

2016 INDUSTRY RESEARCH: UTILITIES



Connected Utilities Report

Insights into Consumer Experiences
with Utility Companies



Introduction

To better understand how consumers choose, communicate and select services with their utility companies, Salesforce Research is releasing its “2016 Connected Utilities Report.” This survey was conducted online in the United States by Harris Poll on behalf of Salesforce, Sept. 7-9, 2016, among 2,034 adults ages 18 and older.

The report found that Americans today primarily use traditional channels to communicate with their utility companies and that many believe their overall experiences could be improved. Customer service is lacking and many Americans who have interacted with a utility company don't receive personalized services based on their preferences. In addition, utility companies could better arm both their customers and field service agents with updated mobile technology. Finally, consumers want to connect with their providers in more modern ways through personalized service, smart home devices and green energy options. Utility companies that engage with their customers through more personalized services, give consumers the option of integrating with smart home devices and provide environmentally green energy are setting themselves up for success in the future.




















































I. How Consumers Interact with Utility Companies Today

Communication between consumers and utility companies – such as scheduling routine services or reporting problems – is still primarily done through traditional channels, with 70% of these interactions taking place over the phone.

Base: All Respondents

Which of the following forms of communication do you currently use to interact with your utility company (e.g., schedule service, report a problem, speak with customer service)?

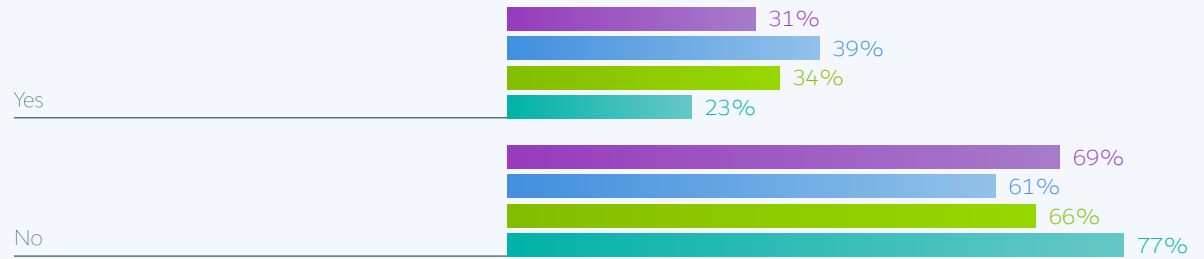
	All	Millennials (18-34)	Generation X (35-54)	Baby Boomers (55+)
 Phone	 70%	 63%	 67%	 76%
 Email	 31%	 38%	 32%	 26%
 In-person	 20%	 28%	 20%	 16%
 Postal Mail	 18%	 24%	 16%	 15%
 Website	 13%	 15%	 12%	 12%
 SMS/Text	 12%	 20%	 11%	 6%
 Social Media	 10%	 19%	 9%	 4%
 Mobile App	 9%	 18%	 10%	 3%
 Chat/IM	 7%	 13%	 8%	 2%
I do not interact with my utility company	 16%	 19%	 16%	 14%



I. How Consumers Interact with Utility Companies Today

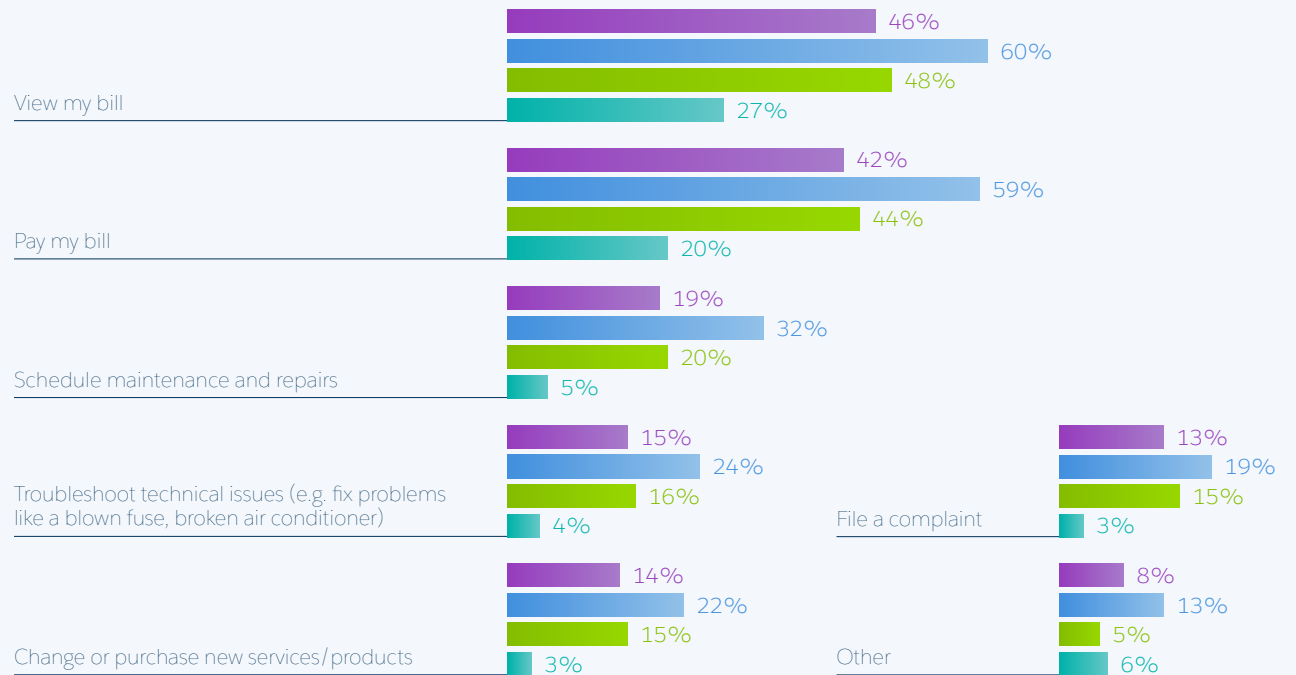
Despite the proliferation of mobile phones, only 31% of Americans say their utility companies offer a mobile app. For Americans whose utility companies do offer a mobile app, they primarily use it to view account balances (46%) or pay bills (42%). Not surprisingly, millennials are more than twice as likely to pay their bills and six times more likely to troubleshoot technical issues with their utility companies via mobile apps than their baby boomer counterparts.

Does your utility company currently offer a mobile app?



Base: Utility offers mobile app

In which of the following ways do you use the mobile app provided by your utility company?



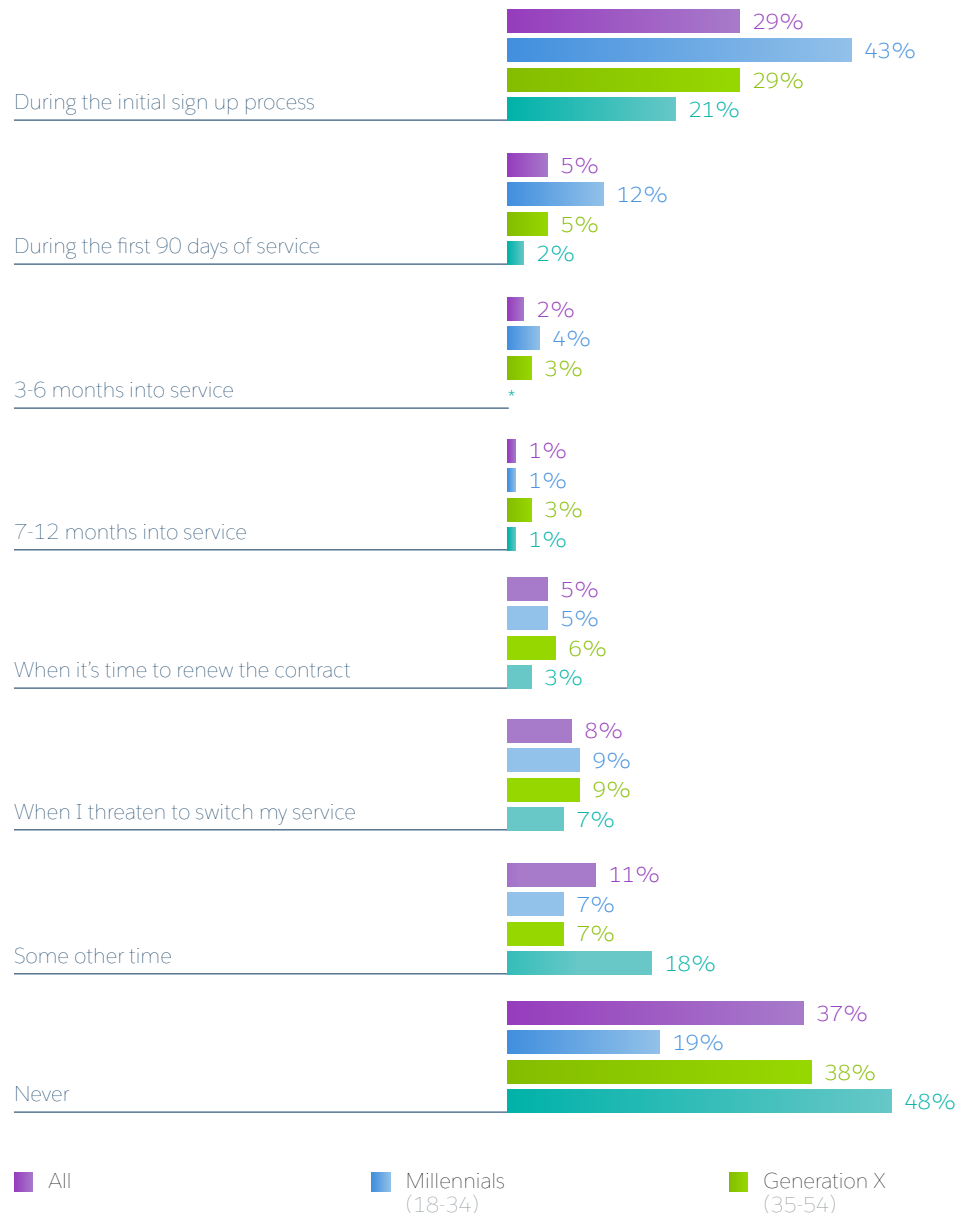
II. Customer Dissatisfaction With Utilities

When consumers do communicate with their utility companies, service is lacking, as 29% of Americans say that they get the best service during the initial sign-up process, and 22% say they do not feel like their utility companies care about them as customers.



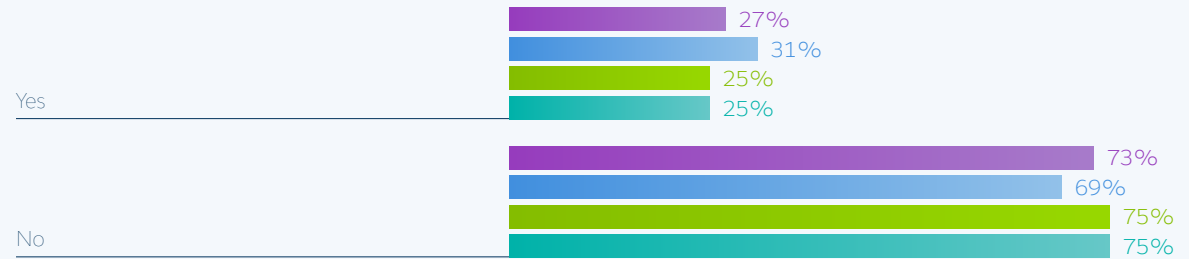
“22% say they do not feel like their utility companies care about them as customers.”

When do you receive the best customer service/prices/promotions from your utility company?

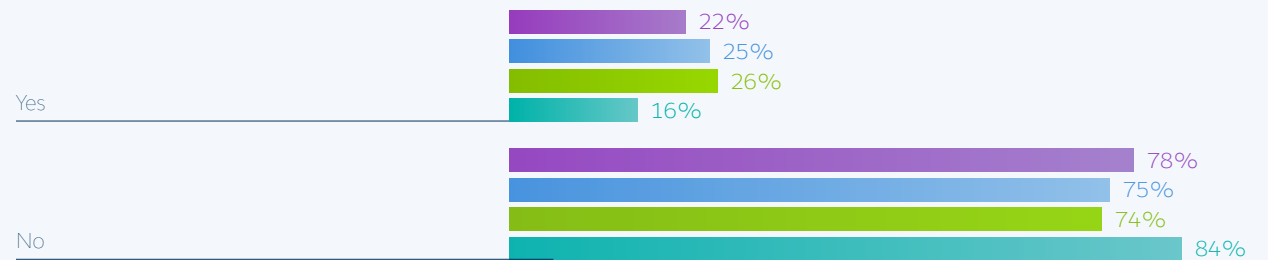


II. Customer Dissatisfaction With Utilities

Do your utility companies offer personalized offers/services based on my personal information?



Is the following statement true for you? I don't feel like my utility companies care about me as a customer.



All

Millennials
(18-34)

Generation X
(35-54)

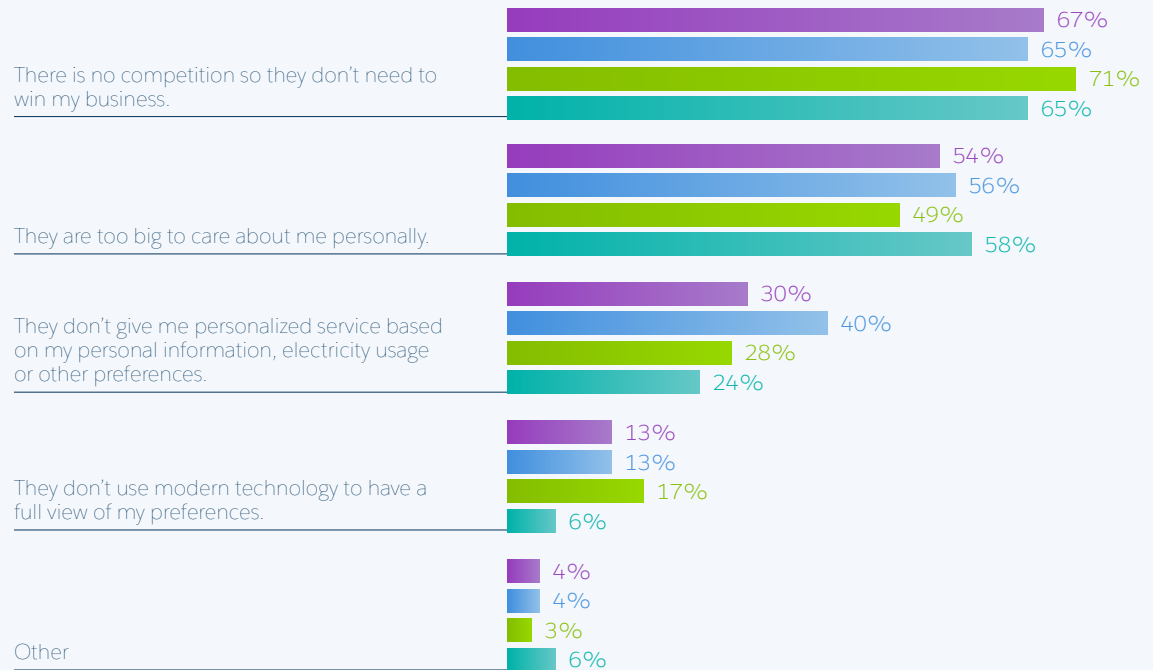
Baby Boomers
(55+)

II. Customer Dissatisfaction With Utilities

The reasons consumer dissatisfaction range from lack of competition (67%), to utilities being too big to care about them personally (54%), to not having modern technology to provide/gain a full view of their preferences (13%).

Base: Don't feel utility companies cares about them as a customer

Why don't you feel that your utility companies cares about you as a customer? Select all that apply.*



■ All

■ Millennials (18-34)

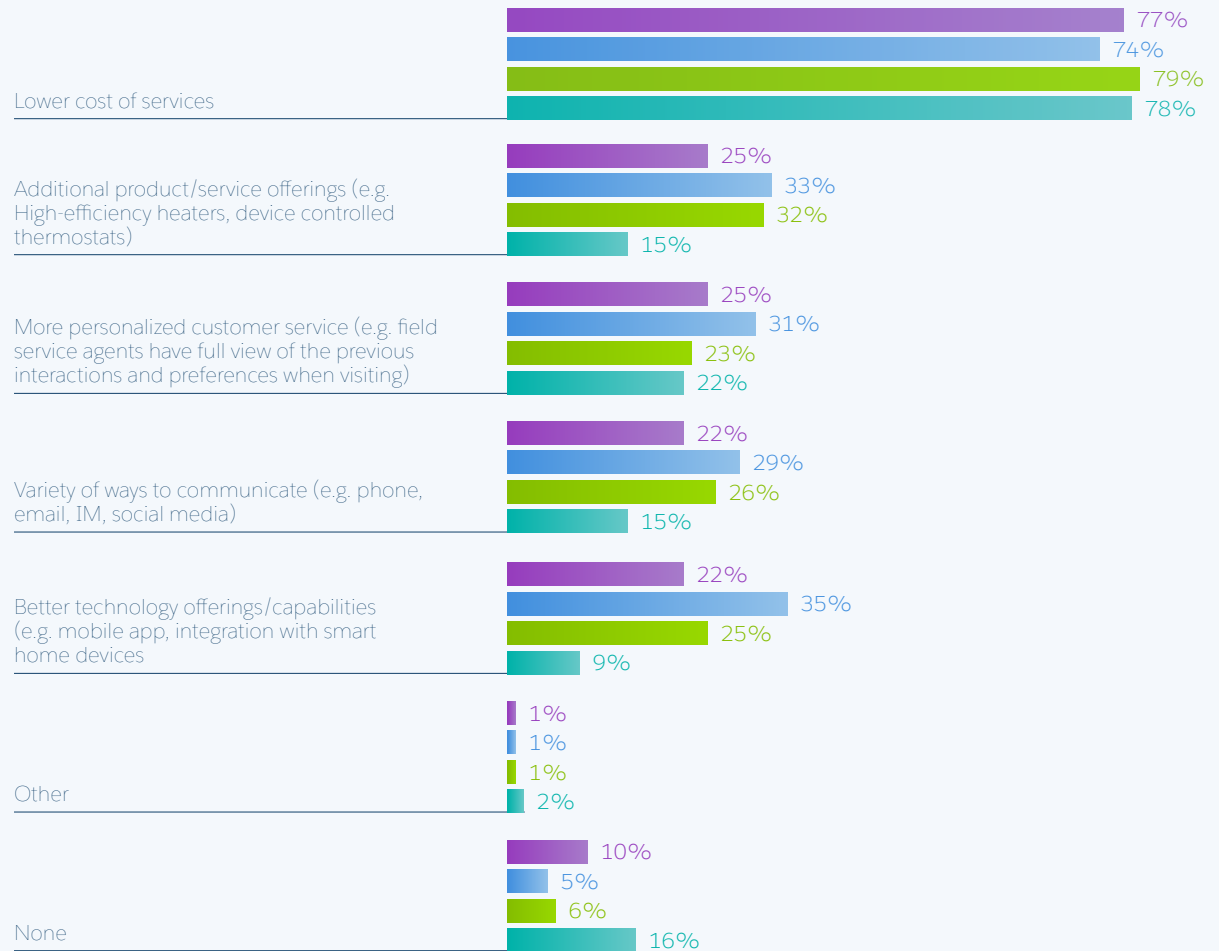
■ Generation X (35-54)

■ Baby Boomers (55+)

II. Customer Dissatisfaction With Utilities

Americans who have interacted with utility companies overwhelmingly (90%) believe their experiences could be improved, with millennials (35%) almost four times more likely than baby boomers (9%) to say better technology offerings and capabilities could improve their experience.

In which of the following ways could your experience with your utility companies be improved?



III. Field Service Technology Lacking

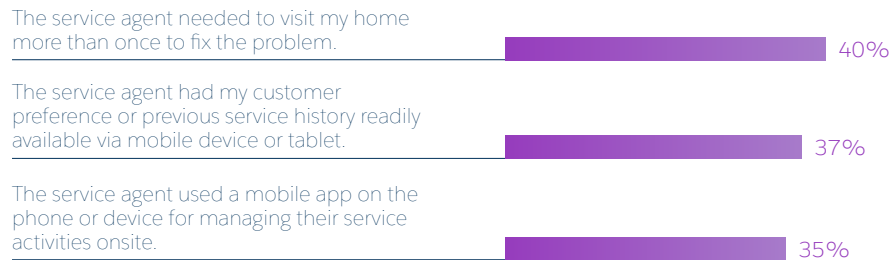
Among Americans who have had a utility-related service issue in the past 12 months that required a service agent to come to their home for repairs, only 35% say these agents used a mobile app on a phone or tablet to manage service activities onsite. This lack of real-time customer information at their fingertips may contribute to the fact that 40% of respondents/consumers say the field service agent needed to visit their home more than once to fix the problem.

I've have had a utility-related service issue (e.g. gas leak, sewer line blockage, power outage) in the past 12 months that required a service agent to come to my home for repairs.



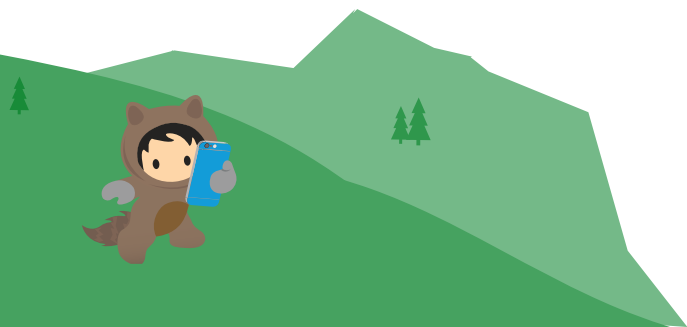
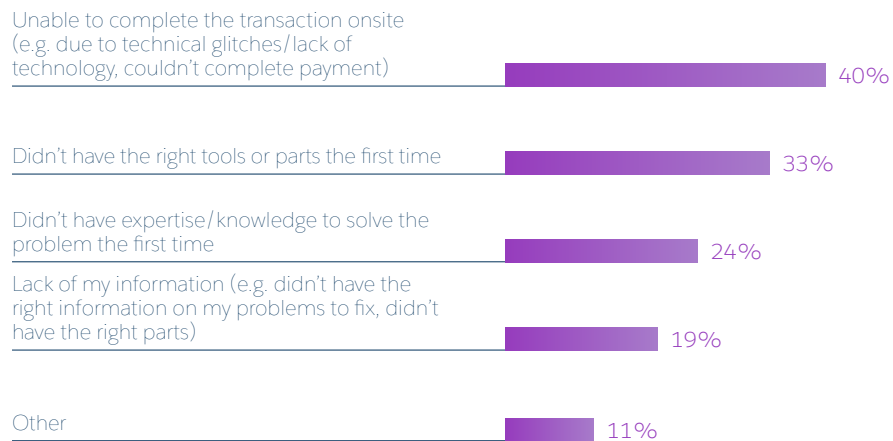
Base: Have had a utility-related service issue in the past 12 months that required agent for repair

Thinking about the visit related to the service issue, did any of the following occur?



Base: Service agent needed to return more than once

Which of the following reasons did the service agent need to visit your home more than once to fix a problem? Select all that apply.**

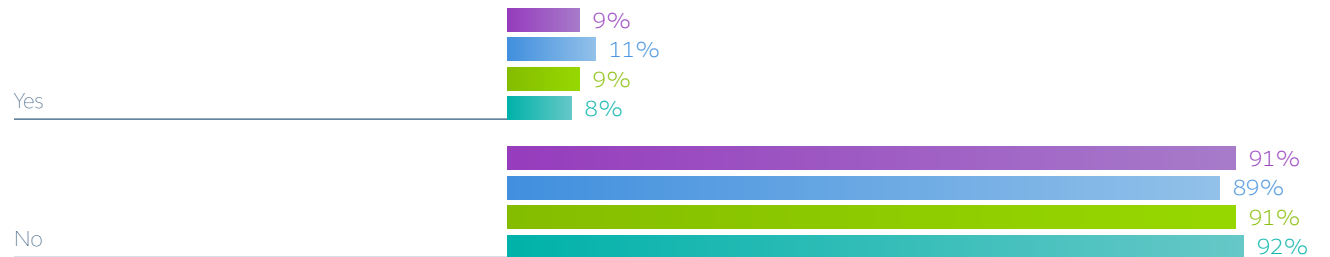


IV. Utilities and the Smart Home of the Future

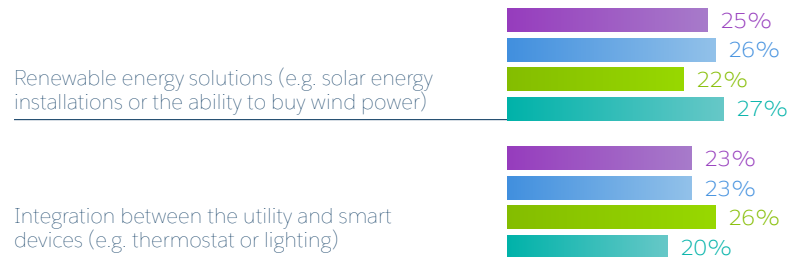
A majority of Americans who have interacted with utility companies agree or strongly agree that they expect them to modernize their service offerings, with 72% expecting their providers to offer renewable energy solutions.

Base: Have interacted with utility companies

I currently purchase renewable energy from my utility companies.



Do your utility companies offer any of the following?

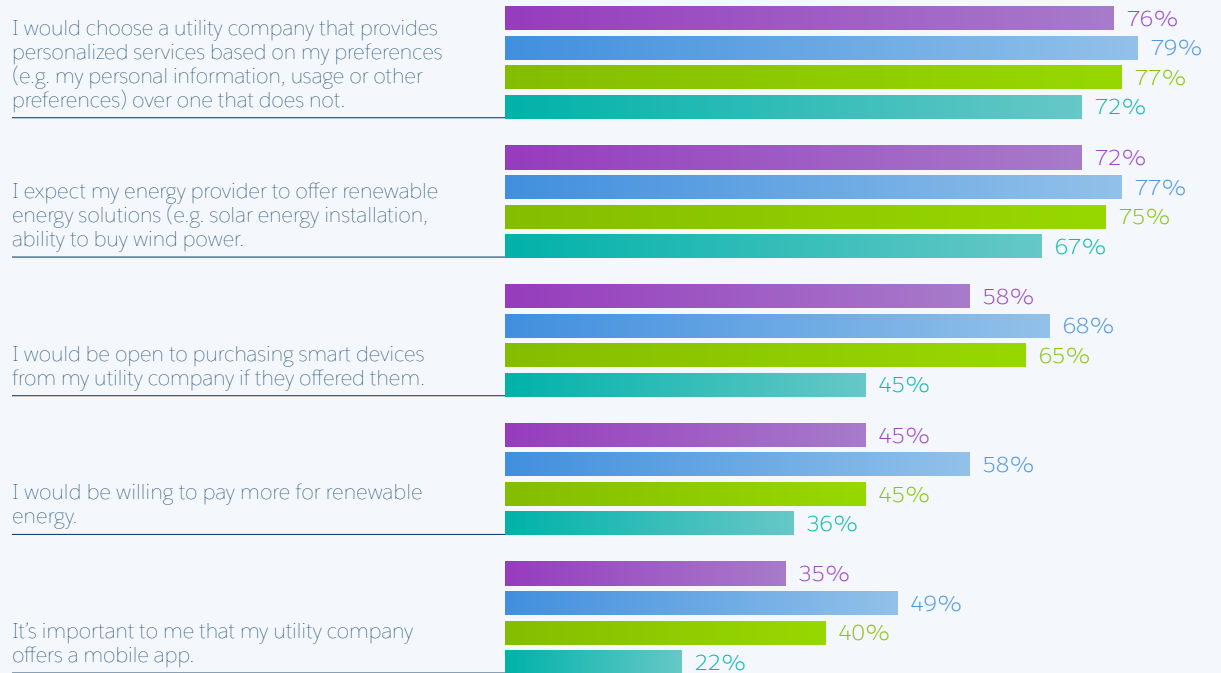


While only 18% of Americans state they currently have a smart home device to help manage their energy use in their home – like a thermostat or lighting that can be controlled by a mobile device – 58% of Americans who have interacted with utility companies say they would be open to purchasing a smart home device from their utility companies if offered.



“58% of Americans who have interacted with utility companies say they would be open to purchasing a smart home devices from their utility companies if offered.”

14. How much do you agree with each of the following? Summary of strongly/somewhat agree

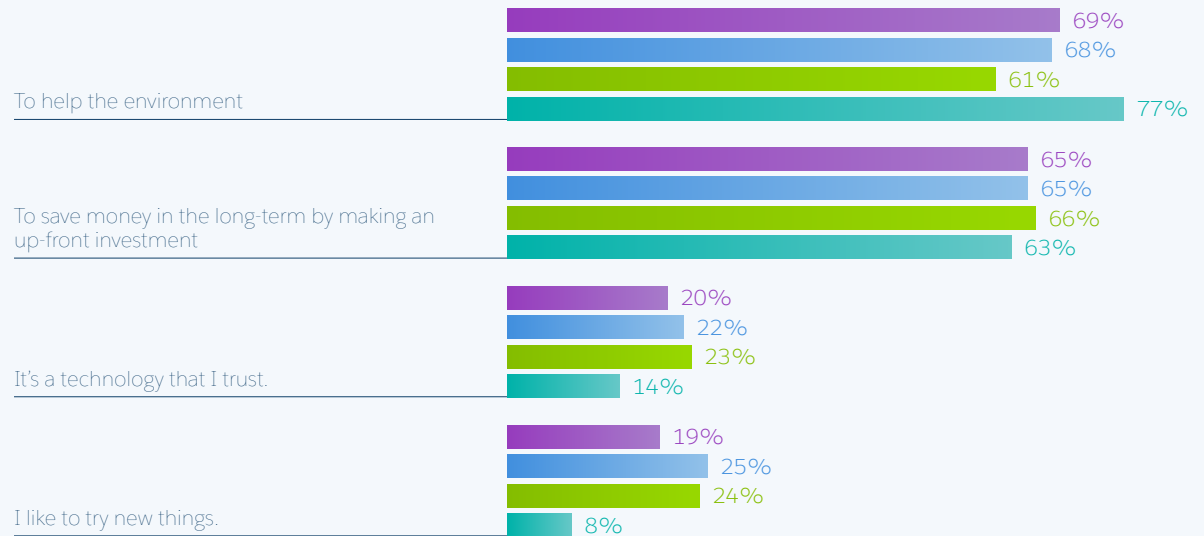


IV. Utilities and the Smart Home of the Future

Americans would be more likely to consider purchasing a smart device from a utility company to get better energy rates (59%) or for a discount on the price of the smart device product (53%). Those that do have a smart device in their homes today chose them to have the ability to control their smart devices from a mobile device (35%), because they enjoy using new technologies (34%), and to be more “green” or environmentally responsible (32%).

Base: *Would be willing to pay more for renewable energy*

For which of the following reasons would you be willing to pay more for renewable energy? Select all that apply.

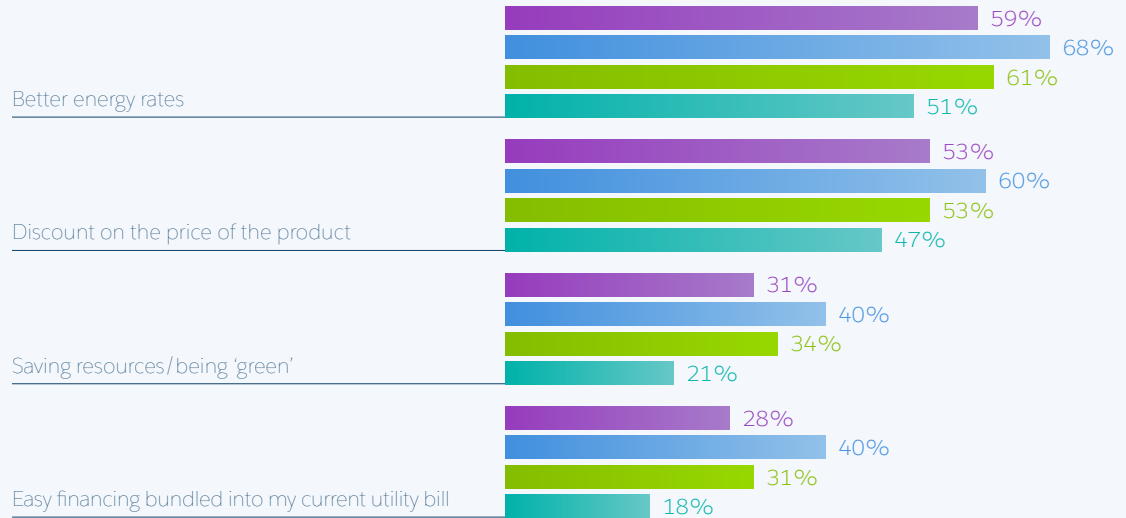


IV. Utilities and the Smart Home of the Future

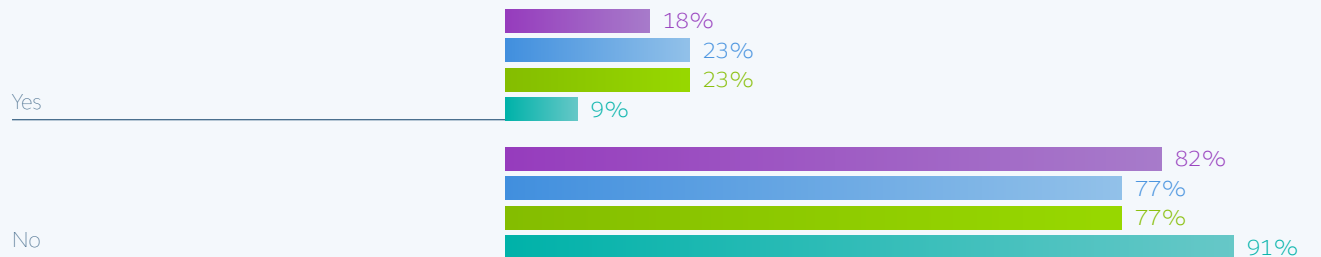
Perhaps not surprisingly, more than twice as many millennials plan to purchase a smart home device to help manage their energy use in their homes in the next 12 months vs. baby boomers.

Base: All respondents

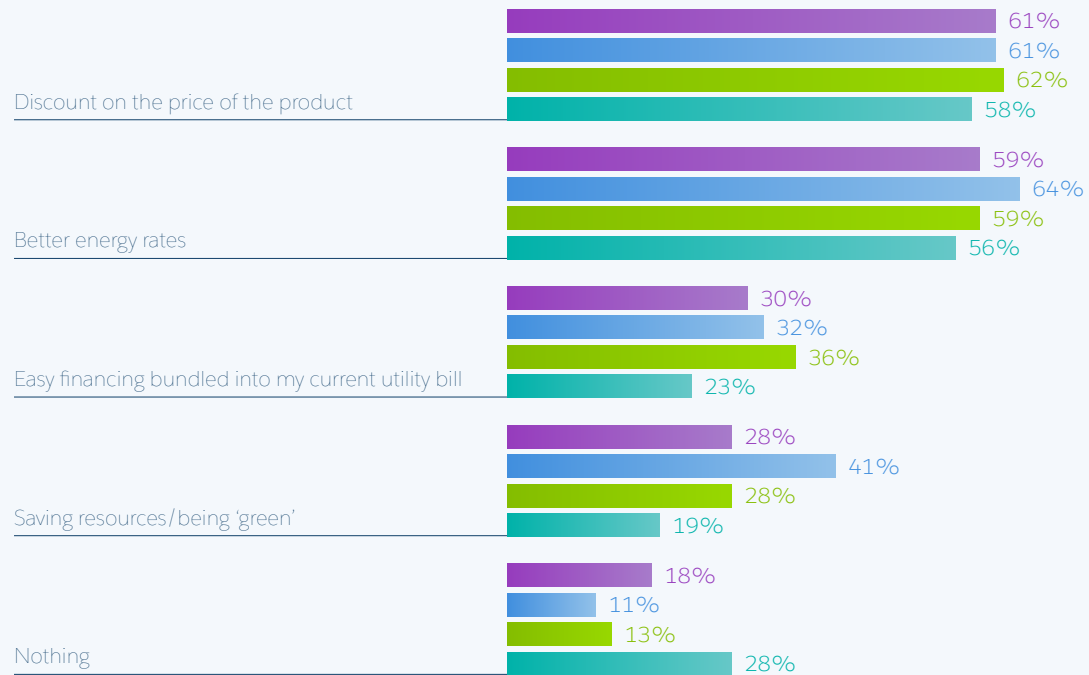
Which of the following offers would make you more likely to consider purchasing a smart device (e.g. thermostat or lighting) from a utility company? Select all that apply.



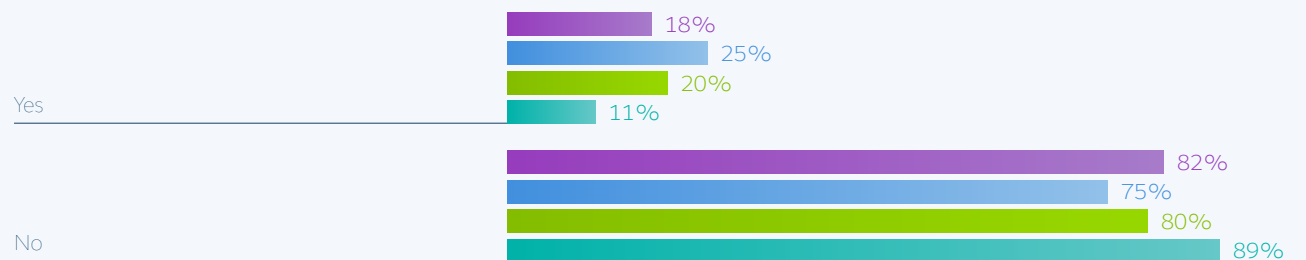
Do you plan on purchasing a smart device (e.g., device controlled thermostat, device controlled lighting) to help manage your energy use in your home in the next 12 months?



Which of the following offers would make you more likely to consider purchasing a traditional home device (e.g. air conditioner) from a utility company? Select all that apply.



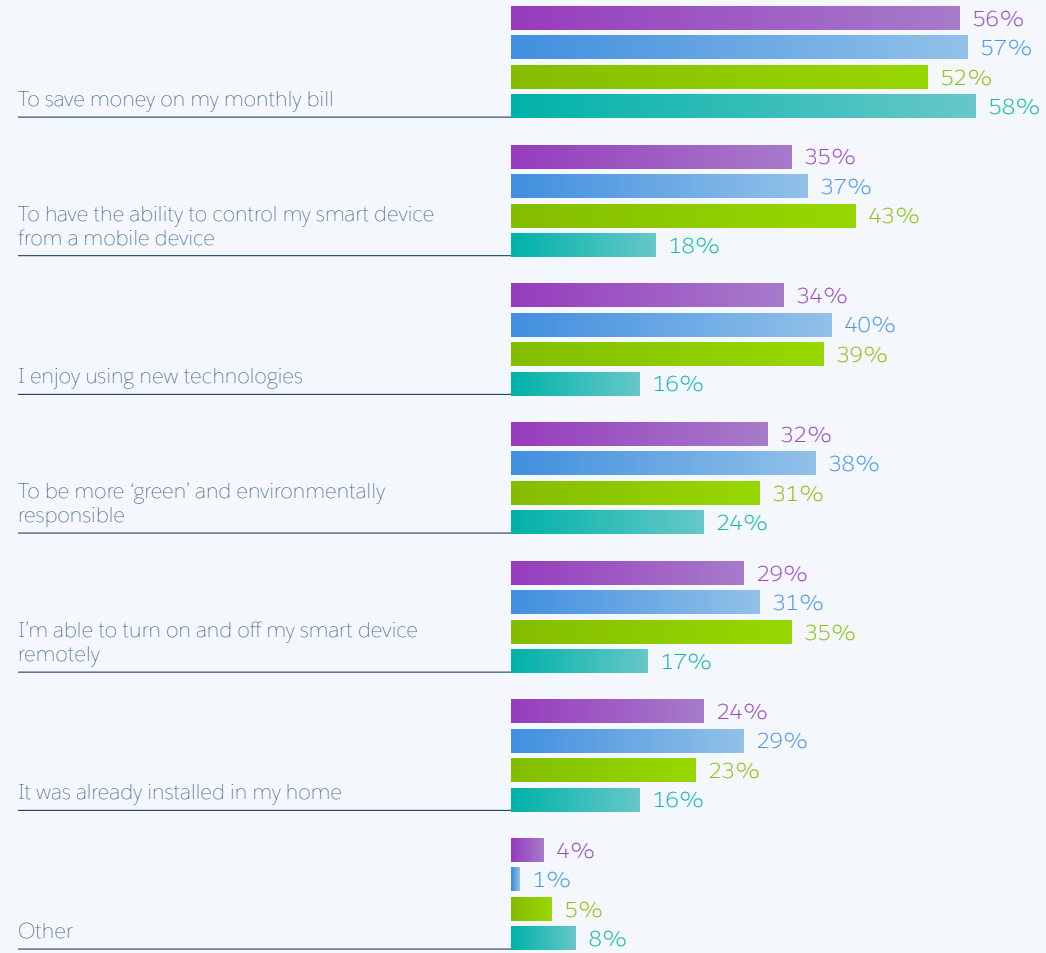
Do you currently have a smart device (e.g. thermostat, lighting) to help manage your energy use in your home?



IV. Utilities and the Smart Home of the Future

Base: Currently have a smart device in their home

Which of the following are reasons why you currently have a smart device in your home to help manage your energy use? Select all that apply.**



V. Methodology

This survey was conducted online within the United States by Harris Poll on behalf of Salesforce from September 7-9, 2016, among 2,034 U.S. adults ages 18 and older. This online survey is not based on a probability sample and therefore no estimate of theoretical sampling error can be calculated. For complete survey methodology, including weighting variables, please contact Joel Steinfeld, jsteinfeld@salesforce.com.

* Base size for Millennials (n=74); results should be interpreted as directional in nature.

** Base size (n=64); results should be interpreted as qualitative and directional in nature.

***Base sizes for Millennials (n=80) and Gen X (n=94); results should be interpreted as directional in nature.

