

FIRST FUEL

**The 10 Most Valuable Insights from Accenture's
SMB New Energy Consumer Report**



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In January, Accenture released the latest installment of its ongoing New Energy Consumer research, “Serving Small and Medium-size Businesses: Shaping customer experience their way.” Here at FirstFuel, we’re excited to see such a comprehensive report on SMB customers. Including more than 3,700 interviews with businesses in 15 countries, the report offers many rich findings to help utilities engage this key customer segment in a rapidly evolving energy landscape. Read on for our take on the report’s most interesting, actionable, and impactful findings.

1.

Overall SMB satisfaction is tilting slightly upward, likely driven by investments in customer experience...

Overall, SMB satisfaction with their energy provider has increased a modest 10 percentage points over the last five years. This generally aligns with recent findings from the 2018 J.D. Power Business Customer Satisfaction Study, which found that business customer satisfaction has remained consistent over the last two years.

Steady satisfaction ratings don’t hurt but utilities should not take this as license to maintain the status quo. Rather, they should leverage this satisfaction as a gateway to trusted energy advisor status by providing customers with advice, delivering tailored energy solutions, and opening up new markets for energy products and services.

Ask yourself: Are we pulling on all levers to increase the customer experience for SMBs? Where can we build deeper relationships with our SMBs?



2. ...But SMB customer expectations are rising in lock step.

Business customers now see reliable supply and delivery of electrons as a given—and they are looking for more from their utilities. Just 26% of customers expect their energy provider to deliver basic energy products and services in the next five years.



38 percent of SMB customers want a full-service energy provider that offers DER products and/or services and a full range of connected building products and services.



36 percent want a provider that offers a range of products and/or services to optimize their company's energy usage and connects them to distributed energy providers.



26 percent of SMB consumers want a provider of basic energy products and/or services with a focus on excellent customer service across multiple digital channels.

Source: New Energy Consumer: Serving small and medium-sized businesses – Shaping customer experience their way, Accenture, 2019, www.accenture.com

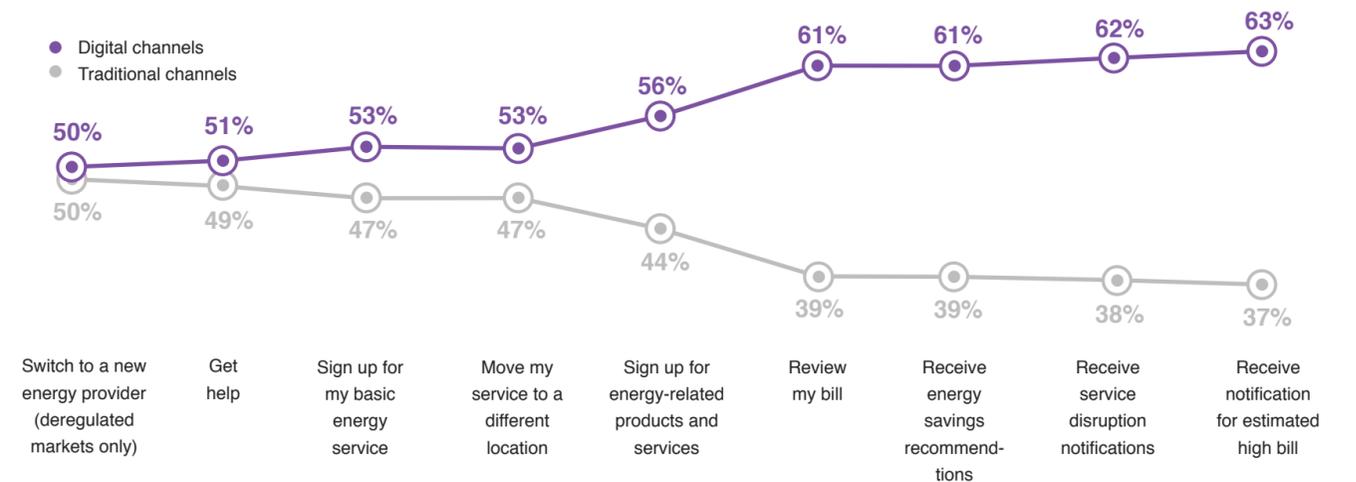
The majority of SMBs expect utilities to offer a full range of solutions to optimize energy use, including distributed energy resources and connected building products and services. Relying on yesterday's products and services will no longer suffice—SMBs are increasingly expecting to work with a full-service energy provider that offers solutions to meet the needs of today and plan for the needs of tomorrow. If customers don't find them, satisfaction trends may start to reverse, and customers will start to look elsewhere.

Ask yourself: Are we creating offers that specifically meet SMBs' changing needs?

3. SMBs are more digitally inclined than residential customer segments.

Many utilities painstakingly optimize their websites for residential consumers' needs; however, Accenture's research finds that SMBs deserve greater attention. Overall, SMBs are more active digital users than residential customers, with 39% stating they access digital channels at least once every three months, compared to just 27% of residential customers. In addition to more frequent access, SMBs also have a very strong preference to use online channels for all their energy provider interactions—from signing up to new products and services to receiving energy savings recommendations.

For each of the following tasks and/or services, what would be your preferred channel of interaction?



Source: New Energy Consumer: Serving small and medium-sized businesses – Shaping customer experience their way, Accenture, 2019, www.accenture.com

Though SMBs are a more digitally inclined segment, there is a lot of room for improvement. The majority of SMBs, 61%, say they are not yet digitally active—creating a big opportunity for utilities to help customers convert to easier, faster, more personalized online channels.

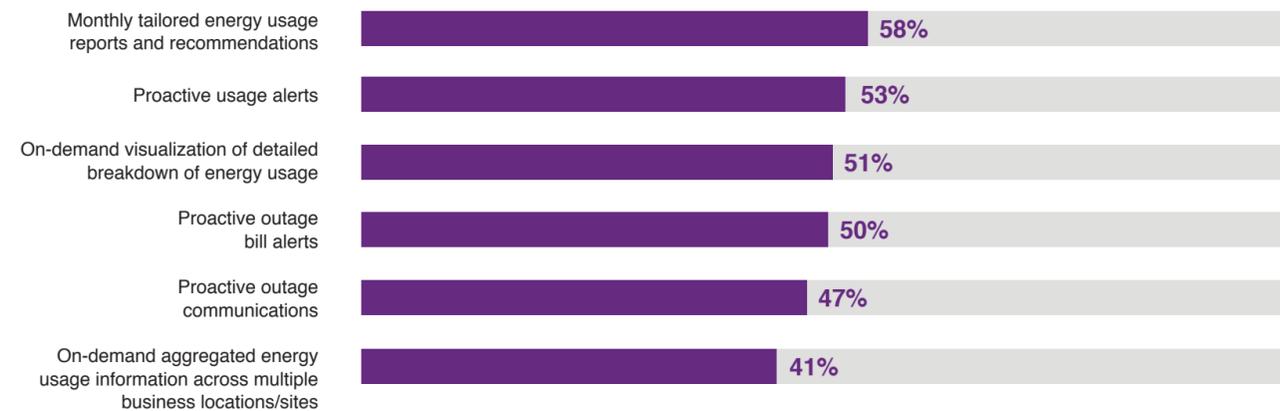
Ask yourself: Do we offer the digital services that our SMB customers demand? How can we convert more SMBs to our online channels?

4.

Want high satisfaction and customer influencers? Give SMBs tailored information about their energy consumption.

Understanding energy management opportunities drives not only trust but also satisfaction and promotion. SMBs that understand the actions they can take to manage or reduce their energy consumption are far more likely to trust their utility than those that don't. The same goes for satisfaction—overall, it is 15% higher among SMBs that understand their energy consumption. And, in addition to being more trusting and satisfied, these SMBs are also two times more likely to recommend their utility.

Which of the following aspects of a tailored digital energy engagement program are most important to your business needs? Top three



Source: New Energy Consumer: Serving small and medium-sized businesses – Shaping customer experience their way, Accenture, 2019, www.accenture.com

If utilities don't deliver, customers will look elsewhere. 44% of SMBs in deregulated markets indicate they would switch to a new energy provider that offered a tailored energy management program specific to their needs. For SMBs, energy usage knowledge is power.

Ask yourself: What do we really know about our business customers' energy consumption trends? How can we turn our data into meaningful insights that help SMBs better manage energy?

5.

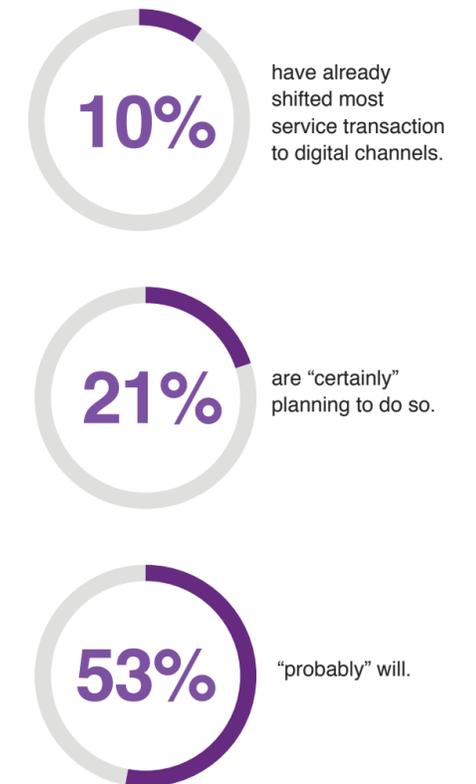
Digital energy engagement investments beget more SMB digital use.

Digital energy engagement is the gateway to unlocking the full value of a digital shift. Accenture's data show SMBs are drawn to digital channels to access energy cost and usage insights: 88% of customers are participating or interested in participating in a digital engagement program. The majority of those customers (84%) are also interested in or have shifted most of their interactions to digital channels. It's clear that SMBs are looking for digital support for their overall energy management needs: a streamlined, simplified way to manage, monitor and optimize energy use.

So far, however, only 10% have fully shifted the majority of their utility interactions to digital channels. If utilities can hook SMBs with digital energy engagement, they have the potential to convert the remaining 74% of interested customers to all-digital engagement.

Ask yourself: What investments have we made in energy engagement, and should those be re-evaluated? How can we track the impact of digital adoption on other beneficial customer behaviors, like e-bill adoption?

The survey affirmed that digital energy engagement programs are key to shifting most interactions to digital channels. Of SMBs interested in or currently participating in such a program, we found.



Source: New Energy Consumer: Serving small and medium-sized businesses – Shaping customer experience their way, Accenture, 2019, www.accenture.com

6.

Utilities want to be SMBs’ “trusted energy advisors”. But they aren’t alone.

SMBs are not only thinking about their energy use, but also considering who can help them manage their energy bills. Often, their utility is not their first call for advice and recommendations.

When it comes to customers’ source of trust for information about actions to optimize energy consumption, certified professionals hold the top spot, for 54% of SMBs. Utilities rank a more distant fourth, at 43%, behind academics (48%), and environmental associations (47%).

From specialized energy services companies to online sites to phone, cable and internet providers, many are credibly competing for SMB business. Utilities face trusted advisor threats from many angles and must act to remain competitive with this large and important customer class.

Ask yourself: Are we earning our SMB customers’ trust? How can we future-proof our strategy to box out new competitors?

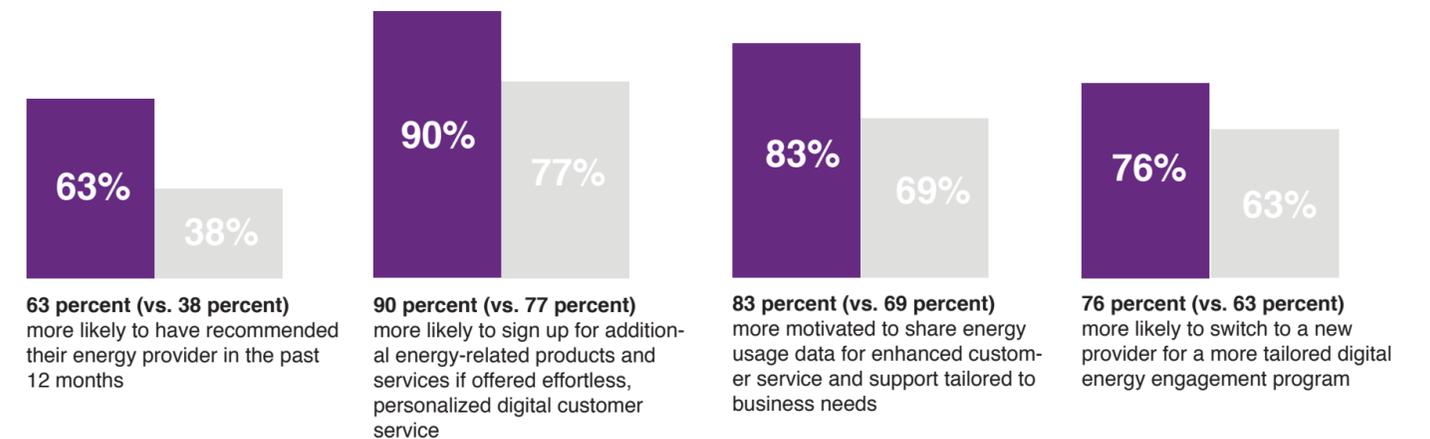
7.

SMBs (still) see utilities as a leading source for new products and services, and digital engagement makes them more likely to buy.

On the upside, utilities lead the pack on delivering information about new energy products and services, with 63% of SMBs stating they would turn to their utility first. SMBs are also willing to try new things to make an impact for their business. 83% state they are more likely to try new products and services as business customers than they are as residential customers.

What kinds of utility SMB investments help turn willingness into action? Digital investments. 90% of digitally active SMBs agree that an effortless, personalized digital customer service would encourage them to sign up for additional products and services with their utility. And 83% would be more motivated to share energy usage data for enhanced customer service and support that is tailored to their business needs.

Here’s how active digital users compare to non-active digital users among SMBs:



Source: New Energy Consumer: Serving small and medium-sized businesses – Shaping customer experience their way, Accenture, 2019, www.accenture.com

The report shows clear links between (a) utilities as the current #1 new products and services experts in the minds of customers, and (b) how new products and services adoption can improve with digital adoption. This suggests increasing digital investments in all areas, especially related to new offers, will mitigate threats from new competitors.

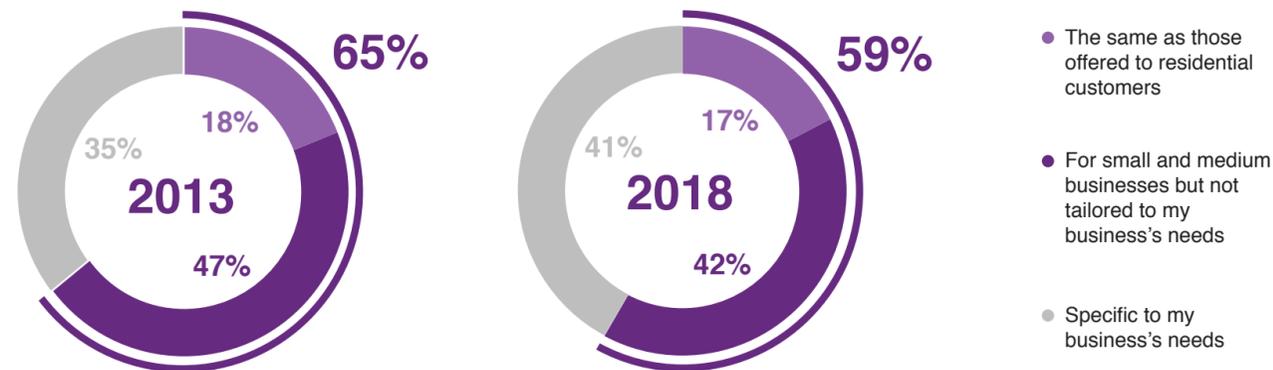
Ask yourself: Are we leveraging our energy and engagement expertise to deliver the right suite of products and services to our SMB customers?

8. Personalization and customer understanding are key to unlocking SMB satisfaction, and both remain lacking.

For SMBs, personalization is the key to increasing adoption of other products and services—82% would be likely to sign up for more if they were receiving effortless and personalized digital customer service. This jumps to 96% among SMBs already participating in digital energy engagement programs tailored to their business.

Unfortunately, more than half of SMBs, 59%, still feel the advice and support they receive from their utility is not specific to their business needs. What's more, a lack of personalization seems to have a direct impact on customer satisfaction. Those that feel they do not receive personalized service have nearly 20% lower overall customer satisfaction scores.

How would you describe the products, services and support offered to your business by your energy provider?



Source: New Energy Consumer: Serving small and medium-sized businesses – Shaping customer experience their way, Accenture, 2019, www.accenture.com

To prevent the growing list of competition from capturing SMBs' trust and demand, utilities will have to make a step change in their approach.

Ask yourself: Is our customer journey personalized? How can we extend personalization beyond digital customer service and into our product and service offerings?

9. Segmentation matters—a lot.

By now, it is clear the SMB segment is ripe with digital engagement opportunities. What if we took this insight one step further? What if we broke these customers down into smaller groups based on industry, energy profile and business value? The Accenture report finds that these kinds of segmentation activities are required to sharpen sales and marketing communications and drive SMBs to action.

For example, Accenture's analysis reveals that the manufacturing and transportation/storage industries represent a big value opportunity for utilities—on average, these businesses are larger and have higher energy spend. The analysis also reveals that for these segments, personalization and digital options are key: 48% are likely to sign up for additional products and services if their utility offers personalized digital customer service.

On the other hand, the human health/social work and wholesale/retail trade industries are more ambivalent toward their utility, and not very likely to be active digital users. That is data you can act on immediately.

Ask yourself: What kinds of segmentation exercises have we performed? Have we fully integrated the findings into our customer engagement activities? Are they sitting on the shelf?

10.

Want high satisfaction and customer influencers? Give SMBs tailored information about their energy consumption.

We believe this New Energy Consumer report from Accenture provides the insights utilities need to become trusted advisors to SMBs—a traditionally challenging segment. Now what?

The first step: Focus on digital engagement for SMBs. This segment is more interested in and more likely to utilize digital channels, creating a big opportunity for utilities to tap into a large group of customers that are looking to be engaged.

Next, provide SMBs with personalized energy management insights and tools within those digital channels to earn their trust, grow loyalty and improve customer satisfaction. Armed with this trust and satisfaction, utilities have license to offer SMBs additional energy products and services, creating a win-win relationship that delivers recurring value

And throughout the journey, keep strategy and tactics grounded in a foundation of customer understanding. Without personalization and tailored energy advice, utilities will lose trust and customers as they explore alternative energy options.

Conclusion

Personalized, digital and energy-focused engagement is a journey, not a destination. Engaging SMBs requires considerable commitment to deliver true win-win benefits, and with the ever-forward march of technology, the effort never really ends. Accenture's report offers critical data for utilities looking to unlock the next stage of their customer engagement journey, and the benefits of deeper digital SMB engagement are almost impossible to ignore.

