

**Lagging Behind: Utilities Need to Update Mobile App Strategies**

J.D. Power Digital Experience Study Finds Nearly One-Third of Nation's Largest Utilities Still Don't Have Mobile Apps—Despite Significant Customer Satisfaction Gains Associated with App Usage

**TROY, Mich.: 22 Feb. 2023** — Across virtually every industry and nearly every type of customer interaction, digital customer engagement via mobile apps has surged, raising customer satisfaction and increasing brand loyalty for companies with superior digital strategies. Utilities, apparently, are not getting the message. According to the J.D. Power 2023 U.S. Utility Digital Experience Study,<sup>SM</sup> released today, the number of large utilities currently offering mobile apps has declined in the past two years, with 30% of the nation's largest utility providers currently offering no mobile app.

Now in its sixth 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.

"When utility mobile apps and websites work well, they become vital communications tools for utilities, helping them alert customers to storms and potential outages, providing useful information on sustainability initiatives and energy saving tools and dramatically improving customer satisfaction," said **Jon Sundberg, senior digital manager at J.D. Power**. "At a time when rates are hitting record highs, catastrophic weather and outages are frequent, and the need to communicate effectively is paramount, utilities cannot afford to ignore implementing a digital strategy."

Following are some key findings of the 2023 study:

- **Number of large utilities offering consumer mobile apps declines:** Among the 36 largest utilities in the nation, 30% do not currently offer a mobile app for their customers. That represents an increase in the number of app-less utilities from 27% in 2020, which means that a handful of utilities developed apps, but abandoned the initiatives either due to unsuccessful implementations, low customer adoption rates or as cost-saving measures.
- **Digital adoption surging:** Among consumers, digital channels have become the first line of communication, with digital traffic surging when consumers have a question. More than half (56%) of utility customers use the mobile app provided by their utility, up from 38% in 2022.
- **Some utilities deliver exceptional customer experience, but digital laggards pull industry down:** The five-year trend in overall customer satisfaction with utility digital experience has been largely flat, declining a single point (on a 1,000-point scale) to 843 in this year's study. That flat industry-wide performance, however, includes a handful of utilities delivering exceptional digital solutions and several delivering particularly low levels of customer satisfaction.
- **New customer onboarding presents challenges:** There is a learning curve associated with utility mobile app usage. Overall satisfaction scores are 68 points higher (867) among tenured app users than they are among first-time app users (799).

The 2023 U.S. Utility Digital Experience Study is based on evaluations from 8,368 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 residential customers. The study was fielded in November-December 2022.

For more information about the U.S. Utility Digital Experience Study, visit <https://www.jdpower.com/business/resource/utility-digital-experience-study>.

See the online press release at <http://www.jdpower.com/pr-id/2023014>.

#### **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.

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