



Engaging with **Millennials:** Why it Matters

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By 2025, Millennials will make up to 75 percent of the workforce, as the next largest generation, the Baby Boomers, retire in droves. This means their buying power will only increase in the next decade – Millennials are spending more than \$65 billion each year and influencing up to \$1 trillion.

An understanding of what is important to this group and their engagement preferences is crucial for utilities focused on maximizing and deepening their relationship with this rapidly growing customer segment.

Examining consumer behavior

The first truly “digital generation,” Millennials spend 90 hours a month using smartphone apps. More than 90 percent of Millennials have a subscription service, which increases customer loyalty and allows for revenue predictability. These services are highly accessible, personalized and available over multiple channels – expectations utilities need to meet.

It’s possible that Millennials could choose subscriptions, with levels of service, for energy, too. Many utilities already communicate rate information to their customers and Millennials’ demand for green energy and digital fluency may shift the paradigm as third-party providers disrupt the industry.

Utilities must look at the digital customer experience holistically, paying special attention to billing and payments, managing usage and reporting outages. Utilities are benefitting from a holistic approach to the digital customer experience, offering digital engagement through smartphone apps for bill paying and usage management, text and email messages, and a secure and accessible website experience.



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Millennials care about corporate social responsibility

According to a Nielsen survey, 73 percent of Millennials prefer to work with socially responsible companies, and 81 percent of Millennials expect their brands to make a public commitment to good corporate citizenship. Additionally, nearly 70 percent will actively avoid companies whose values don’t align with their own, according to a OnePoll survey.

In the utility space, increasing customer awareness of community involvement was found to be a key satisfaction driver in the J.D. Power 2019 Electric Utility Residential Customer Satisfaction Study.

According to John Hazen, Senior Director of the Energy Practice at J.D. Power, utility customers in general want to see their utility involved in their local communities. “Many of the lower-performing brands need to do a better job of communicating their community involvement efforts such as employee volunteering and local donations/sponsorships,” he said. “This communication has shown to affect consumer awareness and satisfaction.”

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Millennials are “Green Champions”

Millennials are much more likely to change both their spending and personal habits in order to align themselves with products or companies that are environmentally conscious. In a Nielsen survey, 75 percent said they are changing how and what they buy to more environmentally friendly options. They’re also more likely to pay more for products that are good for the environment.

Here, again, Millennials’ digital fluency shines through – those who buy sustainably are 67 percent more likely to be digitally engaged.

An Accenture energy consumer survey shows that 56 percent of Millennials want to incorporate solar panels into their energy sources. Additionally,



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more than 60 percent are willing to pay more for a smart grid to easily integrate clean energy sources. Utilities offering apps that provide customers a view to energy consumption in their homes, for example, can be a very effective engagement tool.

Millennials are becoming (not so happy) homeowners

Millennials accounted for nearly half of all home purchases in 2018 and 63 percent of Millennials aged 23 to 38 say they regret purchasing a home, according to a Bankrate Poll. Underestimating the hidden costs associated with buying and owning a home, including the ongoing responsibilities of maintaining it, is the number one millennial homeowner frustration.



A Zillow poll showed that 36 percent resent unexpected repairs or home maintenance, such as a malfunctioning furnace. In addition, almost half of Millennials, 42 percent, admitted to not feeling that their handyman skills are up to snuff, according to a Harris Poll.

Utilities can deepen engagement with Millennial homeowners by partnering with a provider to offer home maintenance solutions. In a State of the Home survey conducted by HomeServe, a leading provider of home repair plans, 59 percent of respondents said they would have an improved opinion of their utility provider if they offered a home repair service program, and utility customers who did have a repair plan through their provider rated that provider higher – 40 percent for gas and 36 percent for electric. In addition, more than 80 percent said a utility should inform customers about which repairs would not be covered by the utility.

HomeServe helps to improve customer engagement for our utility partners through the integration of complementary home repair programs with utility initiatives such as energy efficiency and safety, offering customers greater access and choice. Partnership allows the utility to leverage HomeServe's marketing and communications expertise to educate their customers through a variety of channels. For more information, visit www.homeserveutility.com.