How Do You Attract Next-Generation Utility Customers?

By Keenan Samuelson

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Utilities may be the only companies that can deliver energy, but they're not the only ones that can deliver energy-related experiences. New competitors are entering the market almost every day, edging out utilities.

At a December 2017 E Source web conference, we shared our perspective on the current utility landscape as well as our predictions for the future.

Check out the recording below.

Utilities now have a strategic imperative to embed customer experience (CX) methodologies into every department that has customer contact. Only a comprehensive CX program can help utilities develop and refine a desirable and differentiating energy experience.

5 Shifts in Customer Expectations

Innovations in technology and changes in consumer psychology have created a new kind of utility customer with different expectations. Future utility customers want:

• More buying choices
• Social status
• Convenience and flexibility
• Speed and efficiency
• Custom options

At the 2017 E Source Forum, we presented our research on the subject. Watch an excerpt from the presentation below.

Although we see shifts in customer expectations across all consumer groups, these traits are most pronounced among younger consumers who have greater buying power in the marketplace, and older generations will follow suit, adopting and displaying the same preferences.

How Change Will Affect the Utility-Customer Relationship

Customers' ever-changing expectations and the new technology available to them will affect all of the energy and customer service experiences in the utility-customer relationship.

Service providers will need to adapt to changes in customer service expectations, but utility customers don't place a lot of importance on how bills are presented. In many respects, it's the value that gets delivered that matters most—whether it's in the form of energy savings, low rates, or reliable service. The importance of valuing relationships, shortening lines, and providing quick fixes will continue to rise.

Energy-Use Advice

Within the next 15 years, nearly all appliances will have the capability to be Internet-connected, enabling coordinated, collective energy consumption for households. Consumers will expect an AI-enabled energy experience, and vendors such as Google, Amazon, and Nest are already providing it.

Energy-Efficiency Upgrades

Rebates from utilities (and government organizations) have been the only major financial incentives for consumers to invest in energy efficiency. But what's changing is that today consumers look for higher efficiency and inflexible. But competitors such as Renovate America Inc. are simplifying and customizing the process. The company's HERO Program offers an easy application process and no-money-down financing on more than a million energy-efficient and renewable energy products.

Power Delivery

Future customers will continue to purchase rooftop photovoltaic panels, and we predict more of them will participate in community solar projects. The future of the utility business has moved from a focus on delivering electricity to customers, to providing customers with an ecosystem of products and services that deliver energy and cost savings.

Why Utilities Should Invest in CX Strategy

Utility companies have two primary assets: delivery infrastructure and customer relationships. Poles and wires will be available to many competitors, but relationships are not. Customer experience, and consumers can craft their own energy experiences, potentially rendering utilities irrelevant.

To meet future customers' expectations and create loyal advocates, utilities must build a comprehensive CX discipline. Only a customer experience. The only way to retain valuable relationships with energy consumers is to invest in a CX strategy.

Want to read more of our research and analysis? Members of the E Source Customer Experience Strategy Service can get the whole story in our new report Why Utilities Need a Comprehensive CX Program to Survive in the Future.

About the Author

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Keenan Samuelson focuses on strategies to enhance the utility customer experience. He spends the majority of his time conducting research on consumer behavior for the E Source blog. He has a bachelor's degree in both marketing and sustainable development from the University of Colorado Boulder.

Talk back!

Let us know what you think. If you want to weigh in or chat about this topic, just email Kym Wootton, E Source vice president of Marketing.