

DUKE ENERGY

Embodying Customer Centricity
with the Help of Tendril



The largest utility in the U.S., Duke Energy serves nearly 7.3 million customers throughout the Midwest and Southeastern states. With such a large customer base spread across different regions, Duke needed help building personal relationships with individual customers—relationships that would keep those customers engaged in their energy management, empowered to control their consumption, and open to investing in new products and services.



Duke turned to Tendril in 2013 and implemented the company's Energy Services Management (ESM) Platform. Tendril went to work immediately on establishing Duke as its customers' trusted advisor for all things energy.

CUSTOMIZED HOME ENERGY REPORTS SPARK SALES AND STRENGTHEN BONDS

Initially, Duke began using the Tendril ESM Platform to create and disseminate [Home Energy Reports \(HERs\)](#) as part of its MyHER Program. HERs are paper reports sent to customers' homes that detail their energy use over time, and a lot more. The reports show customers comparisons to their own past energy use either month-over-month or year-over-year. They also include tailored offers for relevant energy programs, products and services, along with actionable tips customers can take to lower their energy consumption.

Tendril's [ESM Platform](#) lets Duke personalize the promotions and action items presented in each individual HER. Tendril's data analytics technology aggregates a combination of demographic data, energy usage history, weather patterns, and home data for each Duke customer. It then populates free text fields within the HER template with individualized offers and educational information.

To date, Duke's MyHER program has sparked enough change in customers' consumption habits to conserve the amount of power needed to run more than 100,000 homes for one year. Duke has delivered more than 30 million reports, reaching more than 2.1 million customers. As a result of the information they've received through HERs, more than 1,600 customers have asked for free home energy audits. Duke has generated sales of more than 66,000 additional products or services, especially high-efficiency heat pumps and air conditioners.

Duke's customer engagement has also increased substantially. The HERs sustain a culture of two-way communication, making Duke accessible as customers' preferred source for energy management and advice.

During measurement and verification studies, Duke Energy customers are asked to rate their overall satisfaction with the MyHER program on a scale of 1 to 10. The MyHER program ranked an 8.9 out of 10. It also showed that three-fourths of customers always read their reports. Less than 1/10th of 1% have asked to be removed from the program.

BY THE NUMBERS

30,000,000

Amount of HERs that have been delivered to 2.1 million customers

100,000

Homes that could be powered for 1 year using the energy saved through the HER program

66,000

Products or services that have been upsold to Duke customers

1,600

Free energy audits that have been requested by Duke customers

DATA-DRIVEN MARKETING HELPS IMPROVE CUSTOMER RESPONSE WHILE LOWERING COSTS

Following the continued success of the MyHER Program, Duke faced another challenge. Traditional marketing techniques had generated only 1.15 percent response rate to the utility's smart thermostat offer. Duke wanted to boost subscriptions to the program and it needed a new marketing approach.

Tendril's [Energy Messaging](#) is helping Duke micro target, segment, and personalize its smart thermostat marketing efforts. To micro target, Tendril's ESM Platform analyzes customer demographics, energy usage histories and contextual data to derive propensity scores that indicated how likely customers were to respond to the thermostat offer. Duke then narrowed its communications to only the customers with high scores. Next, Tendril helped Duke diversify communications amongst different segments of customers within the targeted group. Finally, Tendril's built-in home simulation model generated a personalized value proposition for each Duke customer—a data-driven, individualized estimate of the savings the thermostat would bring. Results are still being analyzed but early returns show the approach is expected to increase response rates.

HIGH BILL ALERTS BUILD ON CUSTOMER SATISFACTION MOMENTUM

Moving forward, Duke plans to use the Tendril ESM Platform to send proactive [High Bill Alerts](#) to its customers. These notices will reach customers through their preferred channels (text, email and/or web portal) and alert them mid-billing cycle to impending high bills.

The notifications include individualized dollar estimates of increased energy spending over the previous month and they inform customers of the reason for the anticipated higher charges. Most importantly, the alerts guide customers through actions they can take immediately to avoid the high bills. Using data analytics, Tendril will help Duke customize suggestions to individual customers and their households.

IN SUMMARY

This relationship helps place Duke on the cutting edge of energy modernization. It gives the energy provider the tools it needs to serve today's environmentally aware energy customers and the flexibility it requires to institute marketing approaches that strengthen customer relationships.