EnerPath™

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"Ya Want Fries with that CFL?"

Applying Cross-Selling to Energy Efficiency

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Cross-Selling **is the process of offering your customers more than one thing to expand the customer relationship.**

1. **Theory:** Understanding cross selling

2. **Results:** Real world examples

3. **Best Practices**: Tips for implementation

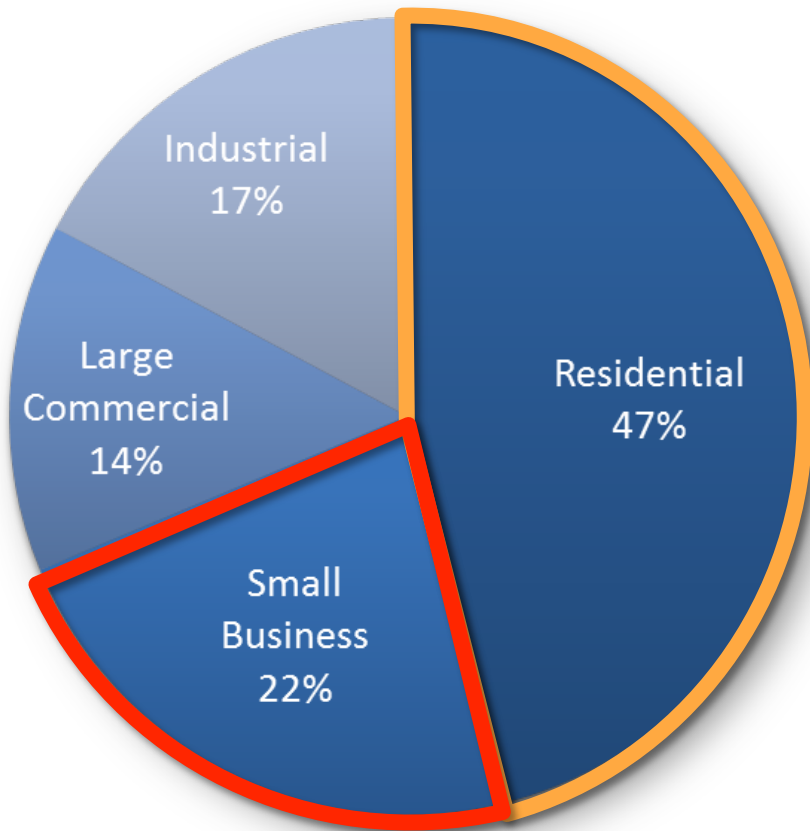1. **Theory:** Understanding cross selling

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Which segments are most responsive?

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US Retail Electricity Spend
(2010 $373 billion)

Industrial 17%

Large Commercial 14%

Small Business 22%

Residential 47%

- These techniques apply best to the mass-markets

- Typically mass markets have low participation rates and high market barriers to adoption

- Utilities will look in new places and try new offerings and outreach methods to reach goals

- Present results from EnerPath's SBDI programs

Who else does cross selling?

Cross-Selling

- Cross-Selling is the process of offering your customers more than one thing…
  - To deepen, broaden, and extend the customer relationship

- Different disciplines have different names…
  - Cross-selling; cross-marketing; positive spillover; upsell, tiered offerings, segmented offerings, etc…
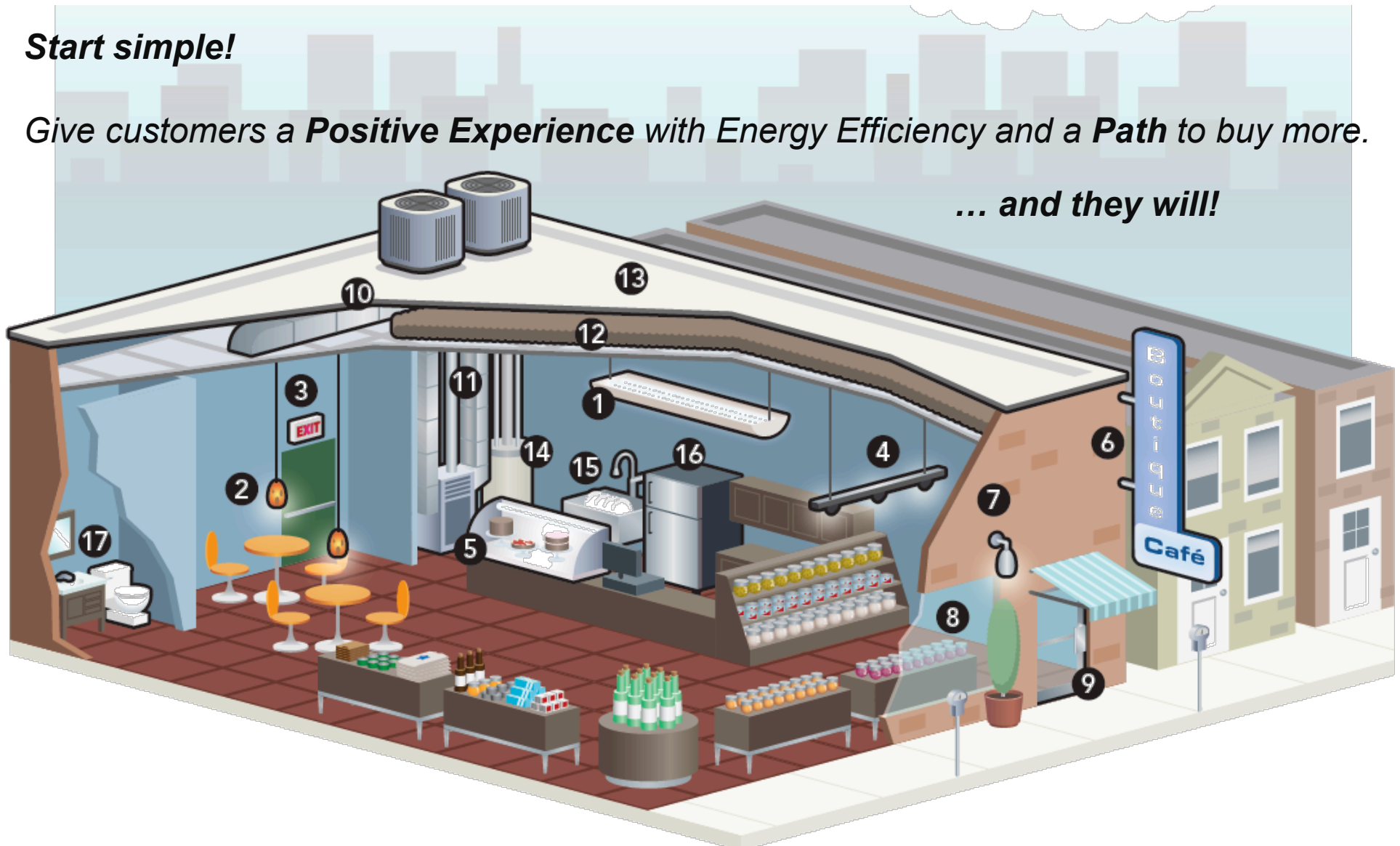
- Consumer fact: Not everybody wants the same thing.

Offer more than one thing… eventually

Start simple!

Give customers a **Positive Experience** with Energy Efficiency and a **Path** to buy more.

… and they will!
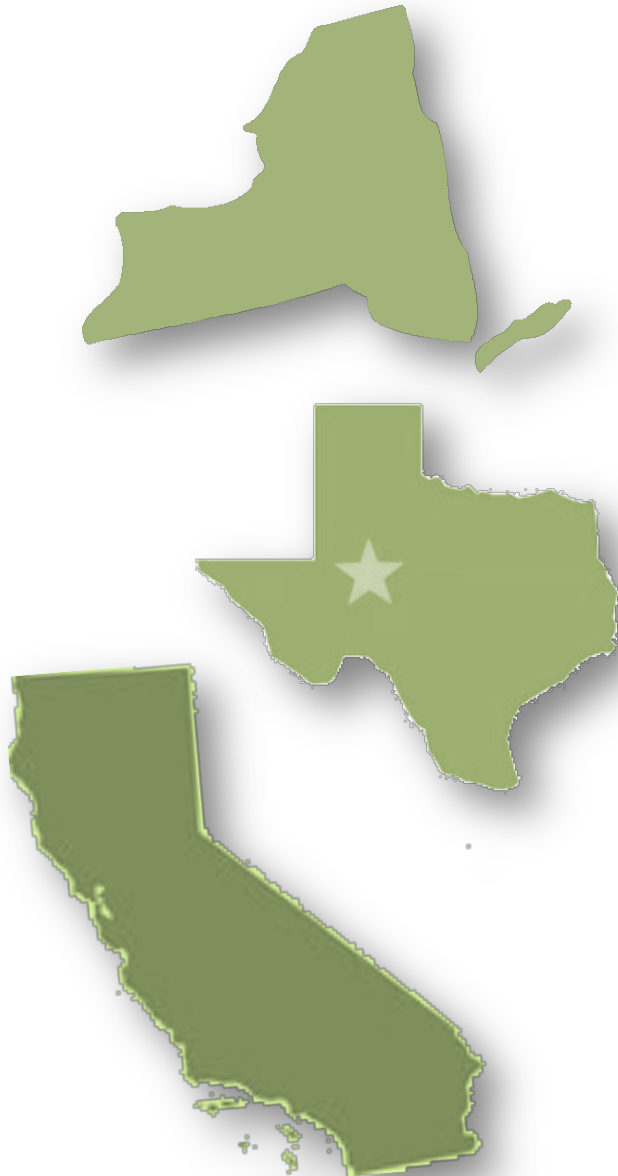
Dimensions of expansion

- Technologies (ECMs)
- Customer segments
- Different utilities or fuel types
- Payment and incentives
- Delivery channel
- Efficiency (kWh) versus Demand (kW) reduction

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Sources of data

- Utility-sponsored programs from 2008-Present in NY, TX, and CA

- >50,000 small business energy audits and retrofits

- 7,000 residential retrofits

- Prescriptive measures included lighting, thermostats, water, refrigeration, and HVAC tune-ups

- Adoption rates between 60-90%

- Utility incentives 50% - 100%

- Tablet-based software platform for audits, customer engagement, reporting, prospecting, and data analysis

Examples of successful cross-selling

- SBDI Program in Texas found 91% of customers interested in residential EE programs

- Appliance recycling program in California, in one year, found 50,000 of the total 153,000 participants wanted to participate in residential DR Thermostat Program

- SBDI Program in New York identified of 250 customers interested in large-commercial and multi-family programs

- Residential DI Program in Palm Desert CA where 5,500 homes enrolled in simple DI measures ($6M of Utility Funds)
  - ~1,000 bought EE Pool Pumps ($650 Customer Funds)
  - ~300 did deep efficiency/renewables ($7.4 Customer Loans) (>30:1 leverage)
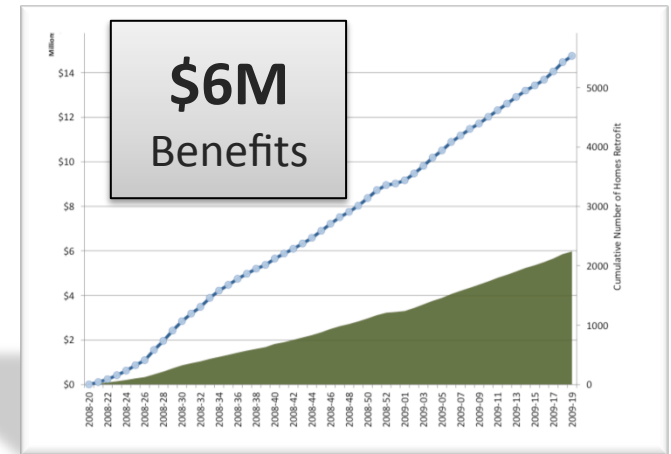 - $6M of utility investment resulted in $14 of benefits
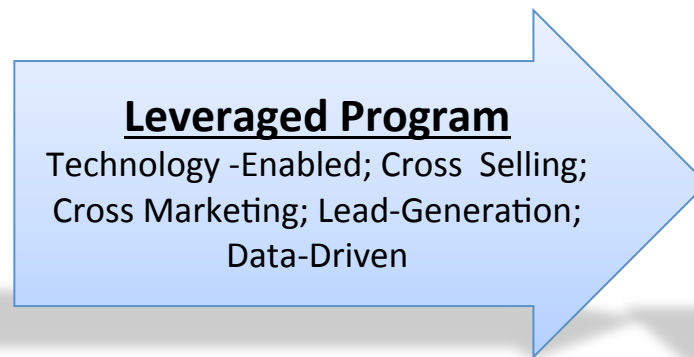
Cross-selling leverages your budget

Utility Spends
$6M
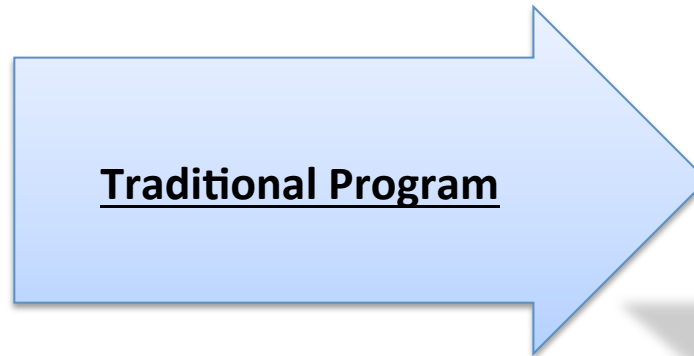
Traditional Program
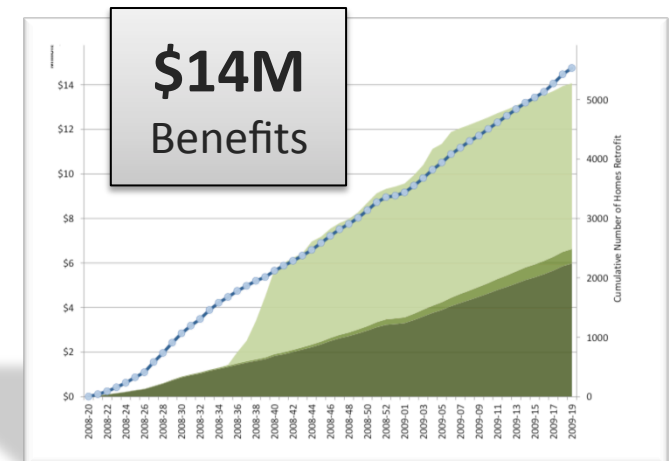
$6M
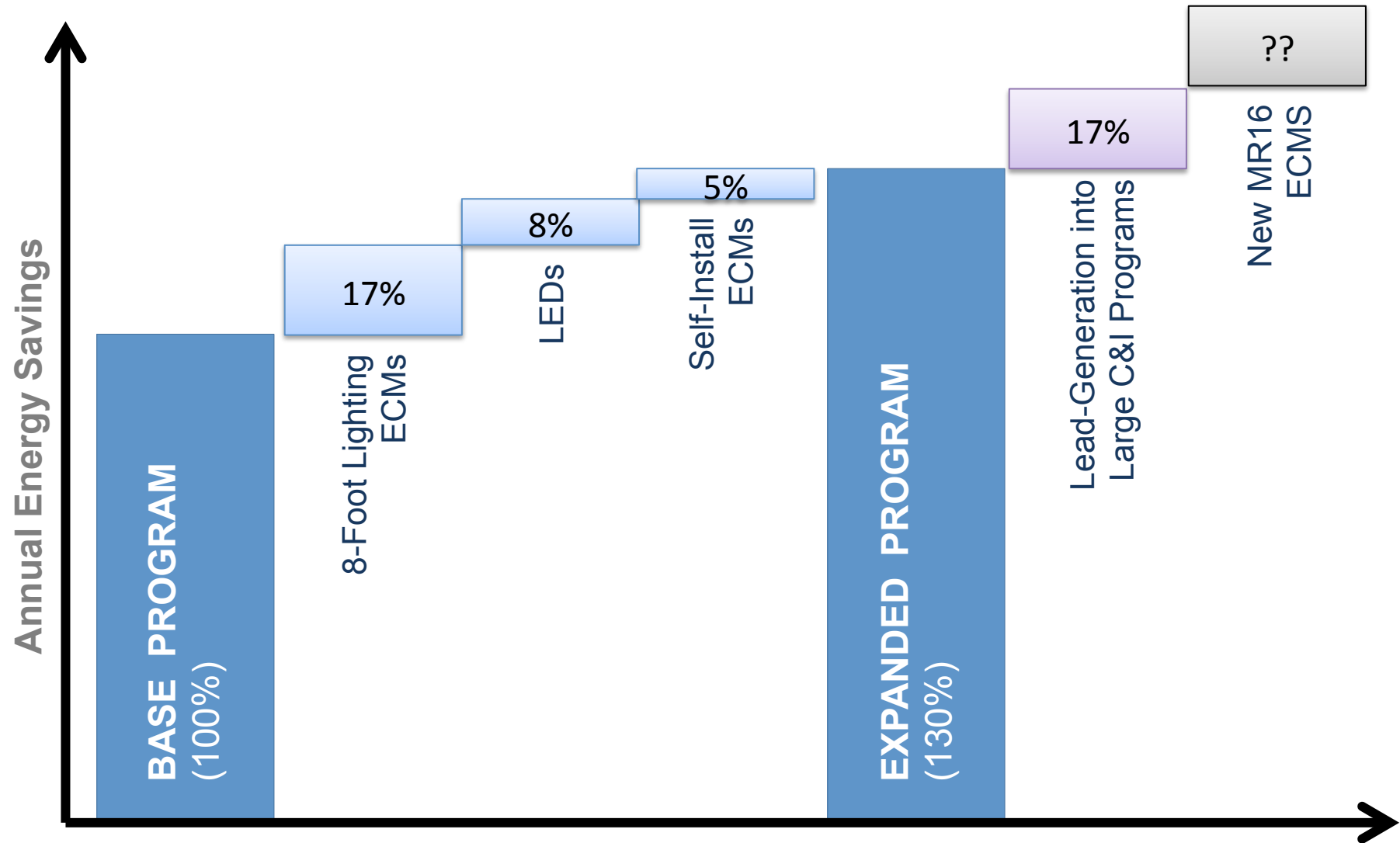Benefits

Utility Spends
$6M

Leveraged Program
Technology -Enabled; Cross Selling;
Cross Marketing; Lead-Generation;
Data-Driven

$14M
Benefits

Program-level expansion

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Considerations when trying this at home

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- Organizational alignment
  - Programs, segments and technologies have separate budgets
  - Coordinating multiple vendors and funding cycles
  - Regulatory structure requires pre-approval for program changes
  - Metrics that reward cross-selling

- Deep customer knowledge
  - Understand customer segmentation
  - Make it easy for the customer to say "yes"
  - Sales force trained in multi-tiered offerings and cross selling

- Data-Driven processes and infrastructure
  - Prospecting and CRM
  - Simple customer engagement
  - Tracking budgets and lifecycle of customer behavior across multiple programs

Redlands, CA
Cambridge, MA
Rochester, NY

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