



CASE STUDY: XCEL ENERGY

Enhance the Experience Improve the Brand

Problem:

Xcel Energy is enhancing their customers' experience and improving their brand perception all while reducing calls to the call center. It all started with their interest in the impacts of Personalized Video Messaging. How would receiving a personalized, relevant, timely, and useful message affect a customer's perception of the utility? Impact the call center? Influence digital customer engagement? Drive program participation?

Solution:

During a recent pilot, Apogee analyzed 500,000 Xcel customer's billing histories to find the best candidates for various programs. By analyzing billing histories, Apogee identified customers most suitable for HVAC retrofit programs and behavioral targets for refrigerator programs or programmable thermostats, enabling the messaging to be relevant to each customer. The pilot was designed to test personalized outbound video messaging, specifically looking at customer's perception of the utility, impact on click-through rates, ongoing digital engagement, program participation, and impacts to the call center. Treatment and control groups were established to measure how customers responded to the messaging. Over the 4-month pilot, 120,000 emails were sent to test the reaction to several types of video messaging.

1. Pre-heating season video,
2. Personal video bill explanation,
3. Personalized annual summary report video, and
4. Email message with an online energy audit offer.

Results:

The pilot revealed that 89% of Xcel customers thought the videos were very or somewhat useful with 92% giving encouraging feedback. The video bill explanation went only to customers whose bills had increased by more than \$20, and each quantified and explained the factors causing the bill to be higher (weather, days of service, rate change, behavior). Of the recipients reporting, 58% reported improved perception of the utilities brand. The personalized email inviting customers to fill out a home profile to receive a free online energy audit allowed Xcel to collect more home profiles and this data is now available for Xcel to use to further customize messages for future campaigns.

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



Much to our surprise, throughout the pilot, click-through rates (CTRs) increased on each distribution from Xcel's average CTR baseline of 3% to 5% for the first, to 14% for the second, to 16% on the third distribution, a 5x increase from baseline. In addition, compared to the control group, customers in the treatment group showed fewer contact center calls. In conclusion, greater, ongoing customer digital-engagement was proven using this method and at costs of only pennies a message. Xcel's pilot goes to scale for all jurisdictions beginning on summer 2018 where 9 million messages will be sent in 6 different events.



Documented Accuracy: Apogee's proprietary AMES engine is RESNET® accredited at the highest HERS rating level and was ranked best-in-class in the BESTEST EX savings predictions test run by DOE and EPA. See www.resnet.org and www.nrel.gov/buildings/bestest_ex.html.

To schedule a webcast demonstration of our outbound services
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