OSG

Identifying Growth Opportunities for an American Energy Company

How OSG used behavioral analytics to segment the client's customers and identify opportunities for new product development to boost revenues.

Product Highlight

OSG TES™

Tech-Enabled Services combines our powerful technology and analytics capabilities with our industry expertise to make a difference for our clients. By using the flexibility of our technology to tackle any business challenge, we can help customers in any industry shift to a customer-centric mindset and show them the impact of gathering, digesting, and implementing customer data in their strategy and practices.

Executive Summary

Our client, a national energy company, wanted to undertake a segmentation exercise to get a better understanding of their key customers' considerations and expectations. Using our AI-driven big data analytics platform, OSG identified five customer segments. An in-depth analysis of their economic value to the client helped in identifying opportunities for new product development, resulting in revenue growth.

OSG was tasked with two key objectives:

1

Identification of new growth opportunities for the client in Mid-Markets within ERCOT

- Develop a deep understanding of the drivers and barriers

- Understand the locations (countries) and characteristics of early adopters to inform targeting efforts

2

Determine how to accelerate new growth while protecting current margins
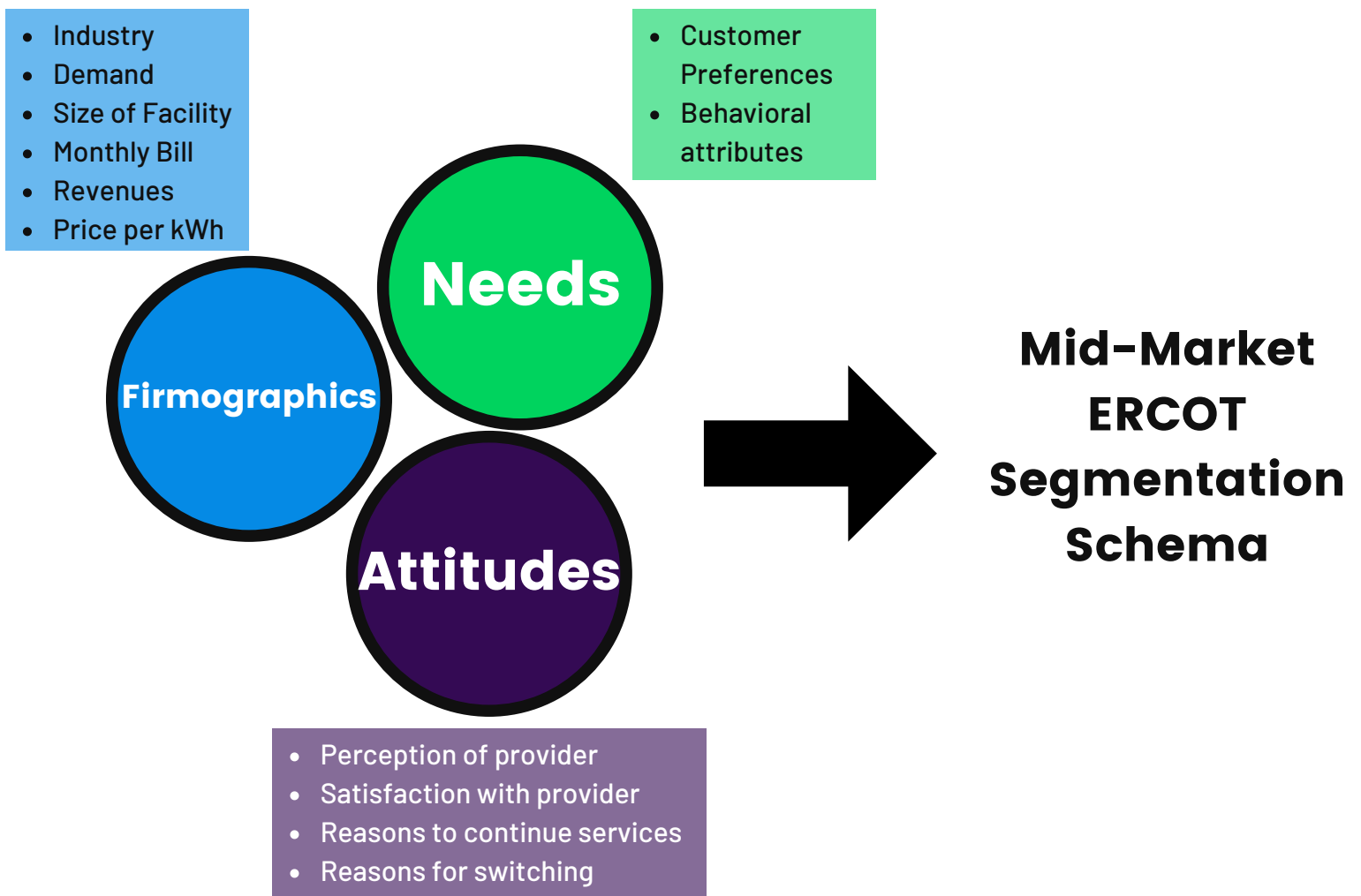
Strategy

We defined and prioritized high potential prospects to pursue through a 'fact-based' quantitative research approach to segmentation. Segments were built on their needs and dimensions that impact their Energy Provider choice.

We utilized three levels of feedback to generate segment-level insights:

- 20 internal interviews (telephone and F2F, qualitative)
- 20 customer interviews (telephone, qualitative)
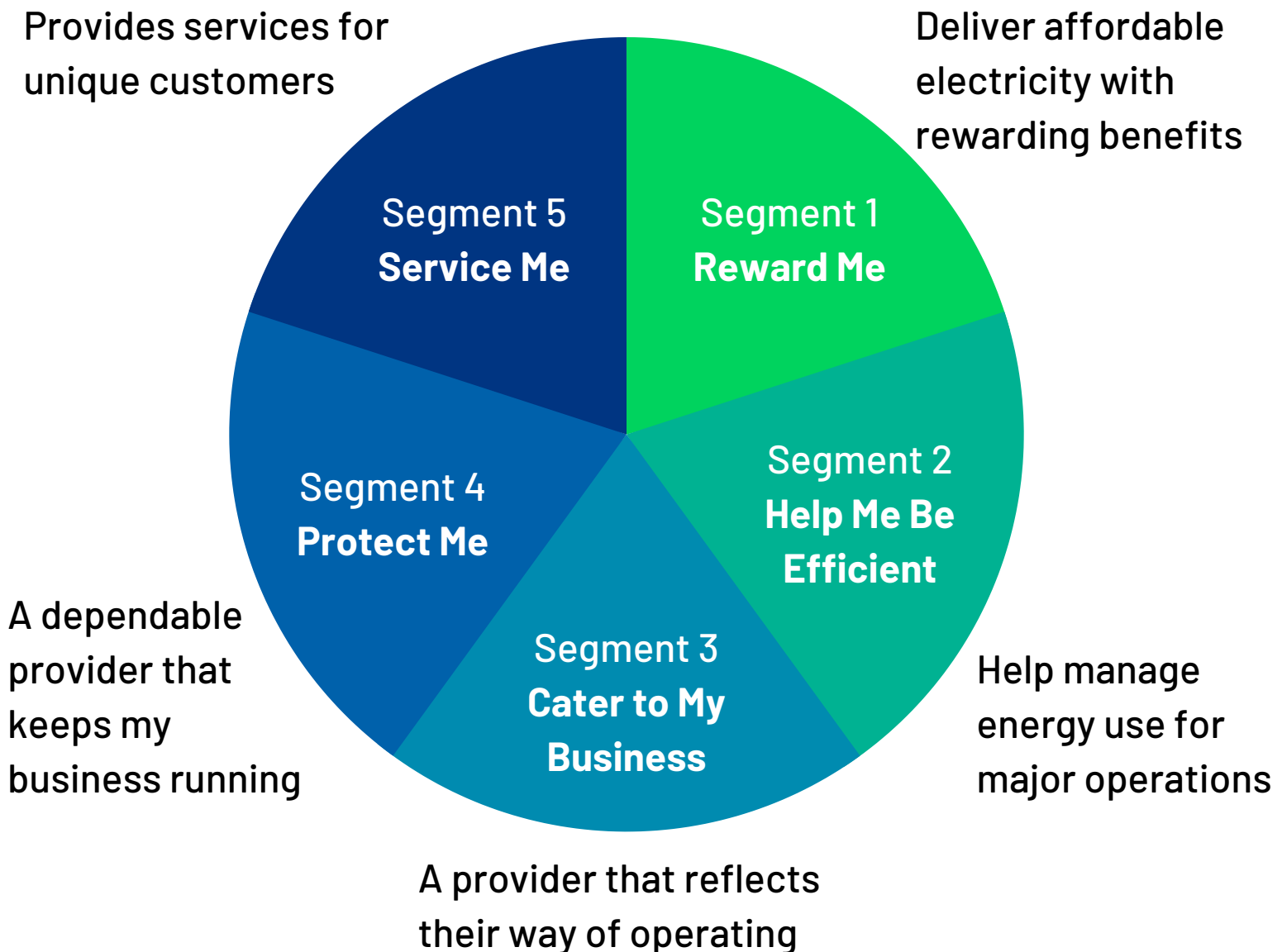- 780 customer interviews (online quantitative, 45 min survey)

- Industry
- Demand
- Size of Facility
- Monthly Bill
- Revenues
- Price per kWh

- Customer Preferences
- Behavioral attributes

Firmographics

Needs

Attitudes

- Perception of provider
- Satisfaction with provider
- Reasons to continue services
- Reasons for switching

Mid-Market ERCOT Segmentation Schema

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Personalizing Customer Engagement based on Segmentation Model of Needs and Expectations

Across growth corridors, it was discovered that there are distinct patterns and differentiation in segment needs. The below diagram shows the five key segments of customer behaviors and attitudes, which allowed for targeted customer experience personalization, based on segment value.

Needs-Based Customer Segments

Provides services for unique customers

Deliver affordable electricity with rewarding benefits

Segment 5
Service Me

Segment 1
Reward Me

Segment 4
Protect Me

Segment 2
Help Me Be Efficient

Segment 3
Cater to My Business

A dependable provider that keeps my business running

Help manage energy use for major operations

A provider that reflects their way of operating

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Results (cont.)

Optimizing Future Strategy based on AI/ML-developed Predictive Modeling of Segment Growth Opportunities

The most attractive segments were identified, and their preferences noted, to chart out product development opportunities. The chart below shows the segments of customers matched to their hypothesized growth corridor by the segment number.

Hypothesized Growth Corridors	Among the top features for the target segments by growth corridor:	Segment:
Enhanced Services	• Offers 'back-up generation' • Offers rewards each month for paying your bill (hotel, retail discount) • Daily monitoring of market, alerted of opportunities to lower rate	1 · · · 4 · 2 3 · · · · 4
Access & Responsiveness	• Quickly resolves any billing or customer service issues • Has a dedicated phone line with live 24 / 7 customer support	1 2 3 · · 1 2 · · 5
Distinctive Pricing	• One rate plan that combines electricity charges into a simple bill • Name the price you want to pay for electricity • Provides a 'loyalty' discount each year you stay with the provider • Offers you up to 2% cash back on the annual charges you pay	· · 3 4 5 · · · 4 · 1 · 3 · · 1 · 3 · 5
Billing Administration	• Averages your past usage billing option to pay same amount • Allows you to choose your billing date • Provides a billing service guarantee	· · · 4 · · · · 4 · · · · 4 ·
Energy Productivity	• Provides an energy audit to help reduce monthly energy consumption	· 2 · · ·
Company Image	• Is a financially viable company	· 2 · 4 5

The Power of OSG Analytics

OSG is a global technology and analytics provider that delivers outcomes on customer engagement to Fortune 500 clients with the help of leading analytical technologies and world-class global resources. OSG uniquely combines historical data with the future needs of patients, physicians, consumers, or customers of our clients by going beyond the "who" and the "what" and understanding the "how" and "why" behind their decision-making. OSG focuses on the 3E's, Behavioral Expectations, Superior Experiences, Guaranteed Engagement, to help drive growth through customer-centricity.

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