

PG&E Customer Insights

An Overview

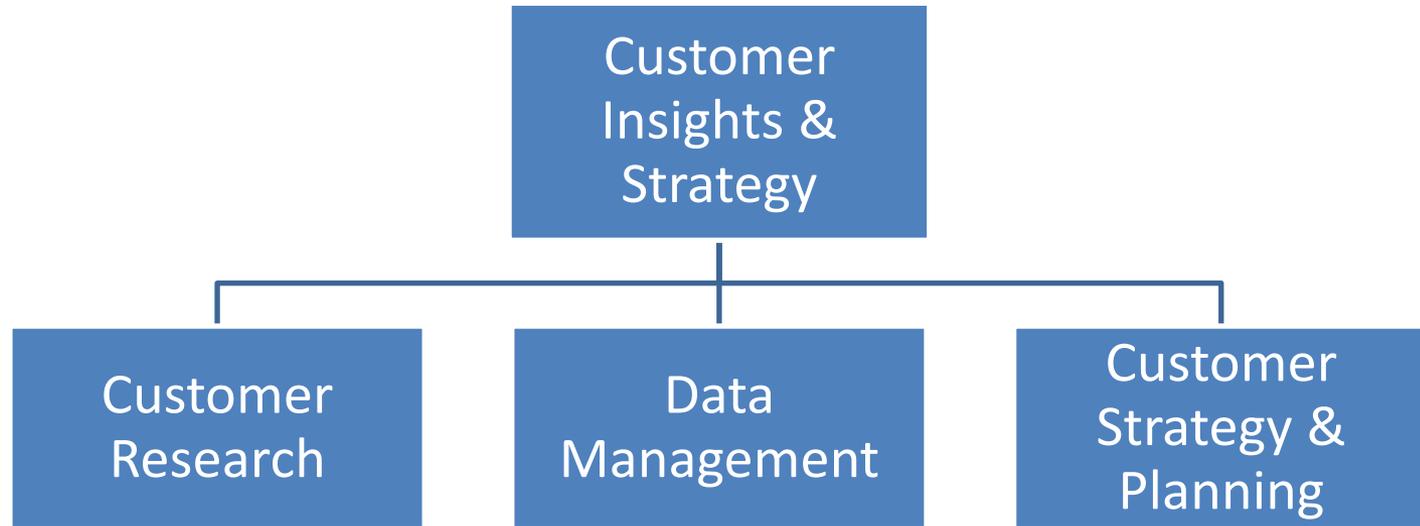
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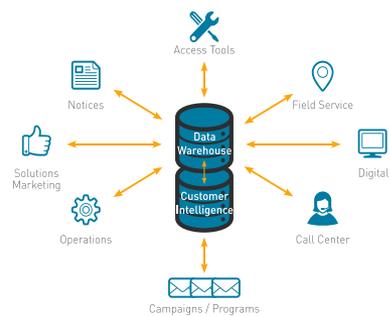
Together, Building
a Better California

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Our Department



VOC



CAS



CX

Our Goals

Go beyond typical energy profiles to understand the emotional levers involved in decision making

Leverage Internal and External Data

- Include attitudes, personality characteristics, preferences and passions for deeper understanding

Focus on “Customer First”

- Create representative segmentation (“personas”) for groups of customers and operationalize them

Drive Impactful Results

- Develop more satisfying and efficient interactions
- Enhance and increase level of trust
- Enable greater customer and business impact
- Further our relationship/engagement opportunities using a holistic approach



Customer Research



We listen.... a lot:

- 20 on-going tracking studies every year
- Over 50 ad hoc studies across the company annually

How we do it:

- Qualitative (focus groups, in-depth interviews, ethnographies, online bulletin boards)
- Quantitative (surveys, online panels)

With goal of:

- Tracking levels of awareness
- Understanding barriers to engagement
- Determining satisfaction and dissatisfaction drivers
- Gauging perceptions, motivations, fear

Types of Research

Primary research across the company, includes:

- New Product or Program Targeting , Concept Testing
- Messaging and Positioning Testing
- Operational Process and Experience Evaluation
- Awareness and Attitudinal Studies
- Usage and Satisfaction Studies
- Usability Testing
- Segmentation Analysis
- Behavioral Analysis and Emotional Considerations

Secondary research resources:

- E-Source
- Chartwell
- Case studies, best practices, quantitative research, industry data, specific inquiries.

Drive Results

Actionable intelligence drives strategies that

- Enhance customer perceptions and improve understanding
- Increase awareness, engagement, and satisfaction
- Improve communications, services, program and product designs; making them more valuable



Customer Segmentation



Customer Diversity

- Unique “lifetime” relationship with over 15 million customers
- Service territory makes up one of the most diverse populations in the United States
 - Financial, political, religious, ethnic, and lifestyle differences vary greatly
- Wide range of climate bands and topography also lead to a variety of needs, interests, and motivations regarding energy management
- To effectively serve our customers we must deeply understand the differences in passions, motivations, attitudes and preferences

Grouping customers together with similar characteristics improves business outcomes.



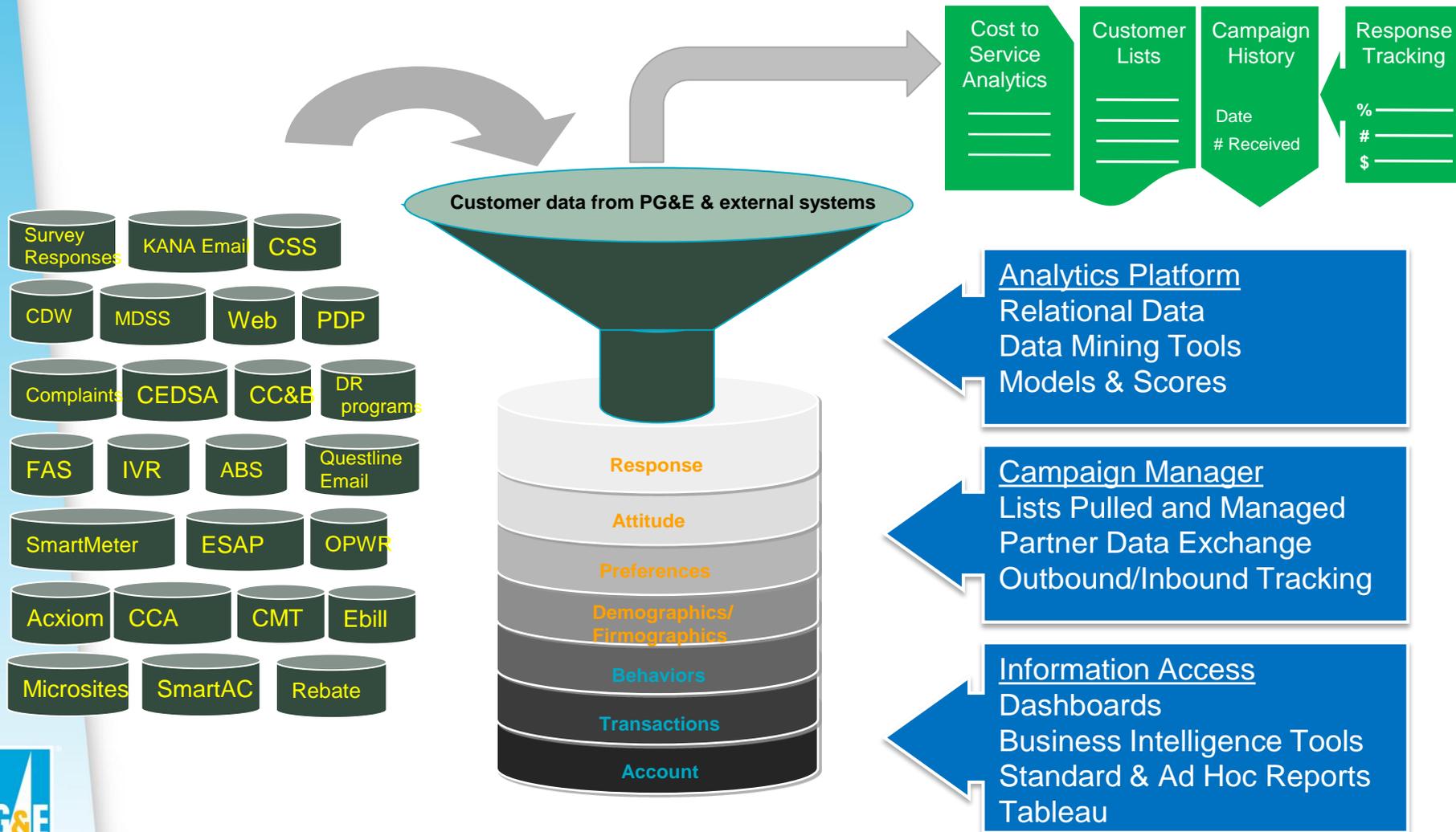
Persona Segmentation

Personas are clusters of customers defined by a deeper understanding of behavioral, attitudinal, and personality characteristics along with corresponding emotional levers. By developing “personas” for our customer groups, we’re able to interpret what’s in their hearts and minds to better meet their challenges.



Customer Database

CAS Database – A repository that connects, collects & manages customer data



Categories of Data

Geography

- Climate zone, topography, local issues

Premise

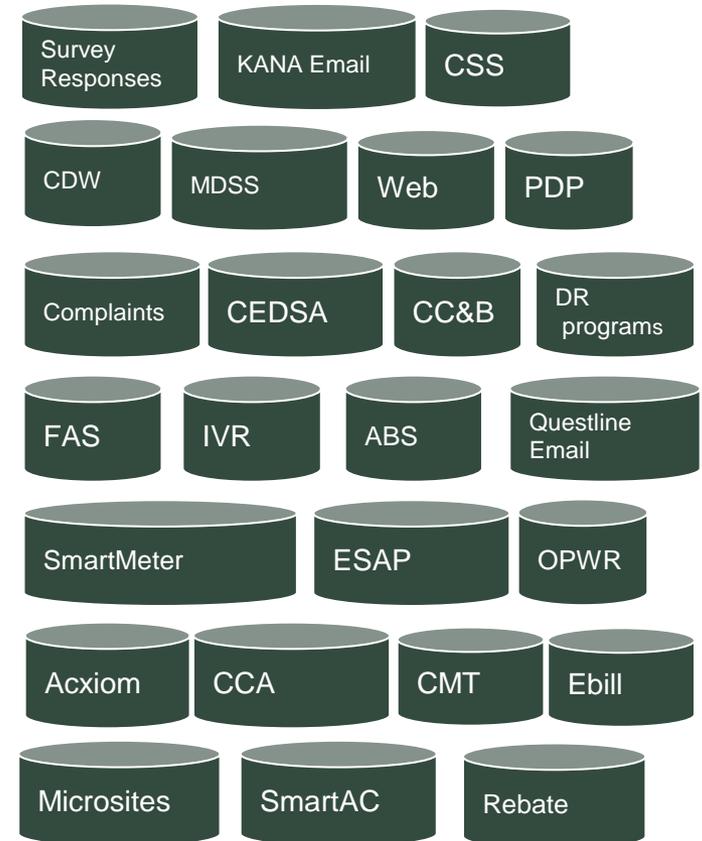
- Housing type, size, age, occupancy

Engagement

- Rate plan, bill size, load profile, payments, program participation

Relationship

- Tenure, service calls, outages, communications, satisfaction



Engagement Behavior Data

Wants and needs, how they think:

- Qualitative & Quantitative Studies
- Customer Satisfaction Surveys
- Brand Health Tracking
- Social Media Listening



Observations and behavioral analysis:

- Campaigns
 - Receive, Interact, Respond
- Operations
 - Calls, Service Visits, Payments
- Programs
 - Enrollment, Usage, Performance

Demographics & Psychographics



External data sources help further define customers, how they live, and what they've done before:

- Demographics
- Channel habits
- Life stage
- Mindset
- Past Purchases
- Media Consumption

Classification and Modeling

- Requirements and engagement interactions were moved into discreet categories
- Relationships between different kinds of characteristics and behaviors were identified
- Sophisticated algorithm applied to help reveal meaningful patterns



Energy Use



Payment Style



Key Demographics



Solution Adoption



Service Experience

Modeling Algorithms

Multiple Persona Clusters

Customer groups who think, act, and believe similarly are personalized. Every account has a “persona” designation and belongs to a group.

Example #1



- Affluent, established with large homes
- Above normal energy usage given their requirements
- Community-involved, Green-minded, Time-starved
- Cool and trendy, noticed

Example #2



- Low-to-moderate income in smaller homes
- Do-it-yourselfers
- Traditional channels
- Do the right thing, respect

Example #3



- A mix of renters and homeowners who move frequently
- Bay Area and North Coast
- Green-minded, Energy Efficient, and Low Usage
- Make a difference, smart

Benefits of Persona Segmentation

Customer Insights



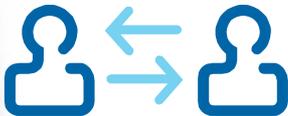
- Identify key barriers and motivators
- Assess satisfaction across new meaningful criteria
- Add depth in understanding program effectiveness

Marketing



- Deploy customer journey approach and holistic outreach practices for how and when to message
- Identify customer needs and mount specific campaigns to key prospects
- Identify best targets at a given point in time, determine the right customer for outreach
- Improve effectiveness of communications

Sales



- Prioritize lead lists
- Identify relevant product sets
- Enhance relationships and communications

Benefits of Persona Segmentation

Product or Program Development



- Identify program or product gaps
- Understand customer impact
- Enhance existing products/tools

Operations



- Identify which segments drive higher cost
- Identify opportunities for efficiencies
- Gain insight into how processes fit with customer segments
- Assist in evolving or developing processes

Putting Data and Research into Action



Advanced LED Bulbs



- CLTC, CEC and manufacturers developed the LED (“SPEC”) bulb to improve EE bulb customer experience (color, performance), but lacked customer-facing communications
- Segmentation-driven targeting strategy, focus groups, ethnographic experiential study and survey uncovered customers’ key drivers to purchase & most compelling messaging
 - Target: technology –focused homeowners
 - Category name & tag “Advanced LED, The Right Light for Living”
 - Value proposition: save money while improving light quality, *and* better for environment
 - *Insight: In what part of the home were customers most excited about better light quality?*

Disaggregation Dashboard

- Will disaggregated data help customers determine when to upgrade, encourage behavioral change, help save money on time of use rates?
- Ran experiential pilot and survey on customers' home experience & use of disaggregation tools with data dashboard
- Result: customers underwhelmed, doubted accuracy of data.
- Ultimately, customers want customized information so they can make good decisions for their household. Is worth it to improve on this technology? Or, in this do-it-for-me world, is it better to change our communications strategies to accommodate customer needs/wants?



Home Area Network Device



The research team and videographer met the PG&E customer at his/her house. The customer was asked to install one of the HAN devices, while wearing a GoPro camera. Customers were asked to think out loud as they completed the installation and registration process, with the moderator asking follow-up questions throughout.



At the end of the device setup, the moderator asked the customer more questions about his/her overall experience and interest in using a HAN device.

Pinpoint the characteristics that are most relevant:

- Electronics and data
- Early adopter

Apply criteria for targeting:

- Program usage
- Tool usage
- Home ownership

Speak their language:

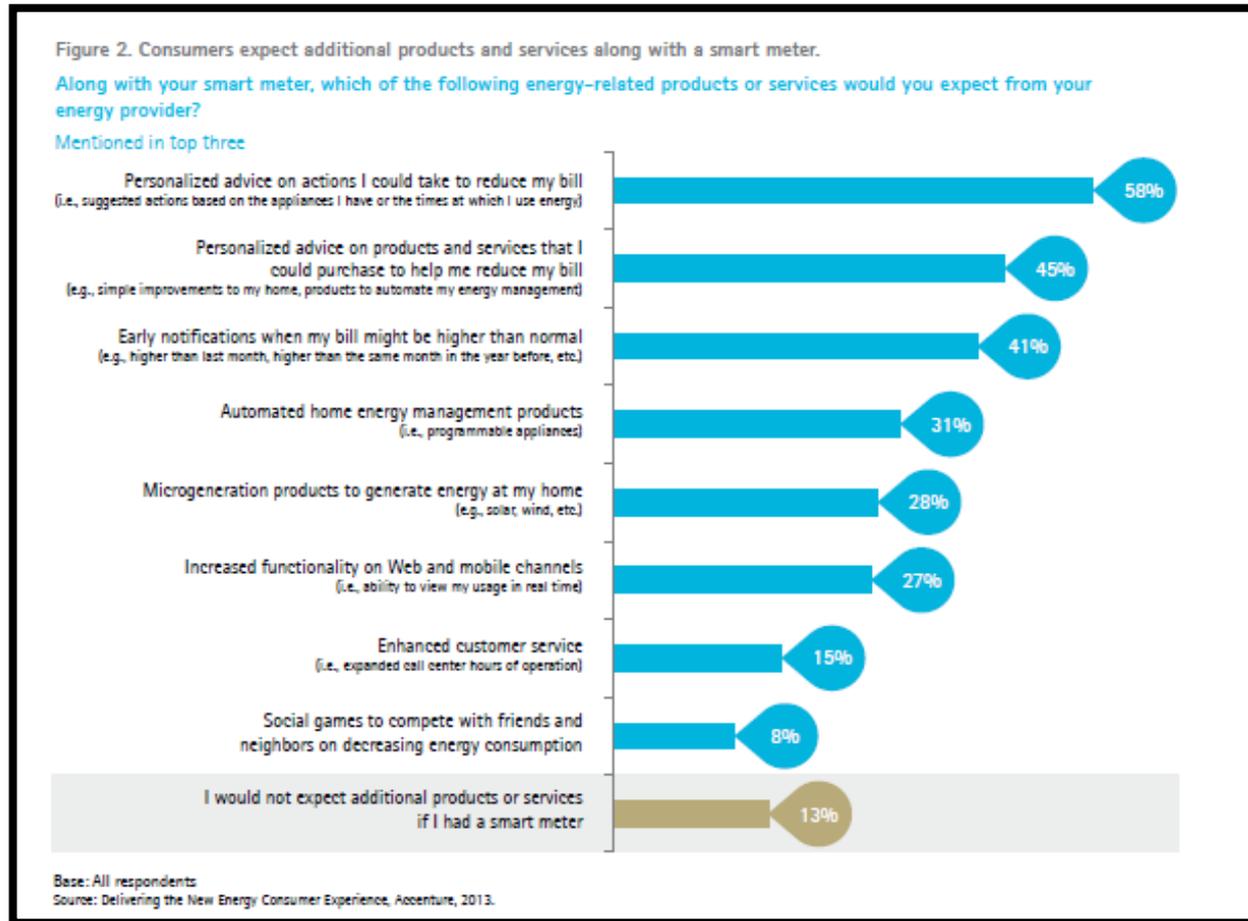
- Exclusivity
- Technologically intriguing
- Beta Test
- Stream My Data
- **Result:** Greater than 19% boost in response over general audience

Thinking Ahead



Personalized Advice

Based on positive experiences with companies like Amazon and Google, customers are expecting tailored products and personalized advice.



Self Service

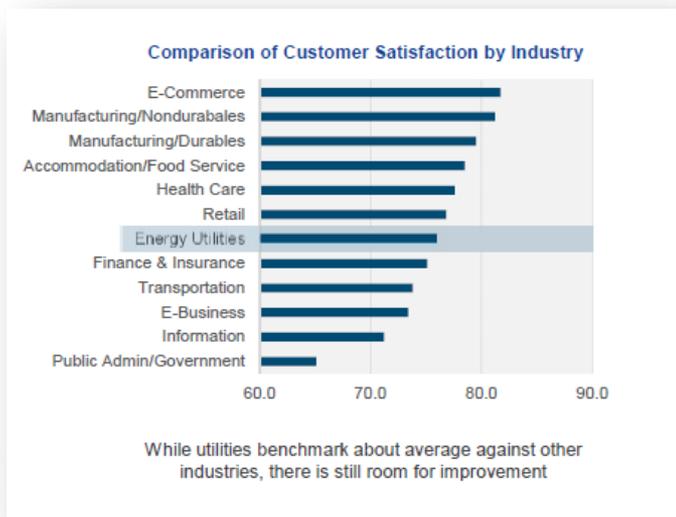
Customers appreciate a company that allows intelligent use of data for tailoring products & services



Choice and empowerment should drive customer satisfaction, not decision paralysis or disenfranchisement with the brand

Today's Consumer Expectations

- Expects Personalization: a “segment of one”
- Relies on social media as an extended ecosystem
- Is Tech-savvy and Omnipresent:
- Is a Prosumer: buys and sells energy
- Is Interconnected, prefers offerings that address daily life
- Is Environmentally/Socially Conscious
- Compares PG&E to other industries, expecting better service, choice, control and plain, friendly English communications



Renewable Plan

The **NRG Home Renewable Plan** allows you to support renewable energy at home and on the go.

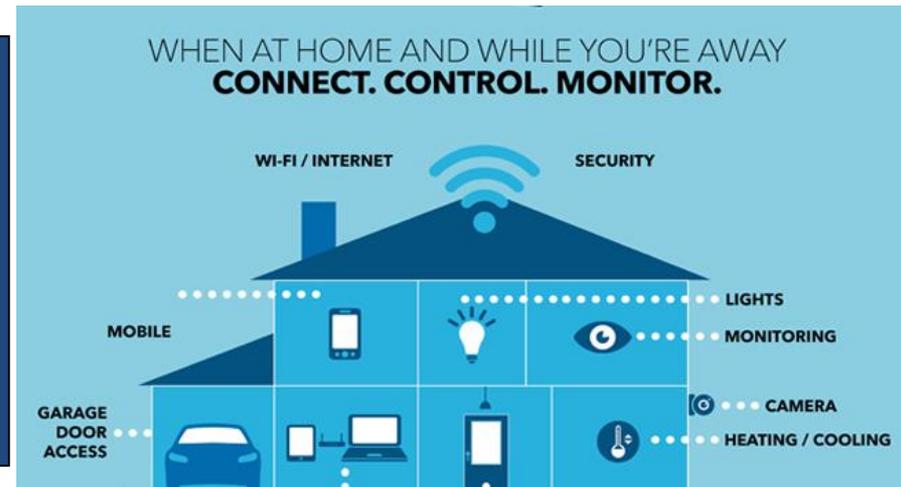
Sign up today and you'll get:

- ✦ Goal Zero portable power products quarterly for your first year
- ✦ 100% wind-generated energy
- ✦ 12 months of fixed pricing

“Do it for me”

- **Linked to the Millennial growth and mind-set**
 - 75% of the workforce by 2025
- **Desire (already) energy-efficient and connected homes**
 - Number of connected things being used in the home expected to quadruple in the next five years
- **Yet they DON'T want to do what is needed to make their current homes energy and/or water efficient - making DG even more attractive**

New consumers will want: high-tech, energy-efficient new construction and retro-fit improvement packages with out-of-the box partnerships with homebuilders, energy efficiency contractors, and solar and financing providers



Beyond Residential



Coming Soon

A similar approach to Small & Medium Business (SMB) understanding.



- Adding perspective beyond industry, size, geography
- New data fields to analyze business needs, actions, opportunities
- Revealing operating styles, motivators, “personalities”

Developing “cohorts” that reveal key criteria about customer needs with the goal of benefitting their business, improving satisfaction, and driving business impact.

SMB Customers

- Wide span of business types and needs (e.g., energy-intensive dairy farm vs. labor-intensive costume shop)
- May have industry-related energy needs that impact willingness to consider changes (e.g., refrigeration for a restaurant; lighting for a retail location)
- Often a small staff with lots of responsibilities, from customer service to finance



Agriculture



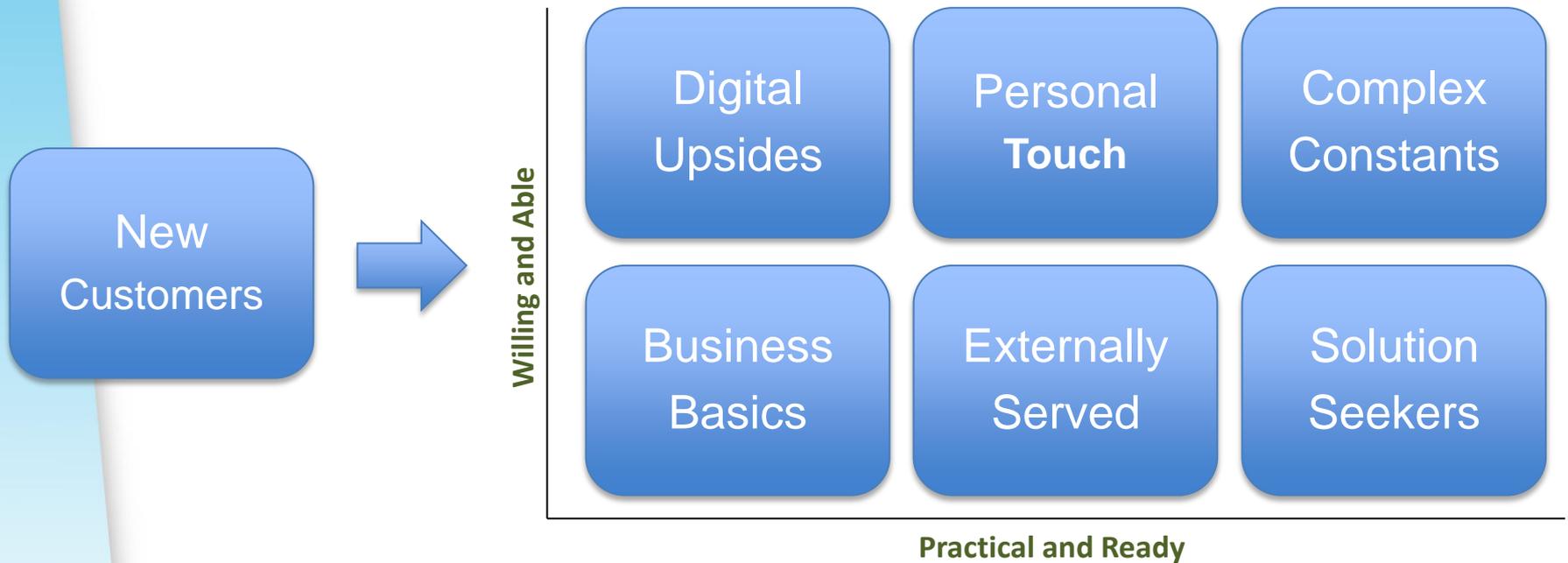
Personal services (bike or auto repair, beauty salons, laundry)



Accommodations or food service

SMB Cohorts

A deeper understanding of the barriers and preferences of SMB customers helps guide strategy when creating programs and communications plans, thereby improving customer engagement.



What's Next

A deeper understanding of Large Commercial and Industrial customers

- Validate priority of decision points (systems optimization, maintenance, retrofit, and new construction) as well as key differences
- Map organizational decision-making and purchase pathways, patterns barriers and benefits
- Research messages with decision-makers, and which offers, bundles, and other programs have awareness, interest, uptake, and relevance
- Identify moments of receptivity, focusing on the milestones and decision points where interactions can be enhanced



Target industry verticals:
**High Tech, Retail, Hospitality, Office,
Healthcare and Manufacturing**

Questions?

Thank You!

