

Consumer Engagement

A Playbook for
Utilities

January, 2017



Introduction

The utilities industry is beginning to stratify into two categories. The first category comprises progressive utilities that recognize the need for improved customer engagement and are being proactive in staying ahead of customer needs. These utilities recognize the importance of effective customer engagement. They understand the correlation between customer satisfaction and strategic needs such as the need to gain regulatory approval on rate changes. They also recognize that today's customers are very different from those of years ago. Their customer-engagement standards and channels are being driven by modern vendors and services.

The second category has a "business-as-usual" mindset.

What differentiates utilities that understand today's marketplace changes from those that don't? What do you need to know about your digital strategy, improving customer engagement, and giving your customers the information and services they value?

This paper describes concrete steps that utilities can take to enhance their customer-engagement plans.

Develop a ***Platform*** for Consumer Engagement

Leading utilities are moving beyond paper and web to connect with their consumers via their preferred channels. It's important to ensure a seamless experience for consumers as they switch between channels. Below are the various steps of developing an engagement platform and best practices for each.

Utility Insight **Life Without a Cohesive Platform |**

An executive of one large utility described how the lack of both CIO oversight and control over decentralized digital initiatives led to multiple disparate initiatives. Consumer experience suffered: requiring different applications for moving, billing, energy insights, complaints, and outages.

1. STRATEGY

A rich platform with the flexibility to grow—instead of a single, purpose-built solution to serve an immediate need—is critical. Key aspects of such a platform include:

Modular | Able to serve multiple programs (e.g. EE, DR, and engagement) and the ability to start small and grow

Omni-channel | Provide the same functionality regardless of customer channel (e.g., SMS, email, paper).

Customizable | Customized branding and content according to geography, climate, goals, customer type, and more.

Extensible | Ability to integrate with other solution components and evolve as consumer needs change.

2. DESIGN

Customers expect new, positive interactions instead of simply a digital replication of paper bills or responsive versions of your website, such as:

Personalization | Leading utilities are providing features such as personalized tips and recommendations.

Insights | Consumers want insights that are actionable and timely (e.g., guidance on how to shift discretionary usage for TOU accounts).

Push vs. pull | Your mobile solution should push relevant notifications instead of relying on the user to log in and search for data.

3. DEVELOPMENT

There are various options for developing new consumer offerings, each with its advantages and disadvantages:

Utility Insight

The Importance of Domain Expertise | One large utility hired a third-party mobile app developer, but quickly ran into problems because the partner lacked utility experience. The partner needed constant education on such things as the definition of a kWh, how bills are calculated, and the various regulatory requirements driving the business.

Build Internally | Provides full control and is built to match needs exactly, but requires an internal skill set and extensive budget for initial deployment and ongoing maintenance.

Build Externally | Enables control and eliminates the internal development skillset requirement, but the solution can feel “deserted” after the project ends, and maintenance can be expensive and difficult.

Buy Off-the-Shelf | Advantages include speed-of-deployment, product hardened through previous utility deployments, regular and ongoing maintenance (bug fixes and improvements), and development costs amortized across multiple customers. The disadvantage is a potential lack of differentiation and customization.

In summary, while some utility functions are unique, many are common across utilities. The numerous advantages of an off-the-shelf solution make it the best option, particularly if it has a flexible and extensible platform that can be customized to provide unique content and specific functions.

4. DEPLOYMENT

The best designed customer engagement solutions can be defeated by poor deployment. An optimal rollout will have the following aspects:

MOBILE APP OR MOBILE WEB?

Mobile Web (responsive web pages accessible via the phone's browser) has easier adoption, while mobile apps provide optimal features. An ideal mobile solution has both options to reach the broadest audience with an engaging experience.

Streamlined | The solution should integrate well with IT infrastructure so consumers can easily access new features, for example through Single Sign On and access to historical data.

Security | The solution should follow proven standards for security to ensure consumers do not suffer privacy issues.

Utility Insight

Identifying the

Root Cause | One large European retailer launched a new mobile app for customer engagement and call reduction. Instead the utility experienced an increase in customer calls! The utility discovered that its complaint calls had gone down, but push notifications about consumption caused increased awareness, causing consumers to call the utility to enquire about various rate tariffs. This in fact led many of them to renew their contracts, resulting in a positive outcome for the utility.

5. LAUNCH

Rolling out new customer engagement services and offerings without adequate launch support will jeopardize adoption. Key considerations are:

Marketing/Launch

Support | Ensure you have the budget, time, and support to build awareness to the widest audience possible. In particular, marketing to millennials requires more than just bill inserts and web banners.

Analysis | Keep tabs on

any potential fallout from the changes by monitoring call volumes and consumer comments on social media.

For more information read the [5 Considerations for Evaluating Mobile Solutions](#) white paper

Customer Support |

Ensure your CSRs are well versed to support consumers and answer questions about any new offerings. Plan for pre-launch training and ongoing training as new features are released.

Enhance Engagement via Data

ADDRESSING ALL CONSUMERS

In addition to staying ahead of consumer needs, there is another fundamental reason for deploying disaggregation in EE and DR efforts. The most admirable utilities are those that address ALL constituents including under-served populations. Low income consumers are often not in a position to take advantage of programs that involve expensive hardware such as smart thermostats. Further, disadvantaged consumers are typically renters so don't have access to Energy Efficiency offerings such as weather stripping or appliance discounts that only apply to homeowners.

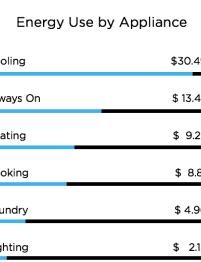
Engaging with customers means more than simply multiplying touch points. Increasing interaction without providing additional value is "noise" at best and spam at worst. Luckily, utilities have a major asset at hand that can be leveraged to provide value, in the form of the large quantity of data being collected via their AMI infrastructures.

Again, the industry is stratifying according to how utilities approach their usage of AMI data:



LEADERS

Per-appliance usage itemization and personalized insights



Consumers greatly appreciate usage itemization by appliance as a fundamental offering from their utility

Use a smart power strip and save power automatically!

Connect your TV to a smart power strip and save up to \$150 per year!

BUY ONE NOW

Recommendations are personalized to show the *Next Best Action* to help consumers save energy

CHOICE OF ITEMIZATION

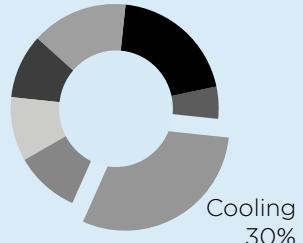
As appliance itemization becomes table-stakes for consumer engagement, utilities have a choice of approaches to itemization. Statistical itemization shows a breakdown based on typical usage for the dwelling type, size and location, while true disaggregation provides actual usage for each home.

While typical itemization can be useful compared to zero information, the value starts to break down over time. Below is an example of the customer journey for each.

ITEMIZATION

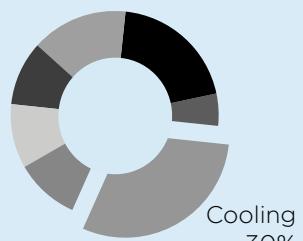
Statistical

Week 1
Itemization

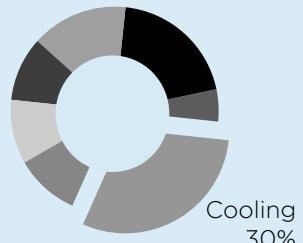


Disaggregated

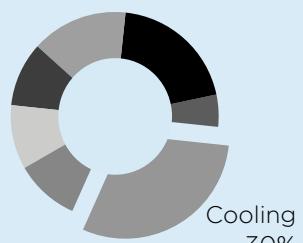
Week 4
Family goes on vacation



Week 44
New baby arrives



Week 50
Family upgrades to an EnergyStar A/C



"In what has been a breakthrough year for disaggregation, we have seen our deployments go from pilots and proofs-of-concept to full-blown deployments. Multiple IOUs that understand how disaggregation can help them maintain their industry leadership position have specified disaggregation in recent RFPs."

Abhay Gupta
CEO, Bidgely

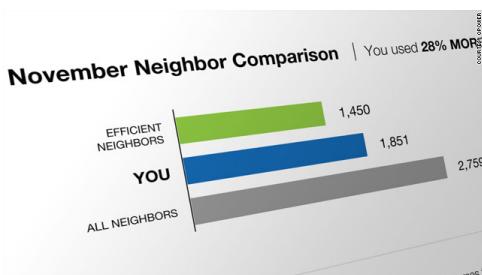
For more information, read the [True Itemization White Paper](#)

Optimize

the Consumer Experience

In an effort to improve consumer engagement, there are new trends in utility consumer features. Useful but there's an opportunity to improve customer experience even further. Below are ways in which leading utilities are leveraging their AMI data to enhance these new features:

Standard



Optimized



| | |
|---------------------|----------------------------------|
| Number of occupants | <input type="button" value="▼"/> |
| Size of home | <input type="button" value="▼"/> |
| Year built | <input type="button" value="▼"/> |

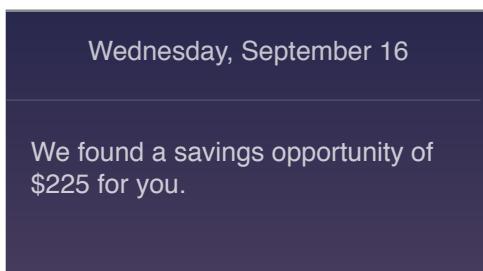
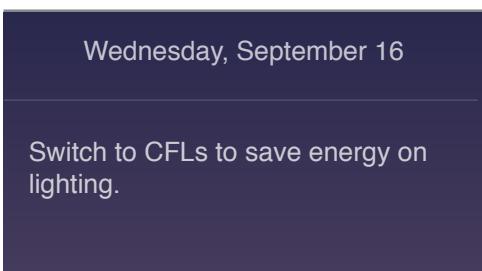
My Home Assessment

Do you own your home? YES NO

What type of home do you live in? SINGLE FAMILY HOME APARTMENT

What's the size of your home (square feet)? 3200 SQ FT

Do you heat your home in the winter? YES NO



Peer Comparisons
can be done on a per-appliance basis

Recommendations
provide personalized tips and savings potential

Surveys or audits
can be pre-filled to improve completion rates

Alerts provide personalized and actionable guidance

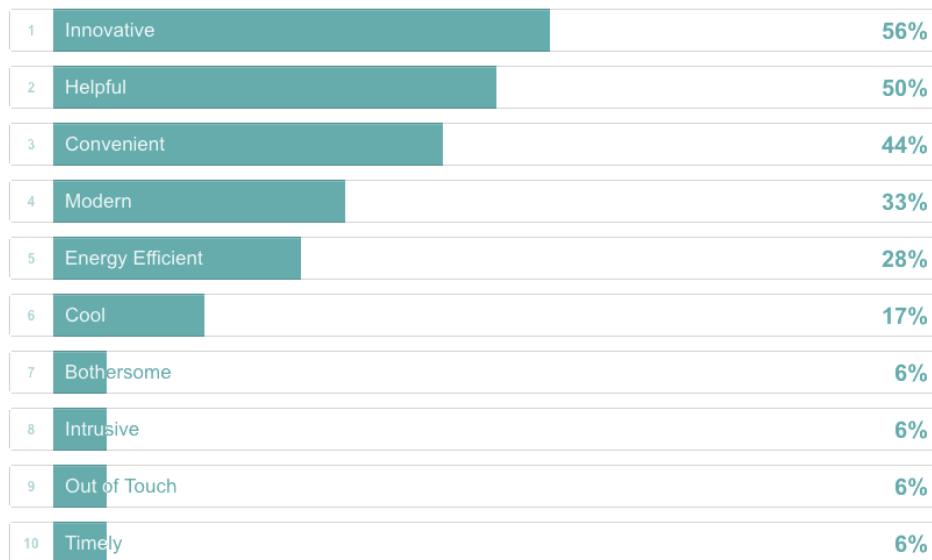
Measure *Results*

Consumer sentiment is typically measured via Net Promoter Score. This is not applicable for utilities given the regulated environment where consumers do not “recommend” their electricity vendor to friends and family. However, it’s still important to measure whether digital engagement initiatives have moved the needle on how the consumer feels about their utility. Bidgely works with leading utilities to conduct Consumer Delight Index surveys. Below are two of the questions within the survey and sample results for one leading North American utility.

The HomeBeat app is a STEP FORWARD in the service my utility provides to me



By offering HomeBeat, what words are you more likely to associate with your utility?



STEPS FOR MEASURING RESULTS



DEFINE GOALS

Determine what your consumer engagement initiative is meant to achieve, or what problem it will solve



SET TARGETS

Set up targets for metrics, by consumer segment if necessary



DEVELOP SYSTEMS

Set up systems to collect, track, and report metrics, ideally on an automated basis



REVIEW METRICS

Review metrics regularly with the correct stakeholders



DEVELOP PLAN

Devise a plan to address shortcomings and dive deeper into consumer issues

Conclusion

In an environment of rising expectations, it is critical for utilities to engage their customers. Deploying a great mobile solution gives utilities the best opportunity to build meaningful relationships with their customers beyond the monthly paper bill.

This paper was written to help utilities stay in sync with industry leaders and consumer needs, with the goal of maximizing both near and long-term value.

Bidgely Customers



An Exelon Company



The RWE logo is written in a large, bold, blue sans-serif font.



The e.on logo is written in a red, lowercase, sans-serif font.



info@bidgely.com

