



# Electric Energy T&D

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## Personalized Customer Communications and Greater Energy Efficiency Put E.ON Ahead of the Competition

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With a growing industry interest in the adoption of Smart Grid technologies, utility providers are now seeing a subsequent increase in the demand for more personalized customer communications. Furthermore, the continued push for utility companies to be more energy-efficient and environmentally conscientious remains strong. In response to this new competitive market, E.ON – based in the United Kingdom as the world's largest investor-owned energy company – produced the “OneBill” in an effort to create more efficient and tailored communications for its more than nine million electricity and gas customers.

Like most utility providers, E.ON initially looked at its customers' monthly statements as nothing more than an operational document with a list of transactional information (i.e., how much energy the customer consumed and how much they owed as a result). In fact, most of the company's efforts to promote, cross sell and up sell additional services or products were achieved through inserts within the monthly statement, as well as completely separate direct mail pieces. However, with an increasingly crowded market, E.ON also saw that it needed to differentiate itself from the competition if it was going to gain a competitive advantage and be able to pro-actively attract new customers.

Through the implementation of industry-leading document automation software, E.ON gradually began to see the monthly statement as much more than an operational document, but additionally an opportunistic, regular touch point with its customers. With the billing statement being the only regularly scheduled communication with its customers, E.ON began to see customers' bills as a streamlined vehicle for announcing new services and providing customized communications.

And, in light of this more holistic view between the utility and its customers, the value in focusing on customer retention as a means of not only building positive relationships with its existing customers, but also as a means of acquiring new customers through modeling best practices with its customer communications became increasingly apparent.

Moreover, E.ON found that many customers were ignoring and immediately disposing of its statement inserts without reading them at all. To assess how to best address the problem, E.ON decided to commission a research project. Within the project, the company held focus groups with 80 customers from a broad demographic as well as all service process segments. This outreach also included mobile phone companies and mortgage providers to learn what kind of fulfillment document each of the customer groups liked best. Two options were offered – the traditional black and white statement (including an insert or pamphlet) or a four-color, composite document. The survey results found that overwhelmingly, consumers preferred the information in a single document instead of separate billing statements with multiple inserts.

## Consolidating the Statement for a Greater and Greener Impact

In response to the research findings, E.ON used the document automation software to consolidate approximately 32 million statements (based on 2006 data) to create its “OneBill” program. This program combines all utility charges for a customer into a single statement for greater clarity and makes use of the white space on the “OneBill” statement to directly provide targeted messaging and information. This includes promotional offers, variable graphics showing energy usage, seasonally appropriate energy-saving tips and more – all of which is personalized for each customer.



By including relevant and promotional messaging within the customers’ monthly statements, E.ON was able to maximize the potential for its customers to read the messages on the monthly statement in several ways.

First, the billing statement is one of the few pieces of mail that a customer is likely to actually read. Second, E.ON was able to extend the life of the document and the messaging contained therein because most customers file away billing statements rather than discarding them on receipt.

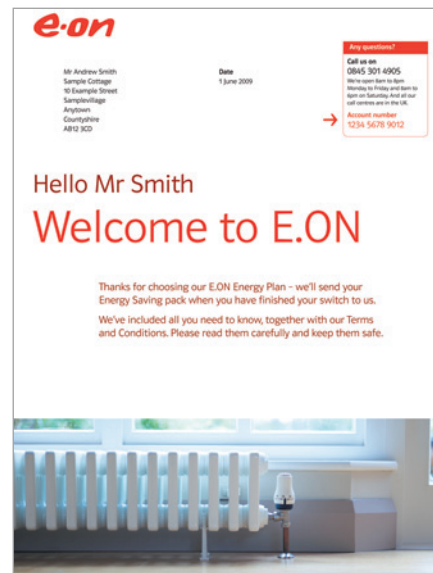
Furthermore, most customers usually look at their statement more than once (e.g., when they first open the mail and later when they are ready to pay the bill), which increases the number of impressions for the utility provider’s advertisement or promotional campaign.

The effectiveness of this process became evident last year when E.ON ran a promotion to sell boiler covers to its customers on a continuation page of the bill. Traditionally, the company would have used a separate direct mail piece or included an insert with the monthly billing statement. However, when E.ON compared the continuation page method to a glossy booklet insert, the results were astonishing; the new method generated seven times more the sales than ads in either a booklet or using an insert with the bill.

Furthermore, prior to implementation of “OneBill,” E.ON had approximately 40 different inserts that had to be split into separate print streams and several different postal runs. Now, E.ON has a single print stream that can be pre-sorted (i.e., instead of using the standard postal tariff), reducing the time to market and saving the company more than \$735,000 a year in postage costs. Even more beneficial, by using the white space on the bill and consolidating multiple inserts into a single document, E.ON was able to reduce its overall paper usage and become more environmentally friendly in the process.

Moving forward, E.ON is looking to further leverage the document automation software to eliminate any pre-printed stock by printing directly on plain paper. Once implemented, the advantages are several. These include easily handling future changes to the company’s address or logo and being able to readily accommodate a customer’s change of address as well as any adjustments to the format of the bill itself. As a result, E.ON will no longer be forced to dispose of pre-printed stock each time changes become necessary, consequently making the utility more environmentally responsible.

## A More Proper Welcoming



Traditionally, new E.ON customers received a black-and-white welcome letter with a colored leaflet insert. The communication was generic, so customers would sometimes receive information on products and services that they already had and/or that were not relevant. Following its research findings, E.ON redesigned the fulfillment document it sends to new customers and has created a customized, full-color communication piece.

Now, the new order fulfillment form – or Welcome Pack – walks E.ON customers through the entire transfer process. Unlike the impersonal generic form letter, it uses the customer’s name throughout and provides detailed individual pricing and payment structures, as well as flow charts, diagrams and images to better explain the process. Moreover, the documents are customized to respond directly with the products and services each customer requested using rules-driven targeted messaging, all of which increases customer service efficiency while also providing a flexible platform for future marketing initiatives.

This notably more concise and easier to read fulfillment form is designed to help customers become more knowledgeable about the services they are buying and keep them informed about any upcoming changes in service. The new forms also help manage customer expectations which, in turn, reduces the number and frequency of customer questions and calls to E.ON's contact center as customer knowledge advances. In fact, E.ON found that by producing more effective statements and fulfillment documents that clearly detail the most important aspects of the bill (e.g., the amount due, the date due, account number, etc.) and using highlighted color and explanatory messages, E.ON could not only save money but also reduce call volume and call duration for both E.ON and its customers.

As an added benefit, E.ON can now spend more time focused on reacting to customer requests and getting key messages to market faster with its document production lead times being reduced from up to 10 weeks to just a matter of days.

"Your new bill is ready," and directing them to a Web self-service portal site hosted by E.ON where customers can log-on any time to directly view their monthly bill as well as their usage chart(s) and other personalized data. And, as the utility industry continues to evolve, E.ON already has the flexibility to quickly and easily respond

to any future trends and customer-preferred delivery channels (e.g., text messages, Web TV, etc.) by keeping the design of its "OneBill" document completely independent of delivery and channel restrictions.

### Looking Ahead and Doing Things the "Smart" Way

For many utilities, Advanced Metering Infrastructure (AMI) is already a critical component of their evolving Smart Grid strategy. Among other benefits, AMI allows utility companies to measure, collect and analyze meter data on-demand through two-way communication with the meter, which also opens the door to two-way communication between the utility and its customers.

### Personalized Delivery Methods

Responding to customer requests goes beyond the contents and layout of the billing statement. It's also about the way customers receive their statements. Knowing, understanding and responding to customers' preferred channel of delivery is of equal importance when considering customer retention and acquisition.

At E.ON, customers can choose between standard print and mail or paperless billing. Each month, customers that choose paperless billing receive an e-mail stating,

And, with the rapidly advancing deployment of Smart Grid technology comes the necessity for utility providers to develop a strategy to manage and successfully utilize the massive amounts of data they will now be receiving at daily, hourly or even more frequent intervals, reporting on the energy usage of each customer. Going forward, the challenge of dealing with monitoring and communicating the benefits of better, faster and more accurate information as a means of driving customer behavior looms large.