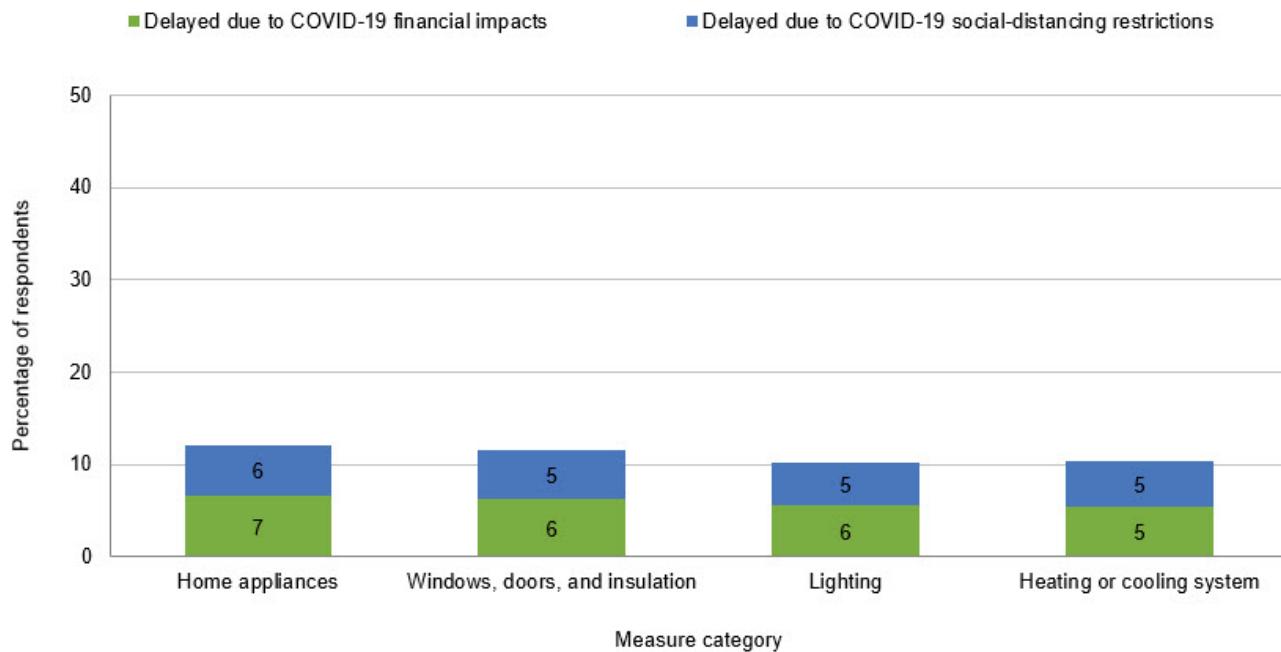
What we found in our COVID-19 Residential Survey

Respondents are still delaying home upgrades in 2021 because of COVID-19

Although more respondents are planning home upgrades this year, they're still delaying upgrades at similar rates because of the pandemic (**figure 2**). At least 10% of respondents reported delaying an upgrade in 2021. Because people are delaying their planned upgrades, you should expect a spike in customer program participation toward the end of the year as long as vaccination rates continue to increase and COVID-19 cases decline in the US and Canada.

Figure 2: Respondents delaying upgrades due to COVID-19 in 2020 and 2021

Less than 15% of respondents are delaying upgrades across all measures because of COVID-19 social-distancing restrictions or financial impacts in 2021.



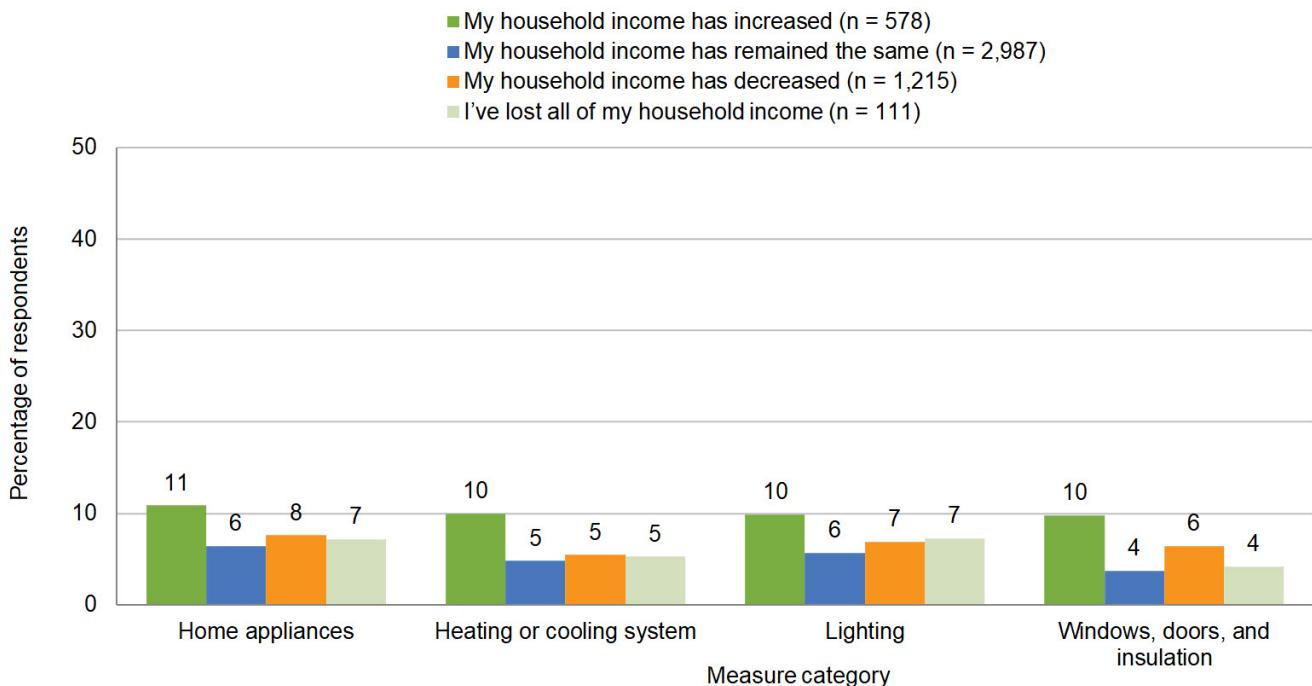
Base: Respondents from the US and Canada (n = 5,013). **Question S5_4:** Thinking about upgrades to your primary residence, please select the action or actions that most closely align with your plans for 2021 for each upgrade. **Note:** Data shown is from respondents who answered "I had plans to complete this upgrade in 2021, but they will be delayed due to household financial impacts from COVID-19" or "I had plans to complete this upgrade in 2021, but they will be delayed due to social-distancing restrictions." © E Source (2021 COVID-19 Residential Survey)

Respondents whose income increased during the pandemic made upgrades

In the 2021 COVID-19 Residential Survey, 29% of respondents whose household income had increased during the pandemic reported that they've already completed an upgrade this year. This group is more likely to have already made upgrades than those who have lost all their income, who saw their income decrease, or whose income stayed the same (**figure 3**).

Figure 3: How income affected respondents' 2021 home upgrades

Respondents whose income increased during the pandemic reported installing upgrades across all measure types in 2021.



Base: Respondents from the US and Canada (n varies by pandemic impact). **Question S5_4a:** Please select the action(s) that align with your plans for 2021. (Showing responses for "I already installed the upgrade") **S6_5:** How has COVID-19 impacted your household income? © E Source (2021 COVID-19 Residential Survey)

Consider marketing programs to customers whose income increased during the pandemic. But you should make sure that your messaging is still sensitive to customers who are struggling financially and can't afford to make upgrades yet.

Respondents whose income stayed the same or decreased during the pandemic (including those who lost all income) were most likely to report making upgrades to home appliances and lighting. This might be because appliance and lighting upgrades tend to be cheaper than HVAC or envelope upgrades.

Sustaining Families and Striving Singles are still the most likely to complete home upgrades in 2021

Learn more about Striving Singles and Sustaining Families

Visit Claritas's [Segment Details](#) page to explore these lifestage groups and their segments.

Striving Singles. This lifestage group has an index score of 105 for planning to complete at least one upgrade before the end of 2021.

According to Claritas, people in this group:

- Are in cities and rural areas
- Have low incomes (often under \$30,000)
- Work in service jobs or have part-time work

- Enjoy “outdoor sports, movies, music, fast food, and inexpensive cars”

The segments that make up Striving Singles are:

- [Red, White & Blue](#)
- [New Melting Pot](#)
- [Small-Town Collegiates](#)
- [Low-Rise Living](#)
- [Family Thrifts](#)
- [Young & Rustic](#)
- [New Beginnings](#)

Sustaining Families. This lifestage group has an index score of 134 for planning to complete at least one upgrade before the end of 2021.

According to Claritas, people in this group:

- Are in urban neighborhoods
- Have “blue-collar and service jobs”
- Have incomes that limit their housing to “small, older apartments or houses”
- Have modest lifestyles and are “into playing games and sports, shopping at discount chains and convenience stores, and tuning into nearly everything that airs on TV and radio”

The segments that make up Sustaining Families are:

- [Multi-Culti Mosaic](#)
- [Urban Modern Mix](#)
- [Multi-Culti Families](#)
- [Second City Generations](#)
- [Bedrock America](#)

Our survey revealed that 25% of respondents plan on completing at least one home upgrade before the end of 2021. To help you identify who those customers are, we generated national index scores for [Claritas PRIZM Premier](#) lifestage groups. An index score shows a group’s likelihood to do or be something compared to an average of 100. An index score of 300 means a segment is three times as likely to do or be something. And a lifestage group is a collection of segments with similar ages, incomes, and number of children.

The Striving Singles and Sustaining Families groups indexed higher than average for planning at least one upgrade in 2021. Consider these segments and their characteristics when developing marketing campaigns for your energy-efficiency rebate and incentive programs.

What you can do to serve customers who are interested in upgrades

Offer virtual and hybrid program options for customers throughout and after the pandemic

The hybrid approach allows you to minimize time spent in customer homes for safety while still saving energy.

As the pandemic continues to impact your customers financially, and as some COVID-19 restrictions remain in place, we recommend offering virtual or hybrid upgrade options. The hybrid approach allows you to minimize time spent in customer homes for safety while still saving energy. After a virtual assessment, you can mail customers energy kits or allow contractors to install upgrades with enhanced safety requirements. Learn more about how other utilities have successfully implemented a hybrid residential program model during COVID-19 in our report [>Why hybrid residential direct-install programs work during COVID-19 and are here to stay.](#)

Use targeted messaging to market programs to the right customers and be sensitive to those who are still struggling

As we enter the next phase of the pandemic, some customers will be willing and able to participate in programs again, while others are still struggling financially because of COVID-19. You should use specific marketing and messaging for each customer segment to meet their unique needs. To learn about other utilities' summer marketing and communications plans and how they're adapting COVID-related messaging watch the [>Exchange: The next phase of COVID-19 marketing and communications](#). You can also read about the next phase in our report [>The next phase of COVID-19 communication strategies.](#)