The Times they are a Changin’

The Search for Value Through Influence

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APOGEE® INTERACTIVE
Your Trusted Partner in Customer Engagement

Agenda for Todays Presentation:

- Shifts in customer communications styles and needs
- Why customer engagement is now “table stakes”
- Fun look at some near term realities and risks
- How to move towards customer influence right now
- Deliver solid business results to give you some time
- You are not at the table now … you are on the menu!

PERSONALIZED DIGITAL ENGAGEMENT PLATFORM

Profile Data Base	Analytical Excellence Analysis Engine	Relevant Messaging Call for Action	Trust Satisfaction WOW Factor Consistency

SELF-SERVE

HOME ENERGY AUDIT PORTAL

CSR SUPPORT

FIELD AUDIT

IVR BILL EXPLANATION

ENERGY SUMMARY REPORTS

MARKETING PROMOTION

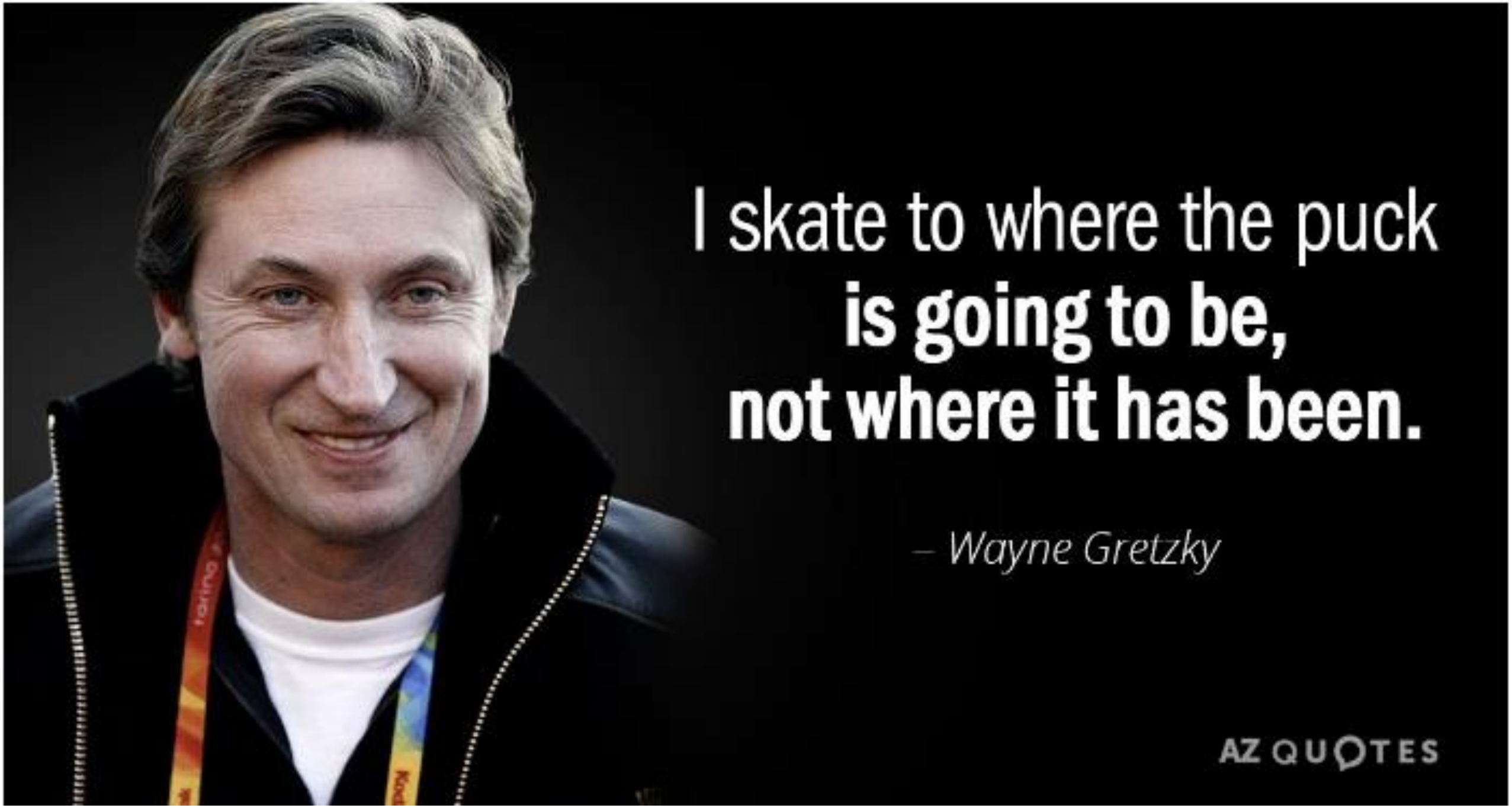
ENERGY MARKETPLACE

ALERTS

PERSONALIZED VIDEO MESSAGING

EDUCATION

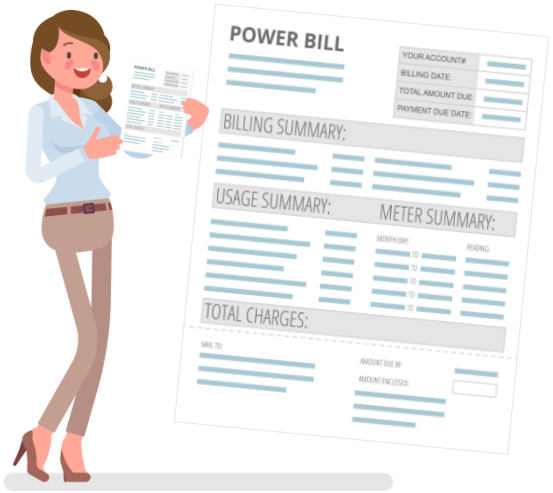
SCHOOL PROGRAMS


I skate to where the puck
is going to be,
not where it has been.
– Wayne Gretzky
AZ QUOTES

We grew up with 3 Rs … things have changed!

Apogee's 3-Rs of Customer Influence

Rate
Transformation
Programs



Time of Use
Demand

Revenue
Enhancement
Programs

Beneficial Electrification
Recommendations

Customer Relationship
Programs

Bill Explanation & Forecast
Mid Cycle Alert Messaging

Rates must reflect Supply Agreements

- Electric providers generally no longer face spot markets
- Most face expensive demand charges with low energy charges
- Therefore most rate schedules are out of line with costs
- Many today moving to TOU and/or Demand Charges … but
- Solar “Duck Curve” is now real and shifting peak demand time
- Demand was fairly predictable based upon weather forecasts
- Predicting Duck Curve impacts due to clouds will be problematic

WHAT DO CUSTOMERS WANT?
DR? EFFICIENCY?
APPS? ONLINE PORTALS?
USE INFO? STATS?
RELIABILITY?
OUTAGE INFORMATION?
TO BE LEFT ALONE?

FULLER
HERE, PULL MY HOOF.
GREEN NEW DEAL

What is Relevant to Almost Everyone Today?

TODAY'S WEATHER

ATLANTA, GEORGIA

47°/39°

GAS COST: $4.50

THIS WEEK'S FORECASTED GAS COST*

$18

* Costs are estimates based on your home's profile and the current forecast.

WEEKLY FORECAST

Wed, Feb 20	Thu, Feb 21	Fri, Feb 22	Sat, Feb 23	Sun, Feb 24	Mon, Feb 25
52°/48°	64°/61°	67°/54°	69°/57°	69°/44°	63°/53°
Gas Cost: $4.25	Gas Cost: $2.25	Gas Cost: $1.00	Gas Cost: $1.50	Gas Cost: $1.75	Gas Cost: $3.00

Where to start? Explaining the bill works best!

Xcel Energy℠

Final Report on
Xcel's 2017
Personalized Video
Messaging Pilot

Conducted by Apogee Interactive, Inc.

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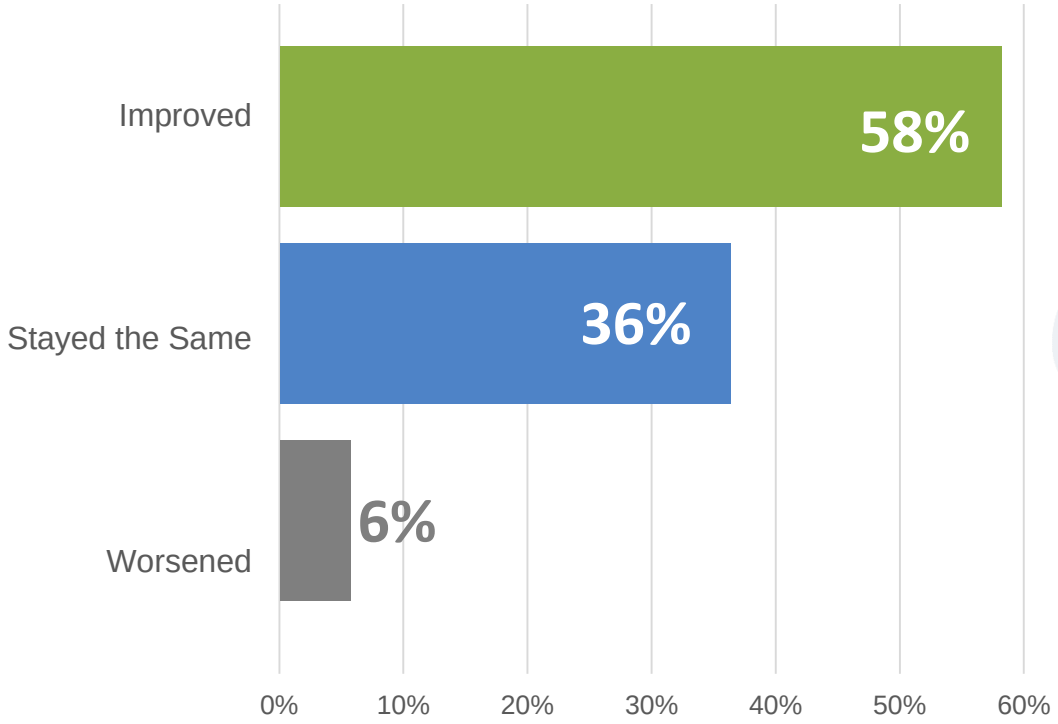
Your Trusted Partner in Customer Engagement

March 23, 2018

- Analyzed 500,000 billing histories
- Applied public records information
- Detected home characteristics
- Targeted specific households
- Tested several message contents
- Clear winner was explain the bill

Video Bill Explanation is clearly Today's Killer App!

After watching this video, your perception of Xcel Energy …



- Perceived as **personalized**, about <u>your</u> bill
- About **10x more improved** (58%) vs. worsened (6%)

"What a great personalized way to understand changes in my bill. I like that fact that it was proactive and narrowing where the changes were in the bill."

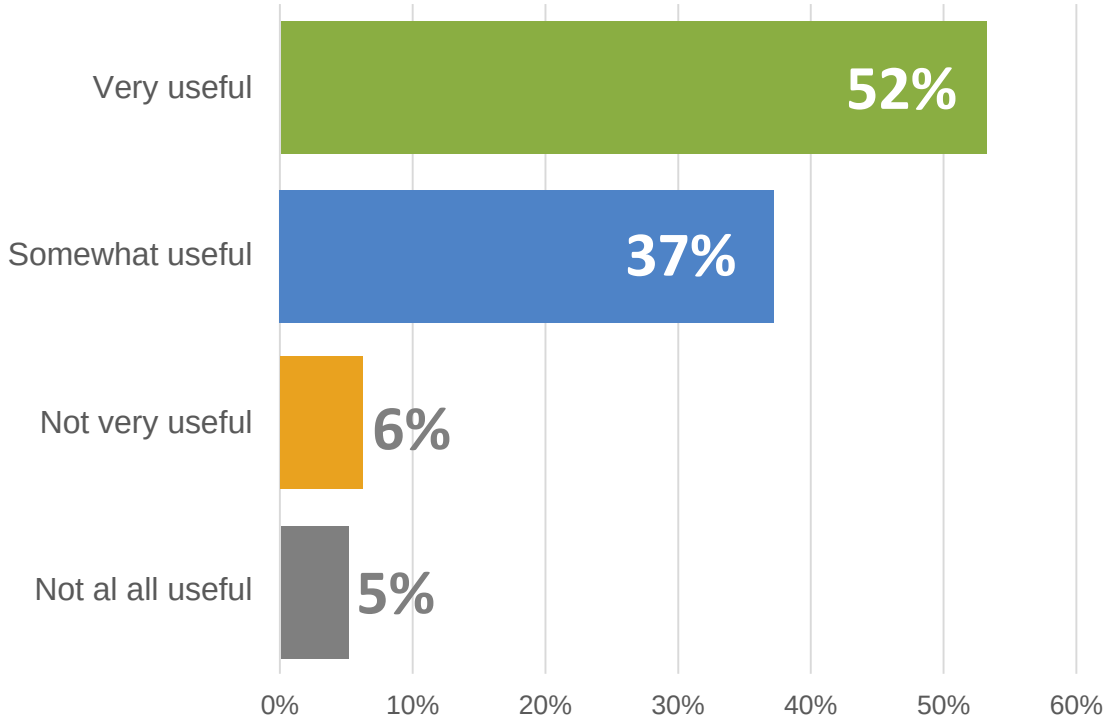
"It was interesting to see what affects the bill."

It was very helpful to understand my energy use."

I didn't know some billing periods were longer than others."

Bill Explanation – **Usefulness**

How useful was the information presented?



- **88%** said very or somewhat useful
- Personalization - **30% more** very useful responses
- **5x** very useful vs not very or not at all

> *"I liked that it gave specific information about the changes in the last month and what they specifically cost or save me."*

Extraordinary results: **98%** want them regularly.

15% Reduction in Calls to the Call Center!!

Monetize that for your situation!

But we still have a ways to go!

Customer Engagement & Expectations are Changing!

- Mobile has just surpassed desktop
- Keyboarding is now mostly social media IMHO
- **Voice assistants about to surpass keyboarding**
- Energy Companies interested in “Connected Home”
- But rear view mirror POV clouds perspectives
- Forrester and Parks Associates gives us insights
- **But, watch the renewed interest in climate change …**

Not all Customers are Text Savvy either

Gartner's POV on the Connected Home

Networking: Familiar home networking technologies (high bandwidth/high power consumption), such as Multimedia over Coax Alliance (MoCA), Ethernet, Wi-Fi, Bluetooth, as well as 3G and Long Term Evolution (LTE), are complemented with low-power consumption networking standards for devices and sensors that require low bandwidth and consume very little power, such as thermostats.

Media and Entertainment: This category, which covers integrated entertainment systems within the household and includes accessing and sharing digital content across different devices, has proved to be the most prolific and contains some of the most mature technologies in the connected home.

Home Security/Monitoring and Home Automation: The technologies in this category cover a variety of services that focus on monitoring and protecting the home as well as the remote and automated control of doors, windows, blinds and locks, heating/air conditioning, lighting and home appliances, and more.

Energy Management: This category is tightly linked to smart cities and government initiatives, yet consumer services and devices/apps are being introduced at mass-market prices that allow people to track, control and monitor their gas/electricity consumption.

Healthcare, Fitness and Wellness: Solutions and services around healthcare have proven slow to take off, because they have to be positioned within a health plan and sold to hospitals and health insurance companies. The fitness and wellness segment has strong and quickly developed ecosystems that range from devices to sports wares to apps, which integrate seamlessly with each other to create a strong customer experience.

I can’t wait to look at my smart grid data!

Industry declares success on bad business cases

I can be unloading groceries from the grocery store, look at the monitor and open the refrigerator door and watch the (power usage) number go up. It's a real good learning tool for me.

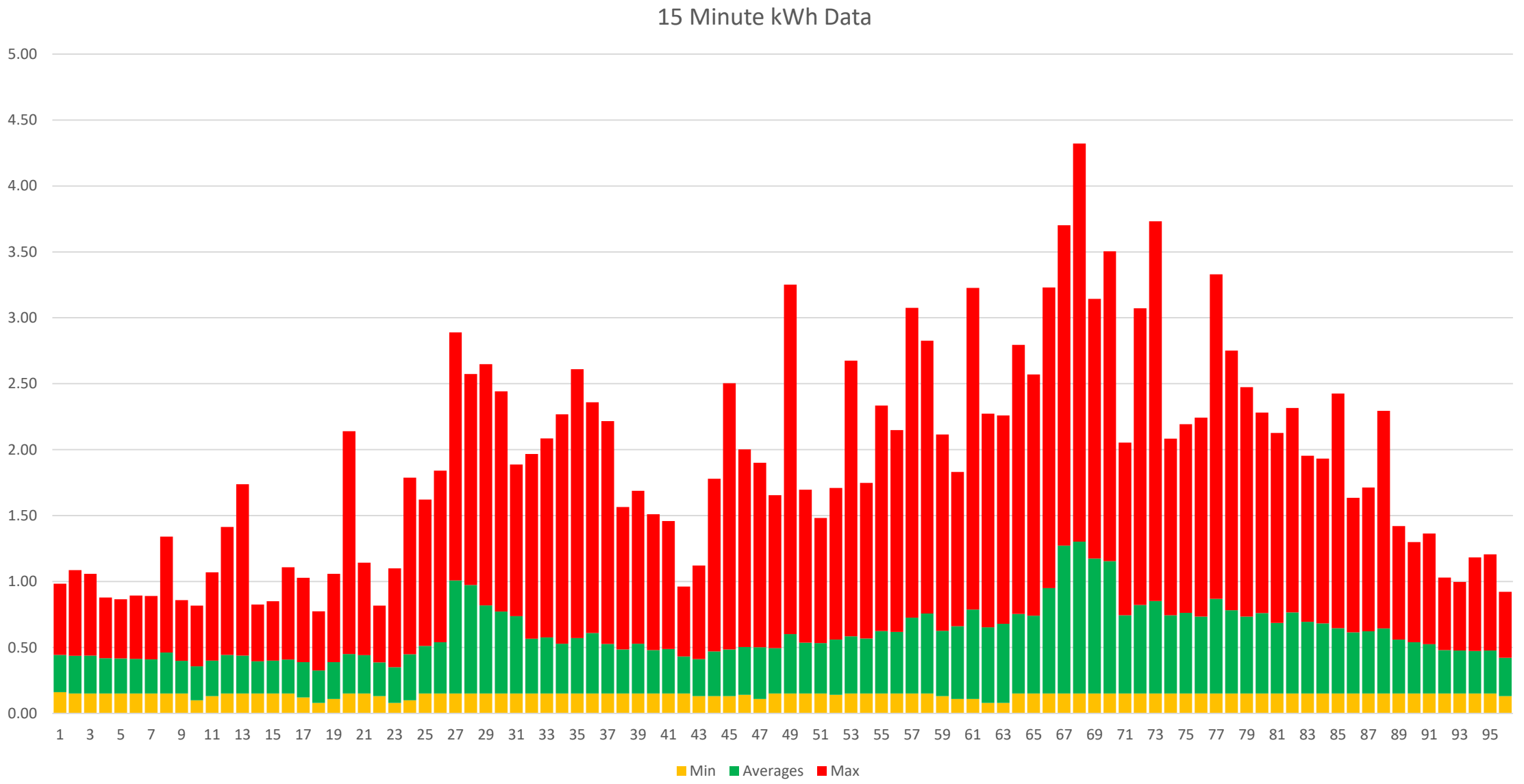
Breakout Session at Major Smart Grid Conference

The Perfect is the Enemy of the Good Problem

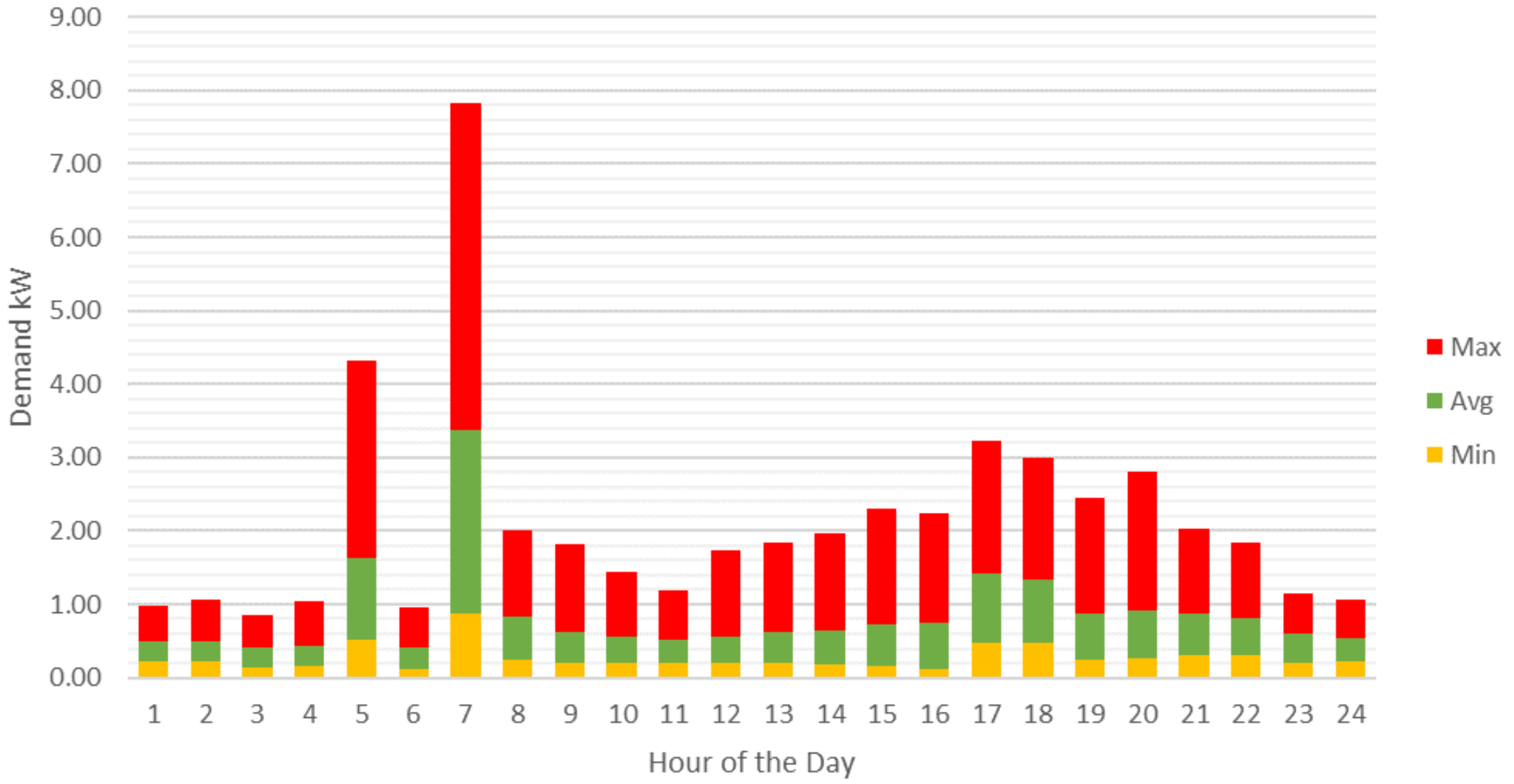
Predictable Smart Grid Challenges

The Key Problem: Customer experience was an afterthought …

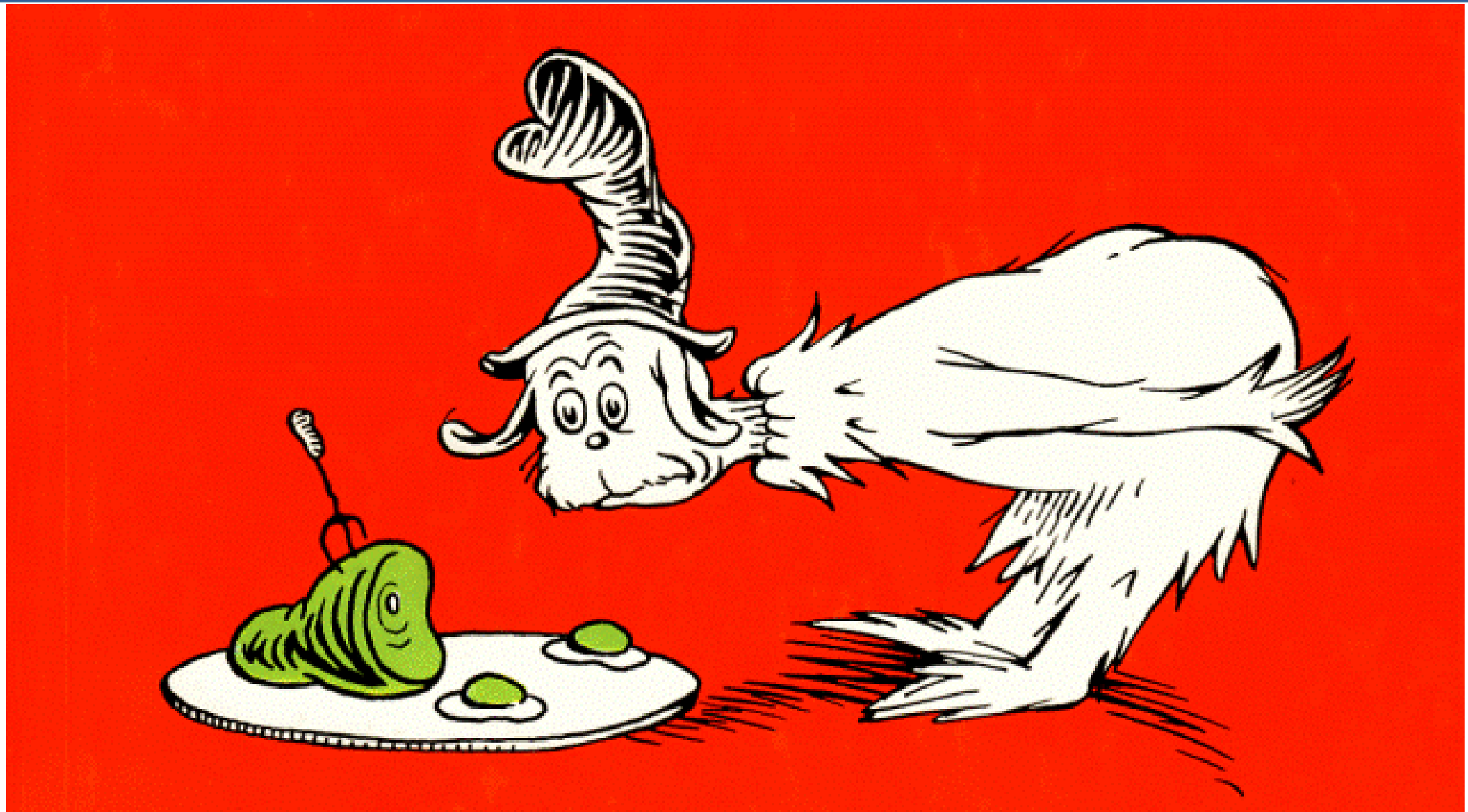
Example 15 minute data for a summer month



Example Hourly Demands for same Month



A Parody on a New Rate Plan



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Key Takeaway for the Connected Home!

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Voice-enabled smart speakers to reach 55% of U.S. households by 2022, says report

Sarah Perez @sarahintampa / Nov 8, 2017

Comment

THE smart audio REPORT

npr | edison research

65% say that they wouldn't want to go back to life without their Smart Speaker

Beta Testing a New Skill for Amazon Echo!

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Engagement is Table Stakes not differentiator:

*More and more utilities are using voice as an engagement channel, Google's Hamel agreed. But the ongoing challenge for incumbent utilities is to make clear **their relevance** to their customers.*

Jeff Hamel

Director, Global Energy and Enterprise Partnerships at Google

Mountain View, California | Internet

Key Takeaway according to Google

“48% of those who own a voice activated speaker want personalized tips and information to make their lives easier!”

Once again … start by explaining their bills and tell them what they can do about them.

Remember the 3-Rs of Customer Influence

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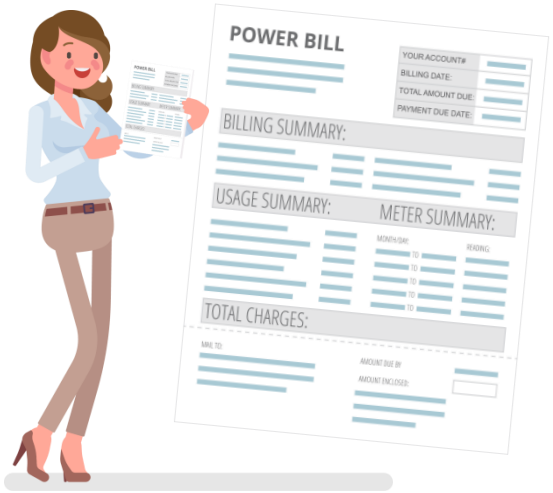
Transformation
Programs



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Wise words from the late Steve Jobs …

"For something this complicated, it's really hard to design products by focus groups. A lot of times, people don't know what they want until you show it to them."

"Innovation has nothing to do with how many R&D dollars you have. When Apple came up with the Mac, IBM was spending at least 100 times more on R&D. It's not about money. It's about the people you have, how they're led, and how much they get it."

Key Takeaways from the webinar Today:

- Customers no longer read or write: use video messaging
  - They want to know you care: message new rates carefully
  - They want to be comfortable: offer ideas and technology
  - They want a sense of control: offer daily bill forecasts
- Personalized high bill video explanations reduce calls by 15%
- Work with early adopters to use smart speakers with relevance
- Remember, if you are not at the table, you are on the menu!

Coming Soon

March Webinars:

- Move Beyond Customer Engagement to Customer Influence
- Rate Transformation – The Rate Race