

Utility Coach

Σxperience. Σxcellence. Σminence.

Managing your
customer ecosystem
in a digitalised world

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JULY 2018 POWER-GEN & DISTRIBUTECH AFRICA

Agenda

The purpose of the presentation is to address 2 questions:

1

How does digitalisation change the relationship between customers and utilities?

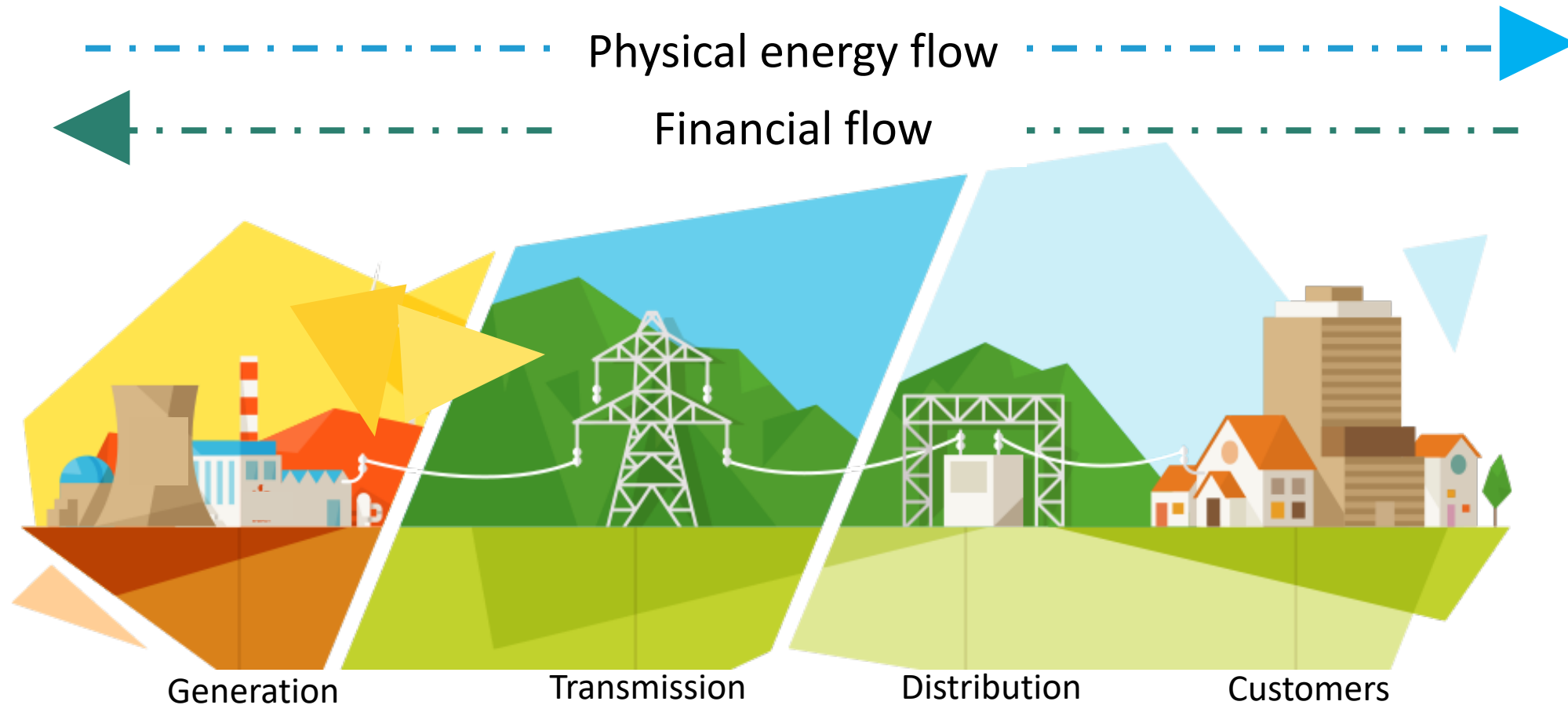
2

How can a utility ensure that profitable customers stay loyal ?

Singing from the same hymn book

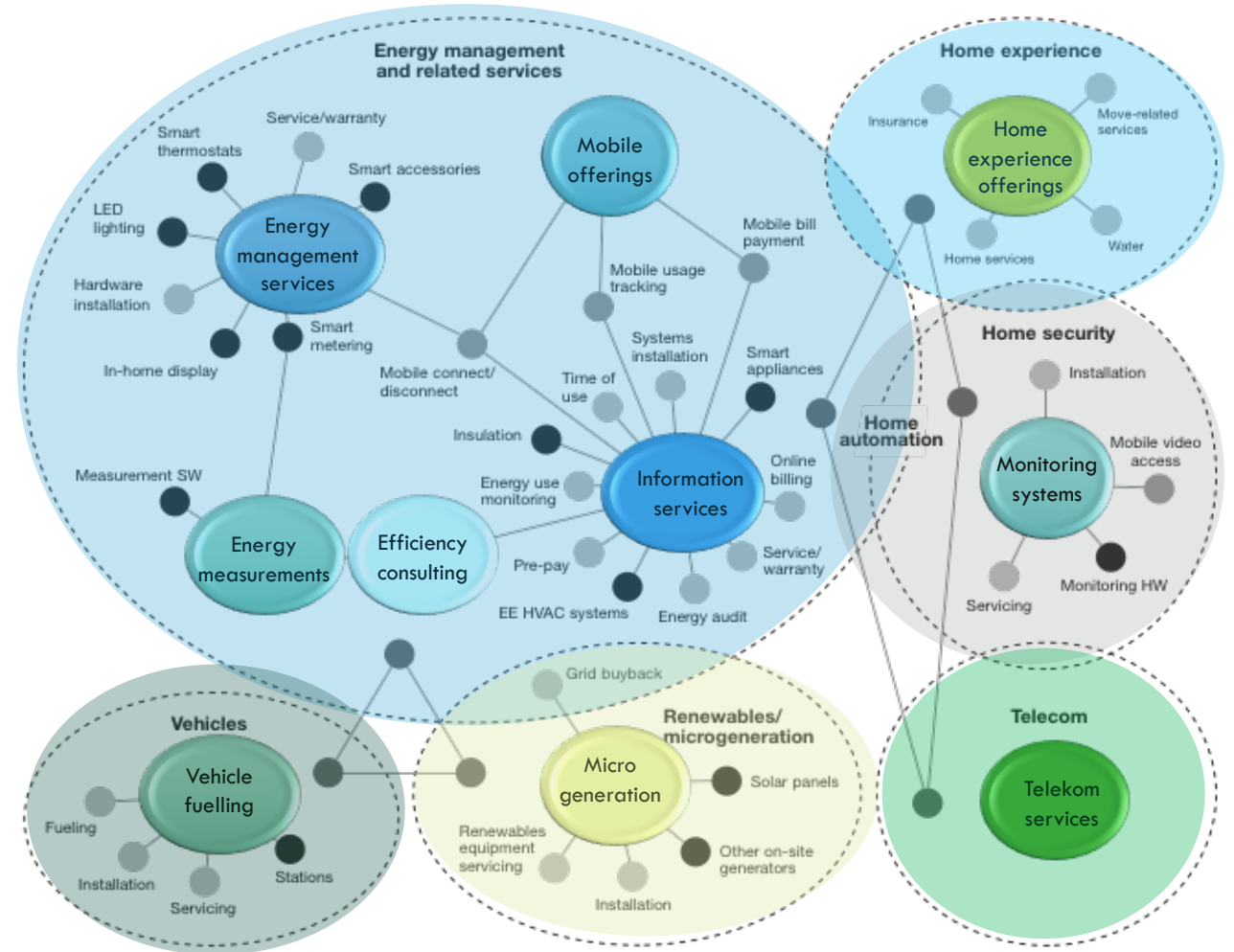
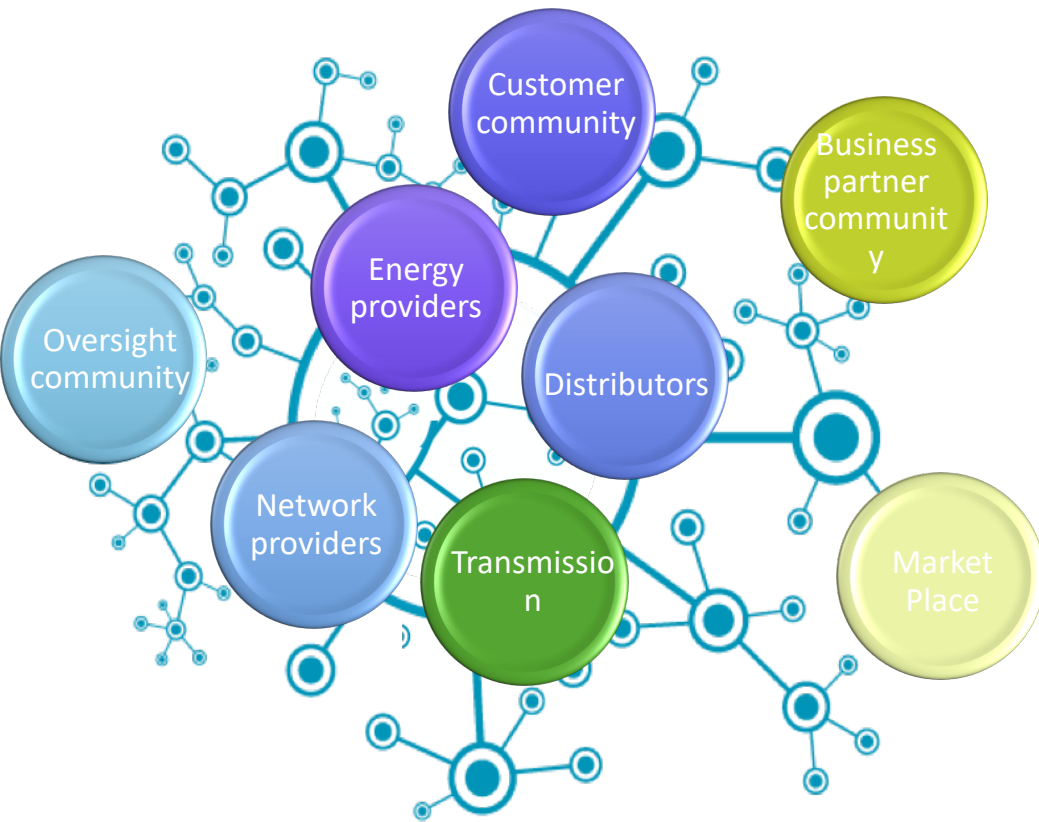
- **Digital** is a signal transmission that conveys information through a series of coded pulses representing 1s and 0s (binary code)
- **Digitisation** refers to the process of changing from analogue to digital form
- **Digitalisation** is the use of digital technologies to change a business model and provide new revenue and value-producing opportunities; it is the process of moving to a digital business

Moving from a linear business organisation.....



Picture source: EDF energy

..... to a non-linear business ecosystem and blurred industry boundaries through digitalisation



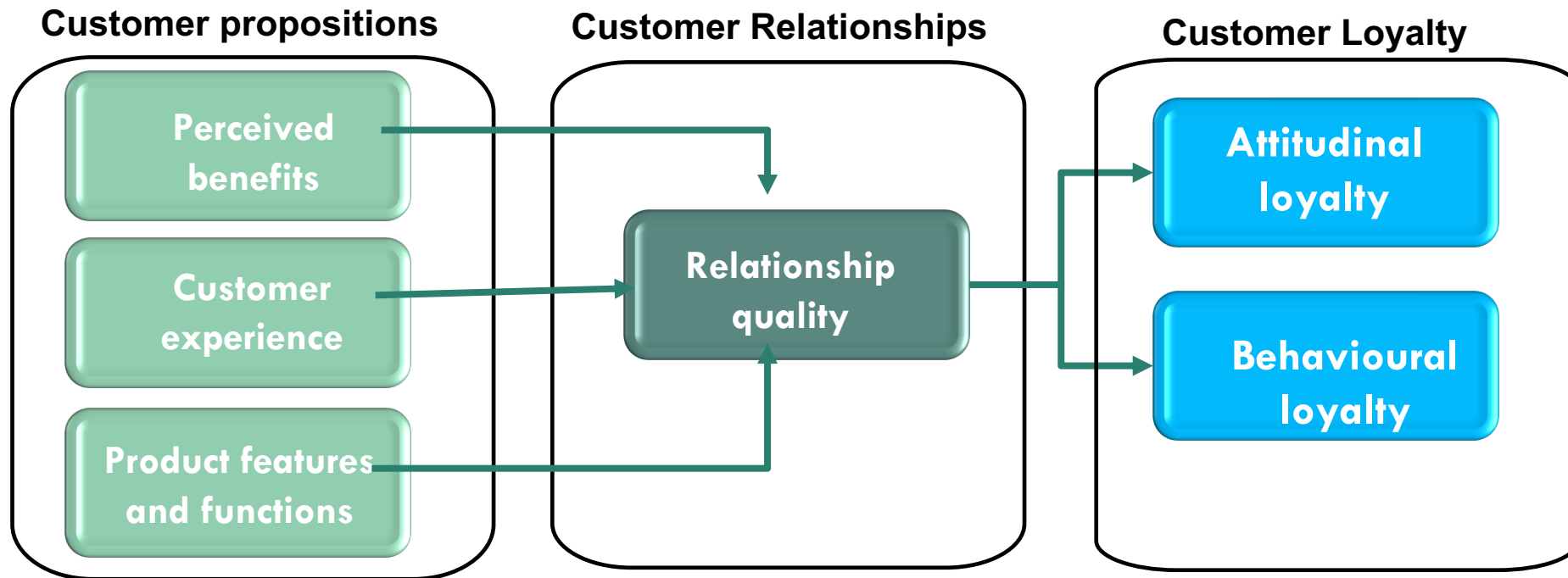
The rise of business ecosystems combined with evolving customer expectations are changing the interaction between utilities and their customers



A powershift occurred that demands better customer engagement and relationships

The main purpose of managing the customer ecosystem is to prevent grid defection and grow revenue

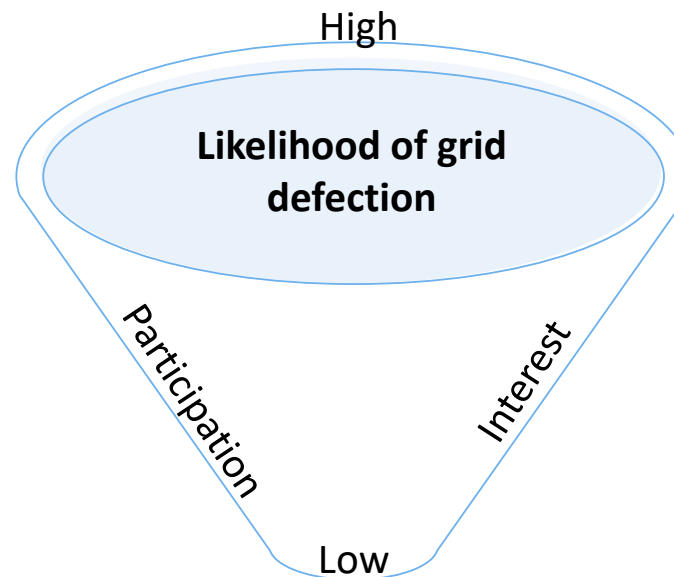
- Organisations understand that their most loyal customers are also the most profitable and that loyalty is determined by the quality of the relationship



Customer engagement is woven into the customer propositions, relationship and loyalty

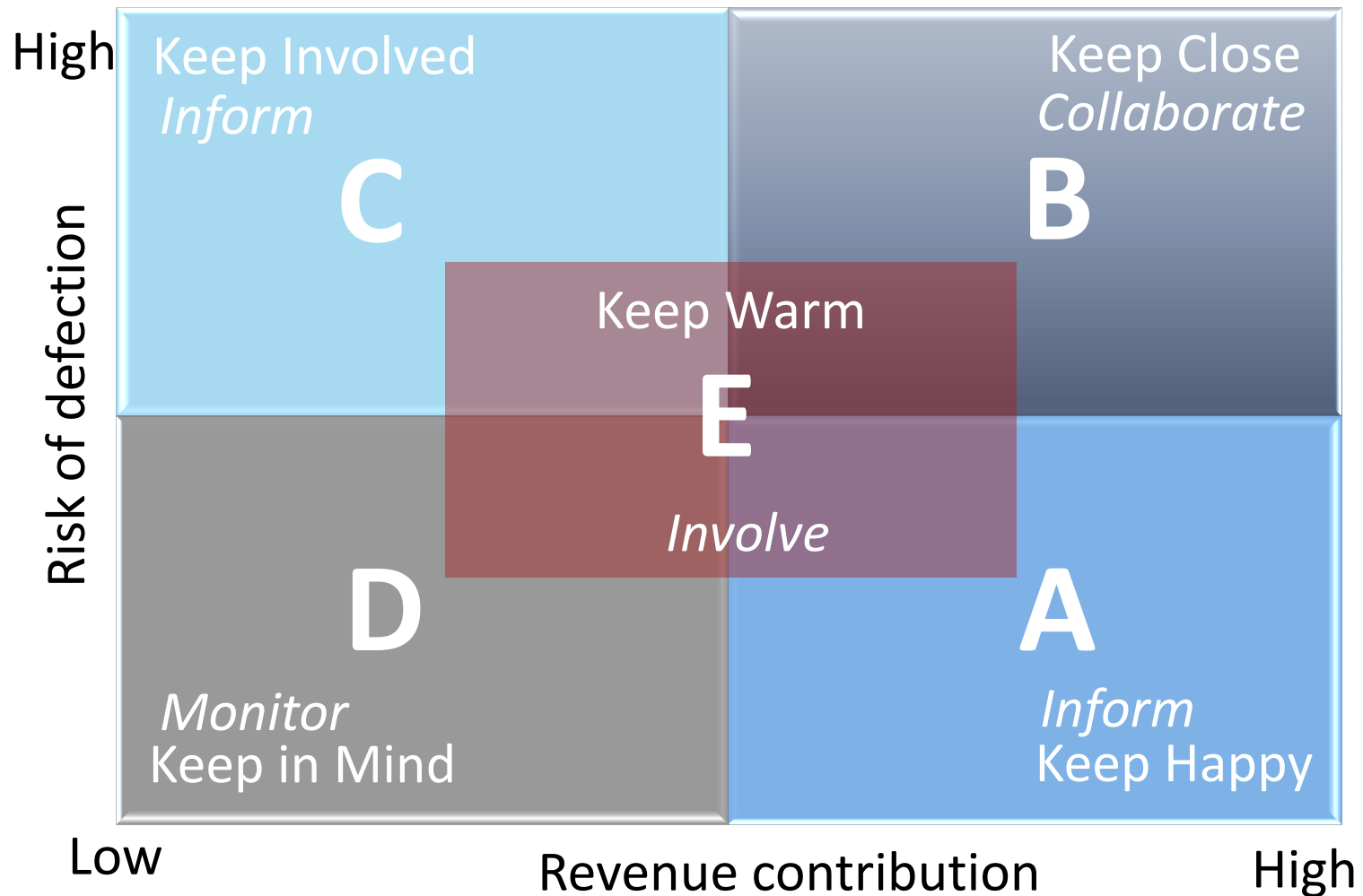
Utilities need to engage differently with different customer segments

- The customer base is categorised according to this **risk of defection** and **contribution to revenue** for engagement strategy purposes.
- The likelihood of defecting from the grid depends on two main factors: *Interest* and *participation* in energy affairs. The higher the interest and participation in energy affairs by the customer the higher the likelihood for defection.



The passive customers are the most valuable to the utility and must be protected.

The utility engagement strategy is modified for each customer category



Towards a customer centric utility

- The traditional engineering and product-based culture of utilities is being challenged by the demand for a customer-centric mindset induced by customer interaction through digitisation

1. Product development
2. Sell products
3. Market share
4. Traditional media
5. Transactional
6. In-side out approach
7. Product line structure



1. Experience development
2. Serve customers
3. Customer Life time value
4. New Media
5. Relationships/loyalty
6. Outside-in approach
7. Customer segment structure

A customer value proposition underpins a customer centric orientation

In conclusion

- Digitalisation unlocks the business ecosystem
- Through digitalisation customers have become always addressable, interconnected and empowered
- Within this interactive, dynamic ecosystem, customer engagement is regarded as a strategic imperative for improving relationships and loyalty
- Customer centricity will prevent grid defection and improve revenue growth to ensure utility sustainability

Thank you

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