Treat customers as an Audience of One to maximize program success

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As part of its clean-energy plan, a utility in the Pacific Northwest added a peak-time rebate program to its demand-response portfolio. But getting reliable participation in the program proved challenging. Although the utility received decent registration for the program, participation dwindled as time went on, leaving the program in a dead zone without much success.

We can no longer assume program success from customer signs up alone. It matters who the customer is: a reliable, engaged customer is worth a lot more to the program than a customer who may not take action after signing up.

In this example, the utility's traditional segmentation didn't result in the participation level required for success. So, it turned to data science. Taking a data-driven approach to recruit the best possible customers for the program, the utility saw remarkable results. Program performance increased by 51%, and the utility experienced reduced customer acquisition costs with four times the improvement in personalized customer engagement instead of using predefined, static segments.

The importance of a personalized approach

There are more programs available to customers than ever, and utilities' goals are becoming more ambitious in the path to carbon neutrality. But even with these great efforts, there are still challenges.

There's a risk of overwhelming customers with too many options to the point where they don't participate in any programs because they can't figure out which is best for them.

The traditional approach to marketing programs to customers is through static segmentation. Static customer segments can be helpful for building empathy and an understanding that there are different types of customers with different needs. But solely relying on static customer segments leads to default messaging that doesn't address specific customer groups' needs—in other words, treating all customers the same.

The solution is to take the decision-making out of customers' hands. Utilities are evolving how they view and understand customers. We've come a long way from the historical ratepayer term and are on the journey to a customer-centric, Audience of One approach.

Seeing customers as an Audience of One

The E Source Audience of One approach allows utilities to engage the right customers in the right programs. Our high-resolution artificial intelligence models discover individual customer traits and behaviors to serve each customer on a personal basis. We can help you match the right offer to the right customer at the right time to maximize adoption.

A major West Coast utility recently needed to understand which customers were most at risk of being unable to pay their utility bill. The utility wanted to find out which customers would benefit most from alternative payment arrangements or other proactive strategies to reduce the risk of nonpayment. Through machine learning and data science, the utility identified 9% of customers who represented a population that was 255% more at risk of arrears than the average utility customer. This granularity helped the utility deploy targeted communications designed to build awareness of utility programs that could help customers most at risk of arrears avoid them.

Using modeling, customer research, and data science, it's possible to treat customers as an Audience of One. E Source can use that individual understanding to create more-accurate microcohorts of customers to help utilities efficiently achieve program targets and a stellar customer experience.

Our Audience of One approach:

- Builds a custom portfolio of programs for your customers to help you deliver the best possible customer experience and maximum lifetime value.
- Understands the needs of your distributed energy grid and creates a portfolio of programs to support the clean-energy grid of tomorrow.
- Cost-effectively achieves program goals by predicting the best customers for each program.
- Creates messages that match your customers' values and are delivered at the right time through their preferred channel.
- Automates feedback for continuous learning and improvement.

Executive workshops

If you're ready to find more success in your customer programs through Audience of One, we invite you to join one of our executive workshops led by Tom Martin, who was recently recognized as one of the top 25 thought leaders in utility analytics by the Utility Analytics Institute.

In these workshops, we'll help answer all your data science questions, such as:

- What's the difference between traditional analytics and data science?
- Why is data science important?
- What are the roles of executives in creating a data-driven organization?
- How can we assess the value of data-driven decision-making against the work effort required?
- What are examples of data science use cases and value drivers?

Sign up for a workshop

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