Use CX principles to create a customer-focused decarbonization strategy

By Luba Abrams
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This report was authored by Luba Abrams, an independent marketing consultant. Prior to her role as a consultant, Luba worked at BGE for 13 years. She was initially recruited to oversee the marketing launch of BGE's PeakRewards demand response initiative and residential and commercial energy efficiency programs. While at BGE, Luba held responsibility for Maryland Public Service Commission filings, managed a 150-person contact center, and rolled out BGE's customer experience strategy prioritizing employee engagement.

Key takeaways:

- Customers play a key role in making decarbonization a reality, so it's important for utilities to make customer experience (CX) a key part of their decarbonization strategies.
- Different decarbonization programs and initiatives might require different CX strategies, like offering text reminders for appointments related to demand-side management (DSM) appointments and using flat fees for green energy programs.
- CX strategies such as journey mapping can help utilities better understand what customers need from decarbonization programs and identify places for improvement.
- Some CX-centered metrics, like customer satisfaction (CSAT) and Customer Effort Score, can help utilities review decarbonization initiatives.

As stakeholders—like government representatives and industry leaders—continue working to make a decarbonized future a reality, the people who will play a key role in this future, utility customers, often end up feeling confused and unsure about what decarbonization means for them. Decarbonization is a complicated topic even for experts. But utilities have the unique opportunity to use CX practices and design a decarbonization journey that positions this future as something you're doing with customers rather than to customers.

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Start by making sure customers understand the benefits of decarbonization. And to better engage your customers in these efforts, learn what’s important to them and help them feel confident in their decision to participate. You also want to be sure that you get your employees on board, encouraging them to be part of the program and giving them the tools and information they need to assist customers. Finally, measure your effectiveness along the way to make sure you’re meeting customer needs.

Why CX and decarbonization?

Many utilities are offering more decarbonization programs because of local, state, or federal mandates. Others see sustainability as a strategic and competitive advantage. Whatever your utility’s reason for prioritizing decarbonization, you need to remember that customers play an important role in these efforts. You can even go a step further to make your customers your decarbonization allies.

By taking the customer experience into account, your utility can:

- Increase customer participation in decarbonization efforts
- Encourage customers to promote your efforts to others
- Improve your chances of meeting competitive decarbonization goals

No matter how you approach decarbonization within your utility, you should look at customers as a partner on your journey.

What are customers saying about decarbonization programs?

E Source E Design 2020 was a three-year collaborative project that used design thinking and ethnographic research to help utilities rethink, revitalize, and reimagine their programs, products, and services for the new energy consumer. One of the fundamental insights from the project is that there’s no universal solution.

Energy efficiency (no one size fits all)

Residential customers are interested in customizing energy efficiency offerings to fit their needs and finding ways to learn more about what works best for them.

Every home is different in terms of size, occupants, age, build, appliances, and devices. Customers don't always appreciate general tips because they don't apply to them or aren't particularly helpful.

Utilities need to ask themselves, "How might we shift from giving general tips to giving personalized advice and support?" A good place to start is figuring out what specific issues customers face and what might be causing them.

Customers aren't sure how to be energy efficient. Many customers don't know how they can help with decarbonization efforts because natural gas supports some of their essential household activities.

> "The things that I know uses my gas are my oven and my water heater. I can't really save on that stuff because we need to eat, and we need to shower. I don't think we waste gas." –Male

Consumers often find conflicting information. There's a lot of information about energy efficiency, and it can be overwhelming for customers. Everyone has an opinion on what the "right way" is, and it's challenging to know what to believe.

> "It's frustrating the amount of contradictory information that's out there. Whether it's government websites, utility websites or word of mouth, it's hard to find the one right way to be energy efficient." –Male

Customers feel uninformed about their energy use. Consumers expect to be able to easily check and monitor their energy use—like how they're able to check their phone's data usage. But some utilities haven't caught up to meet customers' expectations.

> "I really feel like having some kind of notification, whether it's an app on my phone that as soon as my residence has used 'x' amount of kilowattage to get that extra charge, having that notification pop upon my smart phone saying, 'Hey just so you know, you've entered into double kilowattage time.' That would be really cool because I have no way of managing how much extra energy I'm using." –Female

Do different decarbonization initiatives need different CX efforts?

Decarbonization initiatives can look different depending on:

- The programs your utility is designing and promoting
- Your utility's program-specific and company-wide goals
- External mandates your utility is trying to meet

And it's important that you adapt CX efforts and strategies based on the initiative, customer needs, and desired outcomes.

DSM. Make sure your DSM programs connect with customers across demographics and offer a variety

of incentives. Clearly and simply communicate the benefits of participating, like the direct benefits to customers and the long-term benefits for the environment.

New to CX?

Find definitions for common terms and practices in the E Source customer experience glossary.

Improve your CX for DSM programs by:

- Enabling text reminders for installation appointments or high usage alerts
- Reducing the amount of paperwork customers have to complete
- Making it easy for customers to take advantage of rebates and discounts
- Giving clear information about incentives such as when customers can expect them

Sustainable gas heating. Some customers can't fully move away from gas, but you can support them in their journey to use more efficient gas appliances.

For sustainable gas heating programs, make sure you're clear about the tradeoffs, pros, and cons. Include the ROI and other payback metrics in your communications. If there are performance benefits, mention those too. Offer text reminders of installation appointments or for information on rebates.

To learn more, check out the report The benefits and barriers of sustainable gas heating (available to members of the E Source Demand-Side Management Service and the Technology Assessment Service).

Renewable energy. According to the E Source US Residential Customer Insights Center, more than half of respondents who were at least somewhat familiar with solar systems said they've purchased or are considering purchasing the technology in 2023. E Source market research also shows that residential customers who agreed their utility supports use of renewable energy were more likely to rate their satisfaction with their utility as excellent compared to those who disagreed their utility supports customers' use of renewable energy.

Learn more about the E Source residential insights tools

The E Source US Residential Customer Insights Center compiles data from the Claritas Energy Behavior Track annual online survey of about 32,000 residential customers in the US (conducted in partnership with E Source). Utilities rely on this tool to understand their residential customers' behaviors and attitudes around energy consumption.

The E Source Canadian Residential Customer Insights Center compiles data from the E Source Canadian Residential Customer Insights Survey. We designed this survey to better understand Canadian residential customers' attitudes and behaviors around energy and energy-related technologies.

There's a clear opportunity for utilities to positively engage with residential customers by providing useful renewable energy tools, information, and programs. Our report Designing successful green-

power programs offers ideas for customer-friendly program design, including:

- Using flat fees or block structures to make it easier for customers to understand and choose what option works for them.
- Educating employees about how to help customers weigh their options and avoid sticker shock when they receive their bill.
- Offering customers tools to understand exactly how their participation in a program can affect their community.

You can also put equity at the forefront of your efforts, finding creative ways to expand access to your programs.

For example, SMUD offers a sharing option as part of its renewable program, Greenergy. As part of enrollment, customers can opt to donate a certain amount of renewable energy to SMUD customers who can't afford the extra expense. Other options include using extra program funds to develop renewable generation for low-income or disadvantaged communities.

How can utilities create a positive CX for decarbonization programs?

Journey mapping and journey design

Map customers' unique journeys to design programs that create a better CX. Journey mapping specific decarbonization programs can help your utility:

- Understand the entire customer experience
- Identify opportunities for improvement

Understand the entire customer experience. As you design your programs, it's important to focus on promoting ease of participation and creating compelling customer benefits. Consider the entire process and ask questions such as:

- "How do customers find out about our initiatives?"
- "How and where do customers research our offerings?"
- "What makes them decide whether they should participate?"
- "How clear is the information and criteria to participate we've provided about our programs?"

Create personas to represent the journey for different types of customers. You can then map out how the process could be if you met or exceeded their expectations. Make sure that customers can participate across different housing and socioeconomic situations.

Understand how journey mapping can help utilities

Journey maps show the entire customer journey—illustrating each touchpoint, potential pain point, or area for improvement. Journey maps capture interactions between the customer and the utility and highlight related experiences that lie outside the utility's purview. They're an important tool because they help utilities empathize with their customer and explain customers' behaviors, emotions, and

preferences.

Check out the Customer journey mapping for utilities: A facilitator's guide (available to members of the E Source Customer Experience Strategy Service) for a step-by-step guide on how to run an effective journey mapping session.

Identify opportunities for improvement. When looking at your customers' journeys with decarbonization, don't forget to examine the roadblocks that prevent customer participation.

According to 2023 data from the US Residential Customer Insights Center, respondents who haven't participated in a program in the past year said their top barriers to utility program participation were:

- Lack of awareness about programs—38%
- Lack of incentive to participate—28%
- Not owning the property where they live—24%

To find opportunities for improvement and create a better CX, consider the following questions:

- Where are customers' pain points?
- How do they feel as they go through the steps to participate?
- What channels are they using during their journey?
- Can they enroll in programs online?
- Is there a way that customers can monitor where they're at in the journey?
- How do customers prefer to receive updates?

When addressing issues, make sure that your utility considers how different solutions can benefit different customer types. Decrease the number of barriers to utility program participation and increase opportunities for customer representation.

Capturing voice-of-the-customer and voice-of-the-employee feedback

Surveys, call recordings and social media monitoring are great sources of information. Capture and incorporate voice-of-the-customer (VOC) and voice-of-the-employee (VOE) data throughout the process. Make it a point to also show these stakeholders how you use their feedback to design and improve your programs and the participation experience.

The value of VOC feedback. Survey customers at key program touchpoints to understand how the customer's experience was at different points in their journey. Capture key metrics, like CSAT and ease of effort, to find and address common issues.

Collect better VOC feedback

E Source offers reputable, industry-leading market research to help you solve problems with data instead of assumptions. Contact E Source Market research for more information on how we can help.

Qualitative research such as focus groups and ethnographic studies can also help you get rich insights. To build out your understanding of customers and the success of your decarbonization efforts even

more, consider information from:

- Call and chat transcripts
- Website analytics
- Customer complaints

The value of VOE feedback. It's important to share VOC information with employees who affect CX—like program management, contact center employees, and the website development team. But you should also use VOE feedback to improve CX.

Your frontline employees interact directly with customers, and they can offer a wealth of information to help design your programs and make customer-centered improvements.

Creating clear communications

Understanding customers' top reasons for participating in programs—like decarbonization programs—can help you focus your messaging and improve your communications. According to 2023 data from the US Residential Customer Insights Center, respondents who participated in an energy provider's program in the past 12 months said they did so to:

- Take advantage of cost savings—46%
- Improve their home's energy performance—37%
- Improve comfort in the home—28%

Make sure you speak to your customers in a way that's easy to understand and connects to their unique needs, viewpoints, and interests. Decide which messages will be most effective with your customer base. Find out what terms resonate best with them by testing messages with panels or focus groups.

For example, if you're connecting with customers at the beginning of their decarbonization journey, avoid talking about renewable energy options using language like:

- Customer generation
- Net metering
- Interconnection

Most beginner customers won't know what these terms mean without prior research. And using language like this can leave customers feeling confused, creating a negative experience.

Choosing the right metrics

DSM program managers need to focus on cost-effectiveness and benefit tests to justify their spending on programs. They also need to include customer-focused metrics and design the programs in a way that encourages customers to participate.

Consider the following CX-centered metrics for your utility's decarbonization initiatives.

CSAT

Measuring CSAT can give you a general understanding of how your customers feel about your programs and your utility's efforts to promote them. Consider measuring things such as new program features by touchpoint to see how customers perceive the features.

This approach is especially helpful if you have it as a popup on your website or as an option immediately after a customer interacted with your contact center.

Net promoter score

Customers are more likely to share their negative experiences on broader channels—like social media. This sharing can have a negative effect on program participation or your utility's reputation.

Monitoring the net promoter scores for programs that are a part of decarbonization initiatives tells you how likely your customers are to be advocates for your offerings. It can also warn your utility team when programs might lose participants.

Customer effort scores

Tracking customer effort scores can help you identify pain points for your programs, products, or interactions. By flagging and correcting points in the customer journey requiring high effort, you can make it easier for customers to participate in your offerings. These types of positive experiences could encourage customers to participate again and recommend your programs to their friends.

Customer retention rate

Most utility customers can't choose their energy provider. But they can choose if they want to participate in certain offerings.

If you see that certain programs have low retention rates, consider looking at them from a CX perspective to better understand the issues customers are facing. This can help you see if a program needs some basic improvements or a complete redesign.

First-contact resolution

First-contact resolution is key when customers have questions or issues with program participation. Make sure your contact center personnel or chatbots have the needed authority and information to resolve customer issues.

Website benchmarks

Customers often begin with the website when seeking out programs and services, so it's important that

your utility sets and reviews website benchmarks. Having a website that's difficult to navigate, uses terminology that's hard to understand, or doesn't offer simple-to-use enrollment options will hurt program participation and can deter customers from seeking out programs in the future.

To learn more about the most recent findings from the E Source 2023 Website Benchmark, check out our press release E Source study reveals increased focus on utility website accessibility in 2023. Members of the E Source Digital Self-Service subscription can also get full insights from the study and guidance on how to design specific features, like a page about energy efficiency.

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