Engaging Customers in the Digital Age
Russ Henderson, Research Manager
Chartwell’s 2018 Residential Consumer Survey is an online survey of 1,517 U.S. and Canadian energy consumers conducted in August 2018. Respondents included approximately 300 consumers from each U.S. Census region and Canada. Its age, gender, income and race distribution reflect that of the general population.
Agenda

The changing game of customer experience

• Customer loyalty in a more complex world

Recommendations and case studies

• Awareness and participation
• Communication
The changing game of customer experience
DISRUPTION

SO HOT RIGHT NOW
Disruption in the mattress industry

Lead producers: Serta Simmons Bedding

Lead retailer: MattressFIRM

TEMPUR + SEALY
Mattress start-ups thrive on inefficient competitors

• Cheaper by hundreds of dollars
• Minimal physical infrastructure
• Efficiency through technology
• Excellent customer service
Traditional mattress companies play catch up

• Serta Simmons Bedding acquired start-up Tuft & Needle

• Temper + Sealy created Cocoon, its bed-in-a-box brand

• Mattress Firm began a “start-up team”
  • Created Tulo, a bed-in-a-box line
  • Partners with Purple
Arcadia Power Launches New Smart Home Device Subscription with Amazon Installation

Amazon Experts will install the latest energy efficiency technology in homes for $0 upfront
Available only to Arcadia Power members
Arcadia Power produces no energy but makes signing up for programs easy

**Price Alerts**

We automatically find and put you on a lower electricity rate than what you are currently paying, using our buying power of our 175,000+ members.

**Community Solar**

Subscribe to a remote or local community solar project, and receive savings from the production of the project share on your bill every month.

**Home Efficiency**

Upgrade your home’s efficiency with the latest energy-saving products, like a Nest thermostat, for $0 down and pay over-time with your savings.

**Bill Pay**

95% of utilities charge a payment transaction fee for cards. Arcadia Power charges $0, saving you money and earning you rewards points along the way.
If customers had a choice, would they leave?

How would you respond if you were offered a choice in electricity companies?

46% would stay with their current company.
Almost half would change based on price

How would you respond if you were offered a choice in electricity companies?

48% would change based on price
Almost half would change based on price

How would you respond if you were offered a choice in electricity companies?

6% would definitely change companies
Most customers could change companies

How would you respond if you were offered a choice in electricity companies?

54% of consumers could leave
Loyalty is affected by customer engagement

"I would stay with my current utility company"

+24% satisfaction
+26% trust with consumer data
+15% ease of doing business
+23% value
Satisfaction affects loyalty most

- High satisfaction: 2.23 times greater likelihood to choose “stay”
- High trust with consumer data: 2.02 times greater likelihood to choose “stay”
- High ease of doing business: 1.58 times greater likelihood to choose “stay”
- High value: 1.58 times greater likelihood to choose “stay”
Highly satisfied customers are 2.23 times more likely to stay.

**High satisfaction**
- Definitely change: 2%
- Change with lower price: 32%
- Stay: 66%

**Low satisfaction**
- Definitely change: 18%
- Change with lower price: 62%
- Stay: 20%
Findings and Recommendations
High and low satisfaction groups

High satisfaction
- Chose 5 stars on satisfaction
- Tend to be over 64 or under 35 years old

Low satisfaction
- Chose 1 to 3 stars on satisfaction
- Tend to be 35 to 64 years old
Customer satisfaction related to awareness and participation

• Satisfied customers are more aware of self-service options, especially
  • Stop/start/transfer service
  • Outage map and online outage reporting

• Satisfied customers are more likely to use
  • Mobile apps to pay their utility bill
  • Credit cards to pay their bill without fees

• Satisfied customers more likely to be enrolled in pricing programs
Customers are unaware of many utility offerings

Complete the statement below by selecting all that apply:
"My power company offers..."

- Digital version of bill online: 62%
- Digital/electronic payment options: 59%
- Website to report outage: 52%
- Website to start/stop/transfer service: 50%
- Online outage map: 39%
- Mobile app: 31%
- None of these are offered: 9%

96% of utilities have outage map
Awareness of self-service offerings are linked to satisfaction

<table>
<thead>
<tr>
<th>Self-service offering</th>
<th>Change in satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online start/stop/transfer</td>
<td>+9%</td>
</tr>
<tr>
<td>Outage map</td>
<td>+8%</td>
</tr>
<tr>
<td>Online outage reporting</td>
<td>+8%</td>
</tr>
<tr>
<td>Mobile app</td>
<td>+8%</td>
</tr>
<tr>
<td>ePay</td>
<td>+8%</td>
</tr>
<tr>
<td>eBill</td>
<td>+3%</td>
</tr>
</tbody>
</table>
## Awareness of self-service offerings are linked to satisfaction

<table>
<thead>
<tr>
<th>Self-service offering</th>
<th>Change in satisfaction</th>
<th>Age group to target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online start/stop/transfer</td>
<td>+9%</td>
<td>35-64 years old: +13% change</td>
</tr>
<tr>
<td>Outage map</td>
<td>+8%</td>
<td>18-34 years old: +14% change</td>
</tr>
<tr>
<td>Online outage reporting</td>
<td>+8%</td>
<td>50-64 years old: +11% change</td>
</tr>
<tr>
<td>Mobile app</td>
<td>+8%</td>
<td>35-64 years old: +11% change</td>
</tr>
<tr>
<td>ePay</td>
<td>+8%</td>
<td>35-49 year old: +9% change</td>
</tr>
<tr>
<td>eBill</td>
<td>+3%</td>
<td>50-64 years old: +6% change</td>
</tr>
</tbody>
</table>
Mobile app use increases satisfaction, loyalty and ease

“I have downloaded and sometimes use my utility’s mobile app to view and pay bills.”

<table>
<thead>
<tr>
<th></th>
<th>Loyalty</th>
<th>Satisfaction</th>
<th>Ease</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>+15%</td>
<td>+7%</td>
<td>+5%</td>
</tr>
</tbody>
</table>
Mobile app use increases satisfaction, loyalty and ease

“I have downloaded and sometimes use my utility’s mobile app to view and pay bills.”

Change for people aged 35-64

- **Satisfaction**: +12%
- **Ease**: +10%
Waiving credit card fees can increase satisfaction

Do you pay your power bill with any of the following emerging payment methods?

<table>
<thead>
<tr>
<th>Payment Method</th>
<th>Current</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit card (with a fee)</td>
<td>17%</td>
<td></td>
</tr>
<tr>
<td>Credit card (no fee)</td>
<td>26%</td>
<td>35%</td>
</tr>
</tbody>
</table>
Opportunity for growth in pricing programs

Pricing option enrollment and interest

<table>
<thead>
<tr>
<th></th>
<th>Currently enrolled</th>
<th>Interest (top 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget/flat billing</td>
<td>45%</td>
<td>11%</td>
</tr>
<tr>
<td>TOU</td>
<td>33%</td>
<td>7%</td>
</tr>
<tr>
<td>CPR</td>
<td>59%</td>
<td>6%</td>
</tr>
<tr>
<td>Real-time pricing</td>
<td>32%</td>
<td>5%</td>
</tr>
<tr>
<td>Let utility adjust thermostat</td>
<td>37%</td>
<td>3%</td>
</tr>
<tr>
<td>Prepay</td>
<td>29%</td>
<td>2%</td>
</tr>
</tbody>
</table>
Enable time-of-use and critical peak rebates

Customers who participate in time-of-use pricing:

- Satisfaction: +6%
- Ease: +5%

Customers who participate in peak-time rebates:

- Loyalty: +21%
- Satisfaction: +7%
- Ease: +6%

Image source: Portland General Electric
Customer communications

High satisfaction

• Open to environment and community-based messages
• Prefers more communication
• Open to auto-enrollment

Low satisfaction

• Billing and outage communications only
• Prefers less communication
• Open to auto-enrollment
Money- and outage-related messages are most important

How important is it that your power company communicate to you about these topics?

- Rate increase: 89% top 2, high
- Scam alerts: 86% top 2, high
- Outages: 85% top 2, high
- Tips to save money: 79% top 2, high
- High bill: 76% top 2, high
- Tips to save energy: 75% top 2, high
- Environmental support: 59% top 2, high
- New products or services: 58% top 2, high
- Community support: 50% top 2, high
Most customers agree with or are neutral to outage alert auto-enrollment

Do you agree, feel neutral or disagree that your utility should send you outage alerts without you signing up?

More than 90% of customers are open to outage alert auto-enrollment
Acting in a new paradigm

It's not just what you do, but also how you market it.
Recommendations

Offer high-impact programs and services

- Self-service - website and app
  - Pay bill
    - Credit card without fees
  - Start/stop/transfer service
  - Outage map, reporting
- Give customers more choice
  - Payment options
  - Pricing programs
    - Time-of-use
    - Critical peak rebate
- Auto-enrollment in outage alerts

Market them well
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Utilities are middle-of-the-road when it comes to other industries

Consumers ranked industries on a scale of 1-5 stars in satisfaction, trust, ease and value
“Please rate how satisfied you are with the following”

1. Online retail: Satisfied = 4.08
2. Bank/credit card: Satisfied = 4.08
3. In-store retail: Satisfied = 3.99
4. Power company: Satisfied = 3.95
5. Cellular service: Satisfied = 3.89
6. Insurance: Satisfied = 3.86
7. Internet/cable: Satisfied = 3.71

Average values are represented by the horizontal line.

(Chart showing satisfaction ratings for various services.)
“Please rate how much you trust the following with your data”

<table>
<thead>
<tr>
<th>Service</th>
<th>Trust</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online retail</td>
<td>3.81</td>
<td></td>
</tr>
<tr>
<td>Bank/credit card</td>
<td>3.93</td>
<td></td>
</tr>
<tr>
<td>In-store retail</td>
<td>3.71</td>
<td></td>
</tr>
<tr>
<td>Power company</td>
<td>3.82</td>
<td></td>
</tr>
<tr>
<td>Cellular service</td>
<td>3.74</td>
<td></td>
</tr>
<tr>
<td>Insurance</td>
<td>3.78</td>
<td></td>
</tr>
<tr>
<td>Internet/cable</td>
<td>3.60</td>
<td></td>
</tr>
</tbody>
</table>
“Please rate how easy it is to do business with the following”

<table>
<thead>
<tr>
<th>Service</th>
<th>Ease</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online retail</td>
<td>4.15</td>
<td></td>
</tr>
<tr>
<td>Bank/credit card</td>
<td>4.22</td>
<td></td>
</tr>
<tr>
<td>In-store retail</td>
<td>4.11</td>
<td></td>
</tr>
<tr>
<td>Power company</td>
<td>4.16</td>
<td></td>
</tr>
<tr>
<td>Cellular service</td>
<td>3.98</td>
<td></td>
</tr>
<tr>
<td>Insurance</td>
<td>3.93</td>
<td></td>
</tr>
<tr>
<td>Internet/cable</td>
<td>3.84</td>
<td></td>
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</tbody>
</table>
“Please rate the **value** you receive, given the price you pay, from the following”

<table>
<thead>
<tr>
<th>Service</th>
<th>Value</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online retail</td>
<td>4.02</td>
<td></td>
</tr>
<tr>
<td>Bank/credit card</td>
<td>3.97</td>
<td></td>
</tr>
<tr>
<td>In-store retail</td>
<td>3.94</td>
<td></td>
</tr>
<tr>
<td>Power company</td>
<td>3.85</td>
<td></td>
</tr>
<tr>
<td>Cellular service</td>
<td>3.78</td>
<td></td>
</tr>
<tr>
<td>Insurance</td>
<td>3.75</td>
<td></td>
</tr>
<tr>
<td>Internet/cable</td>
<td>3.62</td>
<td></td>
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