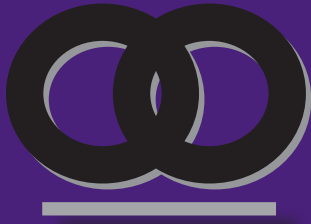


# Chartwell's Best Practices

Marketing

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## Summary

Rappahannock Electric Cooperative's new video bill messaging tool explains bill changes to customers, introduces them to complementary energy efficiency programs, and is expected to reduce bill inquiries.

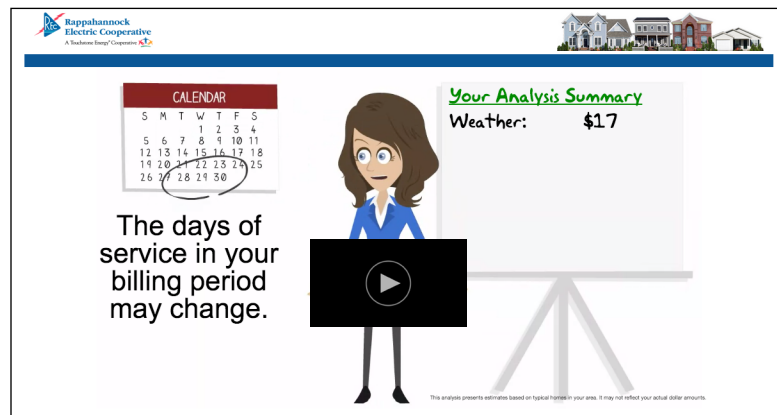
## Company Profile

Rappahannock Electric Cooperative (REC), Fredericksburg, Va., is a member-owned utility providing electric service to about 160,000 connections in 22 Virginia counties.

## Rappahannock members embrace customized video bill analysis tool

Like many utilities, Rappahannock Electric Cooperative (REC) provides online billing analysis and energy efficiency solutions to its members. But getting them to find this information, read it, and apply it to their own situations can be a struggle. As the first utility to introduce Apogee Interactive's video bill analysis messaging tool, REC has early indications that members will embrace the personalized energy efficiency information and solutions the tool provides.

The video messaging product delivers customized, animated videos by email as well as other channels to explain why an individual home's energy use has caused the bill to



change by at least \$10 from the previous billing cycle. REC is still monitoring the program, but the initial reception was overwhelmingly positive when the tool was launched to 40,000 members via email in December 2014.

Rappahannock members who receive the video bill messaging email can click on the link and watch a customized animation that explains the amount of change in the bill from the previous month. Click the icon on the image above for a sample video.

The emails had an open rate of 46% as of January, and a 30% click-through rate. Ninety-five

percent of the respondents found the information easy to understand, and 86% found the information useful, according to the utility. In a November pilot, 72% wanted to receive a personalized video every month, and 27% preferred quarterly videos.

The animations break down elements of the members' most recent bills by explaining the impact of weather, number of days in the month, and other usage factors that may have prompted changes in the bill.

Although REC has not yet expanded beyond bill analysis and email delivery, the software can also be used to generate custom video messages regarding utility program offers, weather-event alerts, outage communications, and energy efficiency tips. In addition to email, messages can be accessed by mobile devices and through online portals.

# Contact

Todd Jordan  
Director of  
Member Solutions  
(540) 891-5871  
[tjordan@myrec.coop](mailto:tjordan@myrec.coop)

## REC wanted to increase use of online tools

In March 2014, REC program leaders entered into a series of conference calls with the co-op's generation and transmission cooperative, Old Dominion Electric Cooperative, and Atlanta-based Apogee Interactive to discuss implementing Apogee's animated billing messaging tool.

Already a user of Apogee's online billing analysis application, BillingInsights, REC was open to even more innovative ways of communicating with members, and the new video messaging tool promised to bolster online interactions.

"We weren't seeing the traffic we wanted to see using those online tools," said Todd Jordan, Director of Member Solutions. "People just don't take the time to read. We needed to find a new way to deliver the information so that people could quickly absorb it."

"We wanted to help consumers more easily make the correlation between changes in weather and changes in their bills," he added. "A lot of people think that because they don't change their thermostats, they haven't changed their monthly electric use, and that's not necessarily the case."

After initial discussions about the concept of using computer-generated imaging and using an avatar to represent the company, REC worked with Apogee to develop a character that the utility thought reflected the values of its membership.

Industry focus groups have shown that, in general, women are more concerned with bill costs and men are more concerned with reliability. "So when it came time to develop the avatar, we felt that a female spokesperson would probably resonate better with the people most concerned about the bill," Jordan explained.

In determining the content of the bill analysis, the project team wanted it to be brief and easy to understand. All information in the video is similar to information customers can access through REC's online BillingInsights tool.

## Team developed three main messages for videos

The main message the team wanted to convey in the bill analysis videos was the impact of weather on the bill. Next in line was the number of days in the billing cycle. The third and final message was a general catch-all category outlining examples of other issues that can affect a utility bill.

The project team realized the bill messaging video could serve as a catalyst for getting members' attention and connecting them to other resources, such as energy efficiency and conservation programs and tools.

The first emailed video contained a link directing members to a satisfaction survey to help the team gather feedback on the new communication channel. From the survey, users could follow a link to online calculators introducing them to energy-saving tools offered by REC.

Apogee generates a personalized animated video for each REC member for whom the utility has an email address. Data for the videos is pulled from the tables in the energy and bill analysis software. The data includes home profile, billing data, local weather, and other information. Variable-data video technology is used with the existing data to create the animations.

REC generates a file of members and email addresses for Apogee, which determines which accounts have changed by \$10 or more, based upon electricity use, from the previous billing cycle.

“They are synced to our billing cycles and the videos arrive at roughly the same time as the bills,” Jordan said.

The project team made sure the variance in billing each month is noted in dollars, not percentages. “That’s an important distinction, because over and over again we find that our members think in terms of dollars, so we need to communicate in dollars,” Jordan said.

### Members receive detailed, step-by-step explanation of bill changes



Rappahannock Electric Cooperative’s initial emails containing a link to the customized videos had an open rate and a click-through rate exceeding business expectations.

Members who receive the video bill messaging email can click on the link and watch the avatar explain the amount of change in the bill from the previous month, detailing each factor and its impact on the member’s bill. As the avatar speaks, the right side of the screen displays a running tally of the information.

The first statement in the video addresses the weather

and its effect on the member’s heating and cooling costs, with the dollar amount also displayed on the screen. The video may then explain that there were fewer or more days in this billing cycle, affecting the bill by a specific dollar amount that is also displayed.

Next, the member will hear about other activities that may have caused a change in the bill amount. This could include changing thermostat settings or having more people in the home. After listing a few examples, the video presents the related dollar amount of change and then totals all the influences on the bill.

### Early employee pilot uncovered bugs

Prior to sending emails to REC members, an employee pilot uncovered a few issues, such as Internet browsers that didn’t work as well as others and an issue with IOS, the Apple operating system, according to research analyst David Johnson. “We worked out a lot of bugs in that first employee pilot,” he said.

In the November billing cycle, REC partnered with Apogee in a beta test of 2,000 emails to members, who completed a follow-up survey. “We incorporated their feedback into the design and development,” Jordan said, adding that response to the brief pilot was “resoundingly positive.”

REC rolled out the program to all members with email addresses in its 17 billing cycles during December 2014. By January 2015, more than 40,000 emails had been sent.

Prior to launch, the project team stepped up internal communications; developed a survey with links to energy services that would be attached to the videos; briefed all management teams; and developed internal and external communications pieces through REC’s Communications and Public Relations department.

Besides answering the member survey questions, more than 1,000 members wrote positive comments.

“We wanted to help consumers more easily make the correlation between changes in weather and changes in their bills. A lot of people think that because they don’t change their thermostats they haven’t changed their monthly electric use, and that’s not necessarily the case.”

Ninety-six percent of the respondents found the video information easy to understand; 86% found the information useful; and 87% felt the video format was an effective way to communicate changes in their bill.

The animated bill analyzer can be delivered via consumer portals and mobile devices, but REC is using only the email channel at this time. “We’re actively developing proactive channels where members can opt in for different types of communications,” Jordan said.

Shortly after introducing the animated videos to members, REC experienced record-setting sales due to the extreme cold weather. Proactive explanation of high bills through the use of videos resulted in many members thanking REC for the information, and likely reduced the number of incoming phone calls. On the other hand, Jordan reported, a handful of people felt like the information was too basic. “Our goal is to make it as easy as possible for members to understand what causes monthly changes to their electric bills, and for the vast majority, this is just a different way of looking at it,” he said.

The REC team is hoping that the video bill messaging tool will help reduce bill inquiries and prove to be an introductory channel to the utility’s other online tools. “We’re testing a few different things,” Jordan said. “Initially, we’re going to survey quarterly, and when we’re not surveying we’ll be linking members to different online resources. This month, we’re linking them to some videos that we’ve produced on air conditioning load management.”

“Our Communications and Public Relations department has done a great job creating short, educational videos,” he added. “The challenge is driving people to them. We think this is going to be a really good channel to get this valuable information into the hands of our membership.”

REC will continue to expand distribution of the video messages to members over the next several months. “We’re in the initial stages of determining how viable this method is for communicating, but really the sky’s the limit as far as the different applications that we could use,” Jordan said.

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Philip I. Dunklin, President and Publisher; Stacey Bailey, Director of Research and Analytics;

Suzanne Haggerty, Managing Editor - Best Practices; Nancy Brand, Director of Operations

Address all correspondence to: Chartwell Inc., 2970 Peachtree Road NW, Suite 250, Atlanta, Georgia 30305

Telephone: (800) 432-5879 or (404) 237-9099; Fax: (404) 237-5334; Email: [utility.info@chartwellinc.com](mailto:utility.info@chartwellinc.com);

Website: [www.chartwellinc.com](http://www.chartwellinc.com)

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