Digital Holdouts: Many Large Utilities Resist Mobile App Development and Web Redesigns at Own Risk, J.D. Power Finds

Digital Customer Experience Suffers at Hands of Outmoded Tech

TROY, Mich.: 23 Feb. 2022 — In a rapidly transforming world where everything from banking to insurance to the dreaded trip to the DMV has gone digital, many utilities are still resisting the forces of modernity by continuing to offer outdated websites and low adoption of mobile apps. According to the J.D. Power 2022 U.S. Utility Digital Experience Study,SM released today, that lack of innovation in utility customer engagement channels is coming at the expense of customer satisfaction.

Now in its fifth year, the study assesses how customers interact with their utility website and mobile app as well as with the online social, email, chat and text functions offered by the 36 largest electric, natural gas and water utilities in the United States.

"About one-third of large utilities still do not have an app," said Jon Sundberg, senior digital manager at J.D. Power. "This is inexcusable in the current environment in which consumers are controlling virtually every other aspect of their lives via smartphones. Utilities have been among the slowest adopters of digital customer engagement technology, based on all the industries we track at J.D. Power, and that is showing up in the form of sinking customer satisfaction scores. However, there is a silver lining for the small number of utilities that do invest in tech, which are earning notably higher scores and building much stronger levels of engagement with their customers."

Following are some of the key findings of the 2022 study:

- **Missing out on app revolution**: Approximately one-third of the utilities evaluated do not have an app even though apps have consistently outperformed other customer engagement channels among the utilities that do have them—and which also occurs in every other industry J.D. Power tracks. For example, overall customer satisfaction with the utility customer care channel is 843 (on a 1,000-point scale) for mobile apps vs. 817 for the utility website and 782 for phone-based interactions, according to the J.D. Power 2021 Electric Utility Residential Customer Satisfaction Study.SM

- **Utility digital experience declines while other industries surge**: Nearly every industry studied by J.D. Power has undergone successful digital change initiatives during the past two years. For example, insurance digital experience scores have climbed 11 points and mobile wealth app scores have climbed 12 points. Utility digital experience scores, by contrast, have declined four points year over year, leaving them consistent with 2019 levels of customer satisfaction.

- **Inability to perform complex tasks**: With utility websites largely unchanged during the past year, customers continue to have problems with more complex tasks such as researching energy-saving information, updating service and locating information on leaks.

- **Room to grow on functionality, ESG awareness**: Some utilities are providing a roadmap to successful websites and mobile apps, as the top two performing utilities in the study outperform the industry in every task. They also have leveraged their digital channels to promote energy-saving measures and other sustainability-oriented content.
The 2022 U.S. Utility Digital Experience Study is based on evaluations from 10,122 customers of the 36 largest electric, natural gas and water utilities in the United States. To be included in the study, utilities must serve 1,250,000 or more customers. The study was fielded in November-December 2021.


To view the online press release, please visit http://www.jdpower.com/pr-id/2022012.

About J.D. Power

J.D. Power is a global leader in consumer insights, advisory services and data and analytics. A pioneer in the use of big data, artificial intelligence (AI) and algorithmic modeling capabilities to understand consumer behavior, J.D. Power has been delivering incisive industry intelligence on customer interactions with brands and products for more than 50 years. The world's leading businesses across major industries rely on J.D. Power to guide their customer-facing strategies.

J.D. Power has offices in North America, Europe and Asia Pacific. To learn more about the company's business offerings, visit JDPower.com/business. The J.D. Power auto shopping tool can be found at JDPower.com.

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