NEW ENERGY CONSUMER
CREATING LINKS TO LOVE
Activating the connected energy experience
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As the energy value chain becomes more decentralized, digital and fragmented, energy providers must create a more vibrant, connected customer experience (CX).

Our latest New Energy Consumer research found that understanding and improving CX is at the heart of value creation in the new energy ecosystem. A survey of nearly 70,000 customers across 42 brands worldwide, including 36 energy provider brands, found that customers in competitive markets who rated their CX as “high” are 20 percent more likely to stay with their current brand, 37 percent more likely to recommend their provider and 22 percent more satisfied.

In the new energy ecosystem, the customer side of the value chain is where to build new value. Creating a connected energy experience is how to deliver that value.

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Accenture’s multiyear New Energy Consumer research program has shown that consumers are now more energy-aware than ever. They are seeking more compelling value propositions. They want new, open and collaborative relationships with their energy providers. Above all, a growing number of consumers are demanding a connected energy experience (see Figure 1).

**FIGURE 1. NEW ENERGY CONSUMER RESEARCH PROGRAM: LATEST HEADLINES FROM OUR MOST RECENT RESEARCH.**

**DIGITAL MINDSET**

42% of active digital users feel their energy provider did not meet their expectations with digital channels.

**SIMPLICITY IS KING**

73% would choose a digital-only service for a discount on their energy bill.

**AS-A-SERVICE MENTALITY**

76% would use a digital agent to learn about new products and services.

**WE-CENTRISM**

61% are interested in an online marketplace to sell the electricity they produce to their neighbors.

**DATA AS CURRENCY**

71% would allow their utility to share their data with a third party.

**PERSONALIZATION @ SCALE**

65% of switchers are comfortable for their energy provider to gather additional personal information to offer more personalized offers and experiences.

80% value personalization for any new products and services offered by their providers.

82% would be willing to buy additional products and services if they were personalized.

**OPEN TO ALTERNATIVE PROVIDERS**

80% would consider purchasing electricity, energy-efficient products or related services from alternative providers.
There’s good reason to give consumers what they want. Our analysis suggests that much of future growth will likely come further downstream through new energy retail products and services and new ways of delivering value to consumers. Possibilities include distributed generation and electric vehicle products and related services, as well as adjacent markets for connected buildings and cities. Our analysis suggests that the global market for connected energy products and services could reach $240 billion by 2023 at an overall growth rate of nearly 15 percent CAGR.

Meanwhile, the definition of an energy consumer—and the role of energy retail and customer service—is fundamentally changing. Energy providers need to nurture two-way relationships addressing a broad set of needs. And the need is urgent, as new market entrants, industry convergence and even consumers themselves are disrupting the energy ecosystem.

While energy retail typically accounts for about 10 percent of total industry revenue, Accenture predicts by 2030 it will rise to about 25% through the introduction of new revenue opportunities.
THE CASE FOR BECOMING A LIVING BUSINESS

Against this backdrop, energy providers cannot stand still or cling to old ways of operating and serving customers.

To stay relevant to consumers, they need more than just good customer data and technology and more than strong marketing, sales and service.

To become hyper-relevant to consumers, they need to reshape themselves into what Accenture calls a “Living Business.” In Accenture’s Living Business study, nearly 70 percent of all utilities executives surveyed acknowledged that their business needs “a much more iterative, dynamic and agile approach to doing business compared to three years ago.” They know they need a new, customer-centric mindset that inspires different behaviors and leads to fundamentally better performance.1

Living Businesses continuously evaluate and adopt new capabilities to be more agile, responsive and innovative. By studying these companies across industries, Accenture has uncovered that Living Businesses are three times more likely to achieve above-average revenue and profit growth. What’s more, our research has unveiled a formula for companies that want to evolve into a Living Business.

Our research found that Living Businesses are characterized by their vitality (see Figure 2); in other words, high-vitality businesses demonstrate strengths in five capability sets:

1. **Targeting** core and disruptive growth initiatives that fuel continuous innovation.

2. **Designing** products and services as hyper-relevant platforms that reflect vision and purpose.

3. **Building**, prototyping and scaling new and innovative experiences across a range of engagement channels and enabling live feedback.

4. **Scaling** a broad and essential set of ecosystem partners and increasing their ability to reach their market potential through platforms, partnerships and alliances.

5. **Rewiring** culture and workforces by infusing and powering a mindset that keeps customers at the core.

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CASE IN POINT: ARCHITECTING A CONNECTED CUSTOMER EXPERIENCE AT PUGET SOUND ENERGY

Puget Sound Energy (PSE), a North American energy provider, is actively building a new connected customer experience. PSE is radically transforming the customer experience by creating digital channels that enhance existing services, introducing new services and offering innovative solutions to better anticipate and meet the needs of their customers.

To succeed, PSE is focusing its customer-centric strategy on key customer trust points for the moments that matter along the customer journey such as initiating new service, paying a bill and receiving alerts or notifications. They began by identifying five key billing and outage processes they knew would improve the customer experience and reduce calls to customer service agents. PSE rearchitected the customer experience foundation, making it easier for customers to do business with them, to meet the demands of its growing digital-savvy and energy-aware customer base and remain competitive in a rapidly changing utility environment.

The overall program started with “getting the basics right” by investing in a multiyear Digital Customer Transformation program aimed at:

• Providing accurate and consistent information no matter how customers contact PSE.
• Delivering a better and more integrated customer experience across channels and across functions including customer service, operations, supply chain, energy efficiency and all support teams.
• Anticipating customers’ needs, through their preferred communication channel(s) informing and offering customers products and services they care about, such as offering business customers a Green Direct Program, where 100 percent of energy use comes from local renewable sources.

To do so, PSE deployed a highly scalable cloud platform and integration layer to provide customers with a world-class self-service experience, building the capability to provide more real-time information, integrate customer self-service capabilities, and create a dynamic and productive work environment that fosters innovation and continuous improvement.

Among other things, PSE has upgraded and enhanced the interactive voice response (IVR), redesigned and implemented a new customer mobile app, designed and released a centralized customer communication gateway and re-platformed their corporate website and customer portal. The new website and portal will deliver personalized customer experiences based on the customer journey and proactively provide real-time data that can be shared across the other digital channels to create a more seamless customer experience.

PSE is already seeing strong results. Customers are migrating to the redesigned channels, resulting in decreased call volumes, improved self-service rates and enhanced customer experiences across digital channels. PSE now has a flexible, scalable foundation that provides the ability to quickly adapt to changing customer experience needs. Early wins focused on IVR, billing and collections improvements netted an increase of over 13 percent in self-service and over 7 percent decrease in call center volumes. As further phases of the program are deployed, PSE anticipates further increasing self-service, decreasing call volumes and continuing to improve the customer experience.

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Utilities with high vitality leverage customer platforms to drive customer centricity:

*Based on 120 interviews

High-vitality energy providers are:

- 90% of high-vitality utilities (vs. 62% of all other utilities) act on insights derived from customer analytics
- 90% of high-vitality utilities (vs. 64% of all other utilities) use the technology platforms that will best drive relevant customer experiences
- 94% of high-vitality utilities (vs. 71% of all other utilities) ensure that customer data moves seamlessly and securely across organizations/partners

Yet high vitality is rare

High-vitality energy providers are:

- 90% more likely to grow profits faster than peers
- 24% more likely to grow revenue faster than peers
- 37% more likely to be prepared to endure industry disruptions
- 45% more likely to outperform peers at verifying seamless, secure movement of customer data
- 34% more likely to be adept at maximizing the relevance of products, services and experiences
- 24% more likely to grow revenue faster than peers
- 65% more likely to grow profits faster than peers

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Central to transformation to a Living Business, CX has become more important than ever in shaping success in the new energy ecosystem.

As such, energy providers have already made CX investments. Yet many initiatives are not generating the intended growth or competitive advantage. Nor are providers able to track and analyze the impact of CX investments over time. Why? Quite simply, energy consumers’ expectations are changing more quickly than energy providers can address them. What’s more, in many cases, CX are siloed experiences due to operations misalignment and unrealized data integration.

**THE RX FOR CX**

There are some painful CX truths for energy providers. But first, the good news: Tremendous opportunity abounds for energy providers to set and capture value through CX.

Now, the challenge: With customer expectations continuously evolving and increasing, it is very difficult for individual energy providers to get ahead. Providers invest in CX initiatives to engage customers, strengthen relationships and, ultimately, grow their businesses.

However, these investments often perpetuate an endless game of catchup to please a customer base that may never be fully satisfied. Indeed, overall customer satisfaction has remained steady over the past three years. Satisfaction with various service channels (such as online chat, phone support and in-store help) has remained remarkably steady. What’s more, over the same period, customer channel usage still has not shifted significantly to digital channels.

Energy providers must not only meet but quickly adapt to, enrich and exceed consumers’ needs and expectations by a significant margin.

Take Nike as an example: the company drives customer and digital experiences by centralizing its connection to consumers. Nike excels at using leading-edge technologies to enhance customer experiences by linking their partners to their own operations. The company is increasingly using apps such as NikePlus, Nike Run Club and Nike Training Club to extend relevant Nike offers to end consumers, but also for an increasing array of external Nike partners. These actions unlock new customer data while advancing the Nike brand. Nike has also united several previously siloed channels through which customers connect with the company. These moves have increased the company’s ability to gather and react to customer feedback, while providing more comprehensive, streamlined customer experiences.

CX leaders are empowering consumers to design personalized customer journeys by striving toward endless channel availability and a seamless cross-channel experiences. And energy providers must look toward personalization as a key lever in the connected energy experience.

54% of consumers consider their energy provider’s CX on par with that of other energy providers.

Yet just 38% consider their energy experience to be on par with industry leaders, such as Amazon, Google and Netflix.
REIMAGINING CX FOR VALUE

As energy providers develop new strategies oriented to connect energy products and services, brand awareness and overall brand attributes are becoming more important than ever.

Across industries, the future of a brand has become the experience: It’s how to engage, sell, service and reward consumers. CX is the summation of every interaction a consumer has with the energy provider. And it requires a pivot in how the energy provider strategizes, prioritizes and organizes.

But before an energy provider can reimagine CX, it must gain a clear picture of how to measure its current customer experience. Accenture Interactive and Fjord have crafted a novel approach not only to designing a brand experience, but also measuring consumers’ affinity for it across physical and digital encounters. This leading indicator reveals how energy consumers feel about a brand—empowering energy providers to diagnose and prioritize areas of improvement and begin to unlock trapped value in consumer relationships.

Using this multidimensional approach, companies can measure how their customers feel about digital and physical experiences, including the most important service moments of the brand and customer journey. The insights measure people’s engagement with services. It also identifies the highs and lows of a customer’s relationship with a service and highlights actionable opportunities for energy providers to improve CX.

Through its unique focus on the importance of CX, the research insights anchor the entire design and innovation process and empower brands to target specific, measurable interventions. The research established six dimensions for measuring customers’ feelings toward CX—dimensions that systematically explain what increases specific customer experiences:

- **Authentic**
  - conveys distinct personality and stays true to self
- **Fun**
  - holds people’s attention in an entertaining way
- **Relevant**
  - creates relevant consumer touchpoints
- **Engaging**
  - identifies with individual needs and wants
- **Social**
  - helps people connect with each other
- **Helpful**
  - is intuitive, clear and easy to understand

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The North Face, one of the leaders in CX, exemplifies authenticity and engagement by staying true to its mission and distinct personality. The North Face is a proponent of adventure and stays true to its mission to “inspire a global movement of exploration,” encouraging on-brand customer engagement through its loyalty program: ViPeak. ViPeak gives members points for activities like buying products and participating in on-brand events (e.g., endurance challenges). Loyalty members receive a yearly rewards catalogue to redeem points for excursions.

Another example, Thrive Market, exemplifies authenticity and helpfulness. Thrive Market strives to help people eat food that is “made with real ingredients, kind to the environment, reasonably priced, catered to our needs, and delicious.” The company earned the highest share of organic YouTube views among US grocers that promoted videos with recipe content focused on DIY projects and paleo recipes, partly due to search-optimized how-to titles and callouts of unique ingredients. Moreover, YouTube videos gain referral traffic from relevant influencers who align with Thrive Market’s values and target market.

**HOW TO GAIN CONSUMER LOVE**

Using our approach, we surveyed nearly 70,000 participants across 36 energy provider brands with a focus on nine key experience moments. Across the key moments, consumers who scored energy providers higher on their brand experience are:

**IN COMPETITIVE RETAIL ENERGY MARKETS**

- 20% more likely to stay
- 37% more likely to recommend
- 22% more satisfied

**IN NON-COMPETITIVE ENERGY MARKETS**

- 34% more likely to recommend
- 20% more satisfied
By studying nine key moments across sign-up, service, and communications, the CX dimension analysis revealed customers who rate their overall experience higher are significantly more likely to recommend, to be satisfied and to stay with their current provider. Across the brands globally, the analysis provides a snapshot of the current state of energy provider CX. Highlights include:

- “Add” service and “home move” service are the most lovable moments, “get help” is the least lovable.
- Many traditional energy providers’ overall CX lags behind that of service providers across multiple industries as well as new market entrants.
- Non-competitive providers are good at sign-up and competitive providers are good at communications.
- To drive change, energy providers must focus on the moments that matter the most to improve overall CX by addressing the various CX dimensions.

Globally across brands, to drive outcomes, the research illustrates that:

- When initiating service with a customer, energy providers must be helpful and authentic to drive customer satisfaction and likelihood to recommend.
- When customers engage with the bill, they want a helpful, authentic and engaging experience to drive likelihood to recommend.
- When customers receive service disruption communications, they want the moment to be helpful, authentic and engaging to drive likelihood to stay, customer satisfaction and likelihood to recommend.
- Helpfulness is the top driver of all three business outcomes of staying, recommending and being satisfied across moments.
As energy providers move toward becoming intelligent customer enablers focusing more on new energy markets, connected lifestyle provision, energy services, and aggregation and flexibility services, mastering CX is fundamental. Regardless of the path, Accenture sees three transformational, relatively unexploited levers to deliver experiences that are more satisfying, effortless and unique for customers.

We believe focusing on these areas can set energy providers on a course to sustainable growth and competitive advantage:

### Three levers to transform CX

1. **Use AI to enable intelligent service**
   - As energy consumers’ expectations steadily evolve, no energy provider will be all things to all customers—nor should they. In fact, Accenture’s experience suggests that a more focused approach to CX, engagement and retention can deliver new returns. Activating a connected energy experience requires more than just meeting customer expectations—it calls for exceeding customer demands by a significant margin.

2. **Personalize with hyper-relevance**
   - Energy providers have made significant investments to improve CX. Yet so much has changed so little: the sources of customer frustrations, importance of channel availability, seamless customer service experiences and the value of engagement beyond the commodity service have often led to continued disappointment.

3. **Target for value, target for growth**
   - As energy consumers’ expectations steadily evolve, no energy provider will be all things to all customers—nor should they. In fact, Accenture’s experience suggests that a more focused approach to CX, engagement and retention can deliver new returns. Activating a connected energy experience requires more than just meeting customer expectations—it calls for exceeding customer demands by a significant margin.
To achieve these CX goals, leaders are turning to the world of artificial intelligence (AI)—and consumers themselves increasingly regard AI technologies as valuable tools for getting answers, obtaining support and completing transactions more conveniently. Consider these findings from Accenture’s research:

**USE AI TO ENABLE INTELLIGENT SERVICE**

Reacting to a customer’s “get help” moment has become more important and more complicated than ever. As always, the impact of a single experience affects that customer relationship; today it can also end up on the digital stage for all to see. Cross-channel tracking, metrics gathering, long complaint-escalation processes and agent training are often difficult to coordinate. In working to simultaneously track journeys, produce positive experiences and respond to issues and complaints, many energy providers have become as unpredictable as their customers.

On their journey to become Living Businesses, leading energy providers are creating a solid foundation for lean, agile customer operations and positioning themselves to offer a suite of digital interactions and effortless experiences. Digitally enabled retail services are the bedrock for new offerings and experiences. From that base, leading providers will invest in pop-up store events, social campaigns, and intelligent and human service agents. A dynamic marketplace will facilitate customer-led experiences while greatly reducing operating expenses compared to legacy models built around the contact center, not the customer. Yet for many energy providers, the current state of existing operations continues to be a barrier to entering new markets as well as achieving higher levels of CX.

**DIGITAL DISRUPTORS ON THE RISE**

Up and coming utility HolaLuz has amassed a customer base of 70,000 since its founding in 2011. The company’s main focus is on digitalizing its entire business model and simplifying things for the customer. Their goal is to be a tech company that provides energy services.

Seattle-based utility Drift also emphasizes a simple operating model and makes money by signing up more customers rather than raising customers’ rates. They incentivize customers to reduce energy consumption during high demand periods in order to alleviate market tightness. Drift uses machine learning, high-frequency trading and peer-to-peer selling in the retail energy market. The company is connecting consumers directly to energy producers using blockchain, making it easier to align energy with each customer’s environmental or cost preferences.

Pure Planet is another digital-first energy retailer offering their services and billing through an AI-powered app and intuitive website. The company is using social media to account for customer feedback and gauge the overall satisfaction of its customer base.

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88% of energy consumers are ready to use a digital agent if it is easy to use, highly available and fast at resolution.

72% of consumers are open to having AI tools monitor and adjust energy in their home. That represents the highest percentage over other cross-industry offerings (see Figure 3).

50% of customers no longer care if they are interacting with humans or AI-enabled technologies.

44% of consumers use some type of virtual assistant; 22 percent do so daily. Eighty-six percent are satisfied with the experiences their virtual assistants provide.
AI can help energy providers deliver a truly integrated customer service experience across digital and physical interactions. It can help maintain focus on improving customer satisfaction while reducing operational cost via digital shift. As consumers increasingly accept AI, energy providers should use it to differentiate CX with relevant and contextualized digital support. AI is an ideal tool to eliminate channel noise, improve service consistency, simplify processes and allow agents to focus on more strategic interactions.

**FIGURE 3. THE WILLINGNESS OF CUSTOMERS TO TRUST AI TO MANAGE SELECTED APPLICATIONS.**

<table>
<thead>
<tr>
<th>Application</th>
<th>Trust Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monitoring and adjusting the energy use in my home</td>
<td>14%</td>
</tr>
<tr>
<td>Monitoring my home security</td>
<td>14%</td>
</tr>
<tr>
<td>Monitoring my health and well-being by recommending when and how to take my medications or when to visit the doctor and what to discuss with him or her</td>
<td>14%</td>
</tr>
<tr>
<td>Shopping for food</td>
<td>14%</td>
</tr>
<tr>
<td>Shopping for other items like some clothes or accessories</td>
<td>14%</td>
</tr>
<tr>
<td>Driving a car or taxi I am riding in (i.e., driverless automobiles)</td>
<td>14%</td>
</tr>
<tr>
<td>Monitoring my baby or children and making adjustments to surroundings based on comfort or security</td>
<td>14%</td>
</tr>
<tr>
<td>Managing my financial affairs</td>
<td>14%</td>
</tr>
</tbody>
</table>

Base: All respondents (n=24,877)

Human + machine

Consider, for example, how AI can support a digital shift program. AI doesn’t just have to be the “answer” to a problem; it can also help energy providers better understand the CX challenges at hand. Use AI to identify and fix the areas of greatest need—for example, pinpointing drop-out moments in transactions, expanding opportunities for self-service and automating manual steps. AI can also help motivate customers to switch to digital channels using “push” and “pull” techniques, including delivering hyper-relevant campaigns and customer education. AI can be invaluable in identifying opportunities for customer incentives and ways to reduce barriers for digital services.

AI also has a role in the back office, where providers can use it to digitalize work inputs and automate work activities to speed business processing to outcome/value. Eliminating manual/paper-based processing, combined with additional investments in back-office automation and robotics, could reduce cost to serve and liberate capital to pilot new solutions.

Accenture analysis and experience suggest that deploying AI-driven capabilities—such as chat tools, automation capabilities or analytics—to drive greater customer outcomes could reduce cost to serve by 20 to 50 percent. That was true for one European energy company, which complemented its investments in back-office automation with investments in front-office digitalization. It subsequently saw a 25 percent reduction in overhead costs associated with headcount, along with an overall customer experience boost due to the introduction of robotic process automation, AI, virtual agents and/or machine learning.10

Delivering a connected customer experience requires energy providers to undertake a radical shift in service delivery—from human-driven processes aided by technology to technology-driven processes supervised by people.

Digitalization of customer operations has the potential to reduce cost to serve between 20% and 50%.
**Personalize with Hyper-Relevance**

Across industries, Accenture research illustrates that customers desire personalized experiences. Approximately half (49 percent) expect specialized treatment for being a good customer—and one-third of customers who abandoned a business relationship in 2017 did so because personalization was lacking.10

To date, most energy providers have crafted personalized initiatives around their deep understanding of customers’ usage behaviors, past service transaction patterns and account attributes. While these initiatives have enabled energy providers to meet consumers’ growing expectations, they have rarely surpassed them. Nor will traditional personalization be sufficient to enable compelling beyond-the-meter energy experience.

**Fighting for hyper-relevance**

Energy providers are battling for relevance and authenticity. They are fighting for their brand’s prime position, beyond the commodity. They can execute a hyper-relevant experience by doing things beyond the meter. Energy providers are under even more pressure to create a connected energy experience that is personal, curated, specific and meaningful. For example, eighty-two percent of energy consumers surveyed in 2017 believe personalized products and services are essential to a positive customer experience.11

As energy providers realize results from transforming to intelligent customer services, they gain greater operational flexibility and investment capacity to move beyond cost management toward growth. In pursuing targeted growth opportunities, energy retailers can attract customers from their competitors in their incumbent markets and in new geographies. To succeed, they will need to use new digital marketing techniques and design personalized customer experiences.

For example, in Belgium, Essent and Fifthplay have partnered to offer flix-packs, a new IoT-based home automation package—Flixwood, Flixheat and Flixsafe. Flix-packs also help consumers save energy, as the packages allow customers to keep a close eye on the energy consumption of their electrical appliances. This allows them to optimize energy usage with the interoperability of devices and sharing of customer data.12

Accenture has observed positive revenue growth from energy retailers investing in capabilities related to brand purpose and intent, performance and programmatic marketing, and personalized experience and recommendations. Indeed, new digital capabilities offer service providers more insights than ever. As customers grow to expect enhanced services it is important to provide a positive experience and a clear and measurable message through all channels.

**Getting personal takes trust**

Beyond driving growth, earning consumer trust also emerges as a key element for success. Without trust, consumers will not be compelled by sophisticated and targeted marketing campaigns. Nor will energy providers benefit from cross-selling and upselling opportunities—such as gas or maintenance services into connected energy services—that can increase the revenue per user.

Trust has been observed as a clear lever in up- and coming providers. For example, Texas provider Griddy gives its customers access to real-time energy prices, empowering them to observe how the rates change in five-minute intervals over convenient mobile channels to affect client behavior and routines. Griddy also supports a green agenda by reminding consumers that consuming energy when prices are low not only saves them money but also assures use of pollution-reducing renewable energy.13 As Griddy demonstrates, giving consumers control with transparency of information and data drives greater consumer trust.

Ultimately, trust is critical to continuing to develop an energy provider’s current core commodity sales while positioning its brand beyond the commodity. Across industries, a significant segment of consumers is willing to share personal information if they receive something in return. In fact, nearly 30 percent of customers now expect companies with which they engage to know more about them than ever before.

Our research found that personalization that is built on trust is critically important to 43 percent of customers. Nearly half (49 percent) of younger customers (aged 18 to 34) feel the same way. Further, 88 percent of customers find a company that can personalize their experience without compromising trust to be much more appealing and relevant to their needs.14

This trust can be turned into powerful insights and value. Graze, a natural foods company, is an example of how quickly consumer preferences can turn into actionable decisions when an organization has strict definitions of success, enabling autonomy and independence. This UK-based natural foods company has leveraged its partnership with Sainsbury using analytics to drive customer value with its product mix. Teams can react to positive signals and adjust poor performers within two weeks. Graze customers’ snack preferences are received via a taste algorithm called “DARWIN” (Decision Algorithm Rating What Ingredients Next) which is run several thousand times a day. Graze has 300 million customer ratings and gets over 15,000 new customer ratings/hour which increases switching costs for users since the longer a consumer stays, the more tailored his/her snack box becomes. Graze creates distance from its competitors by developing in-house recipes and making the customer the central focus of its business model.15

These trends are even more marked among energy consumers. The 2017 Accenture New Energy Consumer research found that when it comes to trust, energy providers currently have an edge over other providers, with seventy-four percent of respondents indicating they trust their energy provider to protect their personal data. Seventy-four percent of respondents indicated they trust their energy provider to protect their personal data. Seventy-four percent of respondents indicated they trust their energy provider to protect their personal data. Seventy-four percent of respondents indicated they trust their energy provider to protect their personal data. When it comes to suggesting relevant products and/or services based on personal data, three-quarters of consumers place more confidence in their energy providers than other service providers. In a growing ecosystem of new customer plays and market actors, this foundation of trust affords energy providers a distinct competitive advantage.16

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While that kind of trust is built over many interactions, it can be shattered in seconds. With that in mind, energy providers would be wise to expand their investments in data mining and data security. Implementing new practices, controls and governance structures can help providers overcome any trust barriers to using data in new and exciting ways. Those capabilities empower energy providers to deliver the experiences that customers demand and some they don't yet realize they desire.

To differentiate their CX, energy providers must become hyper-relevant. They must build accurate and continuous customer understanding, and meet needs and expectations in real time—even when circumstances are changing.

The real trick? Providers also must be able to adjust processes, people and technology in real time to respond with a personalized experience.
TARGET FOR VALUE, TARGET FOR GROWTH

This third path points in two key directions:

- Targeting for **value** is about identifying value in the current business model while pivoting for the future.
- Targeting for **growth** is about identifying and selecting new value and business models wisely. It includes recalibrating investments based on a better understanding of whether a new customer opportunity represents a disruption worth pursuing.

To be successful in the new energy ecosystem, energy providers must look at value more broadly. They must also re-examine their products and services through a new lens. While specific customer plays vary by market, the path forward hinges upon a connected energy experience that goes beyond the commodity.

**New energy prosumer enablement**

The new energy “prosumer” and the democratization of new technologies are fueling growing downstream value opportunities beyond the commodity. We are observing customer plays that range from marketplace enablement, to energy services, to aggregation and exchange services. Energy retailers are restructuring their businesses to offer innovative infrastructure energy solutions to help customers optimize energy consumption while enabling them to play an active prosumer role in the power system. Examples include e-mobility, distributed generation and storage, as well as connected homes and energy efficiency.

The prosumer opportunity applies not only to domestic, commercial and industrial customers, but also to public institutions for the development of smart cities. In most cases, value in this space is still small but is expected to grow rapidly in the coming years.

**We are observing many leading providers moving aggressively into new retail energy and connected services via startups, new partnerships and new market entry.**

- Australian-based Mojo Power has a goal to reduce users’ dependence on the electrical grid. It combines the best rates for getting the energy with an industry-leading feed-in tariff for the electricity producers. It enables the most efficient use of a consumer’s own solar panels by providing lowest cost when consuming excess from the grid and highest income when producing excess and selling back to the grid.20

- Voltalis is a virtual power plant operator that uses machine learning to perform microload shedding. The capability focuses on briefly curtailing the electricity consumption of certain appliances to more effectively respond to the needs of the electrical grid. Customers have realized savings of up to 15 percent with no intervention or behavior change.21

- Behind-the-meter storage provider Sonnen is exploring value beyond the physical battery storage system. In May 2018, Sonnen announced a “strategic cooperation agreement” with Shell New Ventures to develop enhanced electric vehicle charging solutions and provide grid services using Sonnen’s virtual battery pool. Independent of large utility companies, Sonnen is developing the concept of power sharing and aggregation of distributed storage. As of March 2018, roughly a third of Sonnen’s 17,000 customers participate in sonnenCommunity. In this program, Sonnen shares revenue earned in ancillary services markets with customers who offer to pool their storage capacity.22

- OhmConnect, a US-based startup, is a residential demand-response aggregator. Its service is designed to make demand response easy, fun and user-friendly. During peak grid consumption times, OhmConnect sends #OhmHours notifications, alerting consumers that there is an opportunity to earn credits that can be redeemed for monetary compensation. Consumers can earn $100 to $130 per year. The company says it has 300,000 subscribers, of which 100,000 are active users.23

Despite so much industry innovation and a wealth of new products and services, energy providers must overcome fundamental hurdles as they target excellence in CX.
Offering brilliant basics

Despite investments in intelligent customer services and personalization, marrying these capabilities has not yet produced the intended results. Across markets, providers targeting specific customers fail when they cannot provide consistent levels of customer service, much less the brilliant basics.

Previous New Energy Consumer research has shown that consumers interested in switching also show high interest in new products and services such as connected home and storage solutions. As a result, energy providers in regulated and liberalized markets need to be prepared to compete.

For example, large multinational utility Enel has a well-orchestrated strategic plan to pivot to the new. By recognizing and adapting to market trends, Enel has shifted its core business with its growth engine for the utility of the future. This includes growth in infrastructure and networks, global renewables, thermal generation, e-Solutions and Retail @Country—all underscored by its investments in global trading. Additionally, rebranding efforts in 2015 more appropriately underscore its promise of “open power” to the market. What differentiates Enel is its strategic balance of managing growth of the core, with the launch of an entirely new brand called “ENEL X” focused on e-solutions for the evolving energy marketplace. It will now serve as an enabling platform to deliver these advanced customer solutions at scale.

Enabling a new CX

Most energy providers have thus far been focused on trying to predict every aspect of the customer journey to capture personalized experiences. They now realize this approach is extremely difficult to implement and scale consistently across marketing, sales, service, communications and differing product lines. To move forward, energy providers should shift toward experiences that allow consumers to control and tailor their own energy journeys. Look beyond traditional interactions to create two-way digital dialogues that resemble live face-to-face interactions. In addition to helping overcome digital and service disappointment, this also enables energy providers to target for growth and value.

The key tool in a two-way dialogue is a living customer profile, which exposes data and insights to allow energy consumers to chart their own course. Living profiles are most effective at creating experiences based on each customer’s unique preferences, passions and needs. Such profiles go beyond what a customer buys or consumes to capture the more detailed nuances that explain why the customer is making those choices.

In Accenture’s latest research on personalization, nearly three-quarters (74 percent) of respondents said they would find such profiles valuable if they could be used to curate the experiences, offers and products they receive.

Living profiles become even more powerful when informed by predictive analytics, AI, machine learning and extended ecosystems of partners. These capabilities make it possible for companies to capture real-time snapshots of customers and achieve new levels of insight. Such insight will be paramount as energy providers pursue value in the digital services that sit on top of the traditional energy provider infrastructure.

In parallel, development of new digital technologies in the Internet of Things and AI spaces will allow growing automation levels to actively manage energy customers. Energy providers will move closer to real-time interventions, with new types of flexibility services. Through digital improvements, aggregation services will increase in size to provide congestion management services to the system. For example, one of Australia’s leading integrated energy companies has committed to build the world’s largest residential virtual power plant. The project will combine storage in 1,000 homes into a single energy source that will be integrated into the grid. Upon completion, projections indicate that the plant will be able to store enough energy to provide an output equivalent to a 5-MW solar plant. By aggregating stored solar energy from homes into a virtual power source that dynamically dispatches that energy locally, virtual power plants have the potential to significantly reduce stress on the grid and increase resiliency.

Real-time living profiles will be essential prerequisites to deliver these advanced customer solutions at scale and, more importantly, to guide the customer experience across multiple products and services.

For example, Pacific Gas and Electric (PG&E) and BMW recently completed a joint 18-month demand-response pilot, encompassing 100 BMW i3 owners in the California Bay Area. Over the course of the pilot, PG&E dispatched 209 separate demand response events (totaling 19,500 kWh), during which the utility would request a load reduction on the grid of up to 100 kW. At the conclusion of the pilot, PG&E and BMW determined that electric vehicles could function as a flexible grid resource. The ability to leverage electric vehicle batteries in this role could provide an inexpensive alternative to large-scale battery storage as a mechanism to help balance supply and demand.

As energy providers shift from insight-driven marketing, communications and service to a value-driven digital dialogue, they should be mindful not to over rely on data and technology to define the experience. Though critical for enabling hyper-relevant personalization, data and technology represent only one part of the solution. To succeed in their transformation, energy providers should create an experience that starts with design, is led by people and is enabled by data and technology. In other words, they need to become “experience architects.”
CONCLUSION

Energy providers must begin to unleash value from connected devices and services—transforming that data into compelling customer offerings and new revenue streams. Those that focus on experience can become trusted providers and true partners in delivering what a customer wants. And what customers want is increasingly not merely to purchase a product or services—they want a connected energy CX.

A well-defined, well-executed CX is essential to customers getting what they desire from a provider they trust. To play in the new energy ecosystem, energy providers must become experience architects of the new energy consumer.