



How do residential customers typically pay their bills?

By Laura Ruff, Rachel Cooper

July 2, 2018

US residential customers typically pay their bills using automatic payment or online through their service provider's website, but bill pay methods vary by demographics—especially age and income—according to data from the 2017 Claritas Technology Behavior Track and Energy Behavior Track studies (**Figure 1**). It's important to offer customers choices in how they pay their bills and interact with billing and payment information. By understanding their payment preferences by customer segment, you're more likely to get your message right.

Figure 1: Most people pay their bills online

The top three channels customers use to pay their bills across five service providers are automatic payment, online through the service provider's website, and postal mail.

Service provider

Payment channel		Electric utility (n = 30,973) (%)	Internet (n = 31,992) (%)	Landline (n = 16,495) (%)	Mobile (n = 25,456) (%)	TV (n = 25,271) (%)
	Automatic payment	35	36	35	36	37
	Online through service provider's website	33	28	26	28	27
	Postal mail	21	15	20	9	15
	Walk-in customer service center	14	10	11	8	9
	Phone with an automated system	10	8	7	8	8
	Online through other website	8	7	7	5	7
	Phone with a live service representative	5	4	3	3	4
	Mobile app	2	2	1	5	2
	Mobile wallet	1	NA	NA	NA	NA

Base: Customers of the service (n varies by service provider). **Question TBT A15, B14, C7, C20:** Thinking about the past 3 months, please indicate which of the following ways you have paid your subscription [Internet, landline, mobile, TV] bill. Please select all that apply. **EBT A7:** Thinking about the past 12 months, please indicate which of the following ways you have paid your electricity bill. Please select all that apply. **Note:** NA = not asked.

© E Source; data from 2017 Claritas Technology Behavior Track and Energy Behavior Track

Service provider

Payment channel	Electric utility (n = 30,973) (%)	Internet (n = 31,992) (%)	Landline (n = 16,495) (%)	Mobile (n = 25,456) (%)	TV (n = 25,271) (%)
-----------------	---	---------------------------------	---------------------------------	-------------------------------	---------------------------

Base: Customers of the service (n varies by service provider). **Question TBT A15, B14, C7, C20:** Thinking about the past 3 months, please indicate which of the following ways you have paid your subscription [Internet, landline, mobile, TV] bill. Please select all that apply. **EBT A7:** Thinking about the past 12 months, please indicate which of the following ways you have paid your electricity bill. Please select all that apply. **Note:** NA = not asked.

© E Source; data from 2017 Claritas Technology Behavior Track and Energy Behavior Track

Billing and payment communications are an excellent opportunity to engage with your customers on a monthly basis. For effective communications, be sure to meet customers where they are by understanding their preferred channels. Segmenting your customers by age or income level can help you target the right messages to the right customers through the right channels.

Top bill pay channels by customers' age



18 to 44:

1. Online through a service provider's website
2. Automatic payment
3. Walk-in customer service center



45 to 54:

1. Online through a service provider's website
2. Automatic payment

3. Postal mail



55 and older:

1. Automatic payment
2. Online through a service provider's website
3. Postal mail

Top bill pay channels by customers' income

The most common channels customers of all income levels use to pay their bills are online through autopay or a service provider's website. However, as income increases, the use of autopay also increases. At least 40% of customers who make over \$75,000 pay their bills through autopay compared to the 25% or less who make under \$25,000 and use autopay.

Lower-income customers are more likely to pay their bills using:

- Walk-in centers
- Phone via interactive voice response system or a live agent
- Postal mail

Higher-income customers are more likely to pay their bills using:

- Autopay
- Online through websites other than the service provider's site

Marketing autopay to higher-income customers may result in higher usage of this channel. But you can also increase lower-income customers' use of autopay by letting them pick their payment schedules or use prepay options.

Website design advice

It's a best practice to make online billing and payment options easy to find via a search engine or within the utility website. Be sure to provide tables and charts explaining billing information and clearly outline the different payment methods and fees.

The [E Source Utility Website Design Center](#) helps utilities build websites that customers love. The tool contains links to our biannual [E Source Website Benchmark Study](#) and design guides showing screen captures of best-in-class industry websites as well as best practices and pitfalls to avoid.

About these studies

Data are drawn from two Claritas studies, each conducted online with about 32,000 US residential customers. The 2017 Energy Behavior Track survey is conducted in partnership with E Source to understand customers' energy usage and behaviors. You can view data from the survey in the [E Source Residential Customer Insights Center](#), an online analysis tool. The 2017 Technology Behavior Track survey is designed to understand the household usage and behaviors of services such as television, Internet, phone, and other consumer electronics.