

Customers and the Market

Challenges, Uncertainties, Communication and Engagement

6th Conference Elecpor
Lisbon, 31 October 2014

Dr Philip Lewis

VaasaETT Quick Facts

- 17 years analysing energy customer behaviour
- 60+ markets
- 500+ clients
- World's leading analysts of smart programmes (500+)
- Europe's leading source of competitive retail market monitoring (e.g. up-to date household energy prices)
- World's leading source of switching analysis (Europe's definition)
- Founded and ran the SEDC until 2014
- 1000s in global sourcing network



Findings from 100s programs globally



Equal partners in €4.1m EU funded project to build a platform for the realistic DR and Energy Efficiency modeling of energy market stakeholders and consumer behaviour. More info at: <http://www.cassandra-fp7.eu/>

ADVANCED

Active Demand Value AND Consumers Experience Discovery

€4.5 EU funded project to provide best practice for smart grid technology, regulation and consumer engagement in smart grid. Partners include ENEL, Iberdrola, RWE, ERDF and others. More info at: <http://www.advancedfp7.eu/>



A major European Union funded project for the EU Director General of Energy to develop a cross border balancing market platform (Virtual Power Plant). More info at: <http://www.ebadge-fp7.eu/>



Active Demand Pilots



200 / 30 Smart Grid Projects



Best Practice Smart Billing



130 DR/EE Projects



Impact of Monitoring n UK



Impact of Monitoring in Norway

ARENA



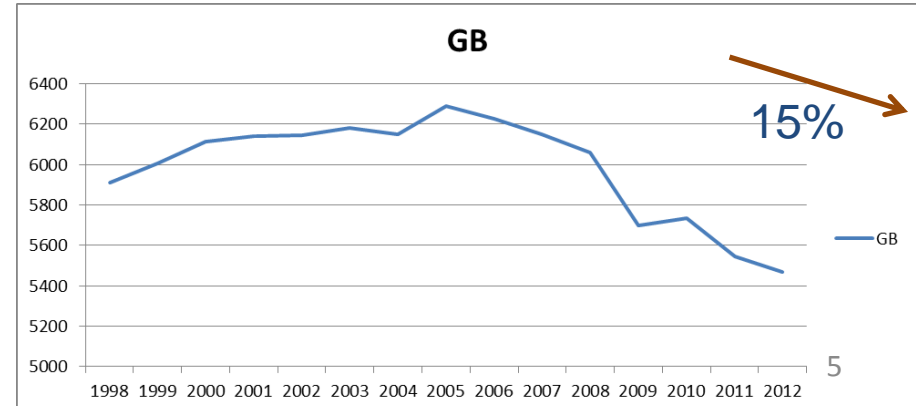
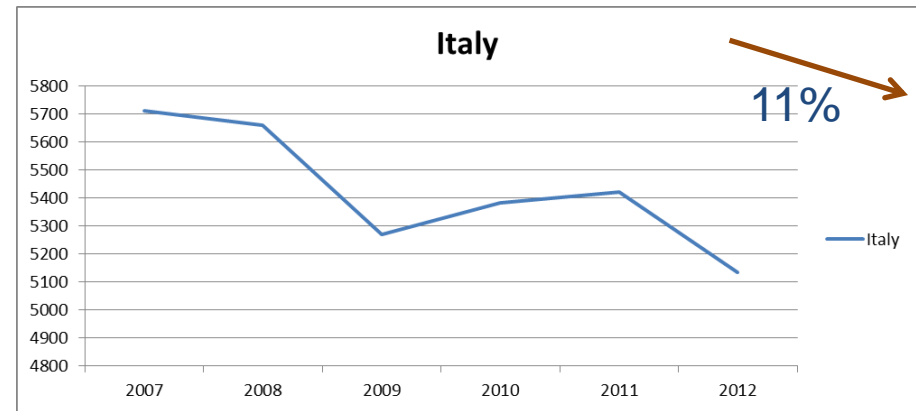
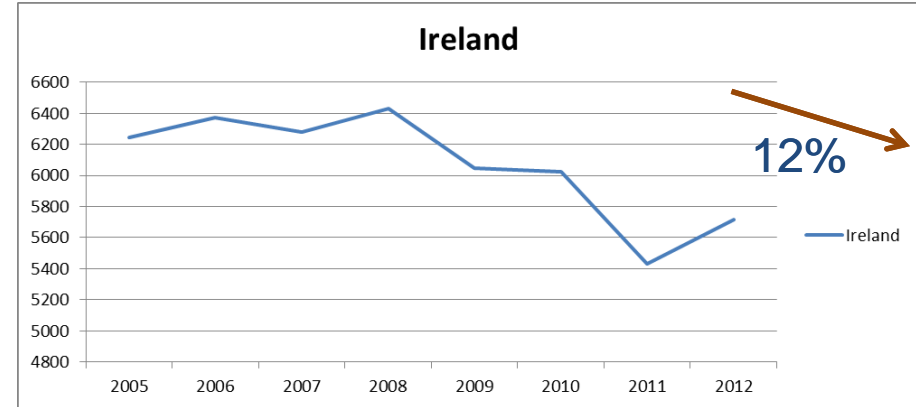
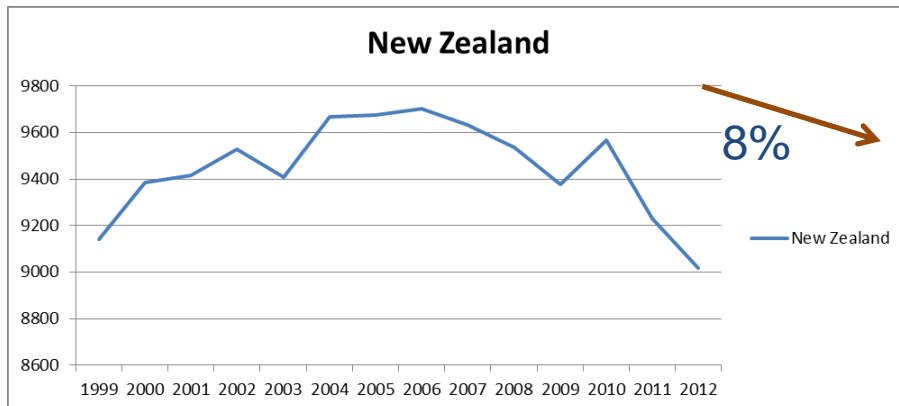
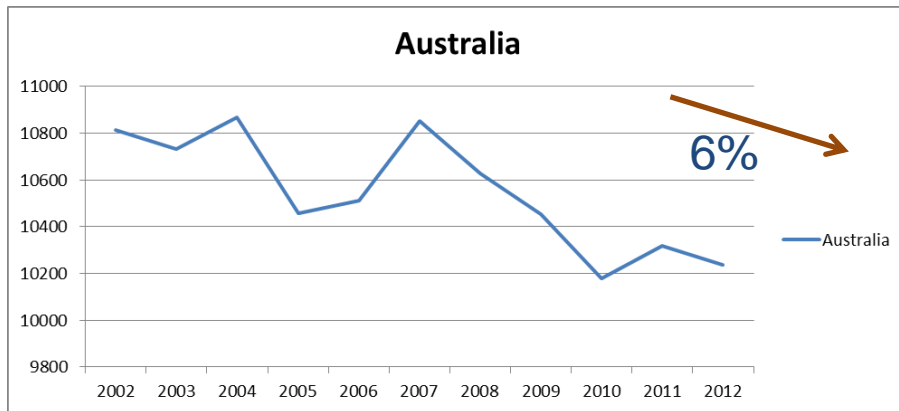
Australian Government
Australian Renewable Energy Agency

150 Renewable Integration Projects Globally



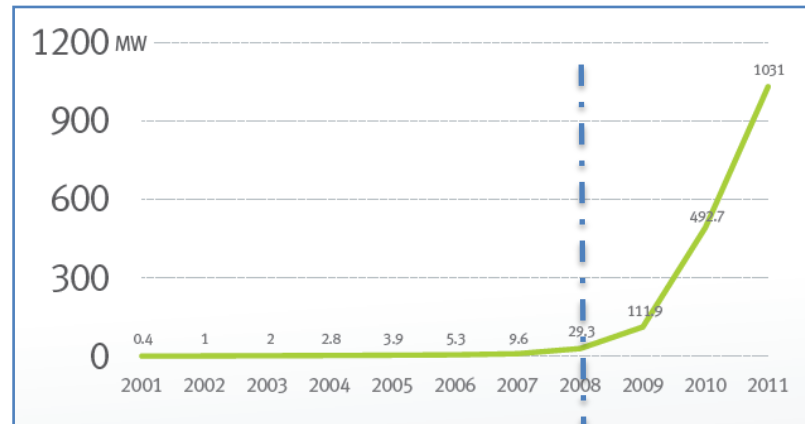
Demand Falls

- Solar PV penetration
- Decentralised generation
- Solar hot water
- Energy efficiency
- Commercial and industrial load

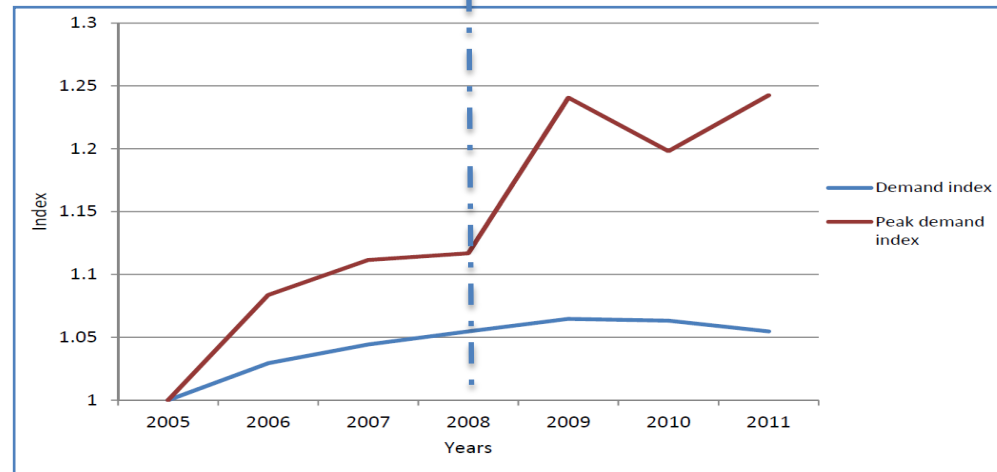


Volatility Increases

Solar PV Penetration (MW Installed)

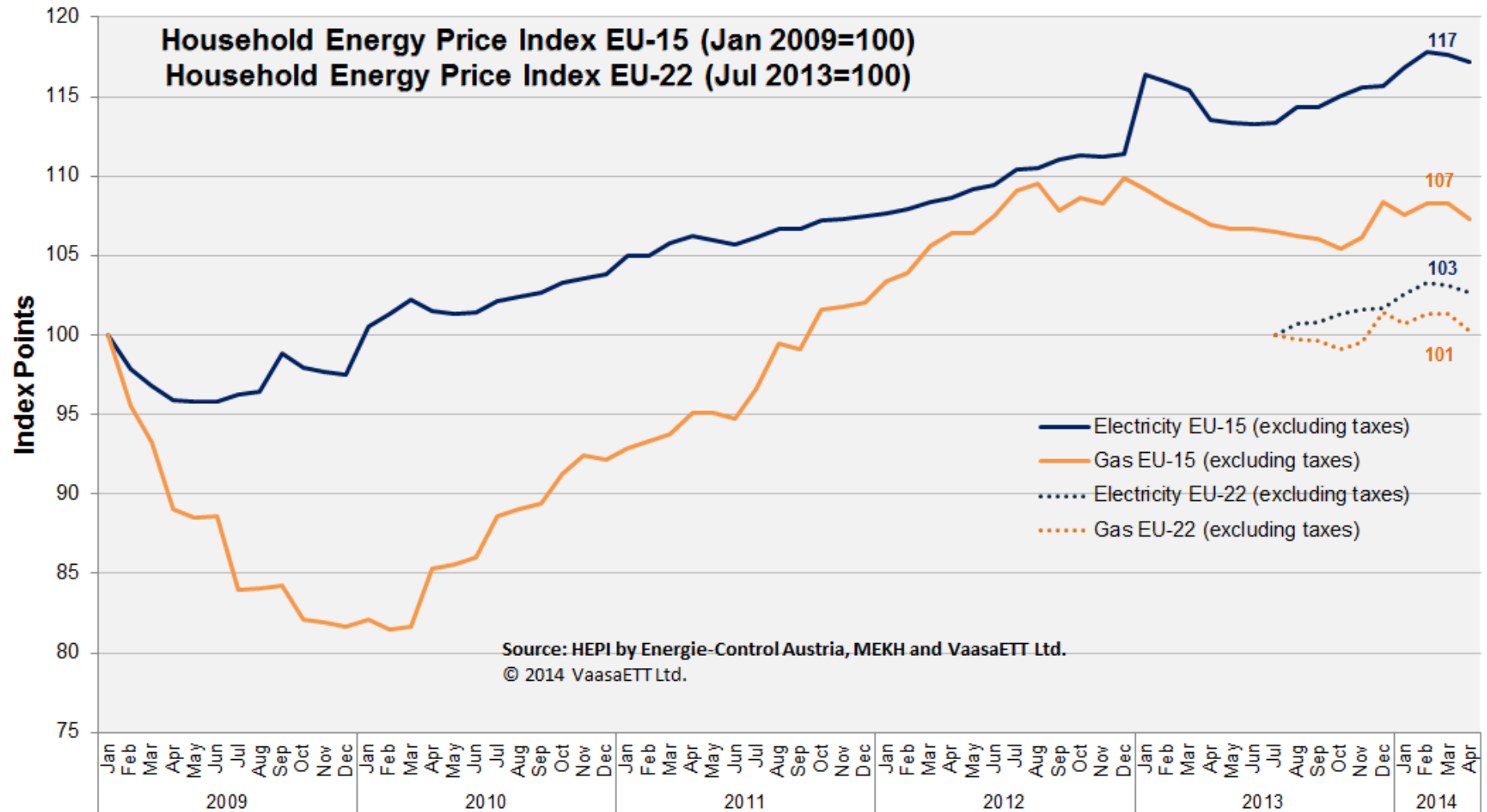



Peak versus average demand growth



Source(s): Energy Networks Association, Consultation Paper submission, Economic regulation of networks Rule change. Data sourced from AEMO 2011 ES00. AEMO 2012, Clean energy Australia report 2011

Bills Rise...

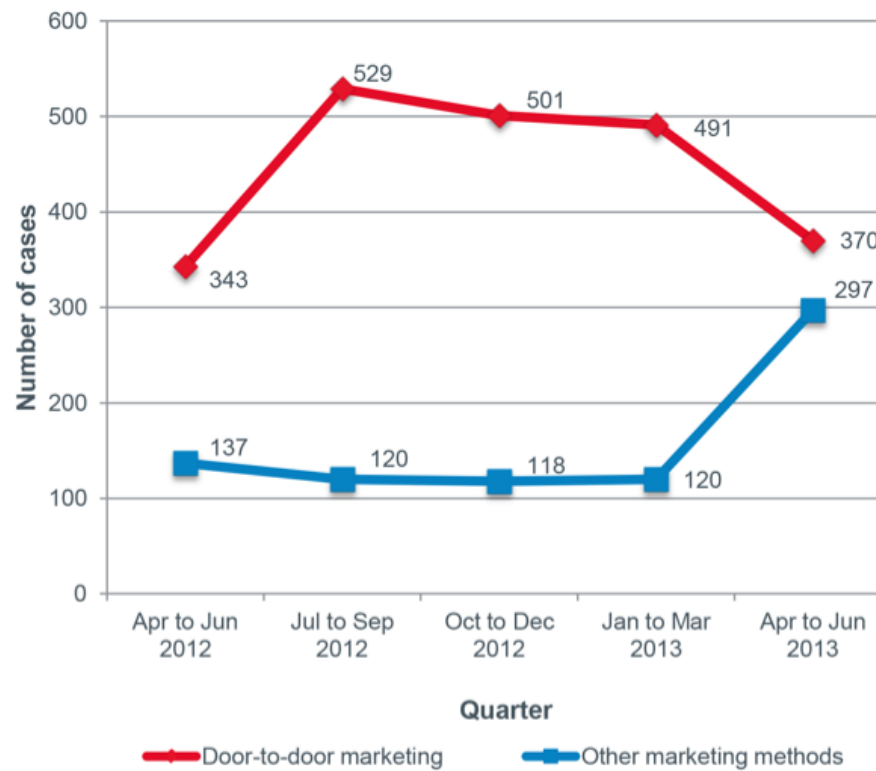




Customers
are
frustrated

EVERYONE!
No Smart
Meets Here
Thank You.

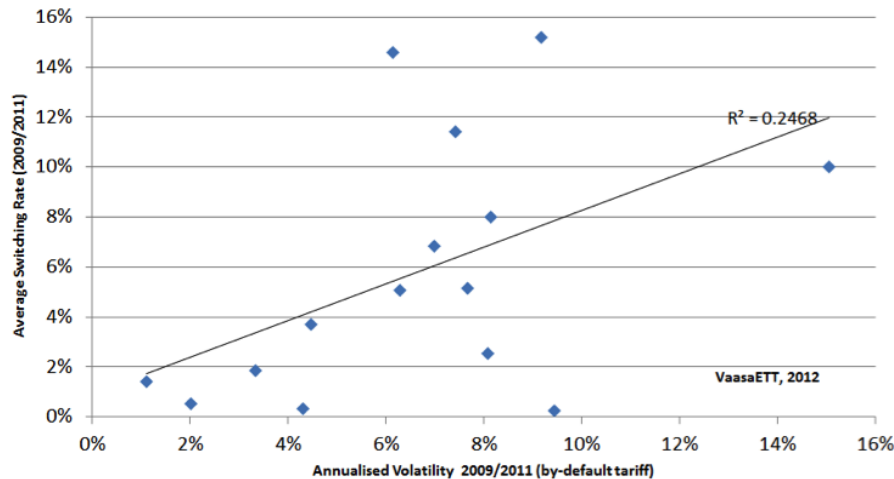
EWOV door-to-door marketing cases compared to other marketing methods quarterly since 1 April 2012



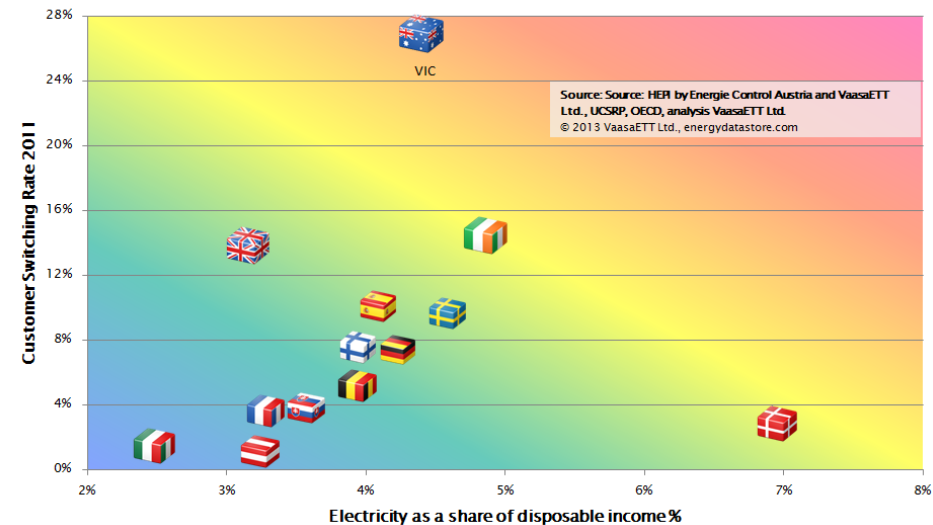
Source: Victoria Ombudsman

...Switching WILL rise

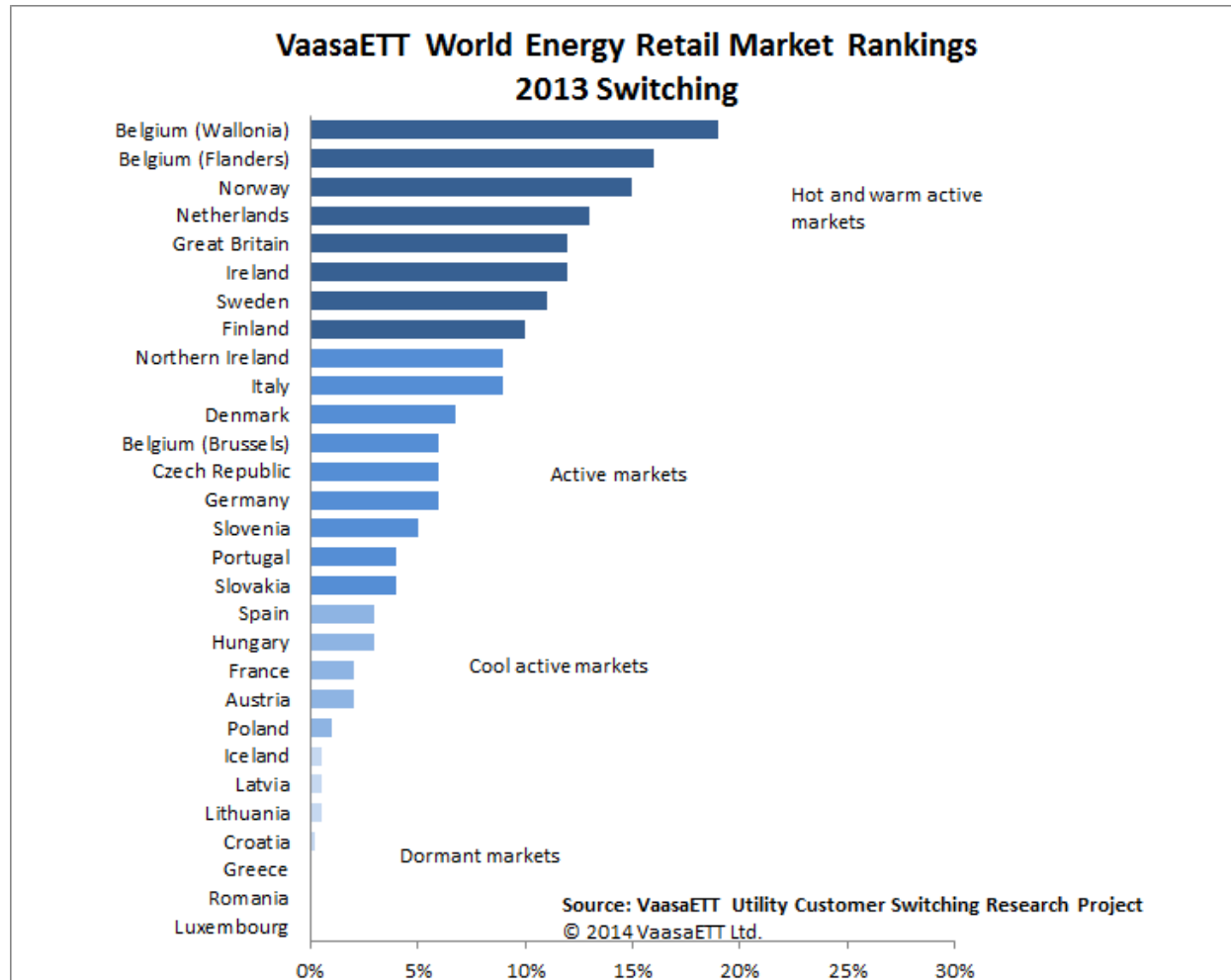
Switching Rate and Annualised Volatility Correlation



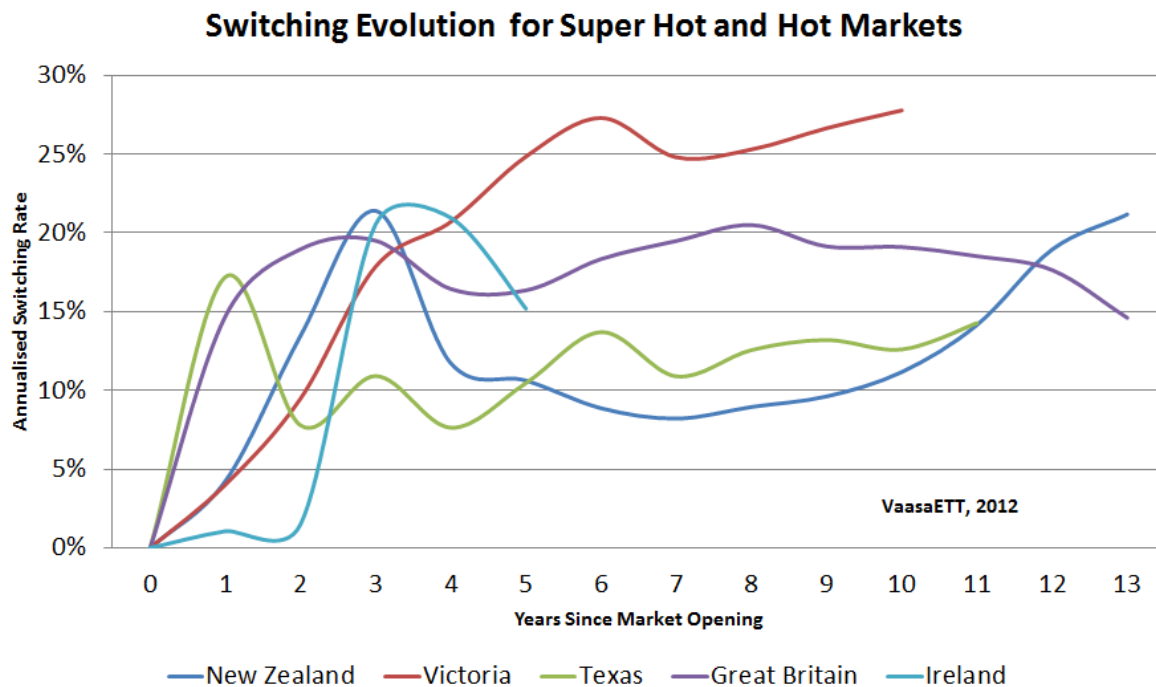
Customer Switching and Price Significance (2011)



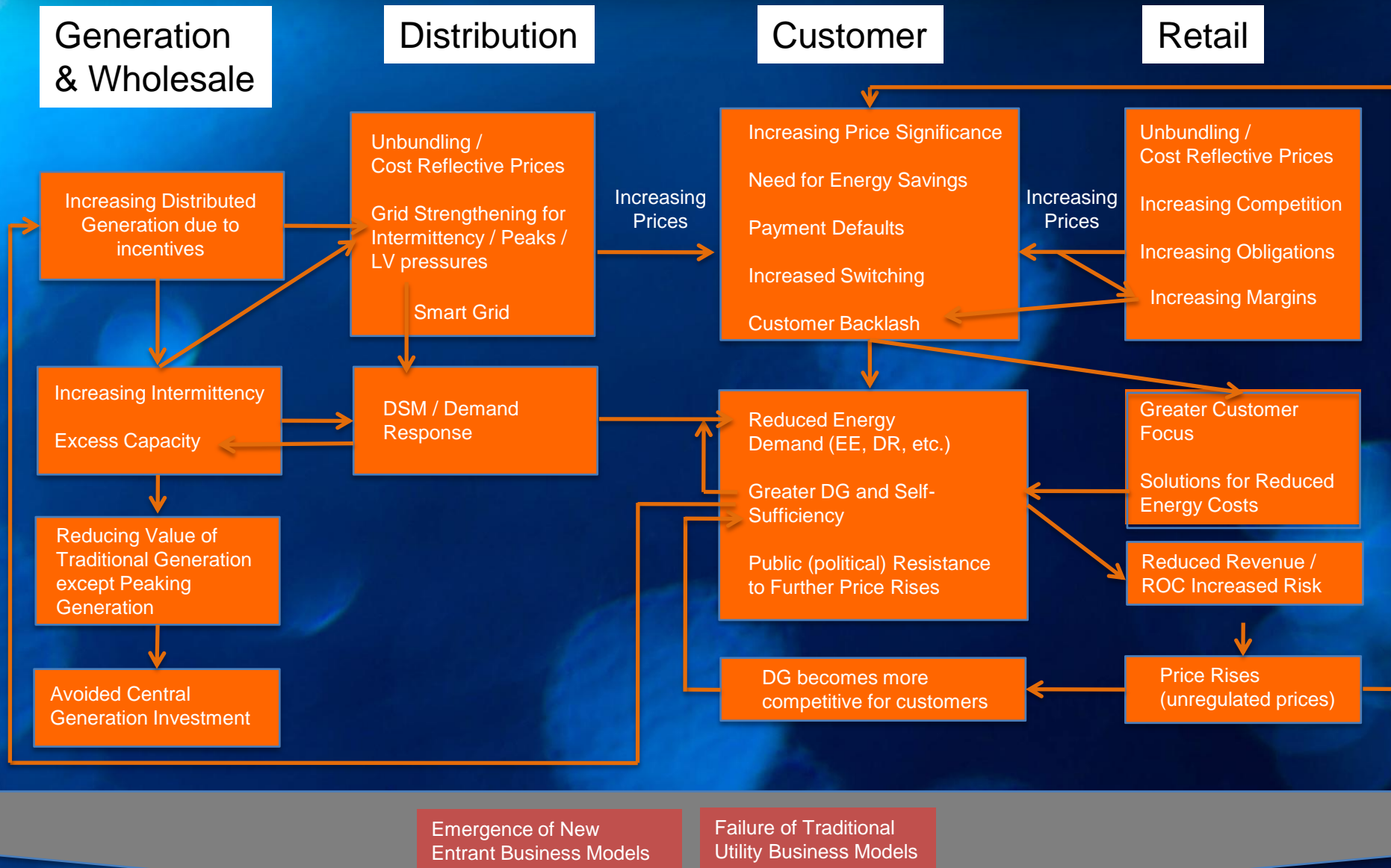
Consumers in Europe are increasingly active



Momentum...



Selected Trends in Developed Energy Markets



A large, white, stylized question mark is centered on a vibrant green background. The background is filled with numerous thin, white, radiating lines that emanate from the center, creating a starburst or sunburst effect. The question mark is the central focus, with its stem pointing downwards and its circular top containing a small, dark, irregular shape. The word "Uncertainties" is written in a white, sans-serif font across the middle of the image, partially overlapping the question mark.

Uncertainties

New technologies



Source: Honeywell, Apple



**Apple/Android
Smart Home Architecture**

Collective Switching

Auctions

- Up to 30% of switches for one leading new entrant in the Netherlands
- Few who sign up to auctions switch
- Needs care to succeed

The screenshot shows the One Big Switch website. At the top, there's a navigation bar with the logo and a 'Login to My Dashboard' section with input fields for email and password, and a 'LOGIN' button. Below this is a blue navigation bar with links: '300,000+ Members', 'How it works', 'About us', 'My Dashboard', and 'Blog'. The main content area features a section titled 'The Next Generation Consumer Network.' with a video pitch and a 'HOW IT WORKS' button. To the right is a 'Register Now!' section with a form for email, password, and postcode, and a 'REGISTER NOW, IT'S FREE' button. Below the video pitch is a section for 'The Big Electricity Switch' campaign. At the bottom, there's a 'Supported by:' section with logos for various media outlets and a three-step process: 1. Register, 2. We negotiate, 3. Choose offers.

one big switch
The Next Generation Consumer Network.

300,000+ Members

How it works

About us

My Dashboard

Blog

The Next Generation Consumer Network.
Join One Big Switch to help cut the cost of your household bills, and get access to discounted electricity, gas, and home loan offers and more...

HOW IT WORKS

The Big Electricity Switch

Last Campaign
The Big Electricity Switch
The Big Electricity Switch was one of Australia's largest consumer-based campaigns with over 250,000 households getting involved.

Register Now!
It's quick, easy & obligation free.

Your Email address *

Create your password *

Postcode *

By clicking Join Now you agree to our [Terms, Conditions and Policies](#)

REGISTER NOW, IT'S FREE

Supported by: today, Daily Telegraph, Herald Sun, The Advertiser, todaytonight, news.com.au

Step 1
Register
It's quick and easy, no obligation.

Step 2
We negotiate
We'll do the hard work to find you discounts.

Step 3
Choose offers
You choose if the offers are right for you.

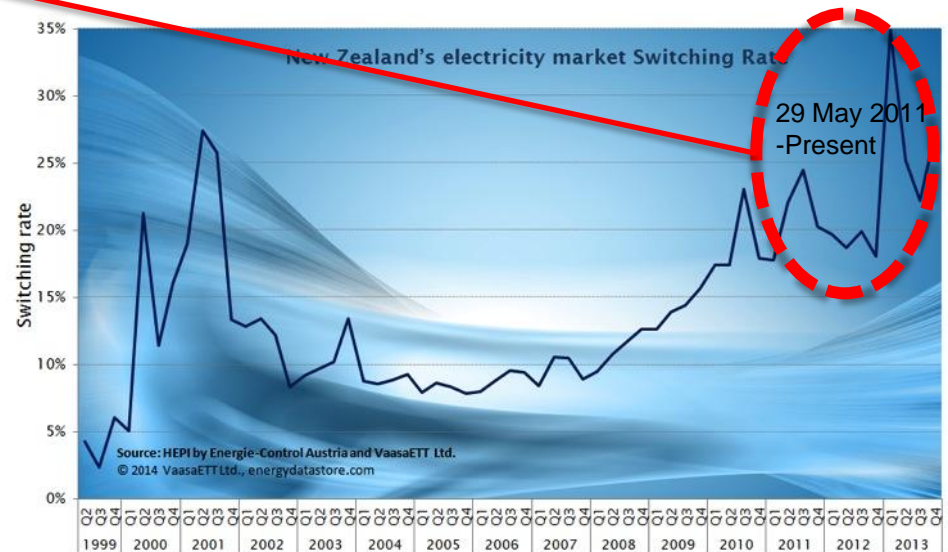
Switch Websites

The screenshots illustrate the 'What's My Number' website interface, which is part of the Electricity Authority's 'Easy Money' campaign. The journey consists of four steps:

- 1. Visit 'What's My Number'**: The homepage features a bear mascot and a 'Find your number here' button. It encourages users to find out how much they could save by switching power companies.
- 2. Answer 6 Simple Questions**: A form titled 'Answer these questions about your energy usage' with six numbered questions. A 'Submit' button is at the bottom.
- 3. Receive Savings Estimate**: A confirmation page showing a calculated saving of '\$185 per year'. It includes a 'Get started at powerswitch' button.
- 4. Visit OPCSW**: A screenshot of the 'Consumer Powerswitch' website, which lists various electricity retailers and their offers.

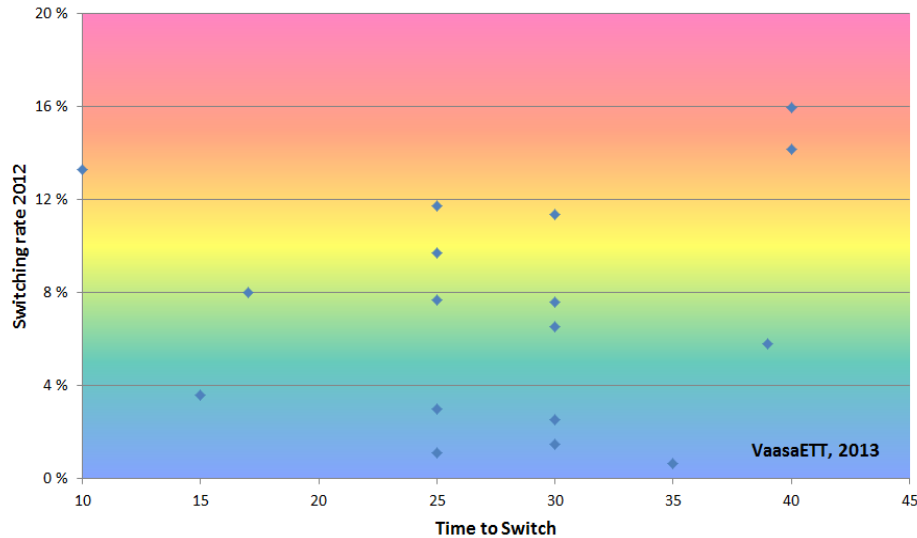
Source: www.whatsmynumber.org.nz/

Over
1m visits



Next Day Switching

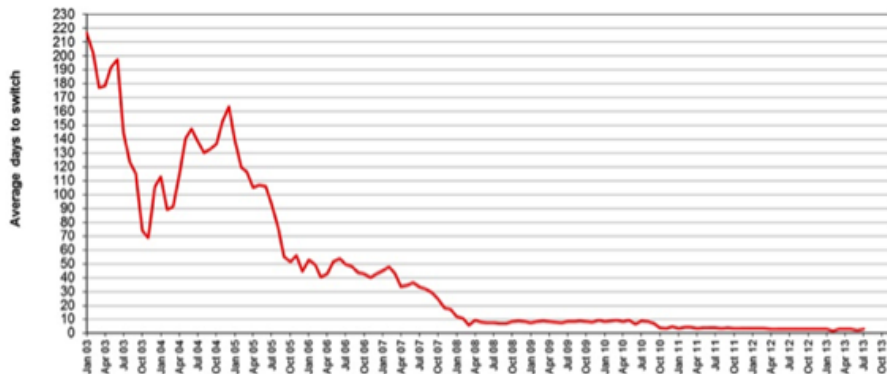
Switching Rate vs Time to Switch



Reducing time-to-switch in Europe will not increase Switching rates. Source: VaasaETT

Myth:
Faster switching
= more switching

Non half hour switching



Average Days to Switch in New Zealand - Improvement 2003-2013.
Source: Electricity Authority (2013)

Power of Attorney



Så här fungerar **Eltjänsten**

Fem enkla steg som förklarar hur det går till



Comparability

vs. Commoditization



Comparability

vs. Commoditization

Myth:
Fewer or simpler tariffs
= higher switching

ovo energy Cheaper. Greener. Simpler.
Building the UK's most trusted energy company.

Home About Ovo Our energy Our promise Quote & Switch Help centre Green zone Ovo I

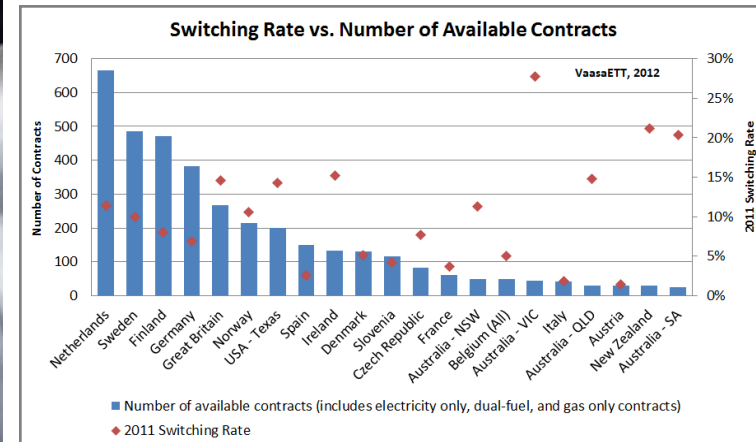
CHOOSE FROM JUST 2 SIMPLE TARIFFS

NEW ENERGY PLAN
Very competitive and greener than the UK average.

GREEN ENERGY PLAN
Very competitive and totally renewable electricity.

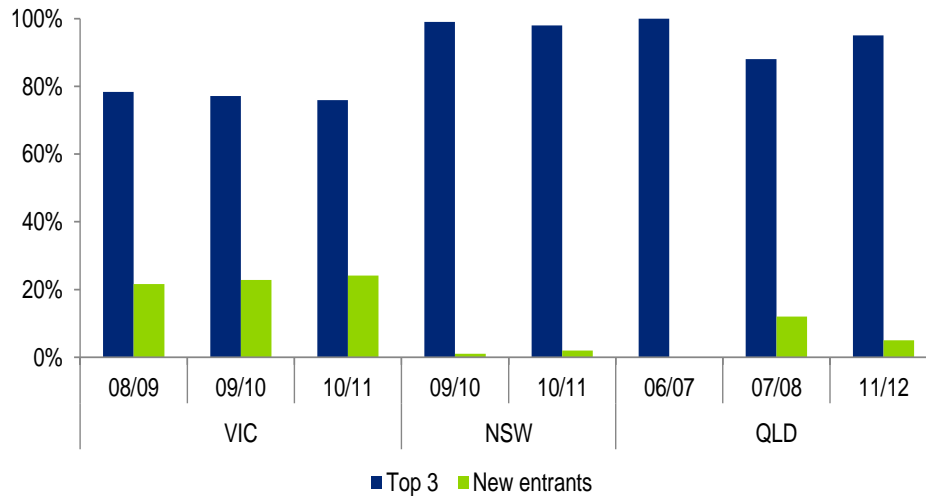
Get a quote

Cheaper Greener Simpler

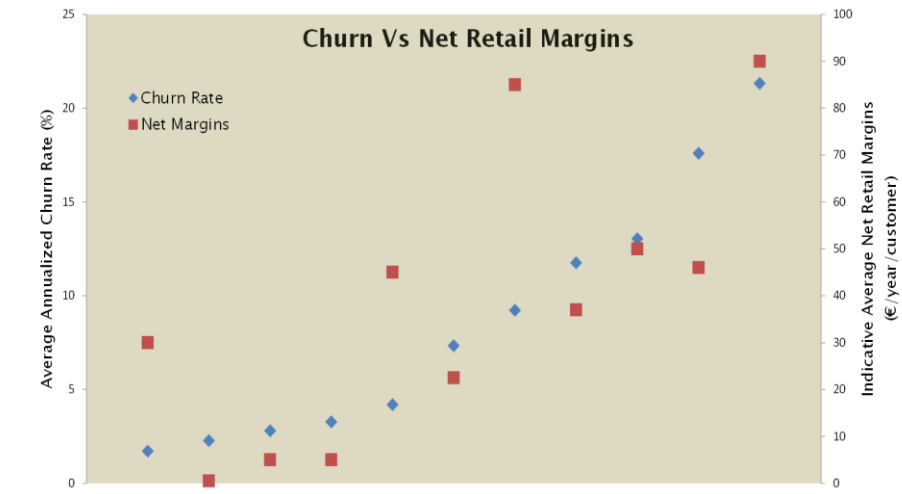


Low Price Objectives

Savings Need Margins



Australian Market Share. Source: Deloitte Access Economics 2012



Source: VaasaETT Not: each vertical is a country

A wide, sandy beach with many footprints, leading to the ocean under a blue sky with clouds. The beach is covered in numerous footprints, suggesting a path or journey. The ocean is visible on the left, and a line of greenery is on the right. The sky is a mix of blue and white clouds.

Future Steps



1



Prime

2



Peek

3



Explore

4



Encourage

5



Instill

6



Enhance

7



Share

- 
- A scenic photograph of a sandy beach with footprints leading towards the ocean. In the background, there are green hills under a blue sky with light clouds. An orange-bordered box highlights the first four items of a list, while the last three are outside the box. A vertical blue line runs through the center of the list, with orange dots at each number.
- 1 ● Prime
 - 2 ● Peek
 - 3 ● Explore
 - 4 ● Encourage
 - 5 ● Instill
 - 6 ● Enhance
 - 7 ● Share

Customer Engagement in Sweden



Feedback in Sweden

12%

Savings



Feedback in Britain

5m

In UK

85%

Uptake & Usage

70-90%

Satisfied



Feedback Globally



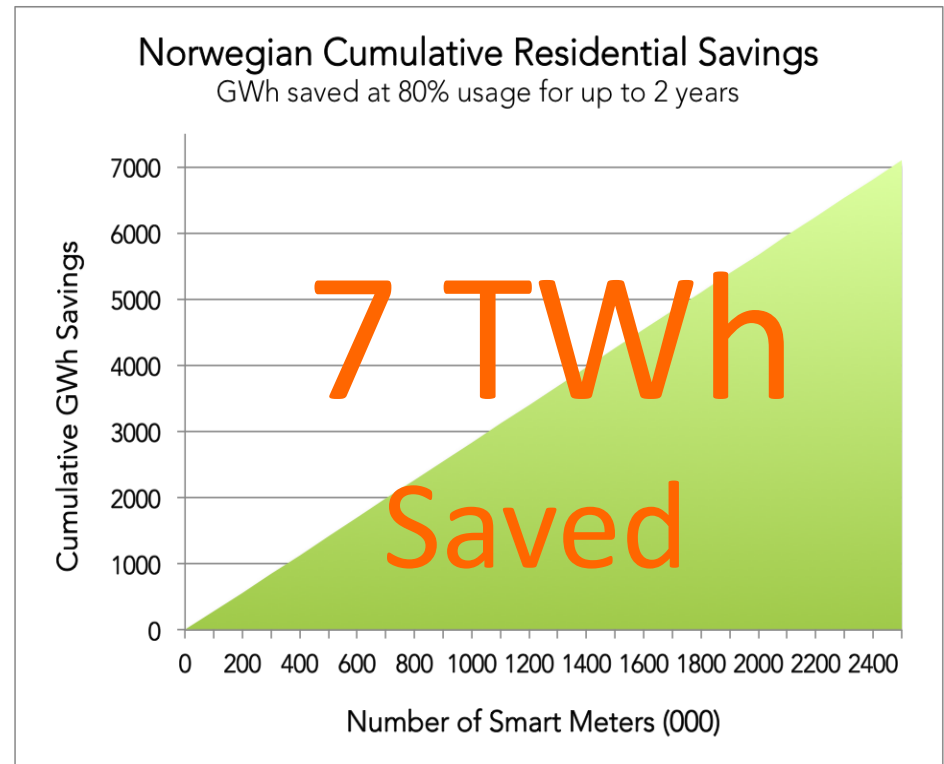
6%

Savings /yr

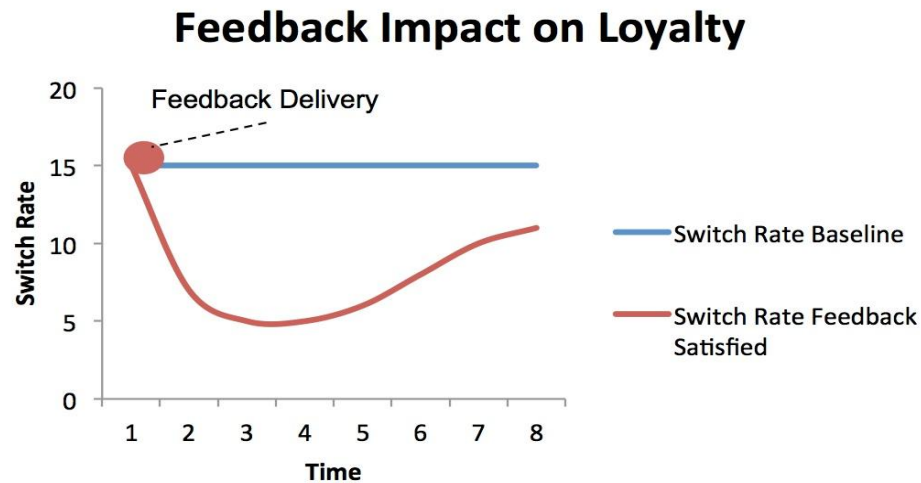


Potential Savings in Norway

80% of households
Over 2 years
Excluding
Automation



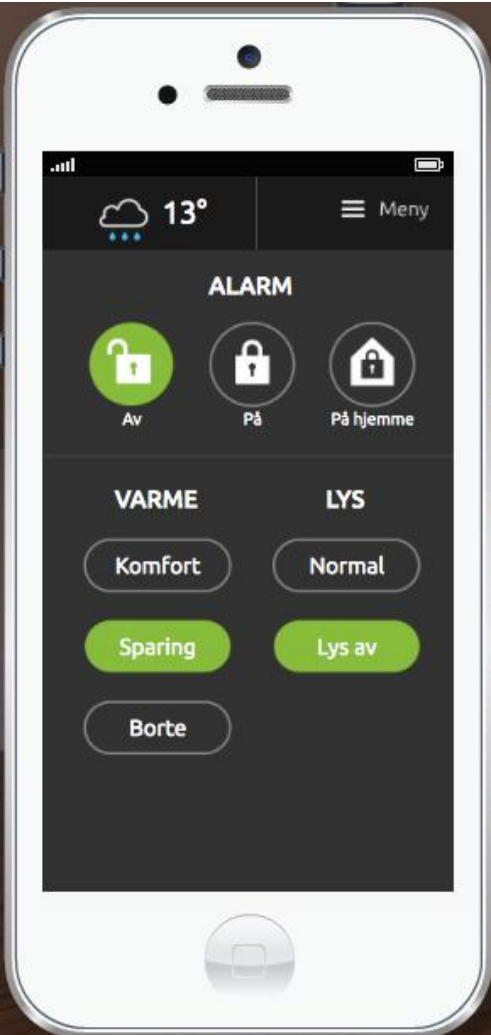
Feedback = ...



Greater
Customer
Loyalty

(if done well)

Company	Region	Switch Rate without Feedback	Switch Rate with Satisfied Feedback
Incumbent Retailer	Scandinavia	7.5%	2%
Large Incumbent Retailer	Oceania	25%	5%
Competitor Retailer	North America	11%	4%



Why don't we just

Automate?

Klikk, hold og dra for å flytte telefonen

Source: Lyse.no

Feedback=Transparency

A neon sign for 'Flick Electric Co' is mounted on a metal frame in a forest. The word 'Flick' is in large, yellow, cursive letters. Below it, 'ELECTRIC CO' is in smaller, white, sans-serif letters. A registered trademark symbol (®) is visible below the sign. The background is a dense forest with green foliage and trees.

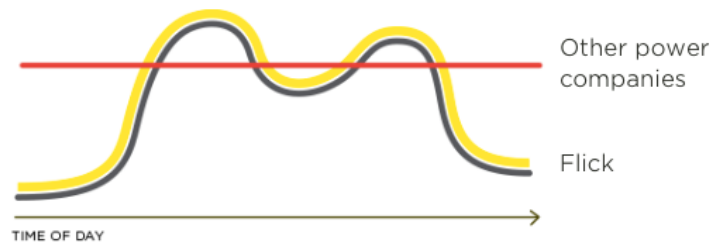
Flick
ELECTRIC CO
®

The independent electricity retailer
giving you real control of your power bill.

Transparency

Honest prices

The market price of power (known as the “spot price”) changes every half-hour. Most power companies charge you a flat rate that covers the ups and downs, but we give you access to actual spot prices on the wholesale market.



The end result is a much fairer approach to selling and buying power.

You get access to the real price of power, and we'll always tell you exactly who's charging you what.



+ new technologies = ...



Source: Honeywell, Apple



**Apple/Android
Smart Home Architecture**

vaasa ETT
Global Energy Think Tank



Building on an Energy Management Platform.

**A COMPANY THAT
FOCUSES ON THE ENERGY
OF THE FUTURE.**



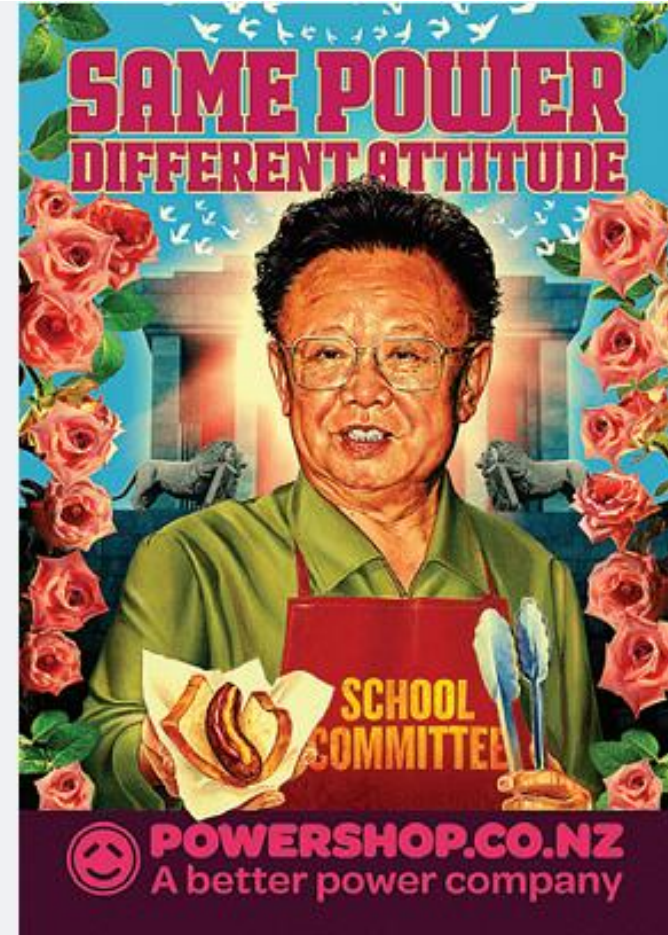
New Collaborative Platforms



It is possible to get people excited about energy.



Change for Good



**Switch to Co-operative Energy
and we'll make a £50 donation to***
women's aid
until women & children are safe

*£50 donation will be made for all customers signing up with Co-operative Energy either online or quoting "women's aid" by phone

The **co-operative** energy
Here for you for life

**Switch to Co-operative Energy
and we'll make a £50 donation to***



*£50 donation will be made for all customers signing up with Co-operative Energy either online or quoting "Teenage Cancer Trust" by phone

The **co-operative** energy
Here for you for life



**Switch to us and we'll
donate £25 to your
favourite sports trust***
Because we believe in playing
fair with your energy bills too

Visit: www.cooperativeenergy.coop/sports
Or call: 0800 093 7535 quoting "sports"

The **co-operative** energy
Here for you for life

Believe in something

Use the power of “Being Good”.

Use your *POWER* for GOOD!™

Switch to **Sponsor Energy** and
save money on your utility bills
while empowering a local charity

sign up now!





Winter proof your electricity



Winter Hedged electricity price

Creative Tariffs



OVO Communities, a new era of energy is here

Say hello to OVO Communities

A new era of energy is here – one that can benefit you, your family and your community





Energy provider with market leading value and service

Self-supply of locally produced energy



Everyone
can benefit from

- Using less & paying less
- Better service & greener energy
- Engaging locally



Smart controls and online service tools enabled by smart meters



Energy efficiency measures with ECO & Green Deal funding

You do

We do

- Register with OVO Communities
- Register brand and trademarks
- Set up a legal entity - as necessary



- Provide detailed info on possibilities
- Sign an agreement
- Provide you with a welcome pack

Step 1: Get started

- Decide on target customers



- Help model the economics & options

Step 2: Define community

- Decide where to buy your power
- Set your price point
- Decide on discount mechanisms



- Trade on your behalf
- Develop a pricing model
- Ensure offer complies with regulation

Step 3: Design your offer

- Define marketing channels
- Start marketing the offer



- Manage online registration process
- Register on OVO supply license
- Process - incl. industry settlements

Step 4: Sign up customers

- Regular reviews of performance
- Update and amend offer as necessary
- Engage with customer base



- Send statements and collect payments
- Provide on-going customer service
- Provide on-going operations

Step 5: Run energy company

Local-Generation Aggregation Retailing

Lampiris, an obvious choice



100% belgian

We support the local economy and keep Belgian jobs safe.



100% green

Lampiris is a green energy supplier working with 1,300 local producers.



100% human

As a business on a human scale, Lampiris is able to establish and build a relationship of trust with you.



100% transparent

Lampiris guarantees you a single energy rate, a clear contract and a transparent pricing policy.

There is nothing more expensive than volatility in your customer base

Bruno Vanderschueren, co-founder of Lampiris

Electrabel preferred to sell its own electricity and was not interested in buying solar power from its customers, so they offered bad prices

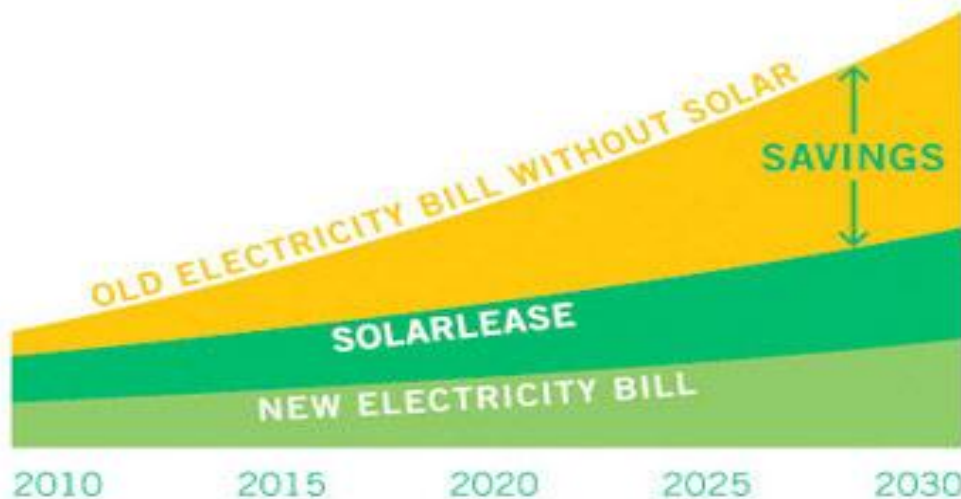
Bruno Vanderschueren, co-founder of Lampiris





Infinite Possibilities

...



No long-term contract, letting customers feel the freedom.

Loyalty through trust

Bring The Saving Home

Vector's residential rates make it easy for you to bring the savings home. Best of all, with no contract to sign, you're free to switch at any time.

[Check Out Our Residential Rates](#)





Home Our agreements and prices Customer Service My Page

If your utility company

Tipsa/dela  

Storuman Energy AB is a utility company that sells electricity to customers throughout Sweden. We are a relatively small supplier in the electricity market, which often highlighted by the media and consumer sites as an example of honesty, low electricity prices and maximum customer benefit.

The entire Swedish people's electricity supplier

Our mission is to offer **the right price of electricity** and sound advice to our clients. We produce no electricity and buys electricity on the power exchange and the package to our customers, which means we are equally delighted to low prices for our customers. We work hard to live up to our slogan "**The whole Swedish people electricity**".

We are always on the customer side. When Sweden's electricity prices are soaring, we have advocated that [all electricity should be utilized more effectively throughout the day](#) and this was approved.

Our customer service will always answer your questions and help you choose the electricity agreement that suits you best. Our customer service as well as Storuman Energy is located in the municipality of Storuman, Lapland, the part of Sweden where most of the electricity produced.

It feels good to create jobs in rural areas, which would be impossible without the trust we have with our customers.

You can reach me directly at 0951-266 50 or on the cell phone 070-554 66 58 or via email, ng.from@storumanenergi.se

Nils-Gunnar From
CEO



Energy Account - with better interest rate than the bank!

With the Energy Account, you get both great interest and the opportunity to plan ekonomin.

- 3.5% interest on your deposited money
- Smooth out your electricity bills over the year
- Utilize grace month
- Divide the payment of several months

Here you can download information about the Energy Account and registration form.

[Declaration statement >>](#)

[Brochure / form >>](#)

[Welcome to the Energy Account >>](#)

Back to basics !

Word of Mouth



Word of Mouth

Some companies are winning large proportions of their customers through Word of Mouth



Three cartoon children are jumping rope. On the left, a girl with red hair in a green dress. In the center, a boy with brown hair in a red shirt and blue shorts. On the right, a girl with blonde hair in a pink dress with a yellow skirt. They are all smiling and holding a grey rope that forms a loop around them.

**Relationships will
support smart
technologies, not the
other way around**

Obrigado

6th Conference Elecpor
Lisbon, 31 October 2014

Dr Philip Lewis