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For Immediate Release

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**DEFG Releases Findings from Annual State of the Customer Survey in the Utility Sector:  
*Utility Customers Satisfied but Potentially Heading for the Exit***

**Troubling Signs that Customers May Also Not Be On Board for Future Rate Increases  
Tied to Increased Reliability**

Washington, DC ... DEFG, a management consulting firm specializing in consumers and consumer-facing offerings in the utility sector ([www.defgllc.com](http://www.defgllc.com)) released today the findings from the Annual State of the Customer Survey in the Utility Sector, "The Glass Half Full for Utility Customer Service." The survey of 1,000+ Americans was conducted late last year in collaboration with the members of the Utility Customer Research Consortium (UCRC), a blue-ribbon panel of executives focused on customer strategy and operations in the utility sector.

"The good news is that consumers highly rate the customer service provided by energy utilities. Customers believe utilities provide a higher value service than other comparable providers," stated Jamie Wimberly, CEO of DEFG LLC. "The challenge is that there have been significant declines from last year in how customers view utility customer service. Moreover, a growing number of customers indicated that they would choose another energy provider if they could."

Findings from the "Annual State of the Customer Survey in the Utility Sector" include:

**"Glass is Half Full" for Utility Customer Service**

- A majority of respondents gave high marks for their utility's customer service (53% gave a "top 3 box" on a 10-point scale), yet the highest ratings declined significantly from last year
- Two in three customers (68%) who directly contacted the utility over the past two years found the experience to be "easy"
- Customers felt that their local utility provided a better or equal value to all comparable service providers (e.g., cable or Internet)
- However, 22% of customers are very likely (top 3 boxes on a 10-point scale) to switch to a provider other than the utility as soon they can. Another 50% (4-7 boxes on a 10-point scale) may consider it if the offer was right
- Customers are most likely to switch to lower-cost providers than the utility

**How Much is Increased Reliability Worth?**

- Customer expectations are generally aligned with the measured reality of the average length of time to restore power after a storm (outage time)

- When asked about the acceptable amount of time to restore power after a storm, 14% stated that they expected the power to be restored in “4 to 12 hours,” 38% stated “1 to 3 hours,” and 42% stated “less than one hour”
- Four in ten respondents would choose a \$10 gift card rather than have power restored within 30 minutes
- Only 24% of customers would pay slightly more for disaster planning for “hardening the grid” and increased reliability

### **The Big Picture ...**

- Customer interest in buying an electric vehicle over the next five years is very high
- Customers interested in buying an electric vehicle expect a different and better customer experience than your traditional customer service model. EVs could be the lever for a complete overhaul of the service model
- 61% of customers surveyed believed that community solar will provide some benefit to them and their communities. This could be another driver for future revenue and transformation
- Approximately half of customers surveyed are likely to speak positively about their utility. From a marketing standpoint, high net promoter scores are gold

“Our findings point to a number of tactical approaches to improve customer service provided by utilities. However, to do so, utilities will need to take a more nuanced view of the customer base,” continued Jamie Wimberly. “The approaches include more narrowly targeting segments of customers through the communication channel of their choice with messages that better address their needs. There are also new pricing and payment options that ought to be considered, and utilities need to provide mobile bill payment options.”

“But for success in the longer term, utilities should look to build a different service model tailored for two broad segments of customers seeking more from their utility: one based on need (low-income customers with a focus on improving service and thereby reducing costs); and one based on value creation (customers who have made investments in solar, electric vehicles, or other customer-initiated efforts with requirements for a different level of customer experience aligned with customer decisions that should result in increased revenue).”

For a free copy of the presentation deck of “Annual State of the Customer Survey in the Utility Sector,” go to: [www.defgllc.com](http://www.defgllc.com).

***DEFG is a management consulting firm specializing in consumers and consumer-facing offerings in the utility sector. We believe that customers are the future of energy. Since 2003, we have helped clients create value in a commodity marketplace. In our rapidly changing marketplace, customer engagement is key to success, and our clients learn to better engage with residential and commercial customers. These customers provide unique resources, reduce risks and increase revenue potential.***