

Without Effective Products and Service Offerings, Utilities Waste Opportunity To Increase Customer Satisfaction, J.D. Power Study Says

Satisfaction Impact Is Greater among Utility Business Customers than Residential Customers

COSTA MESA, Calif.: 19 May 2016 — With limited customer engagement, it's critical for utilities to leverage product and service offerings through a multistep process that includes driving awareness, motivating customers to participate and, most importantly, delivering an effective program that provides value and encourages continued usage, according to the J.D. Power 2016 Utility Products and Services StudySM (formerly the Consumer Engagement Study), released today.

The study, now in its fourth year, measures the level of residential customers' engagement with their electric utility's programs, products and services and is based on responses from customers of electric utilities throughout the United States. The study provides electric utilities with insights into customer awareness, familiarity and usage of their utility's programs, products and services; ease of enrollment and participation in these offerings; and the impact these offerings have on the overall customer experience.

While the awareness of utility products and services itself has a positive impact on overall customer satisfaction, it is participation in quality programs that leads to a sizeable boost in satisfaction. In a cross-study analysis, electric business customers are more likely to participate in a utility program offering than residential customers, with a participation rate of 44% vs. 16%, respectively.

Overall there is a 78- point gap in satisfaction between customers who are aware (708) of their provider's program offerings and those that are not aware (630). Awareness of program offerings provides an even greater lift in satisfaction among business customers, compared with residential customers. Satisfaction among electric business customers aware of their providers' program offerings is 721 compared with 632 for those who are not aware.

Among the electric utility customers who participate in at least one product/service offering, 9% say they are "delighted," rating their experience 8 or higher (on a 10-point scale), compared with 7% of those who participate but say they are "not delighted" (ratings below 8 points). Satisfaction among customers who are not delighted with program offerings is substantially lower than among those who are delighted (642 vs. 818, respectively).

"Utilities can commit time, money and effort to drive awareness and participation in programs, but this is wasted if customers are not delighted by the impact and usefulness of the offering," said **Adrian Chung, director of the utility and infrastructure practice at J.D. Power**. "When customers feel utility products lack substance, not only are they likely to no longer participate in the program, but their level of satisfaction and perceptions of their utility are also likely to be negatively affected, which can ultimately lead to lost revenues."

The top three program offerings with the highest levels of awareness among residential customers are in-home energy audits (22%); rebates on Energy Star appliances (22%); and old appliance/refrigerator recycling (20%).

The top three program offerings with the highest levels of participation among residential customers are tools that compare a customer's usage to other households (3.7%); central air conditioning cycling control (3.1%); and high-efficiency light bulb rebates or discounts (2.6%).

Awareness of products/services is higher among electric business customers than among residential customers with respect to pricing and billing (63% vs. 33%, respectively); energy management (54% vs. 28%); and rebates (49% vs. 39%).

The ROI of Participation: The more customers participate in program offerings, the more positive mentions they make, which help improve a utility's brand image. Among customers participating in five or more programs, there are 3.5 positive mentions, on average, compared with less than one positive mention among those participating in only one program.

Participation by Brands: The following utility brands have the highest residential participation rates in program offerings (in alphabetical order): Arizona Public Service; Baltimore Gas & Electric; and Salt River Project.

The 2016 Utility Products and Services Study is based on more than 51,400 responses from residential customers of 137 electric utilities throughout the United States that represent nearly all of the industry's largest electric utility brands by number of customers served. The study was fielded July through August 2015 and January through February 2016.

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For information about the 2016 Utility Products and Services Study, visit <http://www.jdpower.com/resource/jd-power-utility-products-and-services-study>

See the online press release at <http://www.jdpower.com/press-releases/2016-utility-products-and-services-study>

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