



# How to Use Customer Intelligence to Boost Low-Income Program Engagement

Low Income Energy Issues Forum  
Data Analytics and Customer Segmentation Series  
August 24, 2021 – [Recording Link](#)



# Summary

*The Low Income Energy Issues Forum adopted a challenge in 2013:*

***Propose innovative and integrated policies and approaches that help close the widening gap between what vulnerable energy consumers can pay and their current utility bills.***

*We are a unique group of 400 professionals focused on energy affordability. We come from utilities, regulatory agencies, consumer and research organizations, and software and analytical companies.*

## Customer Segmentation and Data Analytics

Utility applications of customer segmentation and data analytics are numerous and varied. Utilities analyze data to find hard-to-reach groups and determine communication strategies and messages. Segmentation can enhance enrollment in assistance programs or energy efficiency programs. They use segmentation to improve payments and collections.

DEFG reviewed approaches to segmentation to identify real-world applications and practitioners with successful segmentation and analytic techniques. This is one in a series of webinars to present segmentation applications in North America.

# Series on Customer Segmentation and Data Analytics

Date	Presenters	Title
July 27	<ul style="list-style-type: none"> <li>Shawn Bodmann, DNV</li> <li>Riley Hastings, Eversource</li> <li>Meghan O'Connor, Eversource</li> </ul>	“Eversource Customer Segmentation: Achieving Efficiency Program Targets”
August 24	<ul style="list-style-type: none"> <li>Tomer Borenstein, BlastPoint</li> <li>Katie Scholl, Duquesne Light Co.</li> </ul>	“How to Use Customer Intelligence to Boost Low-Income Program Engagement”

*These webinars—focusing on EE and customer engagement—are a starting point. Additional webinars will be added to this series based on recommendations and further investigation.*

# Today's Presentation

- Segmentation Overview (DEFG)
- “How to Use Customer Intelligence to Boost Low-Income Program Engagement” (BlastPoint and Duquesne Light Company)
- Next Steps (DEFG)

# The Segmentation Challenge

*Improve Engagement with Low-Income  
and At-Risk Customers and Communities*

Segmentation is important for efficient and effective communications, effective enrollment and program delivery, in collections and revenue recovery, and in customer self-selection of online service offerings

Source: For more information about this challenge and the next five slides, request a copy of the presentation and recording link: DEFG, "Limited Income Household Demographics and Review of Customer Segmentation," Low Income Energy Issues Forum, October 8, 2020.

# Current Practice: How Do We Define Segments?

## Demographics

- U.S. Census Data (age, gender, income, family size, etc.)
- Geography / Zip codes

## Top-Down Definitions

- State utility regulator decisions; precedents; agreements
- Federal government (required income qualification)

## Payment History

- Customer payment history (utility records)
- Credit ratings agencies provide data about individuals

## Local Experience

- Community action partners, local agencies, community-based organizations, and local governments understand local needs

## Customer Experience

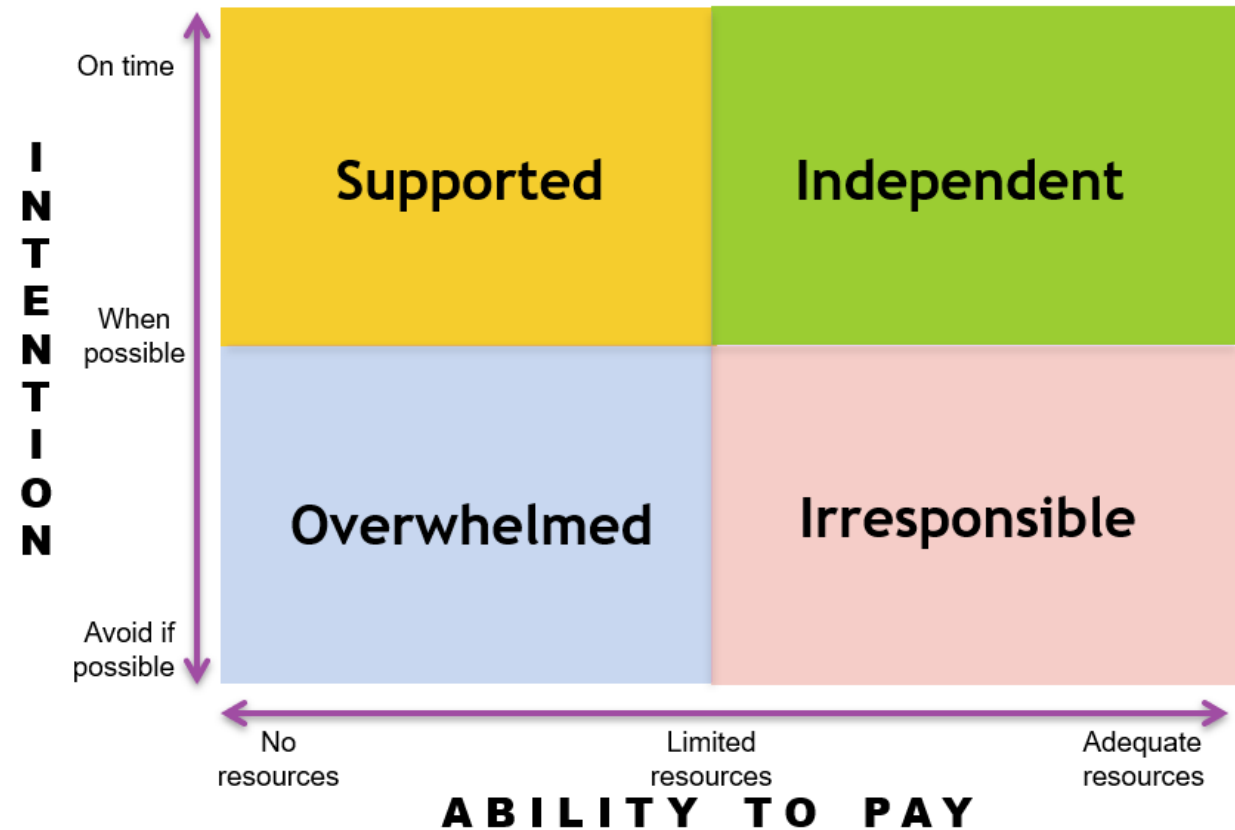
- Whether a customer has ever enrolled changes the experience
- Is the customer “in the system”; are there other hesitations?

# Customers Who Struggle to Pay

- 2015 workshop: “ability to pay” contrasted with “intention to pay”
- Formalized in 2016 report
- Quadrants are a convenient way to discuss the types of customers who struggle to pay

*Segmentation creates groups with homogeneous characteristics that are large enough to justify a marketing strategy. Segments are identifiable, measurable, accessible, and they facilitate action.*

Quadrants: Ability to Pay vs. Intention to Pay



Source: Schwartz, J. “Lessons from Other Industries: Framework Review,” Low Income Energy Issues Forum, February 17, 2016.



# Customer Experience

Customers who struggle to pay are best understood through distinct subgroups. Subgroups are often best defined according to the specific problem to be solved.

Navigating the system for the first time

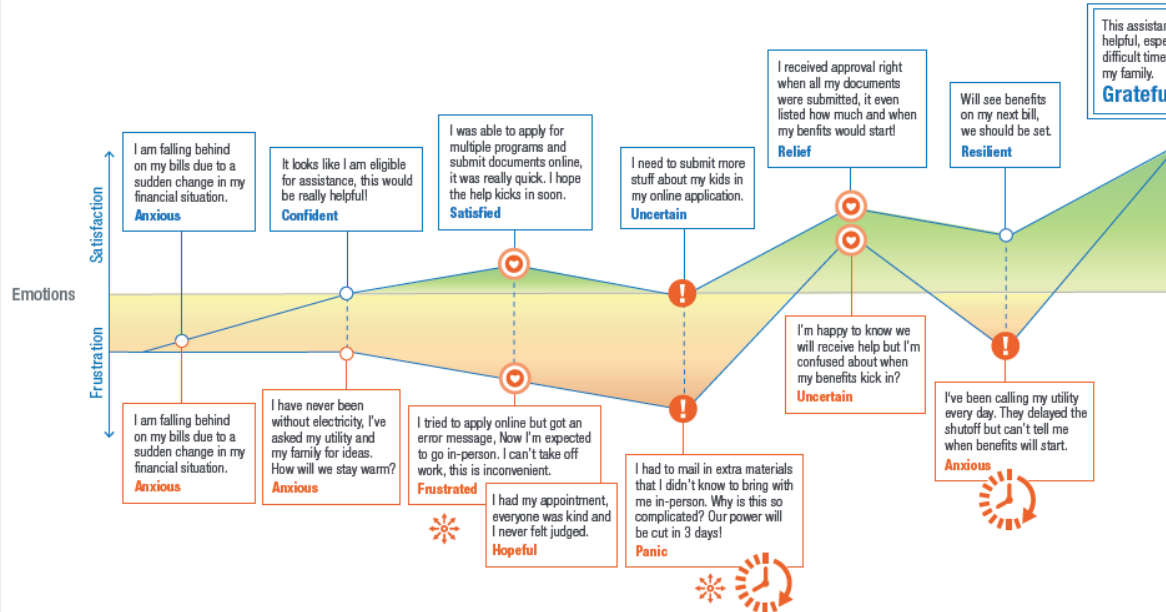
## The Inexperienced Low-Income Energy Assistance Applicants

“How am I going to get the money to pay this? When you get a shut off notice or anything that type of nature, the first thing in your mind is like, oh my God, what am I going to do?”

### ABOUT THIS PERSONA

- Usage History** First time program user. May have been eligible at an earlier date, but was unaware that they qualified.
- Triggering Event** Loss of income, illness, death puts an unexpected strain on finances. Some first time applicants may have been eligible for many years and were unaware that they qualified for the program.
- Key Insights** Struggles with the application process and has confusion about all of the documents required to obtain approval. Does little research and learns as-they-go.

Phases	Finding Help		Going Through the Process		Gaining Access		Program
Steps	Triggering Event	Becoming Aware	Application	Waiting for approval	Approval	Waiting for benefits to start	Receiving



Working through the process every year

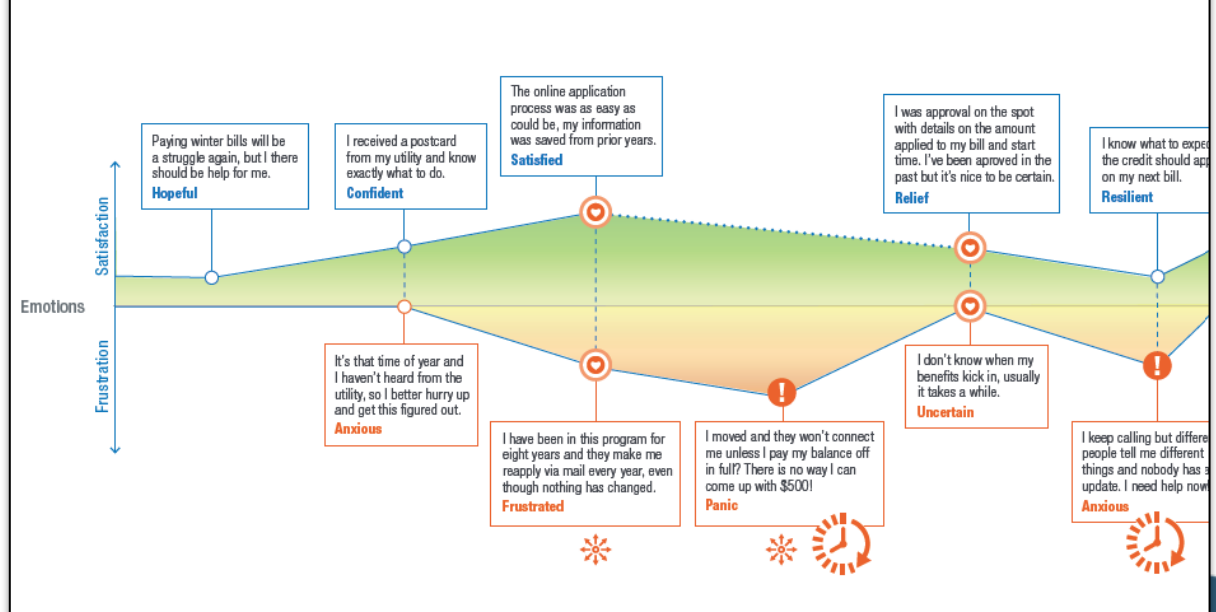
## The Experienced Low-Income Energy Assistance Applicants

“It's just like applying for a loan at the bank, you walk in, you go through the interview and you give them the information. In my case because I've done it for so many years, I'm used to it.”

### ABOUT THIS PERSONA

- Usage History** Has been using public assistance programs such as this for 10+ years.
- Triggering Event** Originally had a triggering event many years ago (retirement, loss of income, illness) and has not been able to fully rebound.
- Key Insights** Is organized and pro-active with the application and payment processes, and has learned how to avoid having the energy shut-off when funds are especially low.

Phases	Finding Help		Going Through the Process		Gaining Access	
Steps	Need / Event	Becoming Aware	Application	Waiting for approval	Approval	Waiting for benefits to

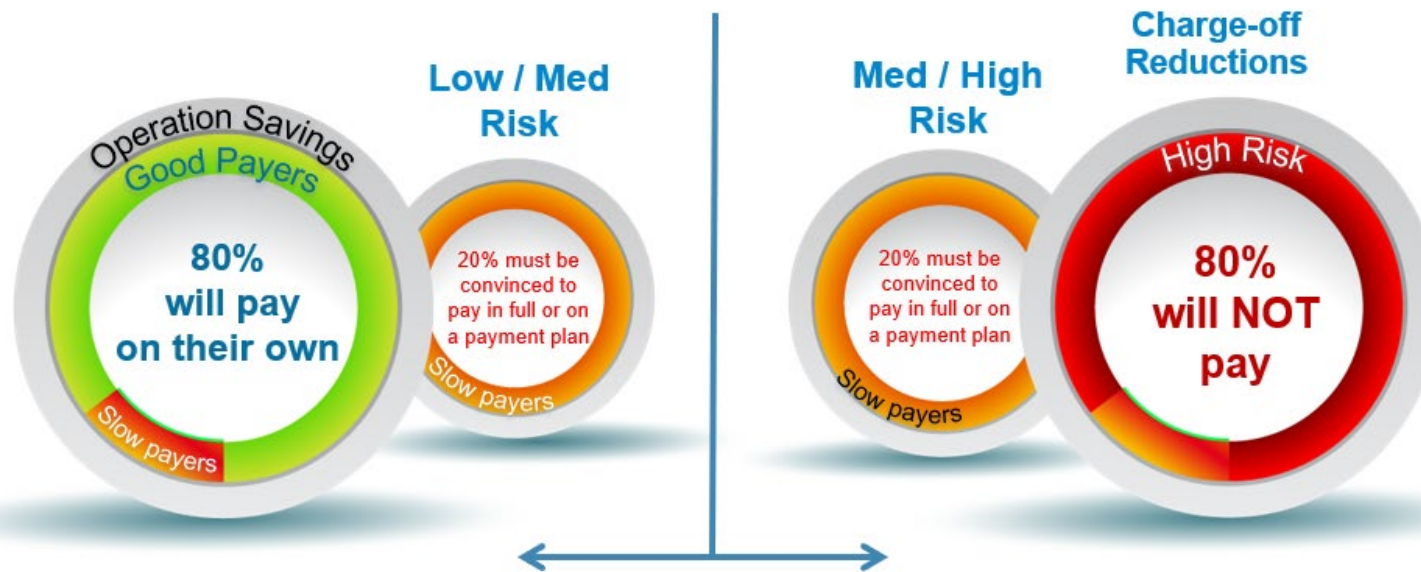


Source: DEFG's "UCRC Low Income Energy Assistance Customer Experience Research Project" (2019). Customer journey maps prepared by Heart of the Customer.



# Collection Risk

The fundamental challenge in collections is “which customers and which treatment?” Mazume Solutions recommends a combination of internal and external data, behavioral information, and demographic data to create segments



*Utilities are collecting more data, better integrating their systems, and conducting more advanced analytics. Utilities are at different stages of this process.*

**Segmentation avoids a “one size fits all” treatment approach**

Source: Bruno Mariejeanne, "Low Income Customer Risk and Segmentation," Mazume Solutions presentation to the Low Income Energy Issues Forum, June 7-8, 2017.

# “Thinking / Value Type”

## “Navy” – Absolutistic Cynic



“I would need to really believe that it was the right thing to do.”

## “Copper” – Individualistic Cynic



“I would need to see how it makes good financial sense.”

## “Jade” – Humanistic Cynic



“I would need to be inspired by being part of a large community-wide effort.”

## “Gold” – Systems Cynic



“I have already installed CFL’s in most of my fixtures.”

***What motivates people to change their light bulbs?***

*“Worldviews” reflect deep values and motivations. Attitudes and behaviors may align people into groups that differ from the usual segments.*

Source: John Marshall Roberts. ©2011 Worldview Thinking, Inc. All rights reserved. Appeared in Nat Treadway, New Behavioral Approaches to Conservation," presented to The Consultative Group for Biological Diversity Webinar Series, Integrating Social Science into Conservation, November 13, 2012.

# How to Use Customer Intelligence to Boost Low-Income Program Engagement



Presented by:



and





Superpower Your Customer Intelligence

Trusted by...







It is notoriously difficult to engage with lower-income customers



This was important before the pandemic but became **EVEN MORE** critical during the pandemic and in the immediate aftermath.



Utilities want to enroll relevant lower-income customers in energy assistance programs



A small number of customers have high unpaid balances and are at risk of termination and write off.



EA programs can offer grants to help pay arrearages, offer discounts, or arrange forgiveness.



When they don't use EA programs, it hurts the utility's bottom line and forces others to foot the bill.

Utilities want to optimize their collections processes.

- Write-offs can be 2-3% of operating revenue.
- Need to automate proactive collections processes, to aim resources on bottlenecks like truck rolls.



Customer Intelligence helps utilities engage lower-income customers in a smart way



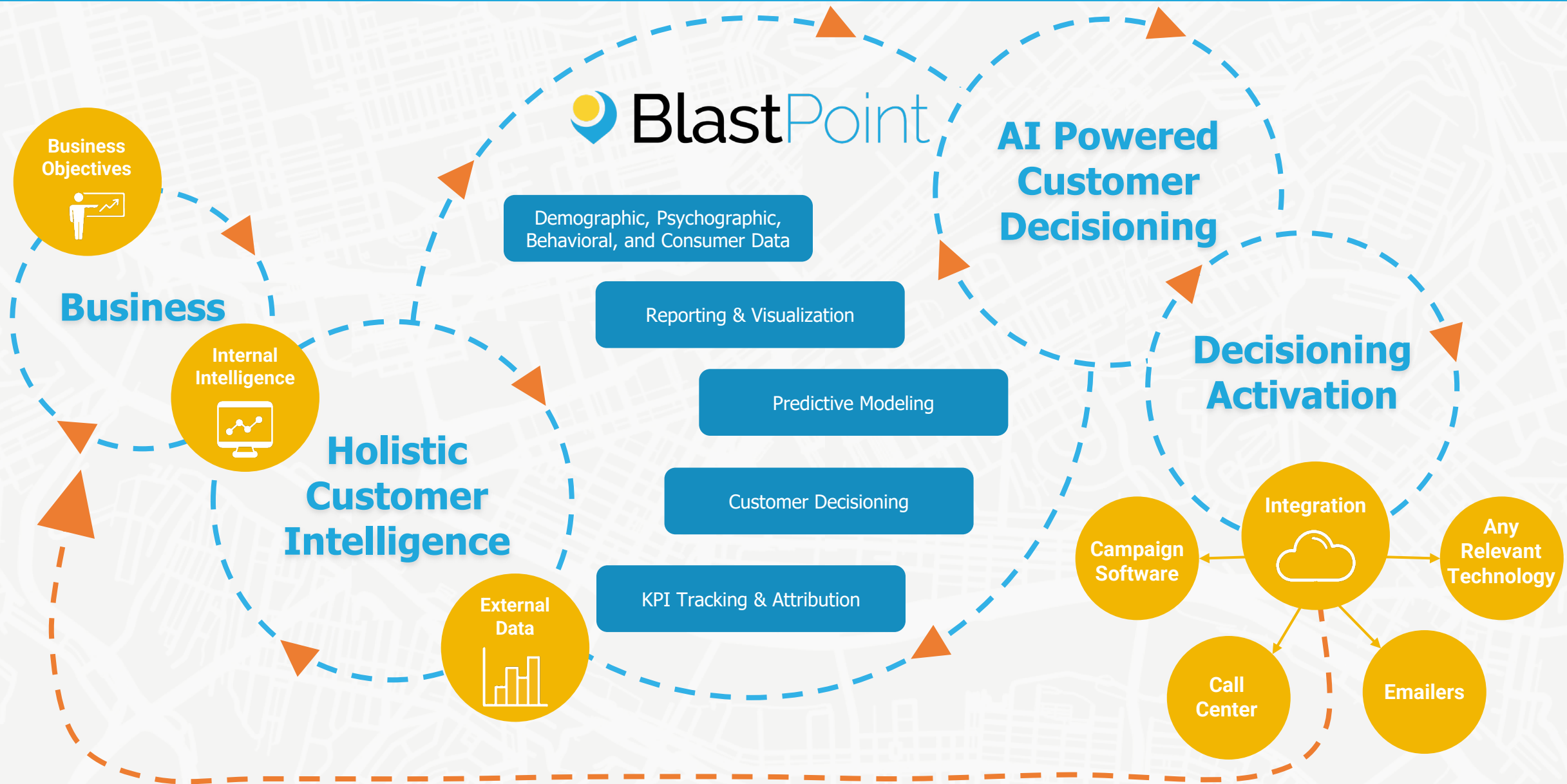
BlastPoint's customer intelligence sifts through a vast mixture of your internal data and high-quality external data, to pinpoint specific characteristics that determine which individual customers have a high propensity to enroll in a program – and which don't.



It then separates these individuals into distinct personas that each have their demographic make-up, lived experiences, channel preferences, and messaging receptivity.



This enables utilities, and other organizations, to target specific groups of customers in specific ways to achieve benchmarks and goals.





Every customer base is different, but at a high level, lower-income customers have several things in common.

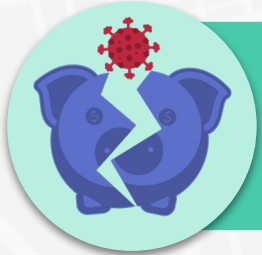


Customer Intelligence turns this into actionable information.

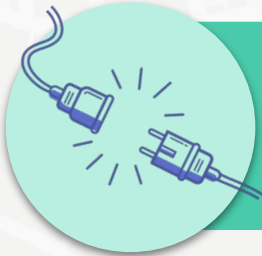
# Case Study: DLC Increases Enrollment in EA Programs



Objective: DLC needed to enroll more customers in CAP, LIHEAP, and Payment Assistance programs



A relatively small number of lower-income customers faced ballooning debts because of the Pandemic.



DLC wanted to avoid shutting peoples' power off and receive the money it was owed.



DLC needed to understand pain points and channel preferences of lower-income customers to effectively reach out to them about bill-pay options.



Lots of aid is available. The challenge is getting customers to take advantage of it.



Customer intelligence identified the traits lower-income customers shared - and those that differentiated them.

**Certain factors make all the identified personas a good match for CAP**



Bills at Least  
90 Days Late



Action Orientation



Total Balance



Delinquency



Income



Underbanked

**Distinct factors appear that differentiate one persona from another**



Home Ownership vs.  
Renting



Marital status



Use of Social  
Networking Sites



Delinquency



Same-day Service  
Reconnection



Newspaper consumption

Customer intelligence helped DLC understand four personas of customers with a high propensity for CAP

## Treading Water



- Married
- Homeowner
- Age 45 - 64
- Household Income: \$50K
- Latest Total Balance: \$870
- Propensity Score: 72%  
(High)

## Better Days



- Single
- Homeowner
- Age 55 - 64; 75+
- Household Income: \$49K
- Latest Total Balance: \$188
- Propensity Score: 53%  
(Moderate)

## Task Masters



- Single
- Homeowner
- Age: 25 - 34
- Household Income: \$35K
- Latest Total Balance: \$75
- Propensity Score: 59%  
(Moderate)

## The Forgotten



- Single
- Renter
- Age 25 - 44
- Household Income: \$29K
- Latest Total Balance: \$531
- Propensity Score: 84%  
(High)

Highest  
Propensity for  
CAP

*LIHEAP and Payment Assistance Personas were different than those for CAP, and this enabled DLC to target each group of customers in a distinct way with distinct messaging to boost engagement.*

Each persona has a different set of circumstances and is most likely to respond to different messaging



## **Treading Water – Too many priorities**

Plays a monthly shell game to spread a decent income out over mounting debt and other obligations until, eventually, they come up short and have to make payment arrangements or borrow money to have their utilities turned back on.

## **Better Days – Nostalgic for simpler times**

Budget conscious, which makes them good candidates for enrolling in CAP. Their desire to save may also drive their environmental conservation activities, like opting to turn the porch light off overnight and not watering their lawns.



## **Task Masters – Desperate to maintain normalcy**

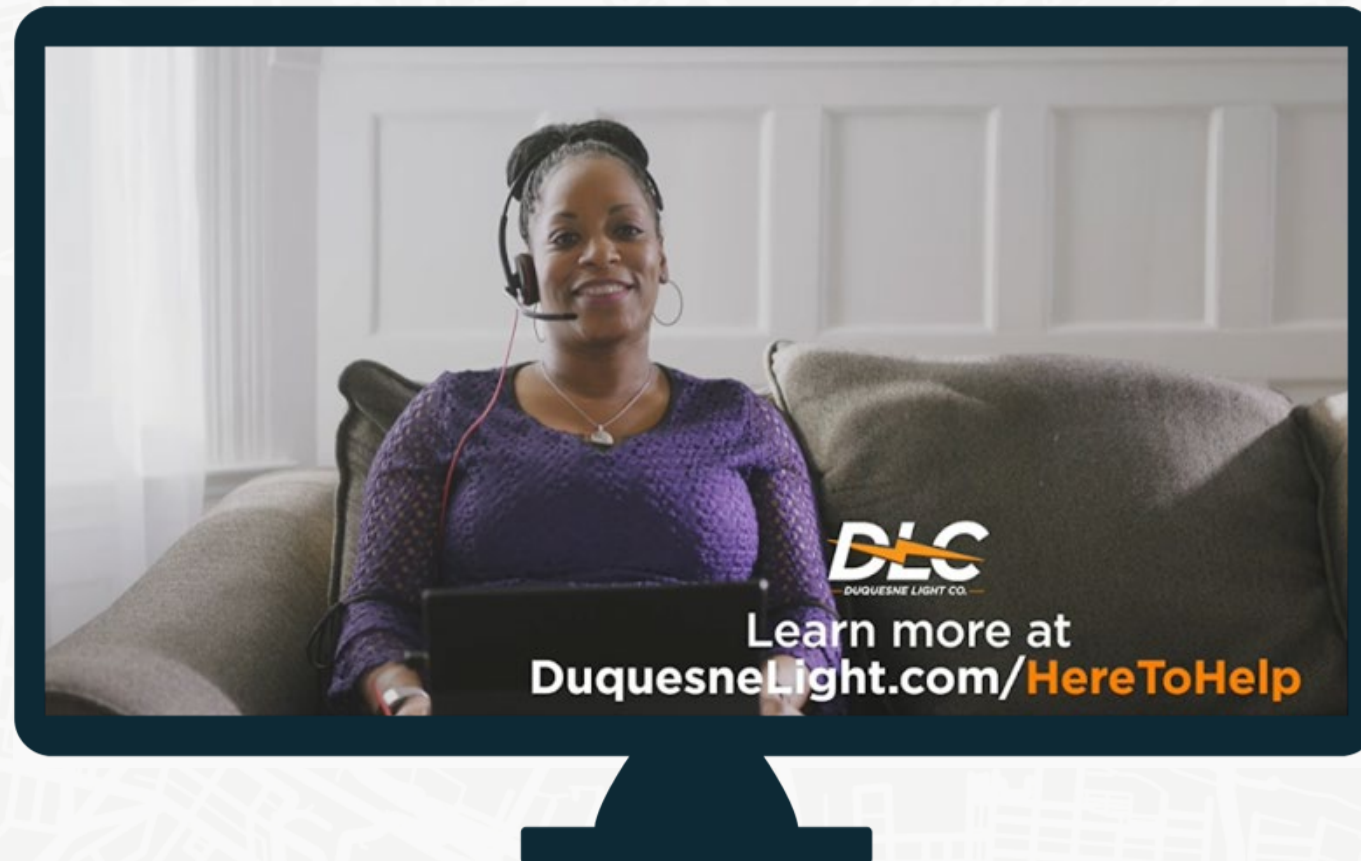
Highly organized, detail oriented, and typically on top of things – especially at work. At home, however their worries and emotions seem to come to the forefront, resulting in some irresponsible spending that may impact their ability to make ends meet.

## **The Forgotten – Marginalized, and always last in line**

They've been on CAP and LIHEAP before and show high enrollment in Budget Billing. But maintaining good standing in these programs has proved to be a challenge, and barriers to re-enrollment persist.



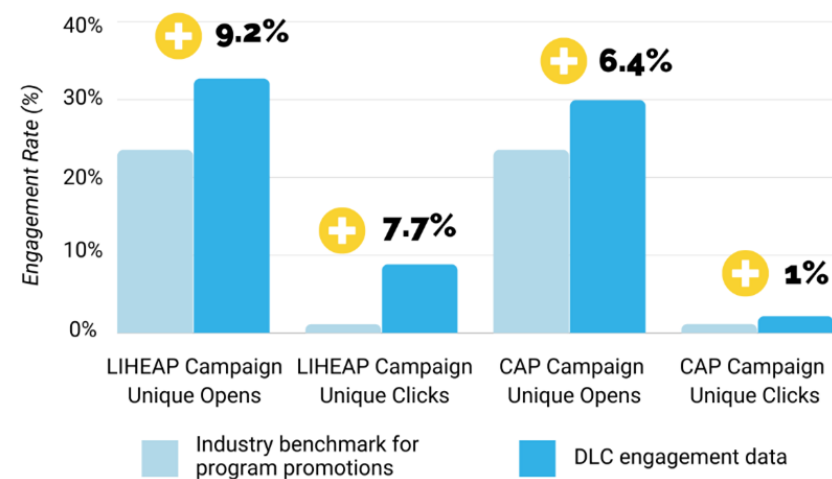
DLC utilized intelligence about lower-income customer channel preferences to air impactful daytime TV ads.



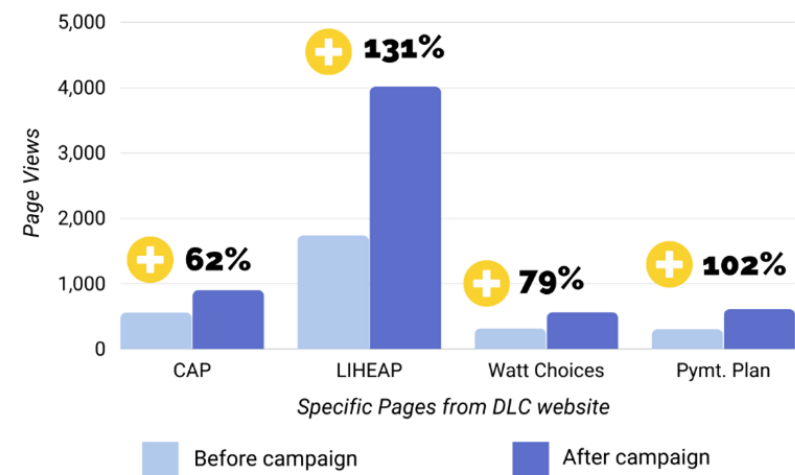


Determining which intelligence is actionable AND using it to achieve results. BlastPoint helped DLC drive a dramatic increase in engagement with these programs

Unique email open & click rates surpass industry benchmarks by as much as 9.2%



Assistance webpage engagement more than doubled over the previous period



To be most effective, non-technical people must be able to use the intelligence to solve business problems.





Every customer base is different – and every utility has a different level of customer intelligence maturity. DLC began with personas to target messaging – the intelligence will now help optimize collections.



**BlastPoint helps you discover the humans in your data  
and superpower your Customer Intelligence**

# Thank you!

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Director, Billing and Revenue  
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# Next Steps for LIEIF Members

- You will receive this presentation and access to the recording within 24 hours
- Upcoming events:
  - Webinar: “Low Income Customer Survey” Thurs., Sept. 2, at 4:00 p.m. EDT
    - Survey of customers earning <\$50K conducted in mid-August. We will also discuss the drafting of questions for the annual customer survey
  - LIEIF member-driven survey in September/October
  - Workshop: Tues.-Wed., Dec. 7-8, 2021, at the NCAA facility in Indianapolis, Indiana, co-hosted with Citizens Energy Group.
    - Brochure to be distributed soon!



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*DEFG is a customer insights and advisory firm in the utility space. Through collaborative research, data analysis and peer-to-peer networking, we help our clients achieve ways to better serve their customers.*