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For Energy Consumers in Singapore Seeking New Products and Services, Personalised and Seamless Experiences Have Become Paramount, Accenture Research Shows

Energy Providers Must Adopt Strategic New Customer Plays, to Compete for Market Share and Increase Satisfaction or Risk Consumers Switching in Competitive Markets

SINGAPORE, October 25, 2016 - Consumers want new energy-related products and services, particularly in the form of new value propositions, and most are demanding a seamless, digital and personalised experience, Accenture research (NYSE: ACN) shows.

The research, *The New Energy Consumer: Thriving in the Energy Ecosystem*, Accenture's seventh annual survey of energy consumers across 17 countries, revealed that consumers in Singapore are interested in the next generation of value propositions such as automated home energy management (33 percent) and connected home (32 percent).

In addition, the consumer experience is now paramount to drive uptake of new offerings and increase satisfaction with energy providers. In fact, 97 percent of consumers in Singapore would be more satisfied if their energy provider could personalise their overall customer experience. A substantial majority expressed an interest in personalised services like a customisable digital bill or a website or app that signs them up to the best available offer based on their real-time energy usage.

Conversely, 81 percent of consumers here would be discouraged from signing up for additional products and services if their energy provider was not able to provide a seamless experience. For 89 percent, it would negatively impact their satisfaction if a seamless experience was not provided.

Switching presents a threat to energy providers in competitive markets
If these consumer expectations are not met in competitive markets, energy providers may face a constant struggle to retain customers in face of increasing competition from other energy providers and new market entrants, amid the challenge of serving perennial switchers. To provide an example of where consumer expectations must be met – while 66 percent in Singapore would like an application to remotely monitor and control elements of their home, only 6 percent already have such an application.

Indeed, more customers are considering switching in the next 12 months. In 2016, 37 percent of consumers in competitive markets reported being likely to switch to a different energy provider compared to only 28 percent in 2015, a figure that rises among digital users. This figure increases to 73 percent, who would consider switching, if a seamless experience could not be provided. In Singapore, nearly all digital users (97 percent) are more likely to switch to an alternative provider for electricity, energy-efficient products or services.

In addition to direct competition from other energy providers, non-traditional players and new market entrants also pose a risk. Ninety-two percent of consumers in Singapore would consider alternative providers, including specialised energy services companies, phone and cable providers or retailers, when purchasing not only energy-related products and services but also electricity.

"Incumbent utilities have considerable resources to fight off challengers, including invested capital, strong brands and customer trust, a broad range of established capabilities and decades of institutional knowhow and data, but they need to adopt new models now to meet consumer expectations," said Valentin de Miguel, Managing Director of APAC Resources, Accenture.

Act fast and adopt new strategic consumer plays

Accenture has identified three primary strategic customer plays for energy providers to successfully compete for market share and meet customer demands in this new battleground of consumer-centric energy products and services.

- **Commodity-Centric Provider:** Given consumers' increasing needs, this play is about creating a solid foundation for lean, agile and automated customer operations and offers a suite of digital interactions and effortless experiences. It focuses on low cost and high reliability. Not only is it important for today's market, but it also acts as a flexible base – supporting moves into additional customer plays as well as future growth.

- **Energy Marketplace Enabler:** This approach focuses on energy providers being the facilitators of the evolving energy marketplace. It enables them to be trusted advisors to customers who expect more than just energy from their provider, as well as a solutions integrator and information broker of smart and distributed energy resources (DER) technology.

- **Connected Lifestyle Provider:** Energy providers can drive profitability in new markets by proactively targeting and actively engaging consumers. They can become the partner of choice for the collaborative and connected home of the future with a focus on commercial and product innovation. This play also monetises DER at scale, but requires collaboration with an ecosystem of technology and service providers to knit together a seamless connected lifestyle proposition.

No single model is inherently better or worse, and depending on consumer trends and geographic span, most utilities will ultimately adopt a mix of the primary customer plays to position for today and the future.

"The ability to provide both a compelling customer experience and a high-performing organisation hinges on investing in people, selecting the right operating model and developing the right capabilities to efficiently and effectively execute against the right strategic customer plays," added de Miguel.

About the research

The multi-year New Energy Consumer research program is designed to help utilities understand emerging consumer needs and preferences, to identify new challenges and opportunities and to bring focus to the critical competencies required to succeed in the evolving energy marketplace. The program draws upon primary research insights from end consumers around the world, leading practices from industry and cross-industry providers, and technology adoption analysis.

Methodology
Accenture's seventh years of global research surveys are based on questionnaire-led interviews with end consumers. Surveys were conducted online in native languages for Accenture by Harris Interactive. The selected countries represent a range of regulated and competitive markets. In 2016, a total of 9,537 interviews were conducted in 17 countries, including 1,358 in the United States, 647 in the United Kingdom, 532 in Canada, and 500 in each of the following countries: Australia, Brazil, China, France, Germany, Ireland, Italy, Japan, Malaysia, the Netherlands, Philippines, Portugal, Singapore and Spain. For residential consumers the survey sample was statistically representative of the general population in each country, with the exceptions of Brazil and China, where the sample was representative of the urban populations. For countries with large and/or diverse populations, participants were selected from a broad spectrum of locations. The surveys included attitudinal, behavioural and demographic questions.

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