

# **An NTC/ Utility Dive Survey**

*Educating Your  
Customers on New  
Energy Technologies*

Everything  
Connects with



## ABOUT THE REPORT

It's no secret that the utilities industry is currently undergoing more massive change than at nearly any other point in its history. Alternative energy sources like wind and solar power and distributed energy resources (DER) have grown exponentially and will continue to rise. Electric vehicles are at the forefront of transportation, providing an eco-friendly alternative to fuel generation. The introduction of smart homes and smart speakers, along with customers' increased demand for fast, personalized, one-touch engagement, have revolutionized the way people think about energy use.

Along with these transformations comes a vital need to educate your customers in a meaningful, lasting way. The most innovative breakthroughs in energy won't matter much if your customers aren't aware of them or don't use them effectively. How can you be sure that your customer engagement strategies are keeping pace with an ever-evolving industry?

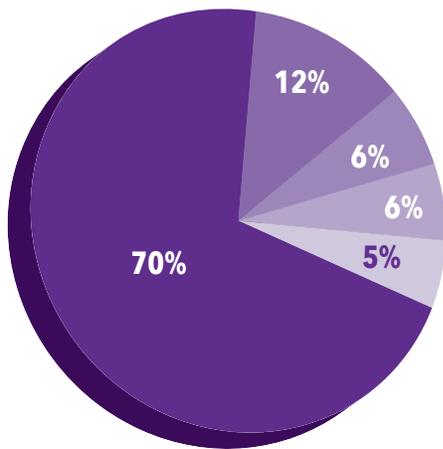
In an effort to answer these questions, NTC partnered with Utility Dive to survey 187 industry professionals. Their responses give a striking impression of an industry that knows it needs to educate and influence its customers, though it often struggles with the best practices for doing so. The strategies that follow, offered by professionals across a wide spectrum of utility companies, may be essential for utilities to stay competitive in a rapidly shifting energy landscape.

## For Utilities, Customer Education is the Key

The 187 industry professionals surveyed for this report come from a wide range of utilities, although the majority (50.3%) represent investor-owned utilities. Also represented are municipal utilities (19.3%), public power agencies (13.9%), retail cooperatives (13.9%) and wholesale cooperatives (2.9%). Responses were received from all across the United States.

There is broad consensus across the industry that utilities are primarily responsible for educating the public about new trends, products and

services, with 70% of respondents saying this is the case. In comparison, 12% of respondents believe that state regulators are responsible for educating the public, 6% believe federal regulators are responsible, 6% believe third party program implementers are responsible, and 5% believe technology manufacturers are responsible. See Figure 1.



**FIGURE 1 WHO IS MOST RESPONSIBLE FOR BUILDING EDUCATION AND AWARENESS AMONG RESIDENTIAL UTILITY CUSTOMERS?**



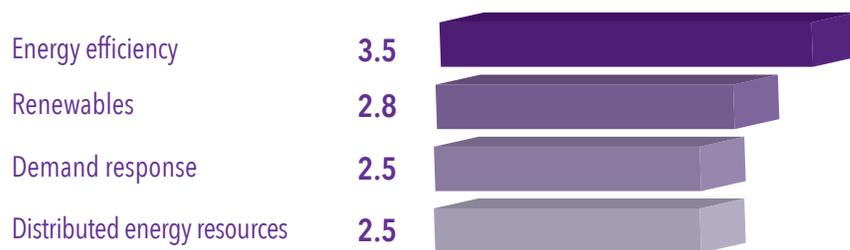
Both utilities and customers expect the utility company to educate the community about new trends, products and services in energy use.



Clearly, utilities are aware that customers now look to them for much more than simply keeping the lights on. In the one-touch, ultra-convenient, highly personalized era of Amazon and Google, customers now expect utilities to offer personalized services for their home and expertise about how to use energy wisely and efficiently. It is precisely this level of engagement that allows smaller companies like SolarCity and Tesla to compete with larger utilities: they specialize in interactions that not only educate the customer, but move the company-customer relationship from being merely transactional to offering a satisfying connection.

Utilities believe it is most important to educate their customers about subjects that are relevant for both the utility's operations and the customer's energy awareness. Asked to rank the importance of these subjects on a scale of one (for not at all important) to four (for extremely important), utilities ranked energy efficiency as the most significant, with an average ranking of 3.5. Renewables came in second with an average score of 2.8, followed by demand response and distributed energy, which both scored 2.5. See Figure 2.

**FIGURE 2 ON A SCALE OF ONE (FOR NOT AT ALL IMPORTANT) TO FOUR (FOR EXTREMELY IMPORTANT), RANK HOW IMPORTANT THE FOLLOWING AREAS ARE FOR YOUR UTILITY'S RESIDENTIAL CUSTOMER EDUCATION AND AWARENESS BUILDING.**



These subjects cover a wide range of topics, from wind and solar energy to peak load management to eco-friendly behaviors, but they all suggest

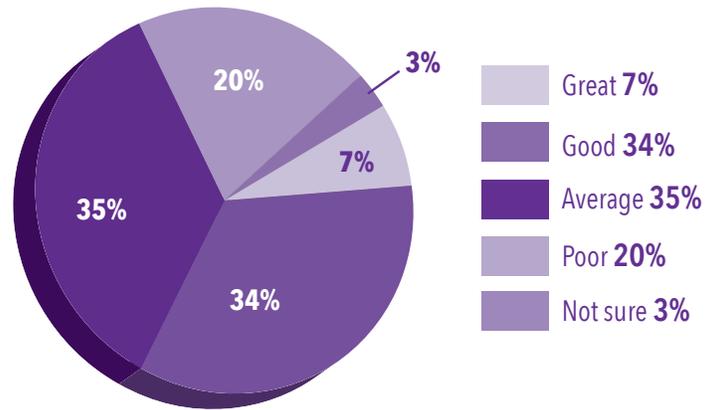
a partnership between the utility and its customers built off of awareness, transparency, conservation and other positive traits that improve brand reputation and generate loyalty.



But even if most utilities are focused on education initiatives, too few of the respondents view their programs as effective. Asked to assess their current customer engagement strategies, only 7% said they would consider them great, while

34% responded that they are good. The majority stated that their current education programs are only average (35%) or poor (20%), with 3% saying they're not sure. See Figure 3.

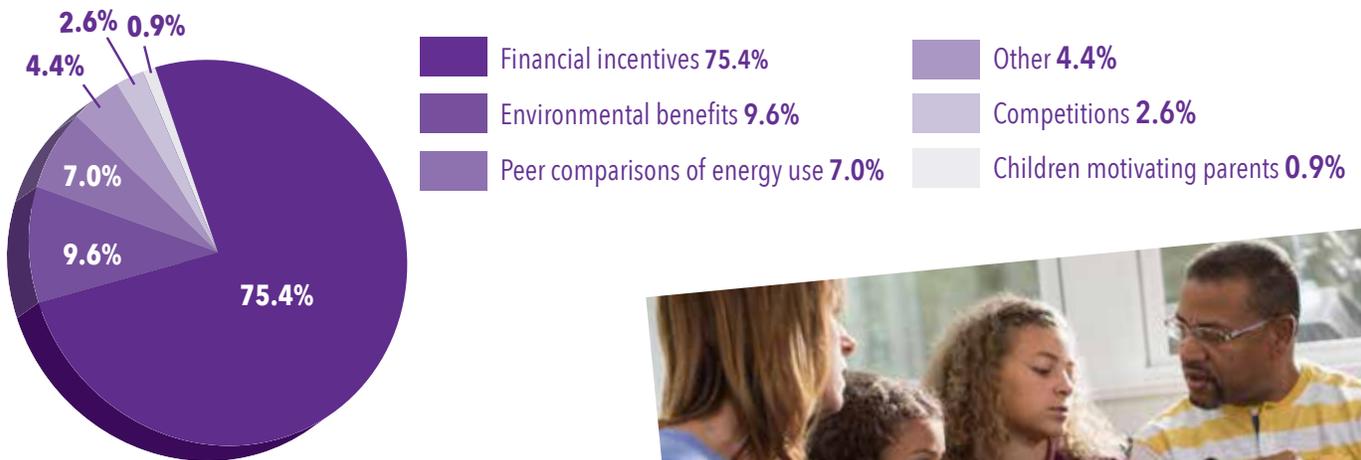
**FIGURE 3** IN YOUR OPINION, HOW ARE YOUR CURRENT PROGRAMS DOING AT EDUCATING RESIDENTIAL CUSTOMERS AND MOTIVATING THEM TO TAKE THE ACTIONS YOU WANT THEM TO?



The reason for this perceived gap between the importance of customer education and the effectiveness of current programs may lie in how utilities motivate their customers. The vast majority of respondents (75.4%) believe that financial incentives are still

the best way to get customers to engage in energy-saving programs. Far behind are environmental benefits (9.6%) and peer comparisons of energy use (7%) as motivators to get customers interested in new products and trends. See Figure 4.

**FIGURE 4** WHAT IS THE MOST EFFECTIVE MOTIVATION IN GETTING YOUR RESIDENTIAL CUSTOMERS TO ENGAGE WITH YOUR PROGRAMS?

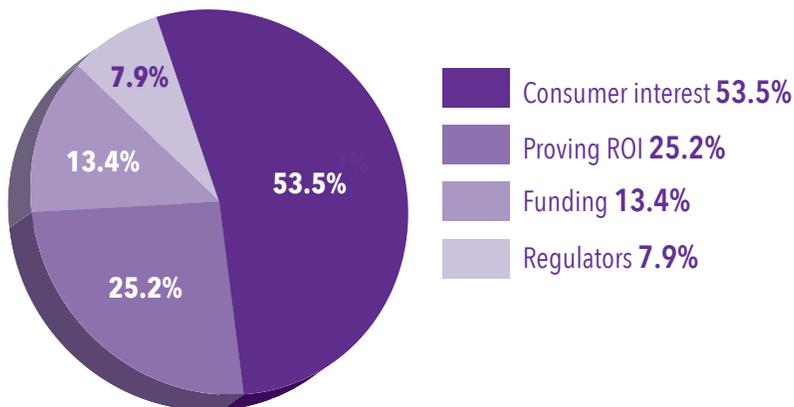


Simply offering customers financial incentives to learn about new innovations in energy may not be enough – a compelling brand purpose is vital.

But 53.5% of respondents also reported that lack of consumer interest is the main obstacle in implementing customer

education programs, followed by proving ROI (25.2%), funding (13.4%) and regulators (7.9%). See Figure 5.

### FIGURE 5 WHAT IS THE BIGGEST CHALLENGE YOUR UTILITY FACES WHEN IMPLEMENTING CUSTOMER EDUCATION PROGRAMS?



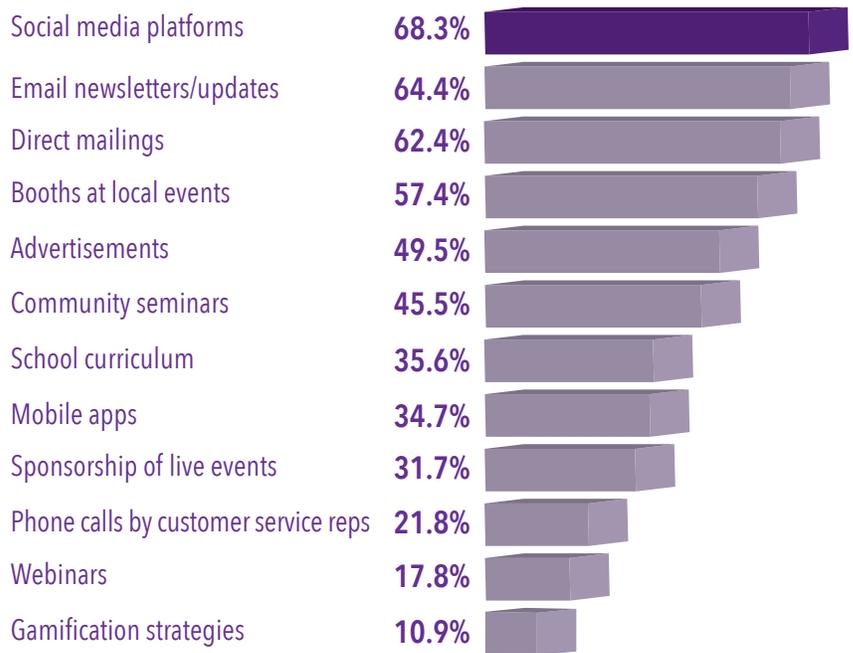
If generating consumer interest in energy innovations remains a challenge, then perhaps the financial incentives seen as customers' primary motivator are not enough on their own. Incentivizing customers with a compelling brand purpose – in this case, environmental stewardship and inspiring positivity in the community – is an angle worth exploring. More than ever before, customers pay attention to the values of the companies they buy from. Engaging the community through emotional and ethical appeal may be more powerful and cost-effective in the long-term than simply offering financial incentives.

So how does your utility convey a compelling brand purpose to its customers and inspire them to engage in new energy-saving products and technologies? The survey responses suggest that the one-way communication strategies that have dominated community outreach in the recent past may not be enough. Asked what the most effective tools are for utilities to engage customers, respondents listed social media platforms (68.3%), email newsletters/updates (64.4%) and direct mailings (62.4%) in the top three slots. See Figure 6.



A strategic integration of traditional communications and specialized, high-touch engagement like live community events is the best way to educate customers about energy products and trends.

**FIGURE 6 WHAT ARE THE MOST EFFECTIVE TOOLS IN HELPING YOUR UTILITY EDUCATE CUSTOMERS?**



Social media, email and direct mailings can be effective ways to communicate with customers, but they are low-touch, non-personable tactics that don't often instill long-term awareness or form brand loyalty and trust.

Many utilities (and companies in other industries) are exploring the potential of mobile engagement. But as the responses in figure 6 indicate, only 34.7% of utility professionals currently believe mobile apps are an effective tool – a surprisingly low number in comparison to direct mailings, for example. Certainly, the ease of access and one-touch convenience of mobile apps are worth exploring. But there are downsides to employing this tactic as well. As one respondent said in an open-ended response, "Customers miss information and behavior opportunities due to auto pay," making digital engagement a somewhat risky endeavor.

The long-term impacts of live community events can be much more effective in forming memorable connections to your customers. Theatrical performances and supplemental educational materials provided to K-12 schools can be especially powerful. By engaging students through humor, storytelling and creativity, live in-school events get them excited about potentially difficult subjects like conservation and new energy technologies. Furthermore, inspiring young people to share this information with their families turns them into social influencers, causing your utility's messaging to spread through the entire community.

Whatever the specific approach used, it is imperative that utilities adopt a more customer-centric approach to engagement and education. A strategic integration of all these outreach methods will be most effective at inspiring customers to learn about innovations in energy and use them wisely.

## Conclusion

Wind and solar energy, DER, demand response, electric vehicles, smart homes and speakers – the utilities industry is in a state of flux with more changes on the horizon. But one thing is certain: it's time to adopt a more progressive approach to customer engagement. Utilities will have to accelerate the pace of adapting to these changes or fall behind in winning the hearts of their customers and ensuring that they're ready for whatever the future has in store.

While most utilities believe it is their responsibility to educate their customers about these changes, the majority also feel that their current education strategies are only average or poor. It has become clear that financial incentives may

not be enough to engage customers in a lasting manner. Generating trust and loyalty through a compelling brand purpose may be the key to inspiring your community to adopt beneficial energy behaviors.



There might not be consensus about which outreach strategy is most effective, but in a world of digital convenience where information is readily available, it's crucial to take a customer-centric approach. Traditional methods like email newsletters, advertisements and direct mailings no longer suffice; a more personalized, high-touch strategy involving live community events and

two-way communication will be necessary to engender the amount of customer engagement that your utility needs to stay at the forefront of the energy revolution.

NTC is a premium provider of educational programming with operations in the U.S., Australia and New Zealand. We work directly between schools and clients to promote beneficial behaviors and life skills to students in grades K-12 on a local, regional and national level.

Since 1978, we have formed connections and helped develop relationships between thousands of schools and corporations, nonprofits and governmental organizations. Our value is not just in the impact we create; our turnkey services also change the lives and trajectories of students, mobilize parents and entire families with beneficial messages, and cultivate community-wide goodwill for clients.

Our award-winning educational programs are provided free for schools and are customizable to accommodate specific messages and goals for clients. Through formats including live performance, in-class discussion, graphic novels, print curriculum, and digital games and activities, we present topics such as energy conservation, safety, financial literacy, STEM, water and environmental stewardship, and health and social responsibility in ways that engage and empower students. In doing so, we are helping our clients to be forces of change for students, parents and communities.

