New Energy Consumer

SERVING SMALL AND MEDIUM-SIZE BUSINESSES

Shaping customer experience their way
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Accenture’s latest New Energy Consumer survey examined an often-underserved segment:

Small and medium-size business (SMB) customers.

Despite their desire for more tailored value propositions, SMBs often receive the same services as residential customer segments. SMB customers typically do not have the dedicated energy management programs and personnel of large commercial and industrial (C&I) customers. Accenture’s study found that engaged SMBs offer significant value in the new energy ecosystem. Our study affirmed that SMBs value great customer experience (CX), prize personalization and are receptive to digital engagement. In short, SMBs are ready, willing and waiting for their tailored connected energy experience. Energy providers should activate the CX their SMB customers want and realize the resulting opportunities.
Nearly every major energy provider around the world wants to transform CX—and with good reason.

From new market actors to the rise of renewables, distributed generation and electric vehicle (EV) adoption, energy market transformation is already underway:

More than half of utility executives (58 percent) believe distributed generation (that is, generating energy near the point of consumption as opposed to in centralized power plants) will affect revenue by 2030.¹

More than half of consumers (57 percent) would consider investing to become energy self-sufficient.²

With a compound annual growth rate of more than 26 percent, EVs could account for one-third of the global installed fleet, and provide a significant benefit for energy providers.³

Accenture modeling suggests that in the new market context, much of the near-term growth exists in downstream energy retail. In other words, it’s new products, services and value propositions—and adjacent markets in areas such as smart cities, connected energy services and connected buildings—that will power growth.

At present, energy retail typically accounts for about 10 percent of total industry value. We predict it will rise to about 25 percent through the introduction of these new revenue opportunities.⁴

What these trends have in common: the need to engage all consumers in a new CX.
Most of energy providers’ attention goes to the residential consumer segment—more specifically, creating seamless, effortless and more personalized experiences at scale. While that remains a worthwhile goal, the value created among residential consumers may not translate to another critical group: the SMB segment. And this trend is not limited to energy providers.

Fully 90 percent of B2B leaders already believe CX is crucial to their companies’ strategic priorities. By 2020, B2B digital commerce revenues will nearly double, accounting for about half of all B2B revenues. In the United States alone, the B2B digital commerce market will hit $1.2 trillion by 2021. Over the same period, global revenue from offline commerce channels will decrease by nearly 20 percent.

The forgotten segment?

Accenture surveyed 3,753 SMBs across 15 countries, representing both competitive and non-competitive energy markets. To obtain a globally relevant and balanced sample, for the purposes of the survey SMBs were defined as companies having between 1 and 500 employees; home-based businesses were excluded from the survey. The sample included a mix of business sizes based on number of employees and different types of businesses spanning services (e.g., accommodation and food service, arts, entertainment and recreation) and industry (e.g., manufacturing, construction, wholesale and retail trade).

The study’s findings reveal important insights about the current dynamics of SMB customer preferences and behaviors. And they illuminate how energy providers must think differently about digital and traditional channels for SMB customers—delivering the content, features and experiences these B2B buyers expect in their daily lives just as they do as residential consumers.

**90 percent of B2B leaders believe CX is crucial to their companies’ strategic priorities.**
How does CX measure up for SMBs?

Today small, medium and large C&I businesses make up approximately 60 percent of total load and revenue for large energy providers. What’s more, 60 percent of new programs and services target businesses, and global energy-efficiency expenditures are forecast to hit $56 billion by 2026. And while business customers represent about 10 percent of utility accounts, they can drive up to 25 percent of total customer service costs.

Yet, in serving B2B customer segments, energy providers have often delivered varying levels of service. In fact, many SMB customers have been grouped with residential consumers or provided products and services fit only for larger C&I customers. But now, in both competitive and non-competitive markets, we are seeing leading energy providers increasingly shift their focus to delivering more appropriate experiences to the SMB segment. The reason is simple: the tremendous value potential this segment can bring in moving to digital channels, reducing cost to serve and increasing new product and service adoption.

Over time, our New Energy Consumer research program has established the value of active digital customer engagement in driving increased adoption of digital channels and new energy-related products and services. Our latest SMB-specific analysis found that these customers are more active digital users than residential customers (39 percent vs. 27 percent). Our research points to the need to prioritize SMB customers as part of a broader CX transformation program and identifies areas where SMBs can offer even greater value than residential consumers.
More likely to recommend—to other businesses and to residential customers:
SMBs are likely to recommend their provider to residential customers, including 37 percent “very likely” to do so. Even more, for those interested in or already participating in a digital energy engagement program, the likelihood to recommend their current energy provider to residential customers is 61 percent (very likely).

Ripple effect on residential behavior:
SMB buyers are also residential consumers, and their experiences at work impact their behavior at home (see Figure 1). This finding suggests that SMBs have greater power beyond their business role to drive energy providers’ digital transformation programs.

Figure 1. SMBs have a ripple effect on residential behavior.

If you are participating or considering participating in a digital energy engagement program, have you or will you change the way you manage your personal residential energy account?

- 1% No, definitely not
- 15% No, probably not
- 53% Yes, probably
- 22% Yes, certainly
- 9% Yes, I have already

Base: Respondents participating in and/or interested in a digital energy engagement program.

Key testing group for new products and services:
In addition to engaging more digitally, SMB consumers are also a valuable group to tap into when testing new products, services and offerings. Compared to residential customers, SMB managers are more likely to sign up for trials of new products and services. In our latest survey, 83 percent of SMB managers reported being more likely to trial new energy-related products and services in their role as businesspeople than as residential consumers.

83 percent of SMB managers reported that they are more likely to trial new energy-related products and services in their role as businesspeople than as residential consumers.
Many utilities prioritize the residential customer base when rolling out digital engagement programs. Octopus Energy, a small UK-based energy retailer, has launched a variety of specific products and services targeted at SMBs. The retailer offers 100 percent renewable energy that is up to 35 percent cheaper than their competitors. Octopus Electric Vehicles, a division of Octopus Energy, has created a more effortless experience to purchase and manage EVs for business. Their dedicated customer service team provides support around car purchase, charging, tariffs and incentive programs. As part of the program, Octopus offers Energy Go, a tariff specifically designed for EV users.  

One large energy provider in the northeastern United States recently launched digital customer engagement programs for residential and business customers. A few months post launch, about 5 percent of residential customers had accessed the new capabilities online. By contrast, more than 15 percent of business customers did so—reflecting stronger motivation to engage. This was a surprising result for the utility, which is now examining the business segment for ways to leverage SMB engagement toward new programs and services.
Pursuing personalization is par for the course in the B2C world. Accenture’s latest research illustrates that this quest is just as important with B2B energy consumers—including SMBs.

And while SMBs value CX and personalization, there are performance gaps in three areas:

- **Products and services** personalized to an SMB’s business needs and preferences
- **Seamless** customer experiences
- **Services** to help manage energy consumption via digital tools (see Figure 2)
Indeed, while Accenture’s study shows that overall satisfaction has increased from 60 percent in 2013 to 70 percent in 2018, there has been little movement in terms of a personalized, hyper-relevant experience for the SMB segment. Our survey found that around 60 percent of SMBs still believe the service and support they receive from their energy provider is not specific to their business needs. That has the potential to impact their satisfaction. Those SMBs that receive a customized value proposition specific to their business needs also report significantly higher levels of satisfaction (see Figure 3).
To unleash trapped value, SMB energy personalization must be more sophisticated than simply adding more products or preferences. Leading providers are leveraging data and digital to enable connected personalization. With a 360-degree view of SMB customer preferences, energy usage history, location information and other contextual information, it becomes possible to anticipate needs and serve up actionable insights.

Today, many energy providers fall short in delivering that level of sophistication. Accenture’s research provides ample motivation to get serious about a better CX and increased personalization for the SMB segment.

Figure 3. Tailored products and services can affect SMB satisfaction.

How would you describe the products, services and support offered to your business by your energy provider?

Level of customization of value proposition to business needs vs. level of satisfaction with current energy provider

To unleash trapped value, SMB energy personalization must be more sophisticated than simply adding more products or preferences. Leading providers are leveraging data and digital to enable connected personalization. With a 360-degree view of SMB customer preferences, energy usage history, location information and other contextual information, it becomes possible to anticipate needs and serve up actionable insights.

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Ready, willing, waiting

Understanding energy consumption management opportunities is a driver of satisfaction among SMBs. The more they understand such opportunities, the more likely they are to recommend their provider. But while most SMBs (88 percent) express interest in a tailored digital energy engagement program, only 23 percent currently participate. Why? The answer could lie in the diversity of interests and preferences. When Accenture asked about the three most important aspects of a digital energy engagement program, the answers were varied (see Figure 4). This finding points to the need for a truly data-driven experience tailored to each SMB.

Figure 4. SMBs prioritize a variety of features for a digital energy engagement program.

Which of the following aspects of a tailored digital energy engagement program are most important to your business needs? Top three

<table>
<thead>
<tr>
<th>Feature</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly tailored energy usage reports and recommendations</td>
<td>58%</td>
</tr>
<tr>
<td>Proactive usage alerts</td>
<td>53%</td>
</tr>
<tr>
<td>On-demand visualization of detailed breakdown of energy usage</td>
<td>51%</td>
</tr>
<tr>
<td>Proactive forecast high bill alerts</td>
<td>50%</td>
</tr>
<tr>
<td>Proactive outage communications</td>
<td>47%</td>
</tr>
<tr>
<td>On-demand aggregated energy usage information across multiple business locations/sites</td>
<td>41%</td>
</tr>
</tbody>
</table>

Base: All respondents

Personalization pays off, as evidenced by one large utility in the eastern United States. It began using new data from its smart meter rollout to send personalized monthly energy and cost reports to business customers via email. Rather than simply sharing granular usage information, the reports included insights on peak demand and weather impact—all individualized for each recipient. Customers could easily click through to learn more or connect to energy programs offered by the utility. These personalized communications have already delivered “open” and “click-through” rates triple the utility industry averages for email communications with business customers.16
Beyond that, Accenture’s study found that greater understanding of energy consumption management opportunities is not only a driver of satisfaction for SMBs but also a driver of digital channel adoption. And the more they understand the actions they can take to manage or reduce business energy consumption, the more likely they are to engage via digital channels for more common customer service inquiries.

Consider the example of a leading North American utility that delivered innovative digital technologies to customers and employees to transform how it engages business customers. Among them, specific data and analytics that served up personalized information such as building-specific energy savings recommendations and self-assessment tools that empower customers to understand and manage their costs. Since the program launched, business customers are accessing digital channels twice as often—demonstrating the value of digital in attracting and engaging SMBs. Meanwhile, internal teams at the utility have also embraced digital. Customer service representatives use customer insights to deliver faster, higher-quality service, while account managers and marketers tap into customer intelligence to prioritize and convert high-potential customers.17

What’s more, digitally engaged SMBs are even more responsive to personalization. We found that digital energy engagement drives a more than sevenfold increase in SMBs’ likelihood (very likely) to sign up for additional energy-related products and services.

Tailored digital energy engagement programs are central to unlocking SMB value. Energy providers should define these programs by data and actionable insights. They should look to deliver an interactive experience and make their service effortless and personalized.

The survey affirmed that digital energy engagement programs are key to shifting most interactions to digital channels. Of SMBs interested in or currently participating in such a program, we found:

- 10% have already shifted most service transactions to digital channels.
- 21% are “certainly” planning to do so.
- 53% “probably” will.

13 Shaping SMB customer experience their way
Shift to a digital experience

SMB customer journeys are no longer linear paths to new products and services. Now these customer journeys are more complex, spanning multiple touchpoints.

Improving SMB customer experience requires focus on a broad range of activities: granular account management, energy solutions and management, preventive maintenance, and building intelligence and analytics. These are just a few areas where digital channels can enhance engagement and satisfaction. Leading energy providers are viewing digital as a way of delivering omnichannel, end-to-end customer experiences that seamlessly combine field resources, energy solutions distributors, sales and energy management employees and contact centers.

Through the New Energy Consumer study, Accenture has observed a shift in SMB preferences around digital channels. In 2013, SMB consumers preferred traditional offline channels for switching, moving their account and purchasing energy-related products and services. In 2018, digital emerged as the channel of choice for all interactions (see Figure 5).

Figure 5. SMBs prefer digital channels for all interactions.

For each of the following tasks and/or services, what would be your preferred channel of interaction?

- **Digital channels**
- **Traditional channels**

Switch to a new energy provider (deregulated markets only) 50% 51% 53% 53% 56% 61% 61% 62% 63%
Get help 49% 47% 47% 44% 39% 39% 38% 37%
Sign up for my basic energy service 50%
Move my service to a different location 53%
Sign up for energy-related products and services 53%
Review my bill 61%
Receive energy savings recommendations 61%
Receive service disruption notifications 62%
Receive notification for estimated high bill 63%

Base: All respondents
Many energy providers have been slower to shift customers to digital channels such as web and mobile as transaction tools. However, there is a strong business case to keep pushing digital channel adoption, and SMBs are a major reason why. Our research found that 39 percent of SMB consumers identify as “active digital users”—that is, they use digital channels at least once every three months. While these users offer greater value, they also expect the best customer service possible.

Here’s how active digital users compare to non-active digital users among SMBs:

- **63 percent (vs. 38 percent)** more likely to have recommended their energy provider in the past 12 months.
- **90 percent (vs. 77 percent)** more likely to sign up for additional energy-related products and services if offered effortless, personalized digital customer service.
- **83 percent (vs. 69 percent)** more motivated to share energy usage data for enhanced customer service and support tailored to business needs.
- **76 percent (vs. 63 percent)** more likely to switch to a new provider for a more tailored digital energy engagement program.

Base: All respondents

Consider the experiences of a large western utility in North America. Although it implemented critical peak pricing through a regulatory mandate, it lacked rate education tools to help business customers understand the options and choose the appropriate rate. Compounding the problem was a lack of information among customer-facing teams, including service representatives and account managers, leaving them unable to properly advise customers.

The utility implemented a rate-analysis solution within a new engagement digital energy engagement program, enabling customers to manage this energy decision online. A digital platform enables customers and the utility’s customer-facing teams to research and then select the appropriate rate for each business. More than 45 percent of all website visitors are accessing the rate-analysis tools, making it one of the most popular and heavily used components of the utility’s digital customer experience.18
Artificial intelligence, real results

Embedding innovative technologies, such as artificial intelligence (AI) and virtual reality/augmented reality (AR/VR), into digital CX offerings can help drive digital transformation internally and externally. With machines like chatbots and digital assistants handling high-volume, low-value transactions quickly and at low cost, sales teams and service representatives can focus on high-value, strategic interactions. As such investments drive reduced cost to serve and cost to market, energy providers can reinvest those dividends in growth initiatives.

AI is especially important when serving B2B customers. Research has found that these customers routinely carry out product research and purchases online without human intervention. Nearly three-quarters (74 percent) find online shopping more convenient than dealing with a sales representative. Ninety-three percent will avoid a representative altogether once they know what they want to buy.19 As such, AI might prove to be an interesting use case for SMB energy providers. As larger SMBs with numerous locations begin to require services typically delivered by energy providers’ C&I account managers, AI could be the answer to fulfill that need.

Accenture’s study affirms that SMB customers are ready to engage with these new technologies.

Accenture's study also found that 67 percent of SMB consumers agree that digital agents could give them tailored business advice as they draw from more information sources. Sixty-three percent believe that energy information about their own business would be more secure with a digital agent than with a live human agent.
Creating the connected experience

Energy providers can combine digital channels with digital engagement programs to deliver a new connected SMB energy experience. Energy providers should employ search engine optimization to reach consumers faster and use it to draw them to a personalized, differentiated online experience. They should offer an easy, memorable digital destination for understanding energy usage and engaging in energy-related products and services. In addition, energy providers should consider marketing automation linked to machine-based decisioning to serve up highly targeted offers, including dynamically personalized landing pages.

That’s the kind of experience SMBs now seek, and the good news is that they are open to being digitally engaged through a mix of channels (see Figure 6).

**Figure 6.** SMBs can be digitally engaged through a mix of traditional and non-traditional channels.

**How would you prefer to be informed about new personalized products and/or services via digital? Top three**

- **By email or SMS**: 68%
- **Via my energy provider online account**: 64%
- **While navigating my energy provider’s online “marketplace” (e.g., online store with energy-related products and services)**: 48%
- **Via a digital agent (e.g., AI via phone or chat)**: 47%
- **Via social media (e.g., Facebook, Twitter, blogs, discussion forums)**: 38%
- **Via online advertisements**: 35%

Base: All respondents
Bring on the new

Leading energy providers are actively pursuing innovative product and service opportunities in the new energy ecosystem. These include beyond-the-meter offerings such as automated energy management services, distributed energy resources, or DER, (such as solar and battery solutions) and installation and maintenance services. When it comes to SMBs, these new offerings will be key to success.

Consider these findings of Accenture’s most recent study:

- **38%** of SMB customers want a full-service energy provider that offers DER products and/or services and a full range of connected building products and services.
- **36%** want a provider that offers a range of products and/or services to optimize their company’s energy usage and connects them to distributed energy providers.
- **26%** of SMB consumers want a provider of basic energy products and/or services with a focus on excellent customer service across multiple digital channels.

Leading providers recognize that adding more products and services isn’t the end game. The real goal is to combine emerging technologies—supplemented with new innovations, such as contextual analytics—to not only enhance traditional offerings but also to deliver a connected energy experience.

For example, one large midwestern US utility recently launched a strategic initiative targeting beneficial electrification. Investment analysis of electrification opportunities showed that almost two-thirds of electrification was focused on C&I customers, making them a natural target for related products and services. The utility is now using digital analytics to target the right customers with the appropriate electrification products and services to deliver wins for all parties.20
Leading providers also know that digital engagement with SMBs is critical to capturing new areas of value. Accenture’s study shows SMBs that are digitally energy-engaged are more likely to be interested in new products and services (see Figure 7).

**Figure 7. SMBs that are digitally energy-engaged are more likely to be interested in new products and services.**

How interested are you in signing up for the following products and services if they were offered by your energy provider?

<table>
<thead>
<tr>
<th>Product Description</th>
<th>Interested and participating in a digital energy engagement program</th>
<th>Not interested in a digital energy engagement program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products and materials to make simple improvements to your business to save electricity</td>
<td>90%</td>
<td>1%</td>
</tr>
<tr>
<td>Business energy audits/consultations to identify opportunities to save electricity</td>
<td>90%</td>
<td>0%</td>
</tr>
<tr>
<td>Devices or services to automate business energy management based on your preferences</td>
<td>90%</td>
<td>0%</td>
</tr>
<tr>
<td>Installation and/or maintenance services for business energy devices</td>
<td>91%</td>
<td>0%</td>
</tr>
<tr>
<td>Distributed energy generation products</td>
<td>92%</td>
<td>0%</td>
</tr>
<tr>
<td>Warranty and/or financing plans for connected building devices</td>
<td>90%</td>
<td>1%</td>
</tr>
<tr>
<td>Back-up energy storage or generator</td>
<td>91%</td>
<td>1%</td>
</tr>
<tr>
<td>Natural gas and/or water</td>
<td>89%</td>
<td>10%</td>
</tr>
<tr>
<td>None</td>
<td>30%</td>
<td>70%</td>
</tr>
</tbody>
</table>

Base: All respondents
Maintain the current advantage

Energy providers have a unique window of opportunity to digitally engage the SMB segment. And while the majority of SMBs would consider purchasing energy or energy-related products and services from other providers, energy providers currently hold a slight advantage over a growing number of ecosystem competitors (see Figure 8).

Figure 8. Most SMBs would consider purchasing energy or energy-related products and services from another provider.

Would you consider purchasing energy or energy-related products and/or services from the following providers:

<table>
<thead>
<tr>
<th>Provider</th>
<th>Yes (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current energy provider</td>
<td>80%</td>
</tr>
<tr>
<td>Specialized energy services company</td>
<td>69%</td>
</tr>
<tr>
<td>Phone, cable, or internet provider</td>
<td>59%</td>
</tr>
<tr>
<td>Consumer electronics company</td>
<td>59%</td>
</tr>
<tr>
<td>Building/business monitoring company</td>
<td>58%</td>
</tr>
<tr>
<td>Online site</td>
<td>56%</td>
</tr>
<tr>
<td>Retailer</td>
<td>52%</td>
</tr>
</tbody>
</table>

Base: All respondents

Energy providers have another key advantage: trust. Most SMBs are willing to share energy usage data for a variety of tailored products, services and support. SMBs trust their energy provider to provide value in return for that data sharing. And while data security is top of mind, most SMBs remain confident in their energy provider’s ability to protect their energy usage information.
With trust and data security in place, energy providers can focus on hyper-relevant propositions that transcend typical customer/provider relationships. Accenture’s study found that many SMB consumers are interested in partnership opportunities that support their values around cost of business, improvements in quality of service and new revenue opportunities (see Figure 9).

**Figure 9. SMBs are interested in myriad new, solutions-oriented propositions in partnership with their energy provider.**

Today or in the future, your energy provider may offer you partnership opportunities for products and services where both parties benefit. Which of the following would you be most interested in partnering on? *Top three*

- Solar-sharing program where you and the energy provider co-own and co-operate solar panels on your business premise(s) and you receive a bill discount
  - 43%
- Ability for the energy provider to offer new energy-related products and services through your business resulting in new revenues
  - 42%
- Building retrofit/upgrade collaboration where the utility owns and maintains energy efficiency measures as a service and you receive a bill discount
  - 39%
- Ability for the energy provider’s customers to pay their bills through your business resulting in a bill discount
  - 37%
- Electric vehicle charging services where you partner with the utility to deploy charging stations on/near your business premise and share in the revenue from vehicle charging
  - 36%
- Battery-sharing program where you and the energy provider co-own and co-operate small-scale batteries on your business premise(s) and you receive a bill discount
  - 36%
- None of the above partnership services are of interest to me
  - 10%

Base: All respondents

**Becoming Living Businesses**

As energy providers transform B2B CX, they are becoming what Accenture calls “Living Businesses”—continuously evaluating and adopting new capabilities to be more agile, responsive and innovative. They’re tapping into the potential for deeper, stronger customer relationships by building a continuous understanding of B2B customers. They dynamically target a balanced mix of core and disruptive growth opportunities. And they continuously design the iconic experiences and solutions that customers crave.
Tenaga Nasional Berhad (TNB), the largest electricity utility in Malaysia, has several subsidiaries through which it offers a full range of B2B energy-related solutions in its home market and across Asia Pacific. For instance, Energy Ventures is a division of TNB’s subsidiaries that offers a range of B2B services. Among them: industrial energy equipment maintenance and repair, development, consultancy, operation and maintenance of renewable energy solutions, and engineering consultancy services, including energy efficiency, power quality and power system studies, and facilities management systems.21

Case in Point:

EXPAND OFFERINGS TO SMBs

Tenaga Nasional Berhad (TNB), the largest electricity utility in Malaysia, has several subsidiaries through which it offers a full range of B2B energy-related solutions in its home market and across Asia Pacific. For instance, Energy Ventures is a division of TNB’s subsidiaries that offers a range of B2B services. Among them: industrial energy equipment maintenance and repair, development, consultancy, operation and maintenance of renewable energy solutions, and engineering consultancy services, including energy efficiency, power quality and power system studies, and facilities management systems.21
Sustain the SMB connected energy experience

Success requires energy providers to serve SMBs their way—and there’s no single answer for this segment. Serving up hyper-relevant propositions and experiences requires energy providers to understand each SMB consumer’s needs and preferences and each company’s value to the provider.

For example, Accenture’s New Energy Consumer study found a spectrum of segments among SMBs, each carrying a different level of value potential:

- 34 percent are “Fast Movers” and offer high value potential.
- 51 percent are “Slow Turners” and offer untapped potential.
- 15 percent are “Neutral Basic” and offer low value potential.

Across these three value segments, we observed a series of key differences in preferences across digital programs and new products and services (see Figure 10). These insights reinforce the need for energy providers to understand the heterogenous nature of their SMB consumers and become more attuned to their specific changing customer expectations.
Figure 10. Accenture’s study identified key differences among SMB value segments.

Key differences between segments

- **58% | 64% | 84%**
  - Are satisfied with their current energy provider

- **21% | 27% | 39%**
  - Want their provider to become a provider of basic products and services

- **18% | 43% | 69%**
  - Have recommended or promoted current energy provider in past 12 months

- **29% | 46% | 49%**
  - Find services and products offered by provider for SMBs, but not tailored to business needs

- **24% | 45% | 61%**
  - Are thinking of switching in the next 12 months

- **5% | 15% | 48%**
  - Are very likely to sign up for additional products and services if energy provider offered effortless and personalized digital customer service

- **3% | 13% | 46%**
  - Are participating in a digital energy engagement program

- **70% | 93% | 98%**
  - Would consider purchasing energy-related products/services from other providers than current energy provider customer service

- **15% | 30% | 63%**
  - Are active digital users

- **77% | 95% | 98%**
  - Likely to be motivated to share energy usage data for tailored new services and products customer service

- **Slow Turner**
- **Fast Mover**
- **Neutral Basic**

Base: All respondents
Life in the fast (mover) lane

Let’s consider what that means for the highest value-potential segment: Fast Movers.

Delivering CX value to the Fast Mover segment is significantly different from serving other segments. Fast Movers are more likely to be larger, with more than 100 employees and over three locations. They spend more on electricity and are the segment most likely to have a saving target. Also, most Fast Mover SMBs are active digital users.

For Fast Movers, personalized products and services are the most important factor influencing satisfaction with energy provider. They are also very interested in signing up for new products and services. However, being more highly engaged means they are also more likely to switch if they can get a better offer. In fact, 59 percent have switched in the past three years, and 61 percent are planning to switch in the next 12 months.

While clear value exists in offering more to these consumers, they are also very sensitive to their bottom-line expenditure. They require value propositions that seek to understand and address their specific, personalized needs. For example, nearly all Fast Movers would be interested in partnering with their energy provider on products and services, especially a solar-sharing program. These highly engaged consumers need digital tools and propositions that are more akin to large C&I consumers, even though they lack the luxury of energy managers. Clearly, value exists in broader energy management services for the Fast Mover segment.
Energy providers are offering specific products and services that not only tap into SMB preferences but also address their bottom-line financial needs. ENGIE is a great example. For every new electricity contract written in France, ENGIE acquires the equivalent amount of the customer’s electricity in certified Guarantee of Origin electricity from renewable energy producers.

ENGIE made this green electricity offer without extra charge. In fact, this three-year product offered a 20 percent reduction on the per-kilowatt-hour cost of electricity in the first year—helping SMBs save on the energy bill compared with the regulated tariff while providing the added incentive of going green.22

Iberdrola and the Spanish Confederation of Small and Medium-Sized Enterprises have signed a collaboration agreement whereby the energy company will advise associates on the value of energy efficiency. In addition, through segment specific customer service channels, Iberdrola provides energy management and engagement as well as tailored products for B2B customers.23
Four ways to take it forward

Accenture research and experience point to four ways leading energy providers could take full advantage of the always-on customer phenomenon—and boost returns on their CX investments with SMBs.

1 Take it to the top

Energy providers need to elevate the SMB CX topic to the executive suite, highlighting the value and return on these investments. In regulated, non-competitive markets, Accenture and FirstFuel analysis suggests that an average-size energy provider could unlock as much as $10 million to $15 million net savings over a five-year SMB digital transformation program. These savings can be attributed to reduced cost to serve through targeted marketing, billing and collections, and call center savings, as well as significant savings in cost to acquire for demand management and energy-efficiency programs and services.

An average-size regulated energy provider could unlock as much as $10 million to $15 million net savings over a five-year SMB digital transformation program.²⁴

In competitive retail markets, our analysis shows even greater potential value. We found that an average-size energy retailer in Europe could unlock as much as $32 million to $37 million (€28 million to €32 million) in net benefits over a five-year SMB digital transformation program.²⁵ In addition to cost-to-acquire savings, our analysis found significant value in load growth through electrification products and services as well as non-commodity, energy-related products and services.

The notional value of CX comes into play with regulators, new market entry and the expansion of a connected experience. CX can be measured in several ways, including ratings of customer satisfaction, Net Promoter Score®, customer effort scores and new affinity-based CX measures. Understanding value will also build a strong case for prioritization on executive score cards.

Talking about SMB CX at the executive level makes it more likely to become a strategic priority—and more likely that investments will follow.
2 Turn insights into value

Delivering the most effective CX requires connected insights, with feedback mechanisms and data sharing to build trust among all parties. Consider the Slow Turner value segment. Our research found that while this segment is currently less energy-aware, they offer untapped potential. Although company size varies, four in five Slow Turners don’t have more than five locations. They spend somewhat less on energy than Fast Mover SMBs, and half of them have a saving target. However, they are not very likely to be active digital users.

And yet, SMBs in this sizable segment—representing 51 percent of those surveyed—are very likely to be interested in a digital energy engagement program. They just aren’t participating yet. Furthermore, compared to Fast Mover SMBs already participating in a digital energy engagement program, Slow Turners participating in a digital energy engagement program find their program to be less tailored.

Aggregating, enriching and sharing customer insights can help engage these consumers digitally and shift them to become more energy-aware. Key to unlocking their value is offering more tailored services and products. Electric Ireland is an example of a leading energy provider taking insights to actions to value (see Case in Point: Electric Ireland identifies untapped value).

3 Mind the engagement gap

The key for energy providers is to understand which moments are critical to driving CX and business value. By understanding these moments that matter, energy providers can design them to enable customer success, stimulate engagement, promote loyalty and differentiate the brand.

The first step is to leverage data to reveal why customers engage. Customer journeys are the rational moments in which the CX is realized. Historically, for energy providers, these moments have involved learning, signing up for services, moving, paying, managing accounts and consumption, receiving energy savings advice, restoring power and getting help on issues. These moments apply to competitive energy retailers as well.
Energy retailer Electric Ireland powers more small and medium enterprises than any other energy provider in Ireland. With more than 95,000 customers, the company understands that one size does not fit all business customers. Electric Ireland tapped into energy data and analytics to demonstrate customer understanding by promoting a personalized offer to a key customer segment: hospitality.

Analysis of annual consumption data showed significant savings opportunities—from 22 to 44 percent—for customers in this segment. The retailer used this insight to design a tailored proposition, and then included personalized energy savings messaging in sales and marketing materials for each customer. By presenting customers with a segment-specific offer, alongside tailored energy savings opportunities, they could deliver highly personalized engagement at scale. Initial tests received favorable feedback, and Electric Ireland continues to personalize sales and marketing messages at the segment and individual levels.

Electric Ireland shows the power of identifying untapped sources of value to help customers save time and energy and using insights to determine the appropriate price plan for each type of business.26
To unleash trapped value, SMB energy personalization must be more sophisticated than simply adding more products or preferences. Leading providers are leveraging data and digital to enable connected personalization. With a 360-degree view of SMB customer preferences, energy usage history, location information and other contextual information, it becomes possible to anticipate needs and serve up actionable insights.

Today, many energy providers fall short in delivering that level of sophistication. Accenture’s research provides ample motivation to get serious about a better CX and increased personalization for the SMB segment.

Competitive retailers’ customers also shop, join and even switch providers—behaviors that are starting to propagate into regulated utilities as they pursue growth via non-commodity offerings. Beyond that, as energy-related products and services like distributed generation emerge, new moments are likely to arise as well as increase in complexity.

Our research found that participation in a digital energy engagement program is a key factor in driving CX value, and while interest in such programs is high, active participation remains a challenge (see Figure 11).

**Figure 11. Digital energy engagement program interest and participation vary by value segment.**

Would you be interested in participating in a digital energy engagement program?

<table>
<thead>
<tr>
<th>Value Segment</th>
<th>Yes, interested and currently participating</th>
<th>Yes, interested but not available</th>
<th>No, not interested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fast Mover</td>
<td>2%</td>
<td>7%</td>
<td>45%</td>
</tr>
<tr>
<td>Slow Turner</td>
<td>9%</td>
<td>18%</td>
<td>13%</td>
</tr>
<tr>
<td>Static Basic</td>
<td>3%</td>
<td>25%</td>
<td>25%</td>
</tr>
</tbody>
</table>

A tailored digital energy engagement program can add personalization, tailored outcomes and energy insights to enrich the key moments that matter to SMBs. Leading energy providers are leveraging these types of personalized CX tools to deepen the entire experience.

Energy providers also need to define where customers will engage. As interaction channels proliferate, they need to make deliberate channel decisions that align to customer needs and moments. Even among the SMB value segments, we see significant disparity between digital channel usage. Leading energy providers are threading together energy, engagement and interaction insights to deliver tailored programs to SMB customers.
By leveraging data, energy providers can establish a clear picture of why customers engage and where they experience the brand. Yet acting on insights requires more than tailoring the experience for end consumers. With a foundational understanding of SMB customers, providers can make better decisions pertaining to topics such as technology, talent and cross-organizational operating models.

Above all, energy providers should start with a focus on the customer, not the “shiny object.” Putting SMB consumers at the center is the only way to close the engagement gap.

**04 Orchestrate an ecosystem**

SMBs can’t go it alone. Neither can energy providers. Energy providers should embrace an ecosystem mindset to consider consumers as extensions of their own businesses—and critical enablers of emerging business models. This new view positions SMBs as co-creating value not only by delivering exceptional experiences but also by crafting new value propositions.

**Our research provides two opportunities:**

- **In the Fast Mover value segment, 99 percent** of SMB consumers would be interested in partnering with their energy provider on products and services, especially a solar-sharing program.

- **In the Slow Turner segment, 92 percent** would be interested in partnering with their energy provider on products and services, especially the ability for the energy provider to offer new energy products through their place of business.

Across segments, our research found that most SMB consumers are interested in products and services where both parties benefit. More than one-third of SMBs are interested in electric vehicle charging services where they partner with the utility to deploy charging stations on or near their business premise and then share in vehicle charging revenue. More than one-third are interested in a bill discount in exchange for the ability of the energy provider’s customers to pay their bills through their business. And nearly 40 percent of SMB consumers are interested in building retrofit/upgrade collaborations where the utility owns and maintains energy-efficiency measures as a service and the SMB receives a bill discount.
With connected building services becoming easier to access due to falling costs and overall Internet of Things (IoT) integration, it’s increasingly feasible to create bundled propositions that drive value across multiple ecosystem partners (see Figure 12).

**Figure 12. SMBs share their features “wish list” for connected/smart building bundled services.**

Today or in the future, your energy provider may offer you a connected/smart building bundled service. Which of the following would you like to be included in this bundle?

*Top three*

<table>
<thead>
<tr>
<th>Feature</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific energy engagement program tailored to my business</td>
<td>65%</td>
</tr>
<tr>
<td>Service to help you optimize your DER management</td>
<td>64%</td>
</tr>
<tr>
<td>Building-/facility-connected monitoring products and services tailored to my business</td>
<td>61%</td>
</tr>
<tr>
<td>Voice-activated and automated digital agent service for interaction with energy provider products and services</td>
<td>49%</td>
</tr>
<tr>
<td>Connected fleet services</td>
<td>41%</td>
</tr>
<tr>
<td>None of the above</td>
<td>7%</td>
</tr>
</tbody>
</table>

Base: All respondents

With clarity around SMB needs and expectations, energy providers can begin to meet them in real time even as circumstances change, by connecting with a broader set of ecosystem partners to deliver better experiences than they could on their own. Together they create innovative experiences and propositions that constantly evolve and always matter.

Leading energy providers intentionally collaborate with a select network of partners that can extend and improve CX. Equally important, they tailor their partner experiences to confirm alignment and support.
Case in Point:

DELIVER BENEFITS TO ALL STAKEHOLDERS

Baltimore Gas and Electric Company (BGE), a North American regulated energy provider, sought to improve the performance of its retro-commissioning program that delivered significant energy savings by optimizing the efficiency of C&I customer buildings’ electrical, mechanical and control systems. But BGE’s SMB customers rarely participated in the highly technical program.

In developing the new “Building Tune Up” program, BGE examined the end-to-end sales process and used analytics intelligence to optimize the process and deliver impactful results for all program stakeholders:

- **Customers** benefited from more streamlined use of their time through earlier and better information about the specific costs and benefits of a program. The program also increased the availability of customized information, making it easier to justify investment.

- **Trade allies** benefited from increased project revenue driven by direct access to highly qualified leads in a previously hard-to-reach market. When armed with insights into each project, they built their credibility and developed stronger relationships with customers.

- **BGE** benefited from delivering an improved customer experience for a previously disengaged and difficult-to-reach segment. By weaving analytics and customer intelligence into the program and processes, BGE created a truly customer-focused, personalized program that has doubled conversion rates, moved customers to project completion one-and-a-half times faster and driven customer satisfaction ratings of 4.5 on a 5.0 scale.

The success of the “Building Tune Up” program shows the potential of a progressive vision—and the power and importance of using data analytics and customer intelligence to develop programs tailored to SMB consumers.27
Although price and services will always remain important, they are no longer the differentiators. Investing in a connected SMB CX will create a foundation to evolve the people, process and technology necessary to compete in the digital age.

It’s time for energy providers that appreciate the importance of CX to walk the talk in terms of investments and attention. If they don’t, SMB customers might switch to providers that offer the seamless interactions, multi-channel experiences and products and services they demand. Improving the SMB CX is a marathon, not a sprint. Energy providers need to stay focused and committed to reap and sustain the CX benefits over time.
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