



How do you attract next-generation utility customers?

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[How do you attract next-generation utility customers?](#)

New energy companies are winning customers' energy experience

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.

Utilities now have a strategic imperative to embed customer experience (CX) methodologies into every department that has a downstream CX impact. Demand-side management teams, renewable energy groups, IT staff, and other functions need to learn and practice CX principles. Future energy consumers will form relationships with competitors based on the experience those companies provide, not just the products they offer. 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 annual E Source Forum in 2017, 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. In the next 15 years, those younger generations will flex their influence and 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 premium on utility customer service. Energy experiences—including energy-use advice, efficiency upgrades, and power delivery—are the most valuable parts of the utility-customer relationship, but utilities aren't the only companies that can provide that value.

Energy-use advice

Within the next 15 years, nearly all appliances will have the capability to be Internet-connected, enabling coordinated, remote, automatic operation of anything that uses energy. Artificial intelligence (AI) will allow customers to automatically optimize their energy usage to provide maximum value for minimum cost. Future utility customers 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 upgrade the energy-efficiency performance of their homes. So why don't all customers participate in these programs? Because the rebate experience doesn't align well with customers' expectations; it's time-consuming, inconvenient, and inflexible. But competitors such as Renovate America Inc. are simplifying and customizing the process. The company's [Benji 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 green-power pricing plans. These sustainable solutions give customers everything they want: more buying choices, social status, convenience and flexibility, speed and efficiency, and custom options. Vendors like Tesla, Arcadia Power, and Sunrun will further encroach on utilities' market share.

Why utilities should invest in CX strategy

Utility companies have two primary assets: delivery infrastructure and customer relationships. Poles and wires will be safe for some time, but customer relationships are in jeopardy. Competitors can deliver all the essential elements of the utility-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. When customers decide who to give their money and loyalty to, they place a premium value on customer service and 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 report [Why utilities need a comprehensive CX program to survive in the future](#).

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