

eBOOK

UPLIGHT RESEARCH SERIES

# Bridging the Gap: Driving Energy Customer Action



**uplight**<sup>™</sup>

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# Introduction

Uplight conducted our first nation-wide survey of utility customers in 2020, finding that personalization is now table stakes for utilities, and that personalizing the customer experience results in higher customer trust, engagement, and satisfaction. But utilities have a big gap to traverse—over half of customers don't feel like their utility's energy saving resources are relevant to them.

And, while many customers are aware of energy saving offers and programs from their utility, few are taking action. The research also revealed that customers don't go to their utility first when they are making energy decisions and customers from all segments would prefer a more personalized utility customer experience.

To uncover what really motivates customers to take action, Uplight followed up with eight focus groups to explore engagement and satisfaction across three important customer differentiators: engagement level, income, and technology adoption.

We uncovered six themes and opportunities for utilities to guide their work in closing the motivation gap:

1. Billing and outages remain a focal point for customers
2. Low-to-moderate income customers pay close attention to their bills
3. Customers who engage for the first time are pleasantly surprised
4. Customers value social and emotional connections with their utility
5. Customers can be burnt out by too much utility communication
6. Renters feel left out of utility offers

**What does this mean for utilities? Read on to find out more about each theme.**

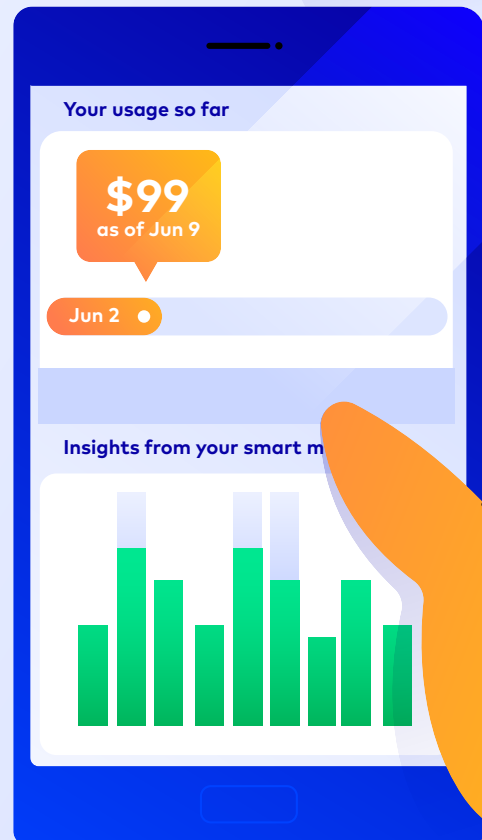


1

# Billing and outage communications, not energy-saving messages, remain top of mind for customers

"In our county, we have a county-wide emergency communication system. A phone alert. It would be nice if we could get similar communication from our power company. We have to be proactive to go on the app.

**It would be much nicer to get a push notification to say 'your power will be back on in 3 hours'. Having those kinds of alerts would be nice."**



1

Uplight's customer survey found that 39% of customers don't trust their utility as a resource for saving energy, and we found in the focus groups that most customers don't associate their utility with energy saving resources. When asked about their experience with utility communications, most customers mentioned outages and billing.

Few customers spontaneously spoke of energy saving communications from their utility without prompting, suggesting that energy saving resources and advice are not yet integral to how most customers think about their utility's services. Some customers even expressed surprise that these resources were available.

**"They send me a bill, I send them money. The notion that someone would communicate with the utility for some other reason is not within my reality."**

Participants of all segments wanted more communications around outages and outage resolution, especially via text message. But not all communication is considered helpful, and can even create more confusion. Many customers mentioned confusion on their bills, particularly about rates.

**"It's my first couple of years paying utilities [a student], and I've found the communications pretty misleading. They tell you a price, it's 68 cents per watt, but they don't tell you about the distribution charges."**

**They're communicating something, I don't think it's very clear. Just because you have more words doesn't mean it is clear communication."**



## Opening the Door to Customer Communication

Bills and outage communications can open the door for other types of utility communications, especially through digital channels.

All customers, regardless of engagement level, value personalized, multichannel communication around outages including advance warnings and updates on how long the power will be out, delivered through channels that don't rely on electricity like text messaging.

Incorporating simplified explanations on bills about rates, energy usage, and even energy saving tips can clear up confusion about bills and increase customer engagement. High bill alerts or targeted rate and program recommendations that help demystify the bill can also deliver high value to customers.

And best of all, these proactive communications can flip the switch on the utility-customer relationship so that customers might even look forward to their next contact with their utility.

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"I get texts and emails for storms or power outages. I get texts for when my bill is due. I get letters in the mail telling me how I'm doing compared to my neighbors.

It helps me know how much electricity I'm using compared to them. And they send a lot of emails about sales, they have sales on smart devices to save you money. They send me emails to buy a smart thermostat or smart lights that will save money over time, and they give you discounts on it."

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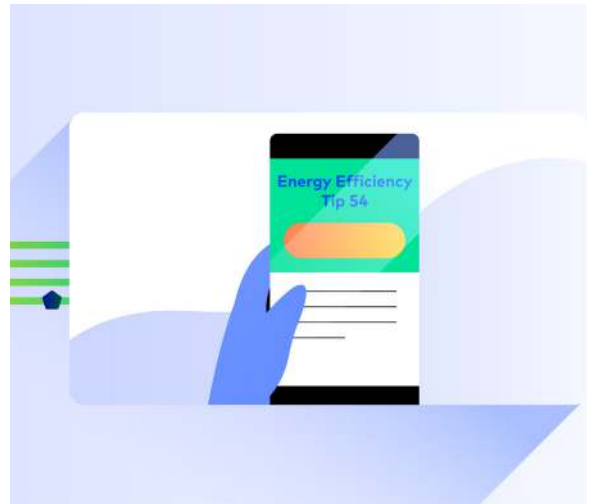
## Low and moderate income customers are laser focused on bills and saving energy

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"I find that my bill is very consistent. Down here in South Florida they have a budget billing system. You have to apply for it. If you round off your bill each month, at the end of the year you get an amount back. **I keep an eye on the bill amount just to make sure nothing is leaking or wasting.**"

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"The company sends an email every week telling you how much you've used throughout the week, they tell you how much you've used each day and how much you've used the week before. I like that... **That way I can change my habits on different days of the week.**"

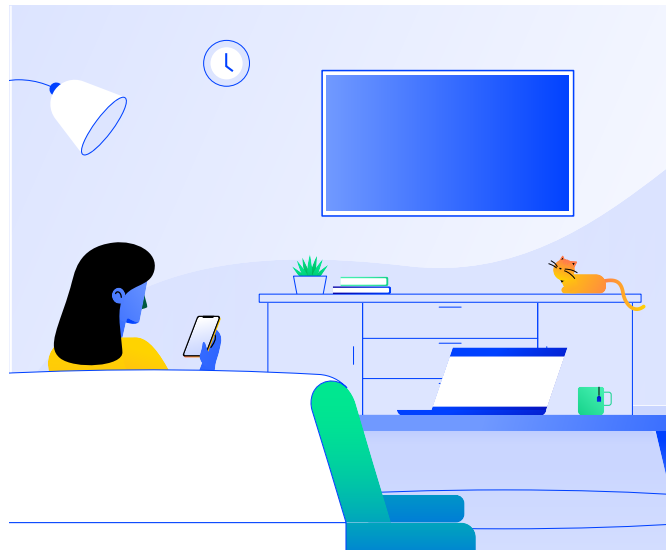


2

While many low and moderate income (LMI) participants were not as engaged with their utility overall, they were laser focused on their bills, especially when enrolled in a levelized billing program. They reported checking their bills to confirm the cost was consistent with their mental projection of what their usage ought to be based on their behaviors—at least monthly. Low-income groups were also more likely to notice energy-saving tips on their bills.

In fact, for all customers, high bills weren't a source of dissatisfaction. However, almost 20% of those in the focus groups mentioned being dissatisfied about the size of fluctuations in their utility bill—especially when they weren't aware of changes in their energy usage patterns to cause it.

Participants who were enrolled in budget or levelized billing programs were generally positive about these programs because their bills remained constant throughout the year, even though their usage patterns changed seasonally.



## Help LMI Customers Stay on Track

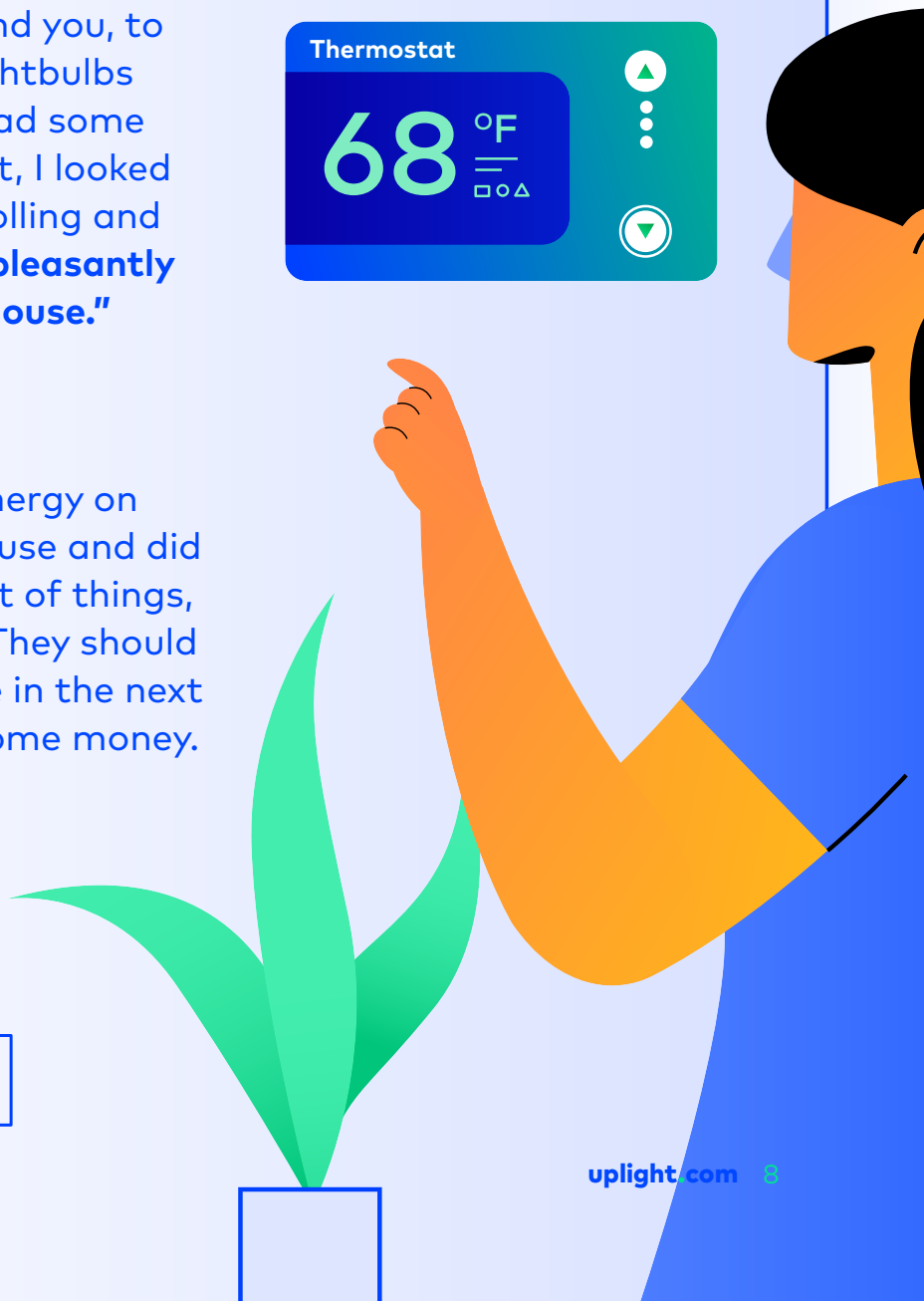
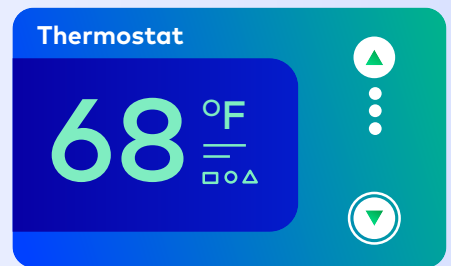
By using high bill alerts and other mid-cycle communications with personalized energy-saving tips to keep bills on track, utilities can better serve low income customers by providing helpful, personalized information. In fact, these types of communications can increase engagement with customers of all segments and encourage energy savings behaviors and habits.

3

## Once participants take the first step, they are pleasantly surprised

“They had a box they would send you, to check your house for cracks, lightbulbs that were energy efficient, it had some faucets to save water. To find it, I looked on their website, I was just scrolling and I found it, I requested it, **I was pleasantly surprised when it came to my house.**”

“I got an insert about saving energy on insulation. They came to my house and did an inspection and gave me a lot of things, lightbulbs, a sexy thermostat. They should be coming to insulate my home in the next month. I hope that saves me some money. **I was surprised, I’m shocked.**”





**3** Getting customers to take the first step is the hardest part as many customers, especially low-engagement ones, don't see their utility as a trusted energy advisor. In fact, many mentioned that they didn't think their utility would actually encourage them to save energy and instead would prefer they purchased more, rather than less energy. This aligns with Uplight's survey findings which suggest that 45% of energy customers have not taken action on utility rebates or incentives.

Once they take the first step, customers are "pleasantly surprised" and even "shocked" with the variety of offers available to help them save energy and money.

"I haven't paid too much attention to the deals, but now that everyone in the group is mentioning it, I'm going to look for them."

And customers who do look for programs often find themselves on a treasure hunt for information.

"I'd prefer more communication if it's going to save me money. I stumbled upon it, I got an incentive for a low-flow toilet, and a showerhead. **Had they communicated that to me better, there are a lot of people who would be happy to do this, just wasn't very well communicated to me.**"



For other higher income customers, the desire for more control can be a powerful motivation to purchase smart home products. Through these products, customers can understand where and how their home uses energy, and use data to optimize it.

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"My whole purpose in doing the smart home devices was for control. **I wanted to be able to control everything in the house... I didn't do it for savings.** I did it for control and to show it to my friends."

One common first step for higher income, more technology-savvy customers is purchasing solar panels. Solar PV causes customers to think more about energy generation, storage and usage, and maximizing the energy they are producing through smart home technology, feedback or demand response options.

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"One of the things I did, we have solar panels on our roof. **I'm pleased to say that I'm not only saving money with the payment, but I feel like I'm doing something good [for the environment].** Next phase is storage. We didn't get any insight or recommendation from the utility, but prior to installing the panels, I checked with them."



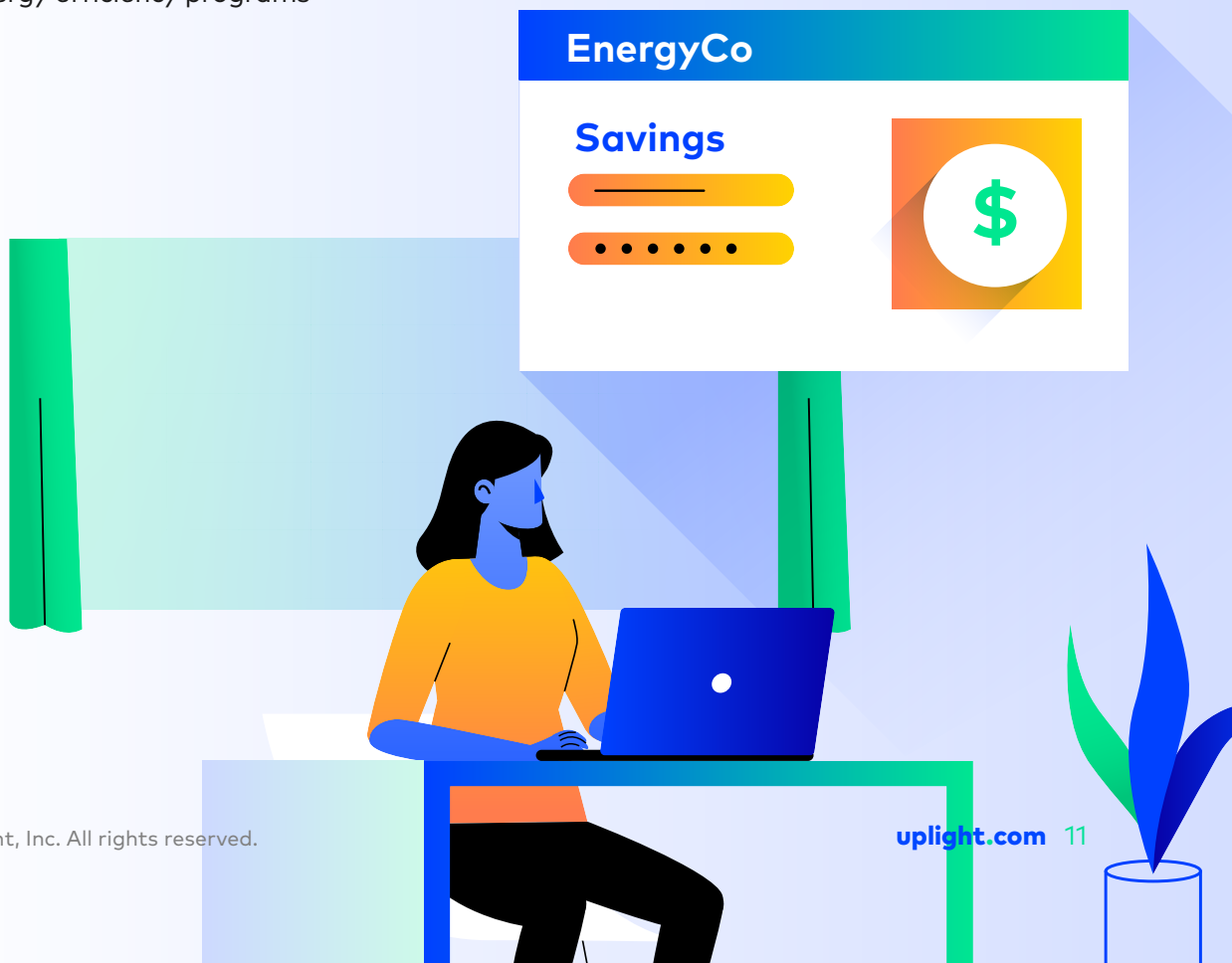
## Drive customers to the most relevant offers

Focus on driving program participation by connecting customers to the most relevant offer(s) for them. Save them the work of scrolling on a website or “stumbling upon” an offer by delivering the most relevant recommendations for each customer, through their preferred channel(s).

This is critical when it comes to LMI customers and renters. These customers in particular don’t think that utility programs are relevant to them and/or are too time-strapped to investigate free or low-cost energy efficiency programs and offers.

Utilities can tailor messages to more tech-savvy, higher income customers around solar and control of energy usage in the home.

Once customers have opted-in, keep the lines of communication open by following up with related offers to keep the surprises and savings coming.

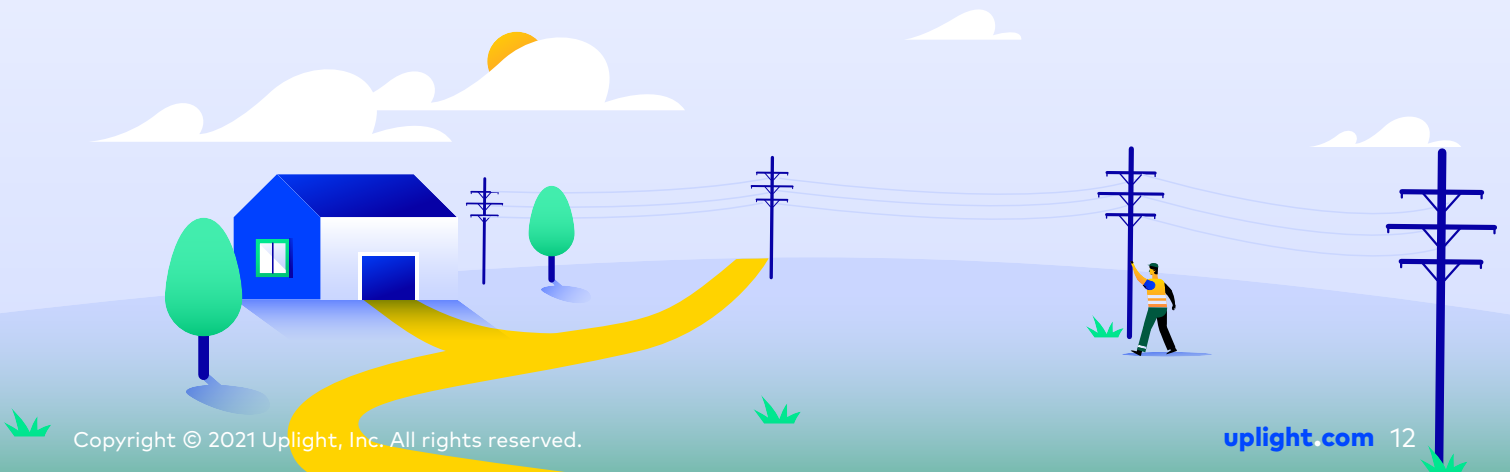


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## Customers value social and emotional connections with their utility

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**"I know people who have worked for the utility, they're good, honest people. Trust me, in the middle of a storm, these guys are out there working, trying to help you.... I think they're doing a great job. Last big storm, we invited guys working on the street in for a cup of coffee. I can't speak for the executives, but the blue collar workers are there to help me out."**



**4** Customers remember things utilities might not even consider, showing that a customer's trust and attention is related to how connected customers feel to their utility.

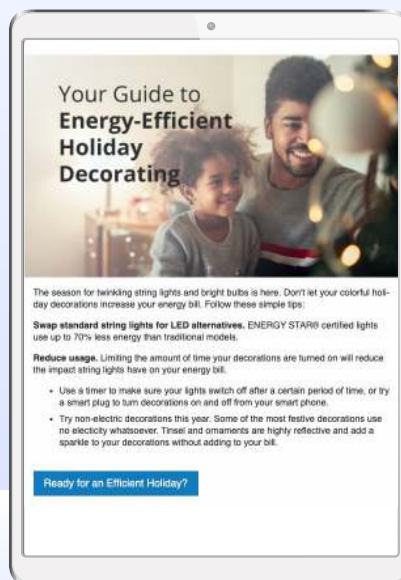
Creating customer loyalty and inspiring trust can occur via connecting socially or emotionally with the customer. In our focus groups, participants fondly recalled (without a prompt) workers sent to take down branches when outages were called in (visibility in the community), but also recipes for home-made food in bills, or open door events where customers could mingle, win prizes, and ask questions.

While customers don't necessarily see these interactions as delivering value that they'd pay for on their bill, our focus groups revealed that these interactions are intrinsically valuable, especially for highly engaged customers. These types of communications provide positive value and create emotional and interpersonal connections with the customer, and, in the case of recipes, they also create a reason for customers to open their bill.

## Create value in each interaction

It's easy to ignore the everyday, perhaps simple ways of engaging customers. While utility tree cutting crews on their own may not prompt customers to take action, they help establish a bond with the customer that can inspire action in other areas.

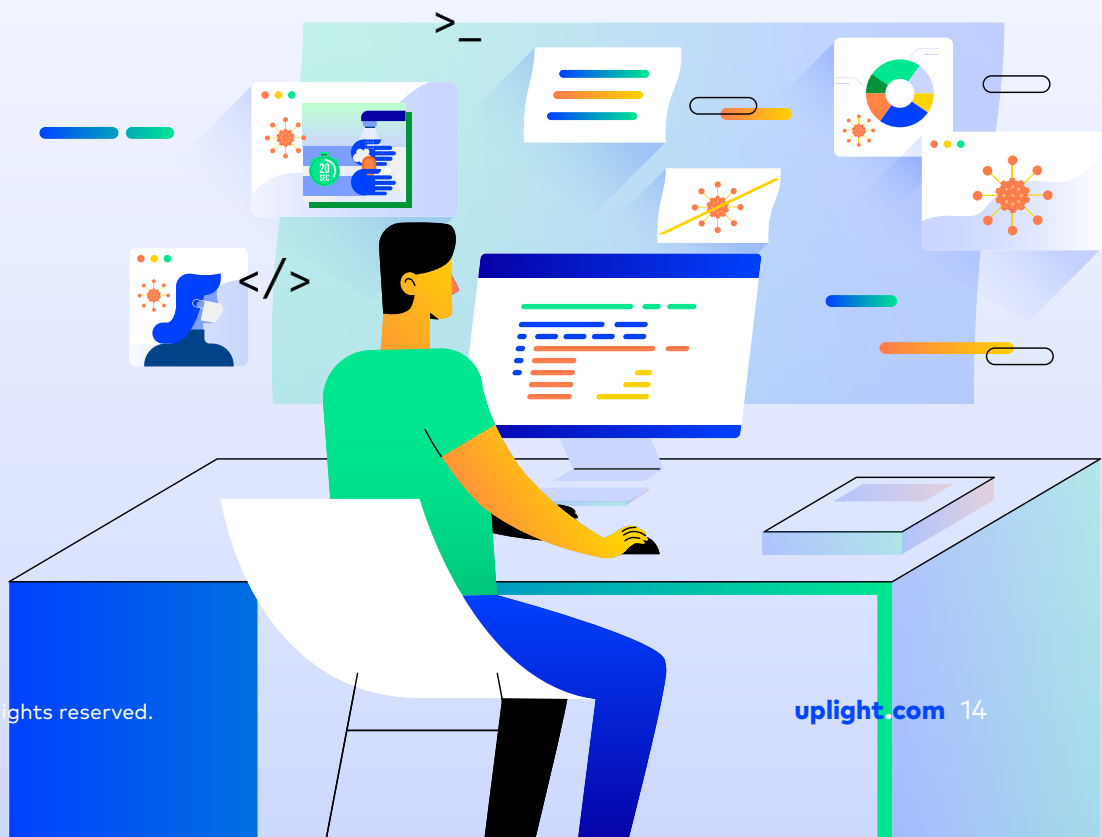
While we don't recommend that all utilities provide recipes in their bills, utilities should think about ways they can link to energy saving behaviors and products in a way that makes customers look forward to reading a message from their utility such as a guide to energy-efficient holiday decorating or a vacation checklist.



5

## Don't flood customers with generic communications, even they are meant to help

“It's been email overload about COVID-19. They've gone out of their way to let everyone know that they have programs available, if you've been furloughed. In a way, they are overdoing it. It's as though they are holding themselves up, for we did this to help people. It's too much. **A lot of it I just ignore.**”



**5** The majority of focus group participants felt like the volume of utility communication was just right. However, frequent generic communications can turn customers off of their utility, even if it's well intentioned. When asked about their utility's COVID-19 response, low-income participants were appreciative of COVID-19 relief programs, even if they didn't apply for them. But some higher-income customers were annoyed by the frequency of communications on a topic they did not feel was relevant to them.

When asked, many participants also said that their utility did not provide a personalized experience. However, when prompted further, several participants recalled some tailored communications, revealing that customers may not even realize what type of personalization is possible from their utility.

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**"When it comes to energy use, bill savings, that is personalized. When it comes to anything specific to my personality or my family or my needs, everybody gets the same thing."**

## Target customers with the most relevant offers

Not surprisingly, customers want even more personalized messages and offers. And with offers around COVID-19, this will require more advanced data analysis to understand which customers' situations have changed, or which customers are newly eligible for LMI programs. Overall, customers tune out generic messages, even if they are positive for the community.

The good news is that customers are willing to help utilities take the guesswork out of changes in their energy usage and needs. 58% of customers surveyed said they'd answer up to 10 questions if it meant they would receive more personalized recommendations.

To develop long-term relationships with customers, utilities need to provide more and deeper personalized information at every touchpoint—not only ensuring that customers are matched with the most relevant offers for them, but also that they are aware of the work their utility is doing to improve their customer experience.

6

## Renters and multi-family dwellers feel left-out

“As a renter, a lot of the tips and stuff didn’t really apply to me.”

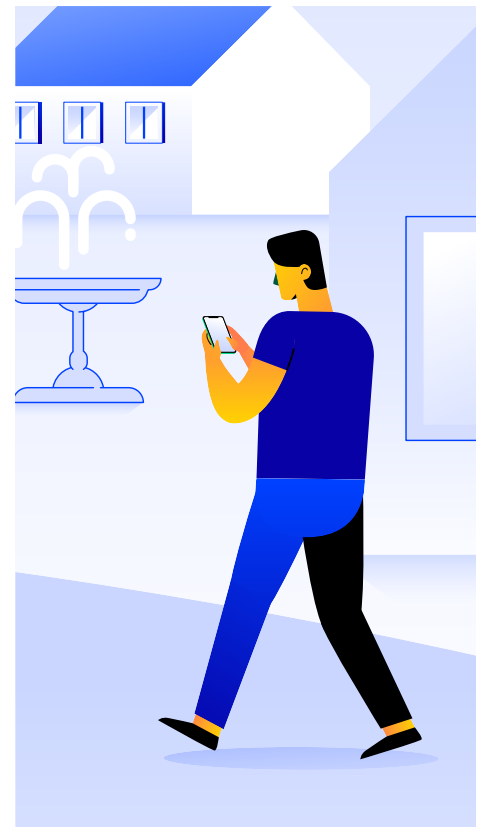
“Why would the utility want us to use less energy if they make more money when we use more?”

6

Renters and multi-family home dwellers are less engaged overall—often not realizing that their utility would try to save them money. Most were not aware of relevant rebates or offers, and those that were assumed that they didn’t apply to them.

### Provide energy saving actions for renters

Making up more than [a third of U.S. households](#), renters aren’t a segment to ignore. In addition to their size, this group is also highly attentive to their energy use—many renters mentioned monitoring their bills frequently to conserve energy. These customers would benefit from targeted communications that provide access to more relevant energy saving tips, or low-cost energy saving products since full home energy efficiency retrofits are often out of reach.





# Conclusion

To help drive customers to take action, utilities should meet customers where they are by ramping up bill and outage communications via paper and digital channels, helping LMI customers stay on track and avoid bill surprises, and give renters offers that are attainable and relevant to them.

Utilities can also leverage personalization to spark an interest amongst customers who haven't yet engaged with personalized offers. But there is clearly a balance to strike in communication frequency and content to avoid overwhelming customers with generic messages. Personalization enables utilities to offer the right message to each customer at the right time.

And throughout the customer journey, utilities can create a strong social and emotional connection with their customers to build the customer relationship, whether it be through a feature on a bill, a friendly line worker, or a text message about an outage.



## About Uplight

Uplight is the technology partner for energy providers and the clean energy ecosystem. Uplight's software solutions connect energy customers to the decarbonization goals of power providers while helping customers save energy and lower costs, creating a more sustainable future for all. Using the industry's only comprehensive customer-centric technology suite and critical energy expertise across disciplines, Uplight is streamlining the complex transition to the clean energy ecosystem for more than 80 electric and gas utilities around the world. By empowering energy providers to achieve critical outcomes through data-driven customer experiences, delivering control at the grid edge, creating new revenue streams and optimizing existing load and assets, Uplight shares a mission with its clients to make energy more sustainable for every community. Uplight is a certified B Corporation.

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